
2019 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **2:00 PM**
Richmond, VA Time On **March 14, 2019**

Tax Exempt Bonds

Applications should be received at VHDA at least one month before the bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds are *issued* (if bonds are not issued by VHDA)



Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2019 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

An electronic copy of your completed application is a mandatory submission item.

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **2:00 PM** Richmond Virginia time on **March 14, 2019**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
 - Application For Reservation – Signed version of hardcopy
 - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

IMPORTANT:

VHDA can accept files via our work center site Procorem or on flash/thumb drives. Contact Hope Rutter for access to Procorem.

Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.

Disclaimer:

VHDA assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to VHDA.

Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

Please Note:

- ▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

Assistance:

If you have any questions, please contact the VHDA LIHTC Allocation Department. Please note that we cannot release the copy protection password.

VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@vhda.com	(804) 343-5725
Hope Coleman Rutter	hope.rutter@vhda.com	(804) 343-5574
Sheila Stone	sheila.stone@vhda.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@vhda.com	(804) 343-5939
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Jovan Burton	jovan.burton@vhda.com	(804) 343-5518

TABLE OF CONTENTS

Click on any tab label to be directed to that tab within the application.

TAB	DESCRIPTION
1. <u>Submission Checklist</u>	Mandatory Items, Tabs and Descriptions
2. <u>Development Information</u>	Development Name and Locality Information
3. <u>Request Info</u>	Credit Request Type
4. <u>Owner Information</u>	Owner Information and Developer Experience
5. <u>Site and Seller Information</u>	Site Control, Identity of Interest and Seller info
6. <u>Team Information</u>	Development Team Contact information
7. <u>Rehabilitation Information</u>	Acquisition Credits and 10-Year Look Back Info
8. <u>Non Profit</u>	Non Profit Involvement, Right of First Refusal
9. <u>Structure</u>	Building Structure and Units Description
10. <u>Utilities</u>	Utility Allowance
	Building Amenities above Minimum Design Requirements
11. <u>Enhancements</u>	
12. <u>Special Housing Needs</u>	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. <u>Unit Details</u>	Set Aside Selection and Breakdown
14. <u>Budget</u>	Operating Expenses
15. <u>Project Schedule</u>	Actual or Anticipated Development Schedule
16. <u>Hard Costs</u>	Development Budget: Contractor Costs
	Development Budget: Owner's Costs, Developer Fee, Cost Limits
17. <u>Owner's Costs</u>	
18. <u>Eligible Basis</u>	Eligible Basis Calculation
	Construction, Permanent, Grants and Subsidized Funding Sources
19. <u>Sources of Funds</u>	
20. <u>Equity</u>	Equity and Syndication Information
	Credit Reservation Amount Needed
21. <u>Gap Calculation</u>	
21. <u>Cash Flow</u>	Cash Flow Calculation
22. <u>BINs</u>	BIN by BIN Eligible Basis
24. <u>Owner Statement</u>	Owner Certifications
25. <u>Scoresheet</u>	Self Scoresheet Calculation
26. <u>Development Summary</u>	Summary of Key Application Points
27. <u>Efficient Use of Resources</u>	Calculation of Score
28. <u>Efficient Use of Resources - TE Bonds</u>	Calculation of Score

2019 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under VHDA's point system of ranking applications, and may assist VHDA in its determination of the appropriate amount of credits that may be reserved for the development.

- \$1,000 Application Fee **(MANDATORY)**
- Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
- Scanned Copy of the **Signed** Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
- Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
- Electronic Copy of the Plans **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY if rehab)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: Architect's Certification and RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
- The following documents need not be submitted unless requested by VHDA:
- Nonprofit Articles of Incorporation
 - IRS Documentation of Nonprofit Status
 - Joint Venture Agreement (if applicable)
 - For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan **(MANDATORY, if tenants are displaced)**
- Tab K: Documentation of Development Location:
- K.1 Revitalization Area Certification
- K.2 Location Map
- K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- Tab R: Documentation of Operating Budget and Utility Allowances
- Tab S: Supportive Housing Certification
- Tab T: Funding Documentation
- Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population
- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: (Reserved)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: **4/5/2019**

1. Development Name: **New Lake Anne**
2. Address (line 1): **11444 North Shore Drive**
 Address (line 2):
 City: **Reston** State: **VA** Zip: **20190**
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: **00.00000** Latitude: **00.00000**
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of **Fairfax County**
5. The site overlaps one or more jurisdictional boundaries..... **FALSE**
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: **4822.02**
7. Development is located in a **Qualified Census Tract**..... **FALSE**
8. Development is located in a **Difficult Development Area**..... **FALSE**
9. Development is located in a **Revitalization Area based on QCT** **FALSE**
10. Development is located in a **Revitalization Area designated by resolution** **TRUE**
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... **FALSE**
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

	3%	10%	12%
	FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: **5**
- Planning District: **8**
- State Senate District: **32**
- State House District: **36**

Click on the following link for assistance in determining the districts related to this development:

[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

14. **ACTION:** Provide Location Map (**TAB K2**)

15. Development Description: In the space provided below, give a brief description of the proposed development

The New Lake Anne will replace 240 units of existing Senior affordable housing on a vacant portion of an existing site in the Lake Anne Village area of Reston, VA. The new building will be 100% affordable and include a mix of studio, one and two bedroom units in an 8 story concrete and steel building with ample onsite amenities.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 4/5/2019

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: Bryan Hill
 Chief Executive Officer's Title: County Executive Phone: 703-324-2532
 Street Address: 12000 Government Center Parkway
 City: Fairfax State: VA Zip: 22035

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Supervisor Cathy M. Hudgins

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name:
 Chief Executive Officer's Title:
 Street Address:
 City: State: Zip:

Name and title of local official you have discussed this project with who could answer questions for the local CEO:

ACTION: Provide Locality Notification Letter at **Tab M** if applicable.

B. RESERVATION REQUEST INFORMATION

1. **Requesting Credits From:**

a. If requesting 9% Credits, select credit pool:

or

b. If requesting Tax Exempt Bonds, select development type:

For Tax Exempt Bonds, Skip Numbers 2

2. **Type(s) of Allocation/Allocation Year**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2019.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2019, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2019 credits pursuant to Section 42(h)(1)(E).

3. **Select Building Allocation type:**

Note regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

5. **Planned Combined 9% and 4% Developments**

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application. (25, 35 or 45 pts)

a. Has the developer met with VHDA regarding the 4% tax exempt bond deal?

b. List below the number of units planned for each allocation request. This stated count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request?	0
Total Units within 4% Tax Exempt allocation Request?	0
Total Units:	0

% of units in 4% Tax Exempt Allocation Request: 0.00%

6. **Extended Use Restriction**

Note: Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

Must Select One:

Definition of selection:

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

C. OWNERSHIP INFORMATION

NOTE: VHDA may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by VHDA in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: New Lake Anne House LP

Developer Name: Community Housing, Inc

Contact: M/M ▶ Mr. First: Matt MI: D Last: Engel

Address: c/o CPDC 8403 Colesville Road, Suite 1150

City: Silver Spring St. ▶ MD Zip: 20910

Phone: (301) 960-9783 Ext. Fax: (202) 895-8805

Email address: mengel@cpdc.oeg

Federal I.D. No. 82-1996765 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.
Suzanne Welch, swelch@cpdc.org, 202-895-9559

- ACTION:** a. Provide Owner's organizational documents (e.g. Partnership agreements) **(Mandatory TAB A)**
 b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**

2. Principal(s) of the General Partner: List names of individuals and ownership interest.

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>	
<u>Lake Anne House Development LLC</u>	<u>301-960-9783</u>	<u>GP</u>	<u>,</u>	
<u>CPDC Lake Anne House LLC</u>	<u>301-960-9784</u>	<u>Mgr. GP</u>	<u>75.000%</u>	
<u>Fellowship Lake Anne House LLC</u>	<u>571-349-0050</u>	<u>NM GP</u>	<u>25.000%</u>	
<u>Fellowship Square Foundation Inc.</u>	<u>571-349-0051</u>	<u>Sole Mem. NMM</u>	<u>100.000%</u>	
<u>Community Housing Inc.</u>	<u>301-960-9782</u>	<u>Sole Mem. Mgr</u>	<u>100.000%</u>	
<u>J. Michael Pitchford, CEO, Community Housing Inc.</u>	<u>301-960-9783</u>	<u>CEO</u>	<u>0.000%</u>	<i>needs</i>
<u>Christy Zietz, Executive Director</u>	<u>571-349-0051</u>	<u>CEO</u>	<u>0.000%</u>	<i>needs</i>

The above should include 100% of the GP or LLC member interest.

** These should be the names of individuals who make up the General Partnership, not simply the names of entities which may comprise those components.

C. OWNERSHIP INFORMATION

- ACTION:**
- a. Provide Principals' Previous Participation Certification (**Mandatory TAB C**)
 - b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. (**Mandatory at TABS A/D**)

3. Developer Experience: Provide evidence that the principal or principals of the controlling general partner or managing member for the proposed development have developed:

- a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. **TRUE**

Action: Must be included on VHDA Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts (**Tab P**)

- b. at least three deals as principal and have at \$500,000 in liquid assets..... **FALSE**

Action: Must be included on the VHDA Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s (**Tab P**)

- c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units). **FALSE**

Action: Must provide copies of 8609s and partnership agreements (**Tab P**)

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact VHDA before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one and provide documentation - **Mandatory TAB E**)

Select Type: Purchase Contract

Expiration Date: 12/31/2019

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by VHDA. See QAP for further details.

FALSE There is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

a. FALSE Owner already controls site by either deed or long-term lease.

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/2019 .

c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

3. Seller Information:

Name: Fellowship Square Foundation Inc.
 Address: 11260 Roger Bacon Drive, Suite 503B
 City: Reston St.: VA Zip: 20190
 Contact Person: Eddie Byrne Phone: (703) 298-2292
There is an identity of interest between the seller and the owner/applicant..... TRUE

If above statement is **TRUE**, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

Names	Phone	Type Ownership	% Ownership
Fellowship Square Foundation Inc	(703) 860-2536	Member of GP	25.00%
Christy Zietz, Executive Director			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

needs ownership %

2019 Low-Income Housing Tax Credit Application For Reservation

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team. Provide Contact and Firm Name.

- | | | | |
|--------------------------|--|---------------------------|-----------------------|
| 1. Tax Attorney: | <u>Erik Hoffman</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Klein Hornig</u> | | |
| Address: | <u>1325 G Street NW, Suite 770 Washington DC 20005</u> | | |
| Email: | <u>Ehoffman@KleinHornig.com</u> | Phone: | <u>(202) 842-0125</u> |
| 2. Tax Accountant: | <u>Ed Ryan</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Cohn Reznick</u> | | |
| Address: | <u>7501 Wisconsin Ave, Suite 400E, Bethesda, MD 20814</u> | | |
| Email: | <u>edward.ryan@cohnreznick.com</u> | Phone: | <u>(301) 652-9100</u> |
| 3. Consultant: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |
| 4. Management Entity: | <u>Steven J. Boyce</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>S.L. Nusbaum Realty Company</u> | | |
| Address: | <u>1700 Wells Fargo Center, 440 Monticello Ave., Norfolk, VA 23510</u> | | |
| Email: | <u>sboyce@slnusbaum.com</u> | Phone: | <u>(757) 640-2293</u> |
| 5. Contractor: | <u>Mike Schlegel</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Bozutto Construction</u> | | |
| Address: | <u>6406 Ivy Lane, Suite 700, Greenbelt, MD 20770</u> | | |
| Email: | <u>mschlegel@bozzuto.com</u> | Phone: | <u></u> |
| 6. Architect: | <u>Logan Schutz</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Grimm and Parker</u> | | |
| Address: | <u>11720 Beltsville Drive, #600, Betsville MD 20705</u> | | |
| Email: | <u>lschutz@gparch.com</u> | Phone: | <u></u> |
| 7. Real Estate Attorney: | <u>Lynne Strobel</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Walsh Colucci Lubeley and Walsh</u> | | |
| Address: | <u></u> | | |
| Email: | <u>lstrobel@thelandlawyers.com</u> | Phone: | <u></u> |
| 8. Mortgage Banker: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | | |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |
| 9. Other: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... FALSE
If no credits are being requested for existing buildings acquired for the development, skip this tab.
- b. This development has received a previous allocation of credits..... FALSE
If so, in what year did this development receive credits?
- c. The development is listed on the RD 515 Rehabilitation Priority List?..... FALSE
- d. This development is an existing RD or HUD S8/236 development..... FALSE
Action: (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from VHDA prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... FALSE
- ii. Applicant has obtained a waiver of this requirement from VHDA prior to the application submission deadline..... FALSE

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... FALSE
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE
 - i. Subsection (I)..... FALSE
 - ii. Subsection (II)..... FALSE
 - iii. Subsection (III)..... FALSE
 - iv. Subsection (IV)..... FALSE
 - v. Subsection (V)..... FALSE
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE
- d. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... FALSE
If no credits are being requested for rehabilitation expenditures, go on to Part 4
- b. Minimum Expenditure Requirements
 - i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... FALSE
 - ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
 - iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
 - iv. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

4. Request For Exception

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... FALSE
- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
 - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... FALSE
 - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE
 - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

Action: If any of 4(b) responses are true, provide documentation at Tab U.

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. **Tax Credit Nonprofit Pool Applicants:** To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- TRUE a. Be authorized to do business in Virginia.
- TRUE b. Be substantially based or active in the community of the development.
- TRUE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- TRUE e. Not be affiliated with or controlled by a for-profit organization.
- TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- TRUE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

2. **All Applicants:** To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... TRUE (If false, go on to part III.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (**Mandatory TAB I**).

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... TRUE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Owner

Name: (Please fit NP name within available space)

Contact Person:

Street Address:

City: State: MD Zip:

Phone: Extension: Contact Email:

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership interest: 75.0%

3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal

A. TRUE After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit.

Action: Provide Option or Right of First Refusal in Recordable Form (TAB V)
Provide Nonprofit Questionnaire (if applicable) (TAB I)

Name of qualified nonprofit: Community Housing, Inc. Fellowship Square Foundation

or indicate true if Local Housing Authority FALSE
Name of Local Housing Authority _____

2. FALSE A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

Action: Provide Homeownership Plan (TAB N)

NOTE: Applicant waives the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	240	bedrooms	246
Total number of rental units in development	240	bedrooms	246
Number of low-income rental units	240	bedrooms	246
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	240	bedrooms	246
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			231,834.00 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			29,230.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			202,604.00 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	85545.000		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			FALSE
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

H. STRUCTURE AND UNITS INFORMATION

g. Indicate **True** for all development's structural features that apply:

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>FALSE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>TRUE</u>
iv. Crawl space	<u>FALSE</u>		

h. Development contains an elevator(s). TRUE
 If true, # of Elevators. 3
 Elevator Type (if known) _____

i. Roof Type ▶ Flat
 j. Construction Type ▶ Combination
 k. Primary Exterior Finish ▶ Fiber Cement Siding

4. Site Amenities (indicate all proposed)

a. Business Center.....	<u>TRUE</u>	f. Limited Access.....	<u>FALSE</u>
b. Covered Parking.....	<u>TRUE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>TRUE</u>	h. Pool.....	<u>FALSE</u>
d. Gated access to Site.....	<u>FALSE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>TRUE</u>	j. Sports Activity Court..	<u>FALSE</u>
		k. Other:	<u>Greenhouse/Art Room/Meeti</u>

l. Describe Community Facilities: _____

m. Number of Proposed Parking Spaces..... 83
 Parking is shared with another entity FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE
 If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
 - i. A location map with development clearly defined.
 - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
 - iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structure
Notes must indicate basic materials in structure, floor and exterior finish.

- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
 - i. Phase I environmental assessment.
 - ii. Physical needs assessment for any rehab only development.

NOTE: All developments must meet VHDA's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

6. Market Study Data:

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

Project Wide Capture Rate - LIHTC Units	14.90%
Project Wide Capture Rate - Market Units	37.80%
Project Wide Capture Rate - All Units	14.90%
Project Wide Absorption Period (Months)	12

J. ENHANCEMENTS

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

ACTION: Provide Architect Certification (**Mandatory**) and documents related to following items if applicable (**TAB F**)

1. For any development, upon completion of construction/rehabilitation:

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 40.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- FALSE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- FALSE k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- FALSE p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- TRUE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- TRUE a. All cooking ranges have front controls.

J. ENHANCEMENTS

TRUE b. Bathrooms have an independent or supplemental heat source.

TRUE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

FALSE Earthcraft Gold or higher certification

FALSE National Green Building Standard (NGBS) certification of Silver or higher.

FALSE U.S. Green Building Council LEED certification

FALSE Enterprise Green Communities (EGC) Certification

Action: If seeking any points associated Green certification, provide appropriate documentation at **TAB F**.

b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

FALSE Zero Energy Ready Home Requirements

FALSE Passive House Standards

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

TRUE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.

240 b. Number of Rental Units constructed to meet VHDA's Universal Design standards:

100% % of Total Rental Units

4. FALSE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain:

2019 Low-Income Housing Tax Credit Application For Reservation

I. UTILITIES

1. Describe the Heating/AC System: Electric powered heat pump/split systems

2. Services Included:

Utilities	Type of Utility (Gas, Electric, Oil, etc.)	Utilities ▶ Paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Electric	Tenant	11	14	17	0	0
Air Conditioning	Electric	Tenant	5	7	8	0	0
Cooking	Electric	Tenant	4	6	7	0	0
Lighting	Electric	Tenant	18	22	27	0	0
Hot Water	Electric	Tenant	10	13	16	0	0
Water		Owner	0	0	0	0	0
Sewer		Owner	0	0	0	0	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$48	\$62	\$75	\$0	\$0

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: Viridiant

Warning: The VHDA housing choice voucher program utility schedule shown on VHDA.com should not be used unless directed to do so by the local housing authority.

K. SPECIAL HOUSING NEEDS

NOTE: Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.

Action: Provide appropriate documentation (**Tab X**)

TRUE

- a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;
- (ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
- (iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

Documentation from source of assistance must be provided with the application.

Note: Subsidies may apply to any units, not only those built to satisfy Section 504.

(60 points)

FALSE

- b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD's Housing Choice Voucher ("HCV") payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (30 points)

FALSE

- c. Any development in which 5% of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of this application for credits. (15 points)

For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility Rehabilitation Act.

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

a. If not general population, select applicable special population:

- TRUE Elderly (as defined by the United States Fair Housing Act.)
- FALSE Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
- FALSE Supportive Housing (as described in the Tax Credit Manual)

Action: Provide Permanent Supportive Housing Certification (Tab S)

b. The development has existing tenants and a relocation plan has been developed..... FALSE

(If True, VHDA policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

Action: Provide Relocation Plan (Mandatory if tenants are displaced - Tab J)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: No

Organization which holds such waiting list: Fairfax County Department of Housing

Contact person: Amy Ginger

Title: Deputy Director, Operations

Phone Number (703) 246-5134

Action: Provide required notification documentation (TAB L)

b. Leasing preference will be given to individuals and families with children..... FALSE

(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0

% of total Low Income Units 0%

NOTE: Development must utilize a VHDA Certified Management Agent. Proof of management certification must be provided before 8609s are issued.

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

a. Some of the low-income units do or will receive rental assistance..... TRUE

b. Indicate True if rental assistance will be available from the following

- TRUE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.
- FALSE Section 8 New Construction Substantial Rehabilitation
- FALSE Section 8 Moderate Rehabilitation
- FALSE Section 8 Certificates
- TRUE Section 8 Project Based Assistance
- FALSE RD 515 Rental Assistance
- FALSE Section 8 Vouchers
- FALSE State Assistance
- FALSE Other: _____

c. The Project Based vouchers above are applicable to the 30% units seeking points. TRUE

i. If True above, how many of the 30% units will not have project based vouchers? 0

d. Number of units receiving assistance:	<u>240</u>
How many years in rental assistance contract?	<u>20.00</u>
Expiration date of contract:	<u>3/1/2037</u>
There is an Option to Renew.....	<u>TRUE</u>

Action: Contract or other agreement provided **(TAB Q)**.

L. UNIT DETAILS

1. Set-Aside Election:

UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
240	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
240	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
240	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
240	100.00%	Total

- b. The development plans to utilize income averaging..... **FALSE**
 If above is true, should the points based on the units assigned to the levels above **be waived** and therefore not required for compliance?
 20-30% Levels **FALSE** 40% Levels **FALSE** 50% levels **FALSE**

2. Unit Detail

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	Efficiency	60% AMI	28		466	\$1,517.00	\$42,476
Mix 2	Efficiency	60% AMI	7		420	\$1,653.00	\$11,571
Mix 3	Efficiency	60% AMI	7		463	\$1,653.00	\$11,571
Mix 4	Efficiency	60% AMI	3		695	\$1,653.00	\$4,959
Mix 5	Efficiency	60% AMI	3	3	695	\$1,653.00	\$4,959
Mix 6	Efficiency	60% AMI	3		511	\$1,653.00	\$4,959
Mix 7	Efficiency	60% AMI	3	3	511	\$1,653.00	\$4,959
Mix 8	Efficiency	60% AMI	6		523	\$1,653.00	\$9,918
Mix 9	Efficiency	60% AMI	1	1	568	\$1,517.00	\$1,517
Mix 10	1 BR - 1 Bath	60% AMI	36		643	\$1,937.00	\$69,732
Mix 11	1 BR - 1 Bath	60% AMI	6	6	643	\$1,937.00	\$11,622
Mix 12	1 BR - 1 Bath	60% AMI	18		627	\$1,937.00	\$34,866
Mix 13	1 BR - 1 Bath	60% AMI	50		690	\$1,937.00	\$96,850
Mix 14	1 BR - 1 Bath	60% AMI	16		622	\$1,787.00	\$28,592
Mix 15	1 BR - 1 Bath	60% AMI	12	12	622	\$1,787.00	\$21,444
Mix 16	1 BR - 1 Bath	60% AMI	6		626	\$1,787.00	\$10,722
Mix 17	1 BR - 1 Bath	60% AMI	6		636	\$1,787.00	\$10,722
Mix 18	1 BR - 1 Bath	60% AMI	7		717	\$1,787.00	\$12,509
Mix 19	1 BR - 1 Bath	60% AMI	7		529	\$1,787.00	\$12,509
Mix 20	1 BR - 1 Bath	60% AMI	7		599	\$1,787.00	\$12,509
Mix 21	1 BR - 1 Bath	60% AMI	1		693	\$1,787.00	\$1,787
Mix 22	2 BR - 2 Bath	60% AMI	5		931	\$2,321.00	\$11,605
Mix 23	2 BR - 2 Bath	60% AMI	1	1	931	\$2,321.00	\$2,321

L. UNIT DETAILS

Mix 24	1 BR - 1 Bath	60% AMI	1	693.00	\$1,937.00	\$1,937
Mix 25						\$0
Mix 26						\$0
Mix 27						\$0
Mix 28						\$0
Mix 29						\$0
Mix 30						\$0
Mix 31						\$0
Mix 32						\$0
Mix 33						\$0
Mix 34						\$0
Mix 35						\$0
Mix 36						\$0
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Mix 81						\$0
Mix 82						\$0
Mix 83						\$0
Mix 84						\$0

L. UNIT DETAILS

Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS			240	26	15,054.00	\$43,228	\$436,616

Total Units	240	Net Rentable SF:	TC Units	147,838.00
			MKT Units	0.00
			Total NR SF:	147,838.00

Floor Space Fraction (to 7 decimals)	100.00000%
---	-------------------

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$5,000
2. Office Salaries			\$352,400
3. Office Supplies			\$10,000
4. Office/Model Apartment	(type _____)		
5. Management Fee			\$164,160
<u>3.25%</u> of EGI	<u>\$684.00</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$24,000
8. Legal			\$10,000
9. Auditing			\$25,000
10. Bookkeeping/Accounting Fees			\$30,000
11. Telephone & Answering Service			\$23,000
12. Tax Credit Monitoring Fee			
13. Miscellaneous Administrative			\$98,400
Total Administrative			\$741,960

Utilities

14. Fuel Oil			\$0
15. Electricity			\$100,000
16. Water			\$30,000
17. Gas			\$25,000
18. Sewer			\$30,000
Total Utility			\$185,000

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$27,153
22. Exterminating			\$25,000
23. Trash Removal			\$35,000
24. Security Payroll/Contract			\$60,400
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$50,000
28. Maintenance/Repairs Payroll			\$0
29. Repairs/Material			\$37,497
30. Repairs Contract			\$25,000
31. Elevator Maintenance/Contract			\$15,000
32. Heating/Cooling Repairs & Maintenance			\$15,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$7,500
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$55,274
Totals Operating & Maintenance			\$352,824

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$160,000
39. Payroll Taxes	\$101,145
40. Miscellaneous Taxes/Licenses/Permits	
41. Property & Liability Insurance	\$70,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$16,500
44. Health Insurance & Employee Benefits	\$60,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$407,645

Total Operating Expense	\$1,687,429
--------------------------------	--------------------

Total Operating Expenses Per Unit	<u>\$7,031</u>	C. Total Operating Expenses as % of EGI	<u>33.43%</u>
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$60,000
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Total Expenses	\$1,747,429
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

2019 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	8.26.16	S. Welch
b. Site Acquisition	12.31.19	S. Welch
c. Zoning Approval	10.16.18	S. Welch
d. Site Plan Approval	6.1.19	S. Welch
2. Financing		
a. Construction Loan		
i. Loan Application	4.1.19	M. Engel
ii. Conditional Commitment	4.15.19	M. Engel
iii. Firm Commitment	5.15.19	M. Engel
b. Permanent Loan - First Lien		
i. Loan Application	4.1.19	M. Engel
ii. Conditional Commitment	4.15.19	M. Engel
iii. Firm Commitment	5.15.19	M. Engel
c. Permanent Loan-Second Lien		
i. Loan Application	3.31.19	M. Engel
ii. Conditional Commitment	5.1.19	M. Engel
iii. Firm Commitment	6.1.19	M. Engel
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	3.16.17	S. Welch
3. IRS Approval of Nonprofit Status	3.16.17	S. Welch
4. Closing and Transfer of Property to Owner	12.31.19	S. Welch
5. Plans and Specifications, Working Drawings	6.1.19	M. Engel
6. Building Permit Issued by Local Government	8.1.19	M. Engel
7. Start Construction	1.1.20	M. Engel
8. Begin Lease-up	1.1.22	M.Engel
9. Complete Construction	11.1.21	M. Engel
10. Complete Lease-Up	5.1.22	M. Engel
11. Credit Placed in Service Date	5.1.22	M. Engel

2019 Low-Income Housing Tax Credit Application For Reservation

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	44,975,735	0	44,975,735	0
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage		0	0	0
Total Structure	44,975,735	0	44,975,735	0
f. Earthwork	3,260,000	0	1,000,000	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
Total Land Improvements	3,260,000	0	1,000,000	0
Total Structure and Land	48,235,735	0	45,975,735	0
q. General Requirements	3,862,021	0	3,862,021	0
r. Builder's Overhead (1.1% Contract)	530,160	0	530,160	0
s. Builder's Profit (3.7% Contract)	1,784,187	0	1,784,187	0
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: HC Contingency	2,720,605	0	1,360,303	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$57,132,708	\$0	\$53,512,406	\$0

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	327,643	0	327,643	0
b. Architecture/Engineering Design Fee \$5,435 /Unit)	1,304,385	0	1,304,385	0
c. Architecture Supervision Fee \$1,233 /Unit)	295,881	0	295,881	0
d. Tap Fees	0	0	0	0
e. Environmental	5,000	0	2,500	0
f. Soil Borings	50,000	0	0	0
g. EarthCraft/LEED	40,000	0	40,000	0
h. Appraisal	10,000	0	5,000	0
i. Market Study	10,000	0	10,000	0
j. Site Engineering / Survey	320,000	0	300,000	0
k. Construction/Development Mgt	125,000	0	125,000	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	500,000	0		0
n. Construction Interest (0.0% for 0 months)	5,320,000	0	5,320,000	0
o. Taxes During Construction	40,000	0	40,000	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (0.0%)	507,500	0	0	0
r. Other Permanent Loan Fees	120,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	45,000	0	45,000	0
u. Accounting	20,000	0	0	0
v. Title and Recording	127,213	0	38,164	0
w. Legal Fees for Closing	390,973	0	150,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	143,266			
z. Tenant Relocation	484,000	0	0	0
aa. Fixtures, Furnitures and Equipment	200,000	0	200,000	0
ab. Organization Costs	60,000	0	0	0
ac. Operating Reserve	2,292,721	0	0	0
ad. Contingency	354,818	0	150,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
(1) Other* specify: Consultants/Design	521,910	0	521,910	0
(2) Other* specify: Bond Fees	834,341	0	0	0
(3) Other* specify: Other Tax Credit Fees	7,025	0	0	0
(4) Other* specify: Inspection	13,500	0	0	0
(5) Other* specify: Legal Zoning	225,000	0		0
(6) Other* specify: Legal Acquisition	20,000	0	0	0
(7) Other* specify: Community Programs	50,000	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(8) Other* specify: Predevelopment Interest	110,000	0	0	0
(9) Other* specify: Bridge Loan Interest	700,000	0		0
(10) Other* specify: Marketing	20,000	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$15,595,176	\$0	\$8,875,483	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$72,727,884	\$0	\$62,387,889	\$0
3. Developer's Fees	5,000,000	0	3,000,000	0
4. Owner's Acquisition Costs				
Land	6,000,000			
Existing Improvements	0	0		
Subtotal 4:	\$6,000,000	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$83,727,884	\$0	\$65,387,889	\$0

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$5,000,000

Proposed Development's Cost per Unit:
per Sq Foot
Applicable Cost Limit per unit:

\$348,866 **Meets Limits**
\$335 **Meets Limits**
\$466,602

2019 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	83,727,884	0	65,387,889	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		0	65,387,889	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			65,387,889	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		0	65,387,889	0
7. Applicable Percentage <i>(Beginning with 2016 Allocations, use the standard 9% rate.)</i> <i>(For tax exempt bonds, use the most recently published rates.)</i>		3.30%	3.30%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$2,157,800	\$0
			\$2,157,800 Combined 30% & 70% P. V. Credit	

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.	Bank of America	4.1.19	5.1.5.19	\$50,000,000	
2.					
3.					
Total Construction Funding:				\$50,000,000	

2. Permanent Financing: List individually the sources of all permanent financing in order of lien position:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1.	Fannie Mae MTEB	4.1.19	5.15.19	\$50,750,000	\$2,730,013	4.48%	40.00	40.00
2.	VA Housing Trust Fund	3.29.19	6.1.19	\$750,000	\$22,757	1.00%	40.00	40.00
3.	Sales Proceed Loan	N/A	N/A	\$4,020,669		0.00%	40.00	40.00
4.	Seller Note	N/A	N/A	\$6,000,000		0.00%	40.00	40.00
5.	Transferred Reserve Loan	N/A	N/A	\$84,000		0.00%	40.00	40.00
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$61,604,669	\$2,752,770			

3. Grants: List all grants provided for the development:

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.					
2.					
3.					
4.					
5.					
6.					
Total Permanent Grants:				\$0	

Q. SOURCES OF FUNDS

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.			
2.			
3.			\$0
4.			
5.			
Total Subsidized Funding			\$0

5. Recap of Federal, State, and Local Funds

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... **TRUE**

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds		\$39,367,780
b.	RD 515		\$0
c.	Section 221(d)(3)		\$0
d.	Section 312		\$0
e.	Section 236		\$0
f.	VHDA SPARC/REACH		\$0
g.	HOME Funds		\$0
h.	Other:	VA HFTF	\$700,000
i.	Other:	Fellowship	\$10,104,669

Market-Rate Loans

a.	Taxable Bonds		\$0
b.	Section 220		\$0
c.	Section 221(d)(3)		\$0
d.	Section 221(d)(4)		\$0
e.	Section 236		\$0
f.	Section 223(f)		\$0
g.	Other:	Fannie MTEB	\$50,750,000

Grants*

a.	CDBG		\$0
b.	UDAG		\$0

Grants

c.	State		
d.	Local		
e.	Other:		

*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

Q. SOURCES OF FUNDS

6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **55.15%**

7. Some of the development's financing has credit enhancements..... **TRUE**

If **True**, list which financing and describe the credit enhancement:

Fairfax County Bond . Credit enhancement is Fannie MTEB

8. Other Subsidies **Action:** Provide documentation (**Tab Q**)

a. **FALSE** Real Estate Tax Abatement on the increase in the value of the development.

b. **TRUE** **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. **FALSE** Other

9. A HUD approval for transfer of physical asset is required..... **FALSE**

2019 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	= \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	= \$0
b. Equity that Sponsor will Fund:				
i. Cash Investment	\$0			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$2,271,456			(Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0			
Equity Total				\$2,271,456

2. Equity Gap Calculation

a. Total Development Cost	\$83,727,884
b. Total of Permanent Funding, Grants and Equity	- \$63,876,125
c. Equity Gap	\$19,851,759
d. Developer Equity	- \$1,986
e. Equity gap to be funded with low-income tax credit proceeds	\$19,849,773

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Enterprise Housing Credit Investments-Bank of America		
Contact Person:	Philip Porter	Phone:	(410) 772-2594
Street Address:	11000 Broken Land Parkway Suite 700		
City:	Columbia	State:	MD
		Zip:	21044
b. Syndication Equity			
i. Anticipated Annual Credits		\$2,157,800.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.920	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$2,157,584	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$19,849,773	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$19,849,773

5. Net Equity Factor

Must be equal to or greater than 85% 91.9999915461%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by VHDA to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, VHDA at all times retains the right to substitute such information and assumptions as are determined by VHDA to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by VHDA for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$83,727,884</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$63,876,125</u>
3. Equals Equity Gap		<u>\$19,851,759</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>91.9999915461%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$21,578,001</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$2,157,800</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$2,157,800</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$2,157,800</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$8,990.8333</u>	
Credit per LI Bedroom	<u>\$8,771.5447</u>	
	Combined 30% & 70% PV Credit Requested	\$2,157,800

9. **Action:** Provide Attorney’s Opinion (**Mandatory Tab H**)

T. CASH FLOW

1. Revenue

Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units		\$436,616
Plus Other Income Source (list): <u>Laundry/Cable</u>		<u>\$1,500</u>
Equals Total Monthly Income:		<u>\$438,116</u>
Twelve Months		x12
Equals Annual Gross Potential Income		<u>\$5,257,392</u>
Less Vacancy Allowance <u>4.0%</u>		<u>\$210,296</u>
Equals Annual Effective Gross Income (EGI) - Low Income Units		<u><u>\$5,047,096</u></u>

2. Indicate the estimated monthly income for the Market Rate Units (based on Unit Details tab):

Total Monthly Income for Market Rate Units:		\$0
Plus Other Income Source (list): <u></u>		<u>\$0</u>
Equals Total Monthly Income:		<u>\$0</u>
Twelve Months		x12
Equals Annual Gross Potential Income		<u>\$0</u>
Less Vacancy Allowance <u>0.0%</u>		<u>\$0</u>
Equals Annual Effective Gross Income (EGI) - Market Rate Units		<u><u>\$0</u></u>

Action: Provide documentation in support of Operating Budget (**TAB R**)

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$5,047,096
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$5,047,096
d. Total Expenses	\$1,747,429
e. Net Operating Income	\$3,299,667
f. Total Annual Debt Service	\$2,752,770
g. Cash Flow Available for Distribution	\$546,897

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	5,047,096	5,148,038	5,250,999	5,356,019	5,463,139
Less Oper. Expenses	1,747,429	1,799,852	1,853,847	1,909,463	1,966,747
Net Income	3,299,667	3,348,186	3,397,152	3,446,556	3,496,393
Less Debt Service	2,752,770	2,752,770	2,752,770	2,752,770	2,752,770
Cash Flow	546,897	595,416	644,382	693,786	743,623
Debt Coverage Ratio	1.20	1.22	1.23	1.25	1.27

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	5,572,402	5,683,850	5,797,527	5,913,478	6,031,747
Less Oper. Expenses	2,025,749	2,086,522	2,149,117	2,213,591	2,279,998
Net Income	3,546,653	3,597,329	3,648,410	3,699,887	3,751,749
Less Debt Service	2,752,770	2,752,770	2,752,770	2,752,770	2,752,770
Cash Flow	793,883	844,559	895,640	947,117	998,979
Debt Coverage Ratio	1.29	1.31	1.33	1.34	1.36

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	6,152,382	6,275,430	6,400,938	6,528,957	6,659,536
Less Oper. Expenses	2,348,398	2,418,850	2,491,416	2,566,158	2,643,143
Net Income	3,803,984	3,856,579	3,909,523	3,962,799	4,016,393
Less Debt Service	2,752,770	2,752,770	2,752,770	2,752,770	2,752,770
Cash Flow	1,051,214	1,103,809	1,156,753	1,210,029	1,263,623
Debt Coverage Ratio	1.38	1.40	1.42	1.44	1.46

Estimated Annual Percentage Increase in Revenue 2.00% (Must be < 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be > 3%)

U. Building-by-Building Information

Must Complete

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

Number of BINS: 1

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

Bldg #	BIN if known	NUMBER OF		Street Address 1 Street Address 2 City State Zip				30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit						
		TAX CREDIT UNITS	MARKET RATE UNITS					Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount			
		<u>DO NOT use the CUT feature</u>																				
1.		240		11444 North Shore Drive		Reston	VA	20190	\$65,387,889	05/01/22	3.30%	\$2,157,800					\$0				\$0	
2.												\$0					\$0				\$0	
3.												\$0					\$0				\$0	
4.												\$0					\$0				\$0	
5.												\$0					\$0				\$0	
6.												\$0					\$0				\$0	
7.												\$0					\$0				\$0	
8.												\$0					\$0				\$0	
9.												\$0					\$0				\$0	
10.												\$0					\$0				\$0	
11.												\$0					\$0				\$0	
12.												\$0					\$0				\$0	
13.												\$0					\$0				\$0	
14.												\$0					\$0				\$0	
15.												\$0					\$0				\$0	
16.												\$0					\$0				\$0	
17.												\$0					\$0				\$0	
18.												\$0					\$0				\$0	
19.												\$0					\$0				\$0	
20.												\$0					\$0				\$0	
21.												\$0					\$0				\$0	
22.												\$0					\$0				\$0	
23.												\$0					\$0				\$0	
24.												\$0					\$0				\$0	
25.												\$0					\$0				\$0	
26.												\$0					\$0				\$0	
27.												\$0					\$0				\$0	
28.												\$0					\$0				\$0	
29.												\$0					\$0				\$0	
30.												\$0					\$0				\$0	
31.												\$0					\$0				\$0	
32.												\$0					\$0				\$0	
33.												\$0					\$0				\$0	
34.												\$0					\$0				\$0	
35.												\$0					\$0				\$0	
		240	0																			
		Totals from all buildings						\$65,387,889				\$2,157,800					\$0				\$0	

Qualified basis should equal values on Elig Basis.

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:


1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to VHDA's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by VHDA to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of VHDA in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by VHDA prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, VHDA is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that VHDA may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by VHDA at its sole discretion.

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or VHDA regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- 15. that undersigned waives the right to pursue a Qualified Contract on this development.
- 16. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in VHDA's inability to process the application. The original or copy of this application may be retained by VHDA, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner: New Lake Anne House LP

By: Suzanne Welch 
Its: Vice President
(Title)

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by VHDA's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

Please remember that this score is only an estimate. VHDA reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

- a. Signed, completed application with attached tabs in PDF format
- b. Active Excel copy of application
- c. Partnership agreement
- d. SCC Certification
- e. Previous participation form
- f. Site control document
- g. Architect's Certification
- h. Attorney's opinion
- i. Nonprofit questionnaire (if applicable)
- j. Appraisal
- k. Zoning document
- l. Universal Design Plans
- m. List of LIHTC Developments (Schedule A)

	Included		Score
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y, N, N/A	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
Total:			0.00

1. READINESS:

- a. VHDA notification letter to CEO (via Locality Notification Information Application)
- b. Local CEO Opposition Letter
- c. Plan of development
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution
- f. Location in a Opportunity Zone

	Y	0 or -50	0.00
	N	0 or -25	0.00
	N	0 or 40	0.00
	N	0 or 10	0.00
	Y	0 or 15	15.00
	N	0 or 15	0.00
Total:			15.00

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development listed on the Rural Development Rehab Priority List
- h. Dev. located in area with little or no increase in rent burdened population
- i. Dev. located in area with increasing rent burdened population

	N	0 or up to 5	0.00
	N	0 or 20	0.00
	0.00%	Up to 40	0.00
	N	0 or 5	0.00
	Y	0 or 10	10.00
	10%	0, 20, 25 or30	25.00
	N	0 or 15	0.00
	N	Up to -20	0.00
	Y	Up to 20	20.00
Total:			55.00

2019 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			34.75
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	N	0 or 10	0.00
g. Units constructed to meet VHDA's Universal Design standards	100%	Up to 15	15.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>119.75</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$117,200	\$55,900

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			<u>0.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	Y	0 or 50	50.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	0 or 50	0.00
or c. Developer experience - 1 development with 1 x units	N	0 or 10	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	0 or -20	0.00
h. Developer experience - termination of credits by VHDA	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			<u>50.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	138.27
b. Cost per unit		Up to 100	12.21
Total:			<u>150.48</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
Total:			<u>60.00</u>

425 Point Threshold - all 9% Tax Credits
 325 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 450.23

2019 Low-Income Housing Tax Credit Application For Reservation

Amenities:

	Max Pts	Score
All units have:		
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	13.75
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	0.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	2.00
s. New Construction: Balcony or patio	4	0.00
		<u>31.75</u>
All elderly units have:		
t. Front-control ranges	1	1.00
u. Independent/suppl. heat source	1	1.00
v. Two eye viewers	1	1.00
		<u>3.00</u>
Total amenities:		<u><u>34.75</u></u>

X. Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

Deal Name: New Lake Anne

Cycle Type: 4% Tax Exempt Bonds Credits
Allocation Type: New Construction
Total Units: 240
Total LI Units: 240
Project Gross Sq Ft: 231,834.00
Green Certified?: FALSE

Requested Credit Amount: \$2,157,800
Jurisdiction: Fairfax County
Population Target: Elderly
Owner Contact: Matt Engel

Total Score 450.23

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$61,604,669	\$256,686	\$266	\$2,752,770

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$48,235,735	\$200,982	\$208	57.61%
General Req/Overhead/Profit	\$6,176,368	\$25,735	\$27	7.38%
Other Contract Costs	\$2,720,605	\$11,336	\$12	3.25%
Owner Costs	\$15,595,176	\$64,980	\$67	18.63%
Acquisition	\$6,000,000	\$25,000	\$26	7.17%
Developer Fee	\$5,000,000	\$20,833	\$22	5.97%
Total Uses	\$83,727,884	\$348,866		

Total Development Costs	
Total Improvements	\$72,727,884
Land Acquisition	\$6,000,000
Developer Fee	\$5,000,000
Total Development Costs	\$83,727,884

Income	
Gross Potential Income - LI Units	\$5,257,392
Gross Potential Income - Mkt Units	\$0
Subtotal	\$5,257,392
Less Vacancy %	4.00%
Effective Gross Income	\$5,047,096

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$741,960	\$3,092
Utilities	\$185,000	\$771
Operating & Maintenance	\$352,824	\$1,470
Taxes & Insurance	\$407,645	\$1,699
Total Operating Expenses	\$1,687,429	\$7,031
Replacement Reserves	\$60,000	\$250
Total Expenses	\$1,747,429	\$7,281

Cash Flow	
EGI	\$5,047,096
Total Expenses	\$1,747,429
Net Income	\$3,299,667
Debt Service	\$2,752,770
Debt Coverage Ratio (YR1):	1.20

Proposed Cost Limit/Unit: \$348,866
Applicable Cost Limit/Unit: \$466,602
Proposed Cost Limit/Sq Ft: \$335
Applicable Cost Limit/Sq Ft: \$281

Unit Breakdown	
Supp Hsg	0
# of Eff	61
# of 1BR	173
# of 2BR	6
# of 3BR	0
# of 4+ BR	0
Total Units	240

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	240	240
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$372.33** Credits/SF = **10.65032** Const \$/unit = **\$238,052.9495**

TYPE OF PROJECT GENERAL = 11000; ELDERLY = 12000
 LOCATION Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION N C=1; ADPT=2; REHAB(35,000+)=3; REHAB (15,000-35,000)=4

12000
100
1

*REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	722.80	876.06	1,159.19	0.00	0.00	0.00
NUMBER OF UNITS	0	61	173	6	0	0	0
PARAMETER-(COSTS=>35,000)	0	256,500	342,000	459,563	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	256,500	342,000	459,563	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	314,780	419,707	563,981	0	0	0
PROJECT COST PER UNIT	0	269,119	326,182	431,599	0	0	0
PARAMETER-(CREDITS=>35,000)	0	20,700	27,600	37,088	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	20,700	27,600	37,088	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	25,782	34,376	46,194	0	0	0
PROJECT CREDIT PER UNIT	0	7,698	9,330	12,346	0	0	0
COST PER UNIT POINTS	0.00	3.69	16.06	0.59	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	35.66	105.04	3.66	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **20.34**

TOTAL CREDIT PER UNIT POINTS **144.36**

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	256,500	342,000	459,563	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	58,280	77,707	104,418	0	0	0
Adjusted Cost Parameter	0	314,780	419,707	563,981	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	20,700	27,600	37,088	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	5,082	6,776	9,106	0	0	0
Adjusted Credit Parameter	0	25,782	34,376	46,194	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0	0

Northern Virginia Beltway (Rehab costs \$15,000-\$50,000)

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	256,500	342,000	459,563	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	58,280	77,707	104,418	0	0	0
Adjusted Cost Parameter	0	314,780	419,707	563,981	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	20,700	27,600	37,088	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	5,082	6,776	9,106	0	0	0
Adjusted Cost Parameter	0	25,782	34,376	46,194	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

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2019 Low-Income Housing Tax Credit Application For Reservation

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TYPE OF PROJECT GENERAL = 11000; ELDERLY = 12000
 LOCATION Inner-NVA=100; Outer-NV=200; NWN=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(10,000-35,000)=4

12000
100
1

*REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below

	GENERAL				Elderly		
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	722.80	876.06	1,159.19	0.00	0.00	0.00
NUMBER OF UNITS	0	61	173	6	0	0	0
PARAMETER-(COSTS=>35,000)	0	256,500	342,000	459,563	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	256,500	342,000	459,563	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	285,640	380,853	511,772	0	0	0
PROJECT COST PER UNIT	0	269,119	326,182	431,599	0	0	0
PARAMETER-(CREDITS=>35,000)	0	20,700	27,600	37,088	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	20,700	27,600	37,088	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	23,241	30,988	41,641	0	0	0
PROJECT CREDIT PER UNIT	0	7,698	9,330	12,346	0	0	0
COST PER UNIT POINTS	0.00	1.47	10.35	0.39	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	34.00	100.76	3.52	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **12.21**

TOTAL CREDIT PER UNIT POINTS **138.27**

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	256,500	342,000	459,563	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	29,140	38,853	52,209	0	0	0
Adjusted Cost Parameter	0	285,640	380,853	511,772	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	20,700	27,600	37,088	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	2,541	3,388	4,553	0	0	0
Adjusted Credit Parameter	0	23,241	30,988	41,641	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0	0

Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	256,500	342,000	459,563	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	29,140	38,853	52,209	0	0	0
Adjusted Cost Parameter	0	285,640	380,853	511,772	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	20,700	27,600	37,088	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	2,541	3,388	4,553	0	0	0
Adjusted Cost Parameter	0	23,241	30,988	41,641	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0	0

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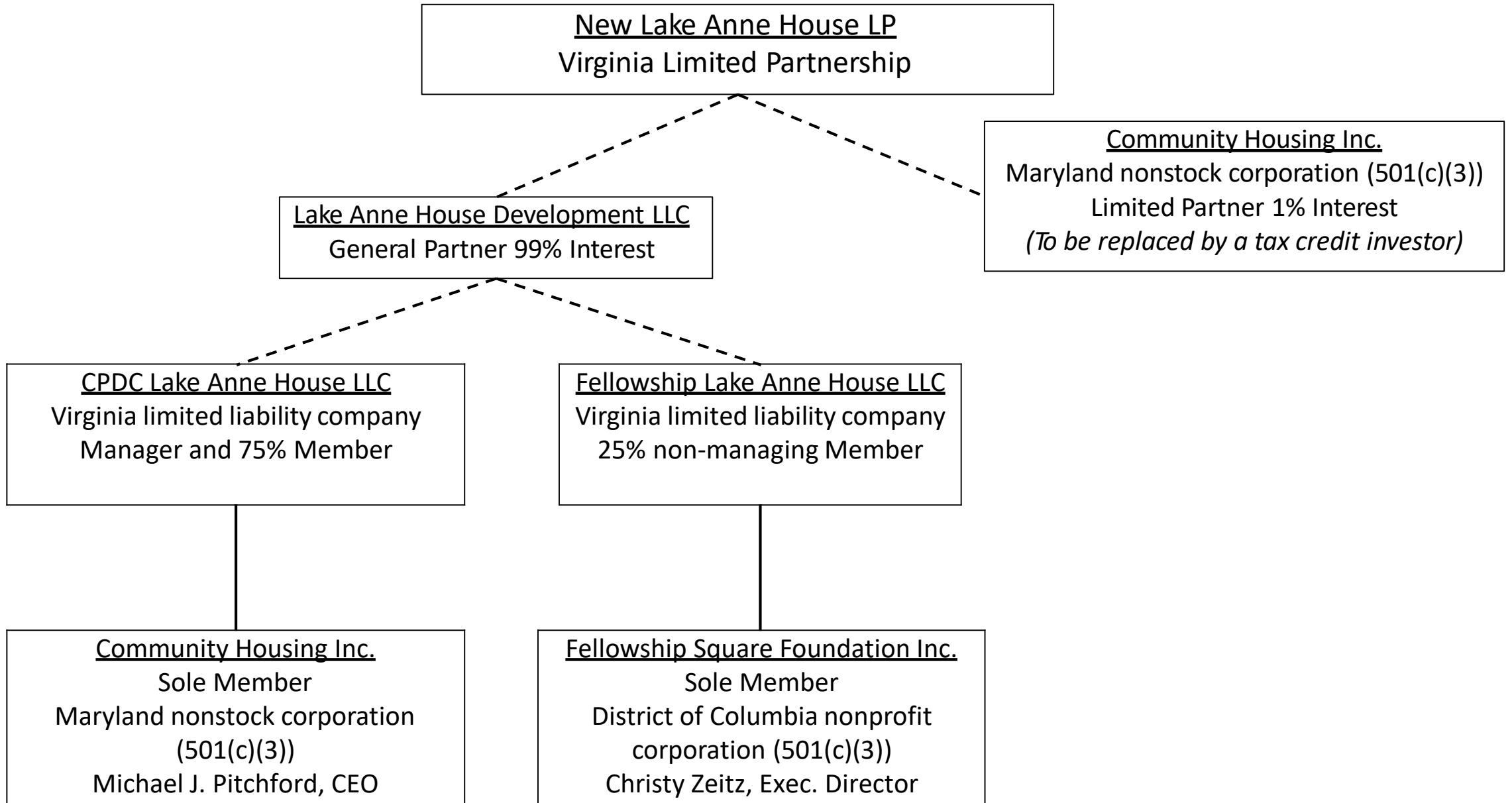
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A

Partnership or Operating Agreement

Including chart of ownership structure with percentage of
interests (**MANDATORY**)



**EIN Assistant**

Your Progress:

1. Identity ✓

2. Authenticate ✓

3. Addresses ✓

4. Details ✓

5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.EIN Assigned: **82-1996765**Legal Name: **NEW LAKE ANNE HOUSE LP**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN.

[Continue >>](#)**Help Topics**

[? Can the EIN be used before the confirmation letter is received?](#)

NEW LAKE ANNE HOUSE LP

Limited Partnership Agreement

Pursuant to the provisions of the Virginia Revised Uniform Limited Partnership Act, (the "Act"), the undersigned (the "Partners") agree to this Limited Partnership Agreement (this "Agreement"), made as of March 16, 2017.

1.0 Name of Partnership. The name of the Partnership is New Lake Anne House LP (the "Partnership")

2.0 Certificate of Limited Partnership: Management of the Partnership Business.

2.1 The Certificate of Limited Partnership of the Partnership, as filed with the State Corporation Commission of the Commonwealth of Virginia on March 16, 2017 (the "Partnership Certificate"), sets forth the principal office, registered agent, the registered office and the name and address of the General Partner.

2.2 The General Partner shall have the exclusive right and full authority to manage, conduct and operate the Partnership business. The General Partner may, without the consent of any Limited Partner, for, in the name of, and on behalf of the Partnership, do any act, conduct any activity, or enter into any note, mortgage, guaranty, pledge, security agreement, or other contract or agreement, or do any other thing which may be necessary, convenient, or incidental to the carrying out of the business of the Partnership.

3.0 Partners; Place of Business; Certificate of Limited Partnership.

3.1 The name and business address of the General Partner of the Partnership is as follows:

Lake Anne House Development
c/o Community Preservation and Development Corporation
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910

3.2 The name and business address of the initial Limited Partner of the Partnership is as follows:

Community Housing, Inc.
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910

4.0 Capital and Other Contributions.

4.1 The General Partner has contributed \$99.00 in cash to the Partnership.

4.2 The initial Limited Partners have contributed \$1.00 in cash to the Partnership.

4.3 A separate capital account shall be maintained for each Partner. There shall be credited to each Partner's capital account the cash amount of any contribution of capital made by such Partner, and such Partner's share of the profits of the Partnership, and there shall be

charged against each Partner's capital account the amount of all distributions to such Partner, and such Partner's share of the losses of the Partnership.

5.0 Additional Contributions. Except as otherwise agreed by unanimous consent of all Partners, no additional capital or other contributions are required to be made by any Partner.

6.0 Substitution and Assignment of Limited Partner's Interest. No Limited Partner shall have the right to substitute any person in its place or to assign its interest in the Partnership, except by the express prior written consent of the General Partner.

7.0 Right to Terminate Membership. No Partner may withdraw from the Partnership without the express prior written consent of all of the remaining Partners. The General Partner may not sell, assign or transfer its interest in the Partnership without the consent of the initial Limited Partner.

8.0 Right to Receive Distributions; Share of Profits and Other Items.

8.1 The Partners shall share in the net profits, net losses, cash flow and proceeds of any sale or refinancing of any property of the Partnership or liquidation of the Partnership in the proportions that their capital contributions bear to each other.

8.2 Net profits and net losses shall, for both partnership accounting and tax purposes, be net profits and net losses as determined for reporting on the Partnership's federal income tax return. For tax purposes, all items of depreciation, gain, loss, deduction or credit shall be allocated to and among the Partners in the same percentage in which the Partners share net profits and net losses.

9.0 Return of Contributions. Except as otherwise specifically provided herein, no Partner shall have the right to receive or demand the return of its capital contribution.

10.0 Term of the Partnership. The term of the Partnership shall begin on the date of filing of the Partnership Certificate, and shall continue indefinitely unless sooner terminated or dissolved by agreement of the General and the Limited Partners, or by operation of law.

11.0 Continuation of the Partnership; Assignment of General Partner's Interest. In the event the Partnership is dissolved pursuant to Section 10.0 above, the remaining General Partner, if any, may elect to carry on the business of the Partnership. Notwithstanding the provisions of Article 10.0, if such remaining General Partner so elects, the Partnership shall not be dissolved but shall continue.

12.0 Miscellaneous.

12.1 The General Partner shall keep just and true books of account with respect to the Partnership. Such books shall be maintained at the principal place of business of the Partnership, or at such other place as the General Partner shall determine, and shall include a current list of the full name and last known business address of each Partner set forth in alphabetical order, a copy of the Limited Partnership Agreement and the Certificate of Limited Partnership, and any amendments thereto, copies, if any, of federal, state and local income tax returns for the three most recent years and financial statements of the Partnership for the three most recent years. All Partners, and their duly authorized representatives, shall at all reasonable times have access to such books.

12.2 Such books shall be kept on the federal income tax method of accounting, and shall be closed and balanced at the end of each Partnership year. The same method of accounting shall be used for both Partnership accounting and tax purposes. The fiscal year of the Partnership shall be the twelve month period ending on December 31 of each year.

12.3 The General Partner shall be responsible for one or more accounts to be maintained in a bank (or banks) which is a member of the F.D.I.C. or F.S.L.I.C., which accounts shall be used for the payment of the expenditures incurred by the Partnership, and in which shall be deposited any and all cash receipts. All such amounts shall be and remain the property of the Partnership, and shall be received, held and disbursed for the purposes specified in this Agreement. There shall not be deposited in any such accounts any funds other than funds belonging to the Partnership, and no other funds shall in any way be commingled with such funds.

12.4 Subject to the restrictions on transfer set forth herein, this Agreement, and each and every provision hereof, shall be binding upon and shall inure to the benefit of the Partners, their respective successors, successors in title, heirs and assignees, and each and every successor in interest to any Partner, whether such successor acquires such interest by way of gift, purchase, foreclosure, or by any other method, shall hold such interest subject to all of the terms and provisions of this Agreement.

12.5 Each Limited Partner, including any additional or substituted Limited Partner, by the execution of this Agreement or any counterpart hereof, does hereby irrevocably constitute and appoint the General Partner, and each successor General Partner, and each duly elected officer thereof, and each of them acting singly, his or its true and lawful agent and attorney in fact, with full power and authority in his or its name, place and stead, to make, execute, acknowledge, swear to, deliver, file and record such documents and instruments as may be necessary or appropriate to carry out the provisions of this Agreement, including, but not limited to, the Partnership's Certificate of Limited Partnership and any amendments thereto. The foregoing power of attorney, being coupled with an interest, is hereby declared to be irrevocable, and shall survive the death, dissolution or incapacity of any Limited Partner.

12.6 No change, modification or amendment of this Agreement shall be valid or binding unless such change, modification or amendment shall be in writing and duly executed by all of the Partners.

12.7 This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the Commonwealth of Virginia.

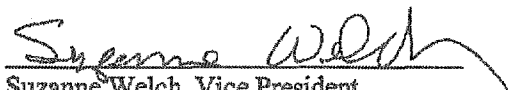
[end of page; signatures on next page]

EXECUTED UNDER SEAL as of the date first written above.

General Partner:

LAKE ANNE HOUSE DEVELOPMENT LLC,
a Virginia limited liability company

By: CPDC Lake Anne House LLC,
a Virginia limited liability company
its Managing Member

By: 
Suzanne Welch, Vice President

Limited Partner:

COMMUNITY HOUSING, INC.,
a Maryland nonstock corporation

By: 
Suzanne Welch, Vice President

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this “*Agreement*”) is made and entered into effective as of _____, 20__, by and between NEW LAKE ANNE HOUSE LP, a Virginia limited partnership (the “*Partnership*”), and COMMUNITY HOUSING, INC., a Maryland nonstock corporation (“*CHI*”), and FELLOWSHIP SQUARE FOUNDATION, INC., a District of Columbia nonprofit corporation (“*FSF*” and together with CHI, the “*Developer*”).

WITNESSETH:

WHEREAS, the Partnership, pursuant to that certain Assignment and Assumption Agreement effective May 1, 2017, entered into that certain Purchase and Sale Agreement effective August 26, 2016, as amended by that certain First Amendment of Purchase and Sale Agreement effective December 31, 2018 (collectively, the “*Contract*”) with Fellowship Square Foundation Inc., a District of Columbia nonprofit corporation, for the purchase and sale of certain real property located at 11448 and 11450 North Shore Drive in Fairfax County, Virginia, as further described in such Contract (the “*Property*”).

WHEREAS, the Partnership has been formed for the purposes, inter alia, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of the Property together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements are known as New Lake Anne and will be collectively referred to as the “*Apartment Complex*”), which Apartment Complex upon completion will consist of one (1) building with two hundred forty (240) affordable multi-family units and all furnishings, equipment, land, real property and personal property used in connection with the operation thereof, and is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the “*Code*”);

WHEREAS, in order to effectuate the purposes for which it has been formed, the Partnership has engaged the services of the Developer with respect to overseeing the development of the Apartment Complex for the Partnership; and

WHEREAS, the parties desire to enter into this Agreement that amends and restates in total any and all prior agreements and sets forth the obligations of, and the services to be performed by, the Developer and the compensation for such services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Obligations of the Developer.** The Developer will have the following duties, to the extent they have not already been performed:

1.1. to assist, advise and consult on the selection of and provide coordination and supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for

the Apartment Complex and the renderings, drawings and specifications for construction of Improvements;

- 1.2. to be cognizant of and advise the Partnership with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;
 - 1.3. to assist, coordinate and supervise the obtaining of all necessary entitlements, building permits and approvals for and in connection with the development and construction of the Apartment Complex;
 - 1.4. to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;
 - 1.5. to cooperate and coordinate with the construction contractors appointed by the Partnership;
 - 1.6. to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Apartment Complex on a timely basis and within the contemplated budget;
 - 1.7. to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Partnership; and
 - 1.8. to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.
 - 1.9. The Developer may retain the services of independent consultants, provided the Partnership will have no responsibility to such independent parties.
2. **Services Not Contemplated By This Agreement.** The Developer is not responsible for in any manner or form and will not perform any of the following services, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership:
- 2.1. any services with respect to the acquisition of the land or buildings included in the Apartment Complex or development of nonresidential improvements;
 - 2.2. services in connection with obtaining an allocation of Credits;
 - 2.3. any services in connection with obtaining commitments from and negotiating with any permanent lender to the Apartment Complex;

- 2.4. any services in connection with the syndication of the Partnership or placement of the equity from investor limited partner(s);
- 2.5. any services with respect to the lease-up of the Apartment Complex units (such services already having been contemplated in the Management Agreement); and
- 2.6. any services in connection with the organizational structure of the Apartment Complex and any entity with respect thereto or the organization of the Partnership.

The Developer understands that it will not be paid and at no time will be due any amounts under this Agreement if and to the extent the Developer should perform any such services. In connection hereto, the Developer represents, warrants and covenants that, to the best of its knowledge, it has not performed and will not perform any of such services in connection with this Agreement and, in the event the Developer has performed or does perform any such services, it agrees that no compensation at any time payable to the Developer pursuant to this Agreement will be attributable to any such services.

3. **Development Fee.** In consideration of the performance by the Developer of the development services described herein, the Partnership will pay to the Developer a development fee (the “*Development Fee*”) in the amount of \$5,000,000. The Partnership and the Developer acknowledge that specific portions of the Development Fee will be earned by Developer as certain benchmarks are satisfied as more particularly described in the Amended and Restated Limited Partnership Agreement of the Partnership to be entered into after the date hereof (the “*Partnership Agreement*”), but in any event all of the Development Fee will be earned upon the receipt by the Partnership of the final certificate of occupancy for the last building in the Apartment Complex (or, if earlier, as of the end of the first year of the credit period (as such term is defined in Section 42(f)(1) of the Code)). All amounts due and payable hereunder will be paid in accordance with the Partnership Agreement. In addition, any amount of Development Fee that remains unpaid after construction completion of the Apartment Complex will constitute a loan bearing an interest rate equal to the long-term Applicable Federal Rate for the month in which the Apartment Complex achieves construction completion, from the Developer to the Partnership, and will be due and payable in full by the fifteenth anniversary of construction completion. The Development Fee (paid and deferred) will be split between CHI and FSF in accordance with the following percentages: 75% to CHI and 25% to FSF. Notwithstanding the foregoing, to the extent any party makes a contribution to the Partnership to pay Development Fee, the Development Fee paid from the proceeds of the contribution will be paid to the party that made the contribution.
4. **Termination of Duties and Responsibilities of Developer.** The Developer will have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Apartment Complex and completion of all punch list items. The Developer’s duties, responsibilities and rights hereunder will not be terminated by the Partnership except for “cause” as finally determined by a court of competent jurisdiction. For purposes hereof, “cause” will mean

fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days' prior notice and opportunity to cure.

5. Miscellaneous.

- 5.1. This Agreement will be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party and the Developer may not assign or pledge its rights or its duties under this Agreement.
- 5.2. The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and will not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.
- 5.3. This Agreement and the rights and obligations of the parties hereto will be governed and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws. The parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement will be Richmond, Virginia.
- 5.4. This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.
- 5.5. This Agreement will not be amended or modified in any respect without the prior written consent of each party hereto.
- 5.6. No party hereto will file or attempt to file this Agreement of record.
- 5.7. This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Partnership and its partners and no benefits to third parties are intended.
- 5.8. In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision will be deemed omitted from this Agreement and to the extent possible such provision will be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement will be affected by such omission or unenforceability.
- 5.9. The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, will be entitled to reasonable attorneys' fees and court costs.
- 5.10. The waiver by any party of any breach of this Agreement will not operate or be construed to be a waiver of any subsequent breach.

- 5.11. All capitalized terms herein will have the same meanings as set forth in the Partnership Agreement, except as otherwise expressly set forth herein.
6. **Notice.** Any notice required to be given hereunder will be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in the Partnership Agreement. Each party will have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period will be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.
7. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original copy and all of which together will constitute one agreement binding on all parties hereto, notwithstanding that all the parties will not have signed the same counterpart.
8. **Responsibilities of the Partnership.** In order for the Developer to perform duties described herein, the Partnership will:
- 8.1. provide full information regarding its requirements for the Apartment Complex;
 - 8.2. designate a representative who will be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously; and
 - 8.3. if the Partnership becomes aware of any fault or defect in the Apartment Complex or nonconformance with any contract or other documents, it will give prompt written notice thereof to the Developer.
9. **Independent Contractor.** The parties hereto do not intend to create a partnership or any similar association for any purpose pursuant to this Agreement. The Developer will be an independent contractor for all purposes.
10. **Waiver of Jury Trial.** (a) Each of the parties hereto hereby knowingly, voluntarily and intentionally, after opportunity for consultation with independent counsel, waives its right to trial by jury in any action or proceeding to enforce or defend any rights or obligations (i) under this Agreement, (ii) arising from the financial relationship between the parties existing in connection with this Agreement or (iii) arising from any course of dealing, course of conduct, statement (verbal or written) or action of the parties in connection with such financial relationship. (b) No party hereto will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial has not been or cannot be waived. (c) The provisions of this Section 10 have been fully negotiated by the parties hereto, and these provisions will be subject to no exceptions. (d) No party hereto has in any way agreed with or represented to any other party that the provisions of this Section

10 will not be fully enforced in all instances. (e) This Section 10 is a material inducement for the Partnership to enter into this Agreement.

[End of text; signatures begin on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the date first written above.

DEVELOPER:

COMMUNITY HOUSING, INC.,
a Maryland nonstock corporation

By: _____
Suzanne Welch
Its: Vice President

FELLOWSHIP SQUARE FOUNDATION, INC.
A District of Columbia nonprofit corporation

By: _____
Name: _____
Title: _____

PARTNERSHIP:

NEW LAKE ANNE HOUSE LP,
a Virginia limited partnership

By: Lake Anne House Development LLC,
a Virginia limited liability company,
its general partner

By: CPDC Lake Anne House LLC,
a Virginia limited liability company,
its managing member

By: Community Housing, Inc.,
a Maryland nonstock corporation,
its sole member

By: _____
Suzanne Welch
Its: Vice President

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, March 16, 2017

This is to certify that the certificate of limited partnership of

New Lake Anne House LP

was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.



State Corporation Commission

Attest:

Joel H. Peck
Clerk of the Commission



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

LPA-73.11
(07/10)

CERTIFICATE OF LIMITED PARTNERSHIP

The undersigned, on behalf of the limited partnership set forth below, pursuant to Title 50, Chapter 2.1 of the Code of Virginia, state(s) as follows:

1. The name of the limited partnership is

New Lake Anne House LP

2. A. The name of the limited partnership's initial registered agent is

Corporation Service Company

B. The registered agent is (mark appropriate box):

(1) an INDIVIDUAL who is a resident of Virginia and

- a general partner of the limited partnership.
- an officer or director of a corporation that is a general partner of the limited partnership.
- a general partner of a general or limited partnership that is a general partner of the limited partnership.
- a member or manager of a limited liability company that is a general partner of the limited partnership.
- a trustee of a trust that is a general partner of the limited partnership.
- a member of the Virginia State Bar.

OR

(2) a domestic or foreign stock or nonstock corporation, limited liability company or registered limited liability partnership authorized to transact business in Virginia.

3. A. The limited partnership's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is

1111 East Main Street, 16th Floor Richmond VA 23219
(number/street) (city or town) (zip)

B. The registered office is physically located in the county or city of Richmond

4. The name and post office address, including the street and number, if any, of each general partner and, if it is a business entity, the jurisdiction under whose laws it is incorporated, organized or formed, and its SCC ID number, if assigned, are:

Lake Anne House Development LLC S6352639 Virginia
(name of general partner) (SCC ID #, if assigned) (jurisdiction of organization)

8403 Colesville Road, Suite 1150 Silver Spring MD 20910
(number/street) (city or town) (state) (zip)

(name of general partner) (SCC ID #, if assigned) (jurisdiction of organization)

(number/street) (city or town) (state) (zip)

Check and complete if applicable:

Each of the following general partners that is a business entity is serving, without more, as a general partner of the limited partnership and does not otherwise transact business in Virginia. See §§ 13.1-757, 13.1-1059 and/or 50-73.61 of the Code of Virginia.

5. The limited partnership's principal office address, including the street and number, if any, is

8403 Colesville Road, Suite 1150 Silver Spring MD 20910
(number/street) (city or town) (state) (zip)

Signature(s) of all general partner(s):

Suzanne Welch
(signature)

3/15/2017
(date)

Suzanne Welch, Vice President of CPDC Lake Anne House LLC, Managing Member of Lake Anne House Development LLC

202-225-9559
(telephone number (optional))

(signature)

(date)

(printed name and title)

(telephone number (optional))

PRIVACY ADVISORY: Information such as social security number, date of birth, maiden name, or financial institution account numbers is NOT required to be included in business entity documents filed with the Office of the Clerk of the Commission. Any information provided on these documents is subject to public viewing.

SEE INSTRUCTIONS ON THE REVERSE

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of all documents filed in this office by New Lake Anne House LP, a VIRGINIA Limited Partnership.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:
March 21, 2017*

Joel H. Peck

Joel H. Peck, Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:

New Lake Anne

Name of Applicant (entity):

New Lake Anne House LP

I hereby certify that:

1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

Previous Participation Certification, cont'd

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing Development Authority (VHDA) employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature

Suzanne Welch, Vice President

Printed Name

3.21.19

Date (no more than 30 days prior to submission of the Application)

Attachment to Previous Participation Certification

Reportable Condition Community Housing, Inc. (“CHI”) is the 100% owner of CPDC Mayfair Mansions, Inc. (“CPDC-MM”) which is a minority member of Mayfair Mansions Condo LLC (the “**Condo LLC**”). The managing and majority member of the Condo LLC is MHCDO Mayfair Mansions, Inc., which is a subsidiary of Marshall Heights Community Development Organization, Inc. (“MHCDO”), a District of Columbia not-for-profit corporation.

The Condo LLC’s loan from the District of Columbia went into default and the District foreclosed upon the deed of trust.

Background Mayfair Mansions was a 570-unit multifamily rental housing project in the District of Columbia. MHCDO and CHI undertook to re-develop the property as a mixed-tenure project consisting of a 410-unit tax credit rental phase, which would be led by CHI, and 160-unit affordable condominium conversion project, which would be led by MHCDO. Thus, CHI controls the managing member of the general partner of the tax-credit ownership entity and MHCDO controls the managing member of the Condo LLC.

CHI successfully completed the acquisition, renovation and lease-up of the tax-credit rental project. MHCDO was not able to locate enough qualified buyers to obtain construction financing for the condominium project and stopped working on the project, resulting in the default on the loan from the District.

Under the terms of the operating agreement for the Condo LLC, MHCDO had primary responsibility for executing the condominium project. While CHI had the right to consent to certain important decisions, it did not have the power either to force MHCDO to take any action or to replace MHCDO as managing member.



COMMUNITY PRESERVATION AND DEVELOPMENT CORPORATION

STATEMENT OF DEVELOPER EXPERIENCE

Organization History and Overview

Community Preservation and Development Corporation (CPDC), is a highly regarded leader in affordable housing. Our mission is to develop vibrant communities through innovation and partnerships, and our award-winning projects demonstrate our successful commitment to this mission. CPDC's preservation and new construction projects alike are known for innovative and high-quality design, sophisticated financing, and transformative community impact.

CPDC creates and preserves financially sound, socially responsible, affordable housing for low and moderate-income individuals and families, some of which are combined with market rate units to create mixed-income communities. Whenever feasible, CPDC joins with community residents and partners to provide community programs that increase opportunities for residents to effect change in their lives and their communities.

Eugene Ford, established CPDC in 1989 to focus on preserving affordable properties in the mid-Atlantic region, because safe, decent, and affordable housing was, and still is, critically needed.

Over the subsequent three decades, CPDC has established an unparalleled reputation for revitalizing communities across the region. This has included the redevelopment and revitalization of over 30 properties with 5,000+ units of high-quality, affordable housing, representing an investment of over \$700 million. CPDC currently owns and operates 5,000+ units of affordable housing, serving over 10,000 residents – including 600+ units of restricted senior housing in five properties. These properties span the District of Columbia, Maryland, and Virginia.

In 2014, CPDC adopted an aggressive strategic plan that focused on creating a more responsive community development model that could better serve neighborhoods and residents.

Overview of Firm's Qualifications

Named the Housing Association of Nonprofit Developers (HAND) 2016 Developer of the Year, CPDC is a leader in the affordable housing industry both regionally and nationally, and our track record represents these accomplishments. We succeed in both strengthening communities and providing a sound business investment for our lenders, investors, and public partners.

CPDC's success lies in its expertise and balanced model of property development. This model includes establishing solid financing; employing quality design and construction approaches; ensuring that built assets endure; and nurturing a long-term relationship with residents. Mixed financing leverages public sources, such as LIHTC, with private financing that provides low-cost, long-term, stable financing. Proactive asset management ensures that third-party property managers bring the requisite expertise and attention to the intricacies of managing affordable housing, and that the value of the asset is preserved for the long term. Most importantly, we prioritize effective, long-term engagement with our residents. Our developments reflect how the public, private, and non-profit sectors, in partnership with residents and neighbors, can work together to create housing that directly serves community needs.

In addition to expertise in affordable housing finance, CPDC specializes and is an expert in the rehabilitation of occupied multi-family rental housing. Rehabilitation of apartments with residents in place or with on-site relocation is one of the most complex types of construction. Meticulous planning, coordination and scheduling are required, alongside managing the risks of the unknown elements of rehabilitation.

Not only does CPDC have a highly qualified and capable staff, but we have cultivated strong relationships with general contractors, architects, property managers, and law firms that possess substantial experience in affordable housing and understand CPDC's high standards.

Low-Income Housing Tax Credits: CPDC is particularly experienced in LIHTC funding, which has been a part of our last nine real estate deals and is the bedrock model of our project funding. CPDC has received over 20 LIHTC awards in our 25-year history and has had a great deal of success in managing LIHTC properties.

Project	Number of Units	Equity Raised	Allocating Agency
Admiral Oaks Apts.	159	\$11,602,514	Maryland CDA
Edgewood Commons I	292	\$10,299,150	DHCD/DCHFA
Essex House	135	\$4,361,947	Maryland CDA
Fort Stevens	59	\$9,602,153	DHCD/DCHA
Highland Park Seniors	77	\$5,798,791	VHDA
Hollins House Seniors	130	\$8,348,964	Maryland CDA
Jackson Ward Senior	72	\$7,580,939	VHDA
Jackson Ward Multifamily	72	\$2,978,267	VHDA
Randle Hill	196	\$15,261,000	DHCD/DCHFA
Stony Brook Apts.	204	\$8,220,425	VHDA
The Larkspur	76	\$9,973,113	VHDA
The Overlook at Oxon Run	316	\$28,525,249	DHCD/DCHFA
West Wood Oaks	59	\$2,832,071	VHDA
Wheeler Terrace Apts.	118	\$11,569,000	DHCD/DCHFA

Private Activity Bonds: Many of CPDC’s projects also include taxable or tax-exempt bonds, either as construction funds or permanent funds, and usually in deals that were awarded 4% tax credits. Our staff have become experts at structuring deals with tax-exempt bonds.

Private Permanent Loans and Construction Loans: Our projects include a first mortgage, and generally have a construction loan, from a private financial institution. CPDC’s staff have strong relationships with community lending officers of the region’s largest financial institutions and are in contact with many of them regarding the deals in our pipeline.

FHLB Affordable Housing Program: CPDC has a strong track record of obtaining funding through the Affordable Housing Program of the Federal Home Loan Bank system.

Real Estate Investment Trust: As part of CPDC’s strategic plan to expand into the Hampton Roads Tidewater area, we purchased a 300-unit garden style development project located in Norfolk, Virginia. We used the Housing Partnership Equity Trust (HPET) for the acquisition of this property. HPET established a partnership with 12 of the nation’s leading non-profit developers and owners, including CPDC. The model allows the Equity Trust to hold \$100 million in acquisition capital, with the intent to raise over \$500 million over a five-year period, to acquire and preserve unsubsidized affordable and workforce housing. This ready source of acquisition capital allows non-profit developers to compete with private developers without relying on or consuming public subsidy and grant programs.

Other financial instruments that CPDC has successful experience using include:

- HUD Section 236 Program
- HUD 221 (d) 3, 4 Programs
- HUD 223 (f) and (a) Programs
- Federal Historic Tax Credits
- State Historic Tax Credits
- HUD Section 202 Program
- Project- and Voucher-Based Section 8
- Renewable Energy Grants
- VHDA Reach Funding
- HOME Investment Partnership Program
- Community Development Block Grant (CDBG)



Ownership Structure

Community Preservation and Development Corporation is a nonstock, nonprofit corporation with 501(c)(3) tax-exempt status that provides community development programs and services.

On January 1, 2018, CPDC began an affiliation with Enterprise Community Investments (ECI). ECI and its parent, Enterprise Community Partners (ECP), are national intermediaries and Section 501 (c)(3) charitable organizations. With this affiliation, CPDC effectively operates as a subsidiary of ECI and has unique access to their various debt and equity resources, as well as corporate capital for deal-specific equity investments and operating deficit support, if needed.



Community Impact Strategies

Since its inception, CPDC has provided high-quality, tailored, site-based programs and resources to children, youth, and adults on our properties. Today however, CPDC has evolved to do more than resident services. Since completing our 2014 Strategic Plan, we have employed a community building model consisting of five impact areas: economic development, education, environment, health and wellness, and resident engagement.

To reflect this shift—and our commitment to a deeper involvement and investment in communities—we have redefined this work as Community Impact Strategies (CIS). This new title encompasses our expanded work both serving residents and collaborating broadly to support the collective interests of local communities. Working deliberately as a community developer, we have evolved from service providers to active participants in neighborhood planning and joint creators of community solutions.

CPDC's CIS team works with residents, private sector institutions, other nonprofit organizations, and local and federal government agencies to create strategic alliances. These partnerships result in increased programs, services, resources and networks becoming available to residents and those in the immediately surrounding communities.

Developer's Company Financial Statements and Tax Returns

CPDC has built a strong balance sheet with several million in cash reserves by building and delivering on past commitments and timely collection of developer fees. CPDC has consistently met its construction completion, operating deficit or other guarantees related to past projects in our portfolio.

Our finance department includes a Senior Vice President of Finance, a Controller, and experienced accountants with real estate and not-for-profit accounting experience. Additionally, we use a public accounting firm to perform audit and tax services, and regularly consult with accounting and legal experts on tax credit matters, deal structuring, and nonprofit corporate issues. We fully document cash management, accounts payable, check signing, and other banking matters.

CPDC's accounting system, PeopleSoft, produces financial reports to monitor and manage its real estate projects and assets, as well as resident services functions. Each member of the Board of Directors reviews the annual audit management letter and IRS Form 990s, and the Board meets privately with the auditors to discuss any issues raised.





**J. Michael Pitchford,
President and CEO**

Mr. Pitchford is responsible for the overall strategic direction and management of the real estate development and community development programs of CPDC's affordable housing communities. Having spent a decade serving on the Board of the National Housing Conference, including a three-year stint as its president, Mr. Pitchford has developed a strong understanding of how national and local policy impact housing affordability. This, along with his leadership skills in generating a shared vision with employees, has helped him build infrastructure for stable and rapid growth.

Previously, Mr. Pitchford led the Community Development Equity Group at Bank of America Corporation in Charlotte, NC. Under his leadership, the Group developed or rehabilitated 23,000 units of affordable housing since 1994 and increased equity commitments by 3,000%. These developments notably included Make A Difference Centers, which are community life programs tailored to the needs of the resident population with services such as computer training for residents of all ages, career and academic mentoring, and on-site health clinics.

Mr. Pitchford has participated in and led numerous associations, workshops, conferences, and forums on policy, networking, and the sharing of best practices. He is a member of the Urban Land Institute and serves on the Boards of the Maryland Affordable Housing Coalition, the Anne Arundel Affordable Housing Coalition, the National Housing Conference, the Housing Partnership Network and the Housing Partnership Equity Trust. He is a lecturer and adjunct faculty member in the School of Public Policy at the University of Maryland. He is a past chairman of the Affordable Housing Council of the Urban Land Institute and is a past chairman of the National Housing Conference. Mr. Pitchford earned his bachelor's and master's degrees from Old Dominion University.





**Christopher LoPiano,
Senior Vice President of
Real Estate Development/
Asset Management**

Mr. LoPiano is responsible for all real estate development and asset management functions at CPDC. Mr. LoPiano's career in real estate development spans more than 25 years with prominent organizations primarily in the Washington, D.C. and Baltimore, MD regions. He specializes in urban development and community revitalization and works closely with community leaders and neighborhood organizations to achieve their goals. Mr. LoPiano has extensive experience in developing affordable housing, including renovation and new construction in both the rental and for-sale sides of the business. He has led several large urban mixed-use projects, from project entitlement through construction and lease-up.

Prior to joining CPDC, Mr. LoPiano was the director of development for CityInterests, a Washington, D.C.-based developer. During his tenure, he directed all project design, entitlement, financing, construction, and leasing efforts. In this role, he managed the development of a 15-acre transit-oriented PUD, a 400,000 sq. ft. mixed-use redevelopment, and a 300,000 sq. ft. retail portfolio. Mr. LoPiano also managed CityInterests' relationship with the D.C. government, including city council and pertinent agencies.

Mr. LoPiano also served as a senior vice president for Bank of America CDC, where he established its Washington, D.C. and Baltimore offices. He was a long-time member of the Washington, D.C. Local Advisory Committee of the Local Initiatives Support Corporation (LISC) and served on the Washington, D.C. Loan Committee of the Nonprofit Finance Fund. He is a past president of the Baltimore Neighborhood Design Center and has served on the Urban Land Institute study panels for Norfolk, VA and Rochester, NY.

Mr. LoPiano graduated from Georgetown University with degrees in Government and Economics.





**Pamela M. Lyons,
Senior Vice President
of Community Impact
Strategies**

Ms. Lyons is responsible for the development and direction of CPDC's community building model strategy and manages the company's renowned Resident Services with daily leadership. Key to the success of her work at CPDC is the identification and building of partnerships with private sector groups and local government agencies that provide programs and services to support the five impact areas of the community building model: Education, Economic Development, Health and Wellness, Environment, and Resident Engagement. She is also responsible for measuring and ensuring the ongoing effectiveness of all internal and external resident service processes at CPDC.

Ms. Lyons previously spent five years at CPDC as director of administration, overseeing human resources, communications, operations, and IT management. Her prior duties included partnering with members of senior management to help guide corporate business objectives, employee relations, workforce planning, and communications across the organization.

Ms. Lyons has more than 17 years of experience in human resources development and employee relations. For six of those years, she served as chief of staff at the Council of Chief State School Officers in Washington, D.C., where she managed relationships with key external stakeholders, established effective management and performance measurement systems, and developed recruitment and orientation strategies to support corporate objectives.

Ms. Lyons graduated from the American University in Washington, D.C., and is the president of the Board of Beacon House and Board member of CNHED.



**Suzanne K. Welch,
Vice President of Real
Estate Development**

Ms. Welch works on both acquisition, new construction and redevelopment projects undertaken by CPDC. At CPDC she manages a real estate development team on a variety of mixed use and mixed income affordable housing projects. Her responsibilities include financial feasibility, securing project financing, and overseeing acquisition, entitlements, HUD approvals, and rehabilitation and preservation of existing, occupied affordable housing as well as development of new construction projects. Ms. Welch has specialized expertise and familiarity with land use redevelopment, landlord tenant law, Low Income Housing Tax Credits, tax-exempt bond financing, D.C. Housing Production Trust Fund, and permanent supportive housing policies nationally and locally.

Ms. Welch has worked in the affordable housing finance industry for over 15 years both at CPDC and at Transitional Housing Corporation (THC). At THC, she was Director of Affordable Housing for THC Affordable Housing, Inc., the co-developer of Fort View and Webster Gardens, winners of the Journal of Tax Credit Development of Distinction Award in 2011 for Financial Innovation. Prior to that, she held the position of sr. associate general counsel for The Rouse Company working in the area of commercial real estate development of retail and mixed-use projects, and both urban centers and regional shopping centers across the country. She has also worked for the City of Baltimore Department of Housing and Community Development.

Ms. Welch holds a Juris Doctorate degree from the University of Baltimore and Masters in Community Development from the University of Maryland School of Social Work. She is licensed to practice law in the State of Maryland.





**Matt Engel,
Senior Real Estate
Development Officer**

Mr. Engel works on all aspects of the acquisition, preservation, and redevelopment of projects undertaken by CPDC. He has developed over 800+ units of mixed-income housing at a project value of over \$200 million. Mr. Engel has developed and financed deals with HOPE VI, ARRA, Low Income Housing Tax Credits, Bond Financing, Housing Production Trust Funds, Community Development Block Grants, and Project-Based Section 8 contracts. As the lead for two large scale HOPE VI redevelopments, Mr. Engel's expertise includes public-private development, design, community revitalization, new construction and complex financing.

Prior to joining CPDC, Matt Engel was the Vice President of Development and Construction for a Washington, D.C. based non-profit developer, and was a Project Manager at WC Smith, a multidisciplinary privately held real estate company in Washington. Mr. Engel graduated from Carleton College in Northfield, MN with honors in History.



**Jess Neubelt,
Real Estate Development
Associate**

Ms. Neubelt supports all aspects of the acquisition, preservation, and redevelopment of projects undertaken by CPDC. Prior to joining CPDC, Ms. Neubelt was a project manager for a community-based non-profit developer in New Haven, CT that specialized in the renovation of vacant single-family homes. She also has several years of experience working on a wide range of historic preservation projects including the restoration, documentation, and adaptive reuse of buildings up and down the East Coast.

Ms. Neubelt holds masters degrees in Historic Preservation and City & Regional Planning from the University of Pennsylvania's School of Design. She is also a graduate of Skidmore College in Saratoga Springs, NY.





**Katrina Polk,
Senior Director for AIC/
Senior Housing**

Ms. Polk is responsible for Gerontological Health Service, Long Term Care, Age-Friendly Development, Aging in Place Design, Advocacy, Advance Care Planning, Nonprofit Management, Public Performance Measurements, Community & Neighborhood Revitalization, and Supportive Housing. Her focus is on Maryland, Virginia and the District of Columbia.

Ms. Polk holds a Ph.D. in Public Policy and Administration, specializing in Health Services at Walden University, a Master of Public Policy and Administration at Southern University, and a Bachelor of Arts in Labor Studies at National Labor College.



CPDC is governed by a Board of Directors comprised of senior leaders in business, finance, and government sectors. Under their direction, CPDC's properties reflect how the public, private, and non-profit sectors, in partnership with residents and neighbors, can successfully interact to create housing that directly serves the needs of the community.

J. Michael Pitchford

President and Chief Executive Officer, CPDC

Charles Werhane

President & CEO, Enterprise Community Investment

Adrian Washington

Founder, NDC

Barry C. Curtis

President & Owner, Best Fence LLC

Conrad Eagan

Retired President & CEO of NHC

Kelly Shiflett

Senior Vice President, Finance, Enterprise

Laurel Blatchford

SVP & Chief Program Officer, Enterprise Community Investment

Leicester Johnson

Executive Director, Academy of Hope

Lee Reno

Founding Member, Reno & Cavanaugh

Nancy S. Rase

Principal, Nancy Rase Consulting Svcs LLC

W. Kimball Griffith

Retired VP, Norris George & Ostrow PLLC

DEPARTMENT LEADS AND CONTACTS

Michael Pitchford

President and CEO, CPDC

Kelly Shiflett

Senior Vice President, Finance, Enterprise

Pamela Lyons

Senior Vice President, Community Impact Strategies, CPDC

Christopher LoPiano

Senior Vice President, Real Estate Development and Asset Management, CPDC



D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

Schedule A: List of All Tax Credit Developments for the Below Referenced Principal

Complete the following, using separate page(s) as needed, for each principal. List all developments that have received allocations of tax credits under Section 42 of the IRC.

Community Housing Inc. Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y
 Principal's Name: Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	1330 7th St, Washington, DC	1330 Limited Partnership 202.895.8900	Y	136	129	12/31/2004	10/14/2005	N
2	Bates School, Annapolis, MD	Bates Limited Partnership 202.895.8900	Y	71	71	7/21/2006	12/18/2006	N
3	Buckman Road Apartments, Alexandria, VA	Buckman Road Development LLC 202.895.8900	Y	204	204	8/9/2010	8/20/2012	N
4	Edgewood Terrace II, Washington, DC	Edgewood Gardens Limited Partnership 202.895.8900	Y	42	32	8/1/1999	3/13/2000	N
5	Edgewood Terrace III, Washington, DC	Edgewood Seniors LP 202.895.8900	Y	127	127	8/4/2003	10/12/2004	N
6	Edgewood Terrace IV, Washington, DC	Edgewood IV Limited Partnership 202.895.8900	Y	258	124	5/1/2002	5/11/2004	N
7	Island Walk, Reston, VA	Island Walk Limited Partnership 202.895.8900	Y	102	102	12/1/2005	6/15/2006	N
8	Mayfair Mansions, Washington, DC	Mayfair Mansions Limited Partnership 202.895.8900	Y	409	390	9/30/2009	12/2/2010	N
9	Oxford Manor, Washington, DC	Oxford Manor Limited Partnership 202.895.8900	Y	226	139	9/14/05-6/5/06	10/20/2006	N
10	Park Montgomery, Silver Spring, MD	Park Montgomery Limited Partnership 202.895.8900	Y	141	141	11/1/2000	10/25/2002	N
11	The Overlook at Oxon Run, Washington, DC	Parkside Terrace Development Limited Liability Corporation 202.895.8900	Y	316	316	7/1/2009	12/2/2010	N
12	Suburbia Fairfax, Fairfax, VA	Suburbia Fairfax Development LLC 202.895.8900	Y	54	54	12/16/2010	5/20/2013	N
13	Wardman Court Apartments, Washington, DC	Clifton Terrace Limited Partnership 202.895.8900	Y	152	152	5/22/2004	2004	N
14	Wheeler Terrace, Washington, DC	Wheeler Terrace Development Limited Partnership 202.895.8900	Y	116	116	12/31/2009	5/27/2011	N
15	The Larkspur, Arlington, Virginia	Howard Manor Limited Liability Corporation 202.895.8900	Y	76	69	7/29/2011	10/23/2014	N
16	Edgewood I	Edgewood Terrace One LLC 202.895.8900	Y	292	205	9/21/2016	Awaiting State Agency approval/issuance	N
17	Admiral Oaks	Captains Circle LLC 202.895.8900	Y	159	159	12/31/2010	12/20/2011	N
18	Essex House	Essex House LLC 202.895.8900	Y	135	123	5/28/2015	1/9/2017	N

19	Highland Park Plaza	Highland Park Senior Housing LLC 202.895.8900	Y	77	77	TBD- Currently under renovation	TBD- Currently under renovation	N
20	Hollins House	Hollins House LLC 202.895.8900	Y	130	130	TBD- Currently under renovation	TBD- Currently under renovation	N
21	Jackson Ward Senior	Jakson Ward Senior LLC 202.895.8900	Y	72	72	TBD	TBD	N
22	Fort Stevens	Fort Stevens LLC 202.895.8900	Y	59	59	TBD	TBD	N
23	Jackson Ward Multifamily	Jackson Ward Multifamily LLC	Y	82	82	TBD	TBD	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 3,436 3,073

LIHTC as % of
89% Total Units

E

Site Control
Documentation & Most
Recent Real Estate Tax
Assessment
(MANDATORY)

PURCHASE AND SALE AGREEMENT

(Replacement Parcel)

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”) is made as of August 26, 2016 (the “**Effective Date**”), by and between Fellowship Square Foundation, Inc., a District of Columbia nonprofit corporation (“**Seller**”) and Lake Anne House LLC, a Virginia limited liability company (“**Buyer**”).

RECITALS:

Seller and Community Housing, Inc., a Maryland nonstock corporation have entered into that certain Master Development Agreement dated on or about August 26, 2016 (the “**MDA**”) concerning the redevelopment of the Land, as defined below, and an adjacent parcel of land owned by the Seller (the “**Adjacent Parcel**”).

Upon the satisfaction of, and subject to, the terms and conditions set forth in this Agreement, Seller has agreed to sell the Property (defined in Section 1) to Buyer, and Buyer has agreed to purchase the Property from Seller.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as set forth below.

1. PURCHASE AND SALE OF THE PROPERTY.

Subject to and in accordance with the terms and conditions contained in this Agreement, Seller agrees to sell, assign, convey, and transfer to Buyer the following real, personal and other property (collectively the “**Property**”), and Buyer agrees to purchase and accept the Property:

1.1 Land. Fee simple title to that certain real property located in Fairfax County, Virginia, as legally described on Schedule 1.1 (the “**Land**”).

1.2 Improvements. All of Seller's right, title and interest in any fixtures, buildings, and improvements located on the Land (the “**Improvements**”), subject to the temporary easement to be granted by Buyer to Seller at Closing giving Seller access to the portion of the parking lot located on the Land and serving the Adjacent Parcel, as described in greater detail in Section 6.2.5 below.

1.3 [Reserved]

1.4 Appurtenances. All rights, privileges and easements appurtenant to the Land, including, without limitation, any and all rights of Seller in and to all air and development rights, all mineral rights, all water, wastewater and other utility rights relating to the Land, and all rights

in streets, alleys and rights of way adjacent to the Land, all rights of ingress and egress thereto, any strips and gores within or bordering the Land and in all profits or rights or other appurtenances connected with the beneficial use or enjoyment of the Land, in each case to the extent assignable without obtaining the consent of any third party (collectively, the “Appurtenances”).

1.5 [Reserved].

1.6 Intangible Property. All of Sellers right, title and interest, if any, in and to the trade name “Lake Anne Fellowship House” and any other intangible property owned by Seller and used or designed for use in connection with the Land, Improvements, and any contract or lease rights, licenses, permits, certificates of occupancy, franchises, agreements, utility contracts, unexpired claims, warranties, guaranties and sureties, or other rights relating to the ownership, development, construction, design, use and operation of the Land and/or Improvements, in each case to the extent assignable (collectively, the “Intangible Property”).

1.7 [Reserved]

1.8 Awards. Subject to the provisions of Section 11, all rights to any award made or to be made or settlement in lieu thereof for damage to the Land or Improvements by reason of condemnation, eminent domain, exercise of police power or change in grade of any street.

2. **INDEPENDENT CONSIDERATION; INSPECTIONS.**

2.1 [Reserved].

2.2 [Reserved].

2.3 Inspections; Indemnity; Insurance.

2.3.1 Inspections. Buyer and its employees, consultants, contractors and agents, including, without limitations, appraisers, architects, contractors, engineers, soil analysts, environmental specialists, pest control specialists and the like (collectively, “Buyers Consultants”), shall have the right and permission through Closing to enter upon the Property during normal business hours upon at least forty-eight hours (48) advance notice by Buyer to Seller, in a manner not to materially damage or injure the Property, to inspect all aspects of the Property, at Buyers sole risk, cost and expense, and to make such physical inspections, studies and tests of the Property which Buyer deems necessary or advisable in its sole discretion. Seller shall have the right to have its representative present at any such inspections, studies and tests, and Buyer shall coordinate all entries into the buildings at the Property by Buyer and/or Buyers Consultants with Sellers designated representative; provided, that such representative shall not unreasonably hinder or delay such entry and the performance by Buyer or Buyers Consultants of any such inspections, studies and tests of the Property. The inspections, studies and tests permitted under this Section 2.3.1 shall include the right to examine the books and records of Seller with respect to the Property, provided that Seller shall not be required to make available any communications to investors or other internal confidential information which is not the subject of a customary and reasonable due diligence investigation. Seller shall provide Buyer with copies of any documents and other information related to the Property and reasonably

requested by Buyer promptly following request by Buyer, including, without limitation, the documents and information described in Section 2.3.4 below. Except to the extent such disclosure is required by law, Buyer agrees that it will not disclose to any third party not approved by Seller the results of its inspections or tests. Unless legally required to report a condition that is revealed by its inspections, Buyer shall not contact any governmental authority without first obtaining the prior written consent of Seller thereto and Seller, at Sellers election, shall be entitled to have a representative on any telephone call or other contact made by Buyer to a governmental authority and to be present at any meeting between Buyer and a governmental authority. The foregoing shall not, however, prevent Buyer from disclosing information as part of any land use entitlement or financing application, or from contacting governmental authorities to request zoning and code compliance letters, property tax information, utility expenses or other customary due diligence, and shall not prohibit Buyer from reviewing or requesting copies of public files relating to the Property. Any notice which Buyer is required to give under this Section 2.3.1 may be given by email sent to both Renee Jakobs at renee20191@yahoo.com and to Louneta Beckles at lbeckles@fellowshipsquare.org. Buyer agrees to furnish copies of any third party written studies or reports within five (5) business days of Buyers receipt of the final version thereof; provided, that Buyer is not assigning its rights under any such studies or reports to Seller and makes no representation or warranty whatsoever, express or implied, as to the completeness, content or accuracy of any such studies or reports.

2.3.2 Indemnity. Buyer shall INDEMNIFY, DEFEND, AND HOLD HARMLESS Seller, its members, managers, principals, employees and agents from all claims and liability related to damage to property or injury to persons and arising from any activities of Buyer, Buyers Consultants or their respective authorized representatives on the Property in connection with such inspections, studies and tests, (but not including claims and liability arising from Sellers gross negligence or willful misconduct) and Buyer shall restore any portion of the Land or Improvements disturbed by any such inspections, studies and tests to substantially the condition existing immediately before such inspection, study or test (to the extent the change is due to Buyers diligence activity at the Property). The foregoing indemnification obligation of Buyer shall survive Closing or any termination of this Agreement.

2.3.3 Insurance. Without limiting the generality of the foregoing indemnity, Buyer shall maintain or cause Buyers Consultants to maintain commercial general liability and property damage insurance n amounts not less than \$1,000,000.00 per occurrence and \$2,000,000 in the aggregate during all periods when Buyer is conducting inspections of the Property. Such policy will name Seller as an additional insured.

2.3.4 Seller Due Diligence Materials. Seller has delivered or made available for inspection at least two (2) business days prior to the Effective Date originals or copies of the following documents to the extent they are in the possession of Seller or the management company engaged by Seller or, in the case of any third party report prepared in the last five (5) years for or on behalf of Seller related to hazardous or toxic materials, substances or wastes or mold, fungi or similar bacteria growth related to, found or disposed of in or on the Property, in the possession of the party that prepared the report.

2.3.4.1 All surveys, plats, site plans, building plans, specifications, appraisals and architectural drawings relating to the Property and the improvements.

2.3.4.2 All, architectural, zoning, access and similar documents relating to the Property and the improvements, together with a summary of significant repairs and improvements accomplished during the previous one year of Sellers ownership.

2.3.4.3 All certificates evidencing all fire, liability and other insurance policies presently in effect with respect to the Property, a schedule of premiums and costs thereof and a five year run loss history for the property.

2.3.4.4 Copies of any contracts pertaining to the Property that cannot be canceled upon thirty (30) days notice or less without penalty, licenses, maintenance agreements, concessions, forms of leases, including residential tenant leases, occupancy or use restriction agreements applicable to the Property, together with any amendments, clarifications or letter agreements concerning such leases or occupancies. For the sake of clarity, Seller is not required to deliver leases and agreements relating solely to the building located on the Adjacent Parcel.

2.3.4.5 A copy of the most recent certified rent roll for the Property.

2.3.4.6 A copy of the existing title policy and all endorsements thereto, together with copies of all matters shown thereon as exceptions to title.

2.3.4.7 A list of all threatened, pending or ongoing claims or lawsuits and all outstanding judgments relating to the Property or the Seller including, without limitation, suits for non-payment of rent or for the purpose of tenant eviction, and a list of any and all insurance claims relating to the Property, in excess of Ten Thousand Dollars (\$10,000.00).

2.3.4.8 A copy of all certificates of occupancy, permits, licenses and other authorizations issued for the Property and the improvements thereon.

2.3.4.9 [Reserved].

2.3.4.10 All bills for real estate, personal property and any other taxes affecting the Property, for special assessments, and for water, sewer, vault and other charges, together with evidence of payment of the most recent bills, for the preceding three (3) years; copies of all subsequent notices of assessment and any notice of intent to assess back taxes received with respect to the Property; and a copy of any notice of proposed taking, condemnation or special assessment with respect to the Property.

2.3.4.11 [Reserved].

2.3.4.12 [Reserved].

2.3.4.13. [Reserved].

2.3.4.14 A complete list of all employees of Seller engaged in the operation or maintenance of the Property, setting forth with respect to each employee: name; position; current salary or wages; fringe benefits and bonus, if any; start date for employment; and apartment number if applicable, and information as to any rent deduction or free rent for such apartment.

2.3.4.15 Copies of all agreements, regulatory or financing documents affecting or restricting the use or disposition of the Property.

2.3.4.16 Copies of all permits, reports, notices, correspondence and other documents related to hazardous or toxic materials, substances or wastes or mold, fungi or similar bacteria growth related to, found or disposed of in or on the Property, including any permits, reports, notices, correspondence or other documents sent to or received from any federal, state or local agency.

2.3.4.17 A description of underground storage tanks at the Property, if any, including age, material with which constructed, maintenance and testing records, what they contain or contained and whether they have been registered with EPA or state and local agencies.

2.3.4.18 Any condominium documents prepared in connection with the Property.

2.3.4.19 Any notices of any zoning, safety, building, fire, environmental, health code, or other violations not heretofore cured, and a description of each such violation of which Seller has actual knowledge but has not yet been cited by the appropriate governing body and a current FHA termite inspection report.

2.3.4.20 Documentation of Sellers authority and organization, including copies of any operating agreements and certificates of organization, organizational documentation of any manager or managing member of Seller that is a corporation, partnership or limited liability company, or any other agreement outside of the title establishing ownership rights and obligations.

Seller represents to Buyer that Seller has made best efforts to locate and deliver to Buyer all Seller Due Diligence Materials within Sellers possession, and that Seller has not intentionally withheld any Seller Due Diligence Materials which Seller has identified as being in Sellers possession or in the possession of Sellers Management Agent or the preparer of any third party report prepared for or on behalf of Seller related to hazardous or toxic materials, substances or wastes or mold, fungi or similar bacteria growth related to, found or disposed of in or on the Property. Seller shall provide updates to the Seller Due Diligence Materials, if any, upon request of Buyer, which request may be made no more than once every six months. Notwithstanding any provision of this Agreement to the contrary, Buyer acknowledges and understands that some

of the Sellers Due Diligence Materials have been prepared by parties other than Seller and Seller makes no representation or warranty whatsoever, express or implied, as to the completeness, content or accuracy of any delivered material which were not prepared by Seller. The provisions of this Section 2.3.4 shall survive the termination of this Agreement. Notwithstanding any statements or representations contained in Seller's Due Diligence Materials, Buyer shall not rely on any information contained in Sellers Due Diligence Materials to the extent its own studies reveal conflicting or contrary information.

2.4 Title; Survey.

2.4.1 Condition of Title. Title to the Land, Improvements, and Appurtenances shall be conveyed to Buyer by the Deed (defined in Section 6.1) subject to the following:

(a) a lien to secure payment of general and special real estate taxes and assessments and storm water assessments for the Property, not due and payable for the current assessment period based on the fiscal year used by the taxing authorities;

(b) matters affecting the condition of title created by or with the written consent of Buyer in accordance with the terms and conditions of this Agreement;

(c) the Permitted Exceptions (but not the Curable Matters) as such terms are defined in Section 2.4.2 and Section 2.4.3; and

(d) all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

2.4.2 Title Review. Buyer shall obtain (i) a standard ALTA Form B title insurance commitment for the Land (the "**Title Commitment**") issued by Commonwealth Land Title Insurance Company (the "**Title Company**") which shall also, if so requested by Buyer, issue any title insurance policy for the Property, together with such endorsements as Buyer or Buyers mortgage(s) may reasonably require and (ii) copies of all instruments and documents shown as exceptions to title in the Title Commitment together with copies of all other instruments and documents affecting title to the Property which the Title Company has committed to "insure over" in issuing the Title Commitment ("**Other Exceptions**"). Buyer may also obtain a physical survey of the Land (the "**Survey**"). Buyer shall have until the date that is 60 days following the effective date of this Agreement ("**Buyer Title Objection Date**") to make written objection to Seller due to any exceptions, defects or conditions shown on the Survey and/or in the Title Commitment or any Other Exceptions (collectively, "**Buyers Objections**").

Seller shall, within fifteen (15) calendar days after Buyers notice to Seller of Buyers Objections, provide notice to Buyer in writing ("**Seller Title Response Notice**") that: (a) Seller will cure all or certain of Buyers Objections as of or prior to Closing, or (b) Seller will not cure all or certain of Buyers Objections. Seller shall have the right, but not the obligation, to cure Buyers Objections. If Seller fails to deliver a timely Seller Title Response Notice with respect to all or any of Buyers Objections, Seller shall be deemed to have elected option (b) above with respect to

any such Buyers Objections. If Seller elects, or is deemed to have elected, not to cure any or all of Buyers Objections in a manner satisfactory to Buyer in its sole discretion, Buyer may, as Buyers sole and exclusive remedy, terminate this Agreement by notice to Seller given on or prior to 5:00 p.m. on the third (3rd) business day after the deadline for Sellers delivery of a Seller Title Response Notice (“**Buyer Title Termination Date**”). If this Agreement is terminated pursuant to the preceding sentence, neither party shall any further rights or obligations under this Agreement except for any obligations which expressly survive termination of this Agreement. If Buyer fails to so terminate this Agreement, Buyers Objections as to any matter disclosed to Buyer prior to the date of Buyers Objections shall be deemed waived by Buyer. All items shown on the Title Commitment and/or the Survey not objected to by Buyer by timely notice to Seller or waived or deemed waived by Buyer shall be deemed to be “**Permitted Exceptions.**”

2.4.3 Curable Matters. Notwithstanding anything in this Section 2.4 to the contrary, Seller shall be obligated to cure and/or satisfy to the reasonable satisfaction of Buyer (a) any mortgage liens, mechanics liens, and/or judgment liens, and (b) any other consensual liens or encumbrances agreed to or permitted by Seller after the Effective Date without Buyers consent (collectively, the “**Curable Matters**”). The provisions of this Section 2.4.3 shall survive the termination of this Agreement.

3. PURCHASE PRICE.

3.1 The “**Purchase Price**” for the Property shall be will be the appraised value, determined in the manner described below, payable pursuant to the terms and conditions contained in this Agreement, but subject to prorations as provided below.

3.2 Appraised value of the Property will be based on the use of the property as affordable rental housing with rents restricted at the greater of (a) an amount that is affordable to households with incomes at 60% of AMI as determined under the Section 42 of the Internal Revenue Code, or (b) the rents then permitted to be charged under any project-based operating subsidy contract. Buyer shall obtain an appraisal (the “**First Appraisal**”) from a qualified independent appraiser. If Seller agrees with the First Appraisal, the Purchase Price will be the value established by that appraisal. If Seller disagrees with the First Appraisal, it can engage a qualified independent appraiser at its expense to produce a second appraisal (the “**Second Appraisal**”). If the value stated in the Second Appraisal is no more than 10% greater or less than the value stated in the First Appraisal, the Purchase Price will be the average of the two appraised values. If the value stated in the Second Appraisal is more than 10% greater or less than the value stated in the first appraisal, and the parties are not otherwise able to agree on the Purchase Price, than the appraisers that performed the First and Second appraisal will select a third appraiser, who will prepare a third appraisal. The final Purchase Price will be the average of the two appraised values that are closest to one another in value. The cost of that the third appraisal will be shared by Buyer and Seller. If after the preparation of the appraisal or appraisals but before the submission of an application for FHA-insured financing there is a change in the amount of rent permitted under any project-based operating subsidy contract, then either party may request an update of the appraisal closest in value to the previously established Purchase Price and the Purchase Price will be adjusted accordingly

3.3 Seller agrees to take back a seller note for the full purchase price (the “**Seller Note**”). The Seller Note will earn interest at the applicable federal interest rate for the month in which the sale of the Property occurs and shall have a maturity date equal to the longest term of any permanent loan applicable to the Redevelopment Project. The Seller Note will be paid from 25% of the net cash flow after payment of the deferred developer fee, repayment of operating deficit loans and development advances, amounts owed to Buyer’s investor, and any other priority payment items required by Buyer’s investor and agreed to by Seller in its reasonable discretion. The Seller Note shall be secured by a deed of trust in customary form, which deed of trust shall be subordinated as to priority and right of payment to all deeds of trust securing loans obtained by Buyer for the acquisition of the Property and the construction of improvements thereon.

4. PRORATIONS.

All normal and customarily proratable items for the Property shall be prorated as of the Closing Date. For the sake of clarity, prorated items will only relate to the Property and will not relate to the Adjacent Parcel. Without limiting the foregoing, the following items shall be prorated as of the Closing Date and such prorations shall be reflected on the settlement statements prepared by Escrow Agent on the Closing Date and shall serve to adjust the Purchase Price. Such prorations shall be made on the basis of a 365-day year, as of 11:59 p.m. on the day preceding the Closing Date.

4.1 Revenues. All rentals, receipts and other revenues from the Property which have been actually received by Seller before Closing and which are allocable to the period from and after the Closing Date shall be credited to Buyer. For a period of 60 days after Closing, Buyer shall credit any rents received that apply to a period before Closing to Seller provided that the rent for periods after Closing is current.

4.2 Property Taxes. All real estate taxes and assessments for the Property owed for the period in which Closing occurs shall be pro-rated. If, at Closing, the Property or any part thereof is affected by a special assessment which is payable in installments of which the first installment is then a charge or lien, or has been paid, or special assessments which are imposed on the Property annually on a reoccurring basis, such assessments shall be apportioned pro rata between Seller and Buyer on a per diem basis as of the Closing Date.

4.3 [Reserved].

4.4 Utility Charges. Final meter readings on all utilities charged to the Property shall be made as of the day preceding the Closing Date. Seller shall use reasonable efforts to arrange for, and shall pay for final billings of utilities to the day preceding the Closing Date, and Buyer shall be responsible for utilities used on or after the Closing Date. Any prepaid water, sewer, and other utility charges allocable to the period from and after the Closing Date shall be credited to Seller. Seller and Buyer shall deliver written notices to the applicable utility companies notifying them of the change in ownership and directing the return of outstanding security deposits to Seller.

4.5 Service Contracts. Seller shall pay or be fully responsible for all charges due pursuant to contracts and agreements relating to the operation and maintenance of the Property (collectively, “**Service Contracts**”) prior to the Closing Date.

4.6 Licenses and Permits. Prepaid charges allocated to the period from and after the Closing Date in connection with any licenses or permits for the Property which are assigned to Buyer shall be credited to Seller at Closing. Accrued and unpaid charges allocable to the period prior to the Closing Date in connection with any such licenses or permits shall be credited to Buyer at Closing.

4.7 Insurance. No proration shall be made in relation to insurance premiums, and no insurance policies of Seller will be assigned to Buyer.

4.8 Survival. The provisions of this Section 4 shall survive Closing for six (6) months.

4.9 Post Closing Adjustments. If any of the items described in this Section 4 cannot be accurately apportioned at the Closing because of the unavailability of the amounts which are to be apportioned, such items shall be apportioned on the basis of good faith estimates by the parties and reconciled as soon as practicable after the Closing Date but, in any event, no later than three (3) months after the Closing Date. If either party discovers any errors in the Closing Statement which would result in an adjustment in excess of \$5,000.00 in the aggregate, both parties agree to correct and reconcile such error as soon as practicable after the Closing Date, but, in any event, no such later corrections or reconciliations shall be made more than six (6) months after the Closing Date.

5. CONDITIONS PRECEDENT TO CLOSING.

5.1 Buyer’s Conditions to Closing. The obligation of Buyer to purchase the Property from Seller, and to perform the obligations required to be performed by Buyer at the Closing, are subject to satisfaction of each of the following conditions (“**Buyer’s Conditions**”):

5.1.1 Closing Documents. Seller shall have tendered at Closing all Closing Documents (as defined below) to which Seller is a party.

5.1.2 Compliance with Agreement. Seller shall have performed and complied in all material respects with its covenants and obligations under this Agreement.

5.1.3 Representations and Warranties. All of Sellers representations and warranties under Section 8 shall be true and correct in all material respects as of the Closing Date. The provisions of this Section 5.1.3 shall survive the Closing pursuant to Section 8.4.

5.1.4 Conditions Precedent. Each of the Conditions Precedent described in Section 7.7 shall have been satisfied as of the Closing Date.

5.2 Failure of Buyer’s Conditions. If any of the Buyer’s Conditions are not satisfied as of the Closing Date in accordance with the terms set forth herein, Buyer shall have the right in its discretion to (i) terminate this Agreement upon five (5) days prior written notice to Seller in

the event Seller has not satisfied all conditions to Buyer's reasonable satisfaction within such 5-day period, in which event all obligations of the parties hereto shall thereupon cease and this Agreement shall thereafter be of no further force and effect, except for any provision of this Agreement that expressly survives termination and the rights of Buyer under Section 12.2, (ii) to extend the Closing Date for up to 90 days to allow for satisfaction of the Buyer Conditions, or (iii) waive the failed condition and consummate Closing. Seller shall not, in any event, be liable to Buyer for any damages arising from a failure of any such conditions except as provided in Section 12.2.

5.3 Closing Conditions for Seller. Seller's obligations under this Agreement are subject to each of the following conditions (the "**Sellers Conditions**"):

5.3.1 Purchase Price. Buyer shall have tendered the cash portion, if any, of the Purchase Price into escrow with Escrow Agent at Closing.

5.3.2 Closing Documents. Buyer shall have tendered at Closing all Closing Documents to which Buyer is a party.

5.3.3 Compliance with Agreement. Buyer shall have performed and complied in all material respects with its covenants and obligations under this Agreement.

5.3.4 Representations and Warranties. All of Buyer's representations and warranties under Section 9 are true and correct in all material respects as of the Closing Date.

5.4 Failure of Sellers Conditions. If any of the Sellers Conditions are not satisfied as of the Closing Date, Seller shall have the right in its discretion to (i) terminate this Agreement in which event all obligations of the parties hereto shall thereupon cease and this Agreement shall thereafter be of no further force and effect, except for any provision of this Agreement that expressly survives termination, (ii) to extend closing for up to 90 days to allow for satisfaction of the Seller Conditions, or (iii) waive the failed condition and consummate Closing.

6. CLOSING DOCUMENTS.

6.1 On the Closing Date (or such earlier date as expressly hereinbelow provided), Seller shall deliver, or cause to be delivered, to Escrow Agent the following fully executed documents and/or items, acknowledged where appropriate, and in form and substance reasonably satisfactory to Buyer and Seller (together with to documents to be delivered by Buyer pursuant to Section 6.2, the "**Closing Documents**"):

6.1.1 Deed. A Special Warranty Deed in the form attached as Exhibit "A" (the "**Deed**") conveying the Land, the Improvements, and the Appurtenances to Buyer, subject only to the Permitted Exceptions.

6.1.2 Assignment and Assumption of Intangible Property. An Assignment of Intangible Property in the form attached as Exhibit "D", assigning to Buyer the Intangible being assumed by Buyer pursuant to this Agreement, together with an assumption thereof by Buyer of all obligations accruing thereunder from and after the Closing Date.

6.1.3 Settlement Statement. A settlement statement prepared by Escrow Agent and reasonably acceptable to Buyer and Seller showing the Purchase Price, all applicable adjustments and credits, all cash receipts and all disbursements to be made by Escrow Agent on the Closing Date.

6.1.4 Non-Foreign Status Affidavit. An Affidavit of Non-Foreign Status.

6.1.5 Evidence of Sellers Authority. Evidence satisfactory to the Title Company and Buyer that the person executing the Closing Documents on behalf of Seller has full right, power and authority to do so and that all required approval have been obtained from Sellers manager and or member.

6.1.6 Subsidy Loan. Loan documents evidencing the FSF Subsidy Loan, as defined in the MDA, from Seller to Buyer.

6.1.7 Other Documents. Other certificates and documents that are reasonably required by and acceptable to Buyer, the Title Company, and any lender(s) providing financing for Buyers purchase of the Property to effect the closing of the sale of the Property and related transactions contemplated by this Agreement, including an Owners Affidavit sufficient to allow deletion of standard exceptions from the Title Policy, a Form of Sale Disclosure reporting sales proceeds in form reasonably approved by Seller, and a "gap indemnity" in favor of Title Company.

6.2 On the Closing Date (or such earlier date as expressly hereinbelow provided), Buyer shall deliver, or cause to be delivered, to Escrow Agent the following fully executed documents and/or items, acknowledged where appropriate, and in form and substance reasonably satisfactory to Buyer and Seller:

6.2.1 Assignment of Intangible Property.

6.2.2 The Settlement Statement.

6.2.3 A promissory note evidencing and deed of trust securing the Seller Loan.

6.2.4 Loan documents evidencing the FSF Subsidy Loan, as defined in the MDA, from Seller to Buyer.

6.2.5 Other applicable documents requiring execution by Buyer as set forth in this Section 6 or as otherwise stated in this Agreement.

6.3 On the Closing Date, Buyer and Seller shall deliver a reciprocal easement or irrevocable license granting Seller temporary use of the portion of the parking lot serving the Adjacent Parcel that is located on the Land, requiring Seller to maintain the parking lot at its own cost and expense and to indemnify Buyer from all claims, expenses and liabilities arising from the use of such parking lot, requiring Seller to demolish such parking lot concurrently with the demolition of the building located on the Adjacent Parcel, and granting Buyer and Seller perpetual and mutual access rights from North Shore Drive.

7. CLOSING.

7.1 Closing. This transaction shall close (the “**Closing**”) on the date designated by the Buyer, which date shall be on or before December 31, 2018 (the “**Closing Date**”). Buyer, in its sole discretion, may extend the Closing Date for a period of up to six months by providing written notice to Seller not less than thirty (30) business days prior to December 31, 2018.

7.2 Time and Place. The Closing shall take place through escrow with an escrow agent designated by Buyer (the “**Escrow Agent**”) by 2:00 p.m. (EST) on the Closing Date. Upon the completion of the Closing, the parties shall instruct the Escrow Agent to record the Deed in the appropriate land records to effect the transfer and conveyance of the Property to Buyer. On the Closing Date: (a) the parties shall cause the Escrow Agent to disburse funds to Seller pursuant to this Agreement and (b) the parties shall direct the Escrow Agent to file, record and/or deliver all documents executed in accordance with this Agreement to the parties in accordance with written instructions received by the parties.

7.3 Payment of Purchase Price. The Purchase Price shall be paid as follows:

7.3.1 [Reserved].

7.3.2 Seller Note and Cash at Closing. Subject to pro-rations and payment of expenses hereunder, Buyer shall deliver to Escrow Agent no later than 12:00 p.m. (EST) on the Closing Date the Seller Note in the amount of the Purchase Price. The amount due as a result of any adjustments for pro-rations and payment of expenses hereunder, as shown on the settlement statement approved by Seller and Buyer in accordance with Section 6.7 shall be paid by the appropriate party in cash on the Closing Date.

7.4 Possession. Possession of the Property shall be delivered to Buyer on the Closing Date, subject only to the rights of other parties contained in the Permitted Exceptions.

7.5 Closing Costs. Buyer shall pay the Virginia grantors tax and the Northern Virginia Congestion Relief Fee. Buyer shall pay (a) the costs to obtain the Survey, (b) the cost and premiums for any title insurance coverage, (c) the costs of all appraisals, engineering and environmental reports and feasibility and market studies which it may obtain, (d) the cost of any transfer and recording fees (other than the Virginia grantors tax) and (e) the cost of applying for and obtaining financing (including any recording fees related thereto). Seller and Buyer shall each be responsible for paying their respective legal fees and costs. Buyer shall pay at Closing any escrow and closing fees of Escrow Agent. Notwithstanding the foregoing, Seller shall be responsible for paying any tax or other settlement cost for which an exemption would apply if the party responsible for paying such tax or cost were a nonprofit.

7.6 [Reserved].

7.7 Conditions Precedent to Closing. In addition to any conditions provided in other provisions of this Agreement, Buyers obligation to purchase the Property is and shall be conditioned on the following:

7.7.1 That at no time prior to the Closing shall any of the following have been done by or against or with respect to Seller: (i) the commencement of a case under Title 11 of the U.S. Code, as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or other similar law; (ii) the appointment of a trustee or receiver of any property interest; or (iii) an assignment for the benefit of creditors.

7.7.2 On the Closing Date, there shall not exist any uncured exception, defect or condition (a) that was the subject of any of Buyers Objections or (b) as to which Seller has failed to deliver timely notice and/or Buyer has not had an opportunity to object pursuant to Section 2.4.2, nor any violation of law, ordinance, order or requirement relating to the Property that would have a material adverse effect on the Property as to which Seller has received notice from any governmental authority having jurisdiction over the Property (and that was not caused by Purchaser or its employees, agents, contractors or representatives) and which has not been remedied by Seller.

7.7.3 If the transaction contemplated hereby shall require authorization or approval of any governmental agency having jurisdiction over the Seller or the Property, all such authorizations and approvals shall have been obtained and shall be in full force and effect on and as of the Closing Date. Such approvals shall include, without limitation, HUD or VHDA approval of the assignment of the project-based operating subsidy contracts from the two adjoining buildings known as Lake Anne Fellowship House I (“**LAFH I**”) and Lake Anne Fellowship House II (“**LAFH II**”) located on the parcel adjacent to the Property. If such authorizations and approvals shall not have been obtained on or prior to the last day for Closing hereinabove provided, the Closing Date may be deferred, at the election of either party, for an additional period of time, not to exceed 30 days, as shall be necessary to obtain any authorizations or approvals not then obtained.

7.7.4 The Rental Assistance Payments Contract (the “**RAP Contract**”) for LAFH II shall have been converted to a project-based rental assistance contract or project-based voucher contract.

7.7.5 Seller shall have entered into a contract to sell the Developable Parcel, as such term is defined in the MDA.

7.7.6 Seller shall at Closing provide the FSF Subsidy Loan, as defined in the MDA, to Buyer.

7.7.7 Buyer shall have secured financing for the construction of an affordable housing project on the Property in such amounts and on such terms as are satisfactory to Buyer in its sole and absolute discretion.

7.7.8 Buyer shall have secured such land use and other development entitlements as are necessary to allow for the construction of an affordable housing project on the Property as are satisfactory to Buyer in its sole and absolute discretion.

8. COVENANTS, REPRESENTATIONS AND WARRANTIES OF SELLER.

8.1 Sellers Covenants. Seller covenants and agrees that at all times from the Effective Date to the date preceding the Closing Date:

8.1.1 Operation and Management. Seller shall operate and manage the Property in at least the same manner as it is now operated.

8.1.2 Debt Service. Seller shall make all required payments on loans secured by the Property.

8.1.3 Title. Seller shall not further encumber the Property or any portion thereof, or suffer the Property or any portion thereof to be encumbered, without the written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

8.1.4 No Structural Change. Seller will not, without the prior written consent of Buyer, permit any material structural modifications or additions to the Property.

8.1.5 Seller shall use commercially reasonable, good faith efforts to cooperate with Buyer, including without limitation, facilitating the entry, during normal business hours, of Purchaser and its employees, contractors and agents, for testing, surveying, engineering, environmental and other reasonable inspection purposes, and

8.1.6 Seller shall not take or fail to take any action which would result in any of the representations and warranties set forth in this Agreement not being and remaining true and correct through the Closing Date.

8.1.7 Except as otherwise provided in this Agreement, Seller shall not engage in any activity or effect any transaction with respect to the Property which is outside the normal and ordinary course of business. Prior to the Closing Date, there shall not be any change made, or caused to be made, by Seller or the agents or employees of Seller, in the condition of the Property other than changes in the ordinary course of business (none of which is material and adverse).

8.2 Sellers Representations and Warranties. Seller represents and warrants to Buyer the following as of the Effective Date and the Closing Date:

8.2.1 Entity and Authorization Matters. Seller is a nonprofit corporation duly organized and validly existing under the laws of the State of its organization as stated in this Agreement. Seller has full power and authority to execute and deliver this Agreement and perform all of its obligations under this Agreement. All consents, authorizations and approvals which may be required in order for Seller to enter into this Agreement or consummate the transactions contemplated hereby have been obtained. The person executing this Agreement on behalf of Seller has been duly authorized and empowered to bind such entity to this Agreement. This Agreement and each other document required to be delivered by Seller hereunder, when executed and delivered by such entity, shall constitute the valid and binding agreement of such entity and be enforceable against such entity in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium

or other similar laws or regulations presently or hereafter in effect which affect the enforcement of creditors rights generally.

8.2.2 No Conflict with or Breach of Other Agreements. Neither the execution and delivery of this Agreement, nor compliance with the terms of this Agreement, conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness, or any indenture, mortgage, deed of trust, loan agreement, lease, or other material agreement or instrument to which Seller is a party or by which the Property may be bound, provided that this representation shall not apply to any agreement, rights or governmental permits or authorizations which are not assignable by Seller (whether by their terms, at law or otherwise) without consent of a third party or as to which the failure to obtain same would not have a material adverse effect on the operation or value of the Property.

8.2.3 No Bankruptcy, Insolvency or Reorganization Proceedings. Seller has not filed any assignments for the benefit of creditors, insolvency, bankruptcy or reorganization proceedings and no such proceedings have been filed against Seller.

8.2.4 Litigation. No litigation, investigation, action claim or proceeding is pending or threatened in writing, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality involving or relating to the ownership or operation of the Property.

8.2.5 Title. Seller owns good and marketable fee simple title to the Property of record and in fact, legally and beneficially, and the Property is subject to no deed(s) of trust, lien, breach, encumbrance, conditional sales contract or other obligation, whether absolute or contingent, affecting good and marketable title to the Property, except for the Permitted Exceptions.

8.2.6 [Reserved].

8.2.7 [Reserved].

8.2.8 Notices. Seller has not received written notice of any (a) violation of law, ordinance, by-law, rule, regulation or other legal requirement which is applicable to the present use and occupancy of the Property, including without limitation, applicable zoning, environmental, land use and other state and local laws requirements, or (b) threatened request, application, proceeding, plan or study which would materially adversely affect the present use or zoning of the Property.

8.2.9 OFAC Restrictions. Neither Seller, any person or entity owning (directly or indirectly) a ten percent (10%) or greater ownership interest in Seller, nor any guarantor and/or indemnitor of the obligations of Seller hereunder: (i) is now or shall become, a person or entity with whom Buyer is restricted from doing business with under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including, but not limited to, those names on OFACs Specially Designated Nationals and Blocked Person list) or under any statute, executive order (including, but not limited to, the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to

Commit, or Support Terrorism), or other governmental action: (ii) is now or shall become, a person or entity with whom Buyer is restricted from doing business under the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, or the regulations or orders thereunder: and (iii) is not knowingly engaged in, and shall not engage in, any dealings or transaction, or be otherwise associated with such persons or entities described in (i) and (ii) above.

8.2.10 Condemnation. Seller has received no written governmental notice of any actual or threatened condemnation of the Property or any part thereof.

8.2.11 Environmental Matters. Except as may be set forth in the existing environmental report(s) provided to Buyer by Seller, if any, Seller has received no written notice from any governmental agency with respect to (i) any violation of Environmental Laws (as defined in Section 10.1), (ii) Hazardous Material contamination on the Property (the term "Hazardous Materials" being defined in Section 10.1), or (iii) any investigation, administrative order, consent order, agreement, litigation, or settlement with respect to any Hazardous Material or Hazardous Material contamination that is in existence with respect to the Property.

8.2.12 [Reserved].

8.3 To Sellers Knowledge. As used herein, the phrase "to Sellers Knowledge" and words of similar import shall mean the actual, current knowledge of Robert H. Josephberg, the representatives of Seller with the best knowledge of the operations of the Property.

8.4 Survival. The representations and warranties of Seller contained in this Agreement shall survive the Closing Date and the recordation of the Deed for a period of six (6) months, at which time they will be deemed to be merged into and superseded by the Closing Documents, except to the extent written notice of specific claims has been delivered by Buyer to Seller before the expiration of the survival period and a law suit is filed or otherwise tolled by agreement of the parties.

8.5 Limitations. Notwithstanding anything in this Agreement to the contrary, Sellers liability for breaches of the foregoing representations and warranties discovered by Buyer after Closing is subject to the following limitations:

8.5.1 Filing of Claim. Any claim by Buyer against Seller for a breach of a representation or warranty must be brought by judicial action within six (6) months following the Closing Date or otherwise tolled by agreement of the parties.

8.5.2 No Claim for Breach of Representation or Covenant as to which Buyer has Actual Knowledge. If Buyer proceeds with Closing despite having the right to terminate this Agreement on account of any breach of a representation or warranty by Seller as to which Buyer has actual knowledge of prior to Closing, Buyer shall have no claim for any such breach of a representation or warranty, and, by proceeding with Closing as aforesaid, Buyer shall be deemed to have waived any and all claims based on or resulting from such representations and warranties not being true and correct.

8.5.3 No Liability for Consequential or Punitive Damages. Neither Seller nor Buyer shall be liable to the other party under this Agreement for special, incidental or consequential damages or for punitive or exemplary damages, except as specifically set forth in Section 12.2.

9. BUYERS COVENANTS, REPRESENTATIONS AND WARRANTIES.

Buyer represents and warrants to Seller the following as of the Effective Date and the Closing Date:

9.1 Entity and Authorization Matters. Buyer is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Virginia. Buyer has full power and authority to execute and deliver this Agreement and perform all of its obligations under this Agreement. All consents, authorizations and approvals which may be required in order for Buyer to enter into this Agreement or consummate the transactions contemplated hereby, including without limitation any necessary partner or board of directors approvals, have been obtained. The person executing this Agreement on behalf of Buyer has been duly authorized and empowered to bind Buyer to this Agreement. This Agreement, and each other document required to be delivered by Buyer hereunder, when executed and delivered by Buyer, shall constitute the valid and binding agreement of Buyer and be enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or regulations presently or hereafter in effect which affect the enforcement of creditors rights generally.

9.2 No Conflict with or Breach of Other Agreements. Neither the execution and delivery of this Agreement, nor the incurrence of the obligations herein set forth, nor the consummation of the transactions provided for herein, nor compliance with the terms of this Agreement, conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness, or any indenture, mortgage, deed of trust, loan agreement, lease, or other material agreement or instrument to which Buyer is a party.

9.3 Survival. The representations and warranties of Buyer shall survive the Closing Date and the recordation of the Deed for a period of six (6) months, and shall terminate except to the extent written notice of specific claims has been delivered by Seller to Buyer before the expiration of such two-year period.

10. CONDITION OF THE PROPERTY.

10.1 As Is Conveyance. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN OR IN ANY CLOSING DOCUMENTS, BUYER ACKNOWLEDGES THAT IT IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER BY SELLER OR ANY AGENT OR EMPLOYEE THEREOF REGARDING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ITS PHYSICAL CONDITION, ITS SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS COMPLIANCE WITH LAWS, INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS, OR THE ABSENCE OF HAZARDOUS SUBSTANCES THEREUPON, AND SELLER

EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN AND IN ANY CLOSING DOCUMENTS. OTHERWISE, BUYER SHALL ACCEPT THE PROPERTY IN ITS "AS IS", "WHERE IS", "WITH ALL FAULTS" CONDITION, AND SELLER HEREBY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXPRESS OR IMPLIED.

BUYER ACKNOWLEDGES THAT IT IS A SOPHISTICATED REAL ESTATE INVESTOR WHO SHALL HAVE HAD, AS OF THE CLOSING DATE, OPEN ACCESS TO, AND SUFFICIENT TIME TO REVIEW, ALL INFORMATION, DOCUMENTS, AGREEMENTS, STUDIES AND TESTS RELATING TO THE PROPERTY THAT BUYER ELECTS TO CONDUCT, AND CONDUCT A COMPLETE AND THOROUGH INSPECTION, ANALYSIS AND EVALUATION OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL ISSUES, IF ANY, AND SHALL CONDUCT SUCH TESTS, PRIOR TO THE CLOSING DATE, AND RECEIVE AND REVIEW SUCH INFORMATION AS BUYER SHALL REQUIRE IN THE COURSE OF ITS INVESTIGATION.

BUYER SHALL UNDERTAKE SUCH INVESTIGATION AS SHALL BE REQUIRED TO MAKE BUYER FULLY AWARE OF THE CONDITION OF THE PROPERTY AS WELL AS ALL FACTS, CIRCUMSTANCES AND INFORMATION WHICH MAY AFFECT THE USE AND OPERATION OF THE PROPERTY, AND BUYER COVENANTS AND WARRANTS TO SELLER THAT BUYER SHALL RELY, EXCEPT TO THE EXTENT OF SELLERS REPRESENTATIONS AND WARRANTIES CONTAINED HEREUNDER, THAT HAVE NOT BEEN MODIFIED OR SUPERSEDED BY THE RESULTS OF BUYER INVESTIGATION OR IN ANY CLOSING DOCUMENTS, SOLELY ON BUYERS OWN DUE DILIGENCE INVESTIGATION REGARDING THE CONDITION OF THE PROPERTY AS WELL AS ALL FACTS REVEALED DURING ITS INVESTIGATION INCLUDING ENVIRONMENTAL CONDITION, IN DETERMINING TO PURCHASE THE PROPERTY.

For the purposes of this Agreement, the term "**Environmental Laws**" means any and all federal, state and local, statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 , as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C.A. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), or any other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material(s)

(as defined below). As used herein, the term “**Hazardous Material(s)**” includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (a) any material defined, classified, designated, listed or otherwise considered under any Environmental Law as a “hazardous waste,” “hazardous substance,” “hazardous material,” “extremely hazardous waste,” “acutely hazardous waste,” “radioactive waste,” “biohazardous waste,” “pollutant,” “toxic pollutant,” “contaminant,” “restricted hazardous waste,” “infectious waste,” “toxic substance,” or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (b) any material, substance or waste which is toxic and regulated by any local governmental authority, any agency of the State of Virginia or any agency of the United States Government, (c) asbestos, (d) oil, petroleum, petroleum based products and petroleum additives and derived substances, (e) urea formaldehyde foam insulation, (f) polychlorinated biphenyls (PCBs), and (g) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources.

11. CASUALTY AND CONDEMNATION.

11.1 Risk of Loss. Except as stated in this Agreement, Seller shall bear all risk of loss or damage to the Property from all causes until the Closing; provided, however, Seller shall have no obligation to repair such loss or damage.

11.2 Option to Terminate. If before Closing: (a) any material portion of the Property is destroyed by fire, the elements or by any other casualty (a “**Casualty**”), or (b) any material portion of the Property is taken by eminent domain or made the subject of condemnation proceedings (a “**Taking**”), Seller shall notify Buyer thereof promptly, but in any event within five (5) business days following such Casualty, and Buyer may elect, by written notice to Seller within five (5) business days after Buyer has received written notice of such event from Seller (and the Closing Date shall be extended for five (5) business days after the expiration of such termination election period, if applicable, subject to Section 7.1), to terminate this Agreement without further liability, except for obligations set forth in this Agreement that expressly survive termination. If before Closing a portion of the Property is destroyed by a Casualty (which is not a “material portion”) or a Taking occurs (which does not affect a “material portion” of the Property), Buyer shall proceed to Closing subject to the provisions of Section 11.3. For the purposes of this Section 11, a “material portion” of the Property shall mean (i) any portion of the Property valued at more than \$200,000.00 or which would require \$200,000.00 or more to repair, and (ii) with respect to a Taking only, any portion which materially affects access to the Property. If Buyer elects to terminate this Agreement as aforesaid, thereafter neither Seller nor Buyer shall have any further rights or obligations hereunder, except for obligations or provisions set forth in this Agreement that expressly survive termination.

11.3 Failure to Terminate. If any portion of the Property is destroyed by a Casualty or a Taking occurs, and this Agreement is not terminated pursuant to Section 11.2, then at the Closing the following shall occur:

11.3.1 Credit of Award or Proceeds. Seller shall credit on account of the Purchase Price the amount, as applicable, of all condemnation awards actually received by Seller or any sums of money collected by Seller (whether retained by Seller or paid directly to a holder

of any lien on the Property) under its policies of insurance or renewals thereof insuring against the loss in question to the extent same have not been expended for the purpose of restoration or repair of the Property.

11.3.2 Assignment of Future Awards. In the case of a Taking, Seller shall assign, transfer and set over to Buyer all of Sellers right, title and interest in and to (a) such claims and further sums payable thereunder, and (b) any awards that may be made with respect to any pending or future condemnation proceeding.

11.3.3 Assignment of Casualty Insurance Proceeds. In the case of a Casualty, after Closing Buyer shall have the sole right to adjust the applicable claim and Seller shall also assign, transfer and set over to Buyer all of Sellers right, title, and interest in and to the proceeds of any casualty insurance policies payable to Seller.

11.3.4 Credit Deductible. In the case of a Casualty, Seller shall credit against the Purchase Price the amount of any deductible under its insurance policy, but not to exceed the amount required to fully repair or replace the portion of the Property damaged or destroyed.

The provisions of this Section 11 shall survive Closing.

12. DEFAULT AND REMEDIES.

12.1 Buyers Default. If Buyer defaults in its obligation to close and purchase the Property and such default continues for five (5) business days after Buyer's receipt of written notice from Seller of such default or breach, Seller may elect either (i) to terminate this Agreement, and to seek damages, which will be limited to liquidated damages equal to \$10,000 per month (commencing with the date of this Agreement) and Seller's documented out-of-pocket expenses, and thereafter both parties shall be released from all further obligations under this Agreement except for obligations which expressly survive termination of this Agreement, or (ii) to pursue specific performance.

12.2 Sellers Default. If Seller defaults in its obligation to close and sell the Property, and such default continues for five (5) business days after Seller's receipt of written notice from Buyer of such default, Buyer may elect either (i) to terminate this Agreement, and to seek damages, which will be limited to liquidated damages equal to \$10,000 per month (commencing with the date of this Agreement) and Buyer's documented out-of-pocket expenses, and thereafter both parties shall be released from all further obligations under this Agreement except for obligations which expressly survive termination of this Agreement; or (ii) to pursue specific performance. Seller shall not be in default under this Agreement if closing does not occur because the RAP Contract is not converted to a project-based rental assistance contract despite Seller's good faith efforts to cause such conversion.

13. BROKERAGE COMMISSIONS AND AGENCY DISCLOSURE.

Seller represents and warrants to Buyer that Seller has not incurred, and shall not have incurred as of the Closing Date, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement. Buyer represents and warrants to Seller that Buyer has not incurred, and shall not have incurred as of

the Closing Date, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement. Seller and Buyer hereby agree to defend, indemnify and hold harmless the other from and against any and all claims of any person claiming a brokerage fee or commission through the indemnifying party. The provisions of this Section 13 shall survive Closing or termination of this Agreement.

14. MISCELLANEOUS.

14.1 Entire Agreement. This Agreement supersedes all prior discussions, agreements and understandings between Seller and Buyer and constitutes the entire agreement between Seller and Buyer with respect to the transaction herein contemplated. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

14.2 Waiver. Each party hereto may waive any breach by the other party of any of the provisions contained in this Agreement or any default by such other party in the observance or performance of any covenant or condition required to be observed or performed by it contained herein; PROVIDED, ALWAYS, that such waiver or waivers shall be in writing, shall not be construed as a continuing waiver, and shall not extend to or be taken in any manner whatsoever to affect any subsequent breach, act or omission or default or affect each party's rights resulting therefrom. No waiver will be implied from any delay or failure by either party to take action on account of any default by the other party. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

14.3 Notices. All notices or other communications required or permitted hereunder must be in writing and shall be sufficiently given (a) if delivered personally, (b) when transmitted via telecopy to the telecopy number set forth below or via e-mail at the addresses below, provided the sender of such facsimile or e-mail has reasonable evidence that the facsimile or e-mail was received by the addressee's machine on the date sent, in which case the notice shall be deemed delivered on the date of receipt by the addressee's machine and provided that a copy of such notice is delivered by one of the other permitted methods, (c) the day following the day on which the same has been delivered prepaid to a national overnight courier service addressed as set forth below, or (d) the third business day following the day on which the same is sent by registered or certified mail, postage prepaid, addressed as set forth below or at such other address as may be given by any party to the other pursuant to this Section 14.3:

To Seller: Fellowship Square Foundation, Inc.
c/o Hunters Woods Fellowship House
2231 Colts Neck Road
Reston, VA 20191
Attn: Renee Jakobs
Facsimile:
E-mail: renee20191@yahoo.com

With a copy to: Bean, Kinney & Korman, P.C.
Attn: Jonathan C. Kinney, Esquire
2300 Wilson Boulevard, 7th Floor
Arlington, VA 22201
Facsimile: (703) 525-2207
E-mail: jkinney@beankinney.com

To Buyer: Lake Anne House LLC
c/o Community Housing, Inc.
8403 Colesville Rd, Suite 1150
Silver Spring, MD 20910
Attn: Suzanne Welch
Facsimile: (202) 8895-8805
E-mail: swelch@cpdc.org

With a copy to: Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, DC 20010
Attn: Aaron O'Toole
Facsimile: (202) 842-3936
E-mail: aotoole@kleinhornig.com

14.4 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Agreement may not be assigned by Buyer without the prior written consent of Seller.

14.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located. To the fullest extent permitted by applicable law, the parties hereby absolutely and irrevocably waive any right to trial by jury in any action or proceeding between them.

14.6 No Third Parties Benefited. Except as expressly stated in this Agreement, the parties hereto do not intend to confer any benefit on any person, firm, or corporation other than the parties to this Agreement, and their respective successors and assigns.

14.7 Legal Fees. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable legal fees.

14.8 Construction. The section titles or captions in this Agreement are for convenience only and shall not be deemed to be part of this Agreement. All pronouns and any variations of pronouns shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the identity of the parties may require. Whenever the terms referred to herein are singular, the same

shall be deemed to mean the plural, as the context indicates, and vice versa. This Agreement shall not be construed as if it had been prepared only by Buyer or Seller but rather as if both Buyer and Seller had prepared the same. If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law, provided that the parties receive the material benefits of this Agreement.

14.9 Time of Essence. Time is of the essence of this Agreement and each and every term and provision hereof. Notwithstanding the foregoing, in the event the date on which performance or payment of any obligation of a party required hereunder is other than a business day, the time for payment or performance shall automatically be extended to the first business day following such date. A "business day" shall mean any day not a Saturday, Sunday, a legal holiday on which banking institutions in the State where the Property is located are authorized or required by law to close.

14.10 Counterparts. This Agreement may be executed in counterparts and all counterparts shall together constitute one and the same agreement of the parties. This Agreement and any subsequent amendment hereto may be delivered either by a party or its counsel by facsimile machine or by PDF document via email to the other party or its counsel and the signatures so transmitted constitute original signatures and are binding on the party so signing. After any such transmission, the parties shall further deliver between themselves actual originally signed copies or counterparts of this Agreement or any amendments, but such further delivery, or failure thereof, shall not affect the validity or timing of this Agreement or any such amendment.

14.11 Exhibits. All of the Exhibits and Schedules referenced in this Agreement are attached hereto and incorporated as part of this Agreement and shall have the same meaning as if they were incorporated fully within the text of this Agreement.

14.12 Limitation of Liability. No obligation or liability of Seller or Buyer hereunder shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of its shareholders, partners, members, trustees, officers, employees, or agent, regardless whether such obligation or liability is in the nature of contract, tort, or otherwise, and any and all such obligations and liabilities shall be satisfied, if at all, out of such party's assets only.

14.13 Further Assurances. Seller and Buyer agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances and to take all such further action before or after Closing as shall be necessary or desirable to perform this Agreement and consummate and effect the transactions contemplated hereby

14.14 Recording of Memorandum. Buyer may record at its expense a memorandum of this Agreement in the land records of the jurisdiction in which the Land is located in the form attached hereto as Exhibit E. Buyer shall cause the memorandum to be released in the event the

Purchase Agreement is terminated, and shall pay all of Seller's enforcement costs in the event Buyer fails to cause such release

14.15 Venue. This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia. To the extent permitted by law and this Agreement, the parties irrevocably agree that any litigation and/or adjudication shall occur in the Circuit Court of the County of Fairfax, Virginia or in the United States District Court for the Eastern District of Virginia, Alexandria Division. This Agreement shall be governed by the laws of the Commonwealth of Virginia and the laws of the United States pertaining to transactions in Virginia, without reference to its choice of law principles.

14.16 Independent Consideration. Buyer's right to terminate this Agreement in accordance with the terms of this Agreement may be exercised in the sole and absolute discretion of Buyer. In the event of any such termination by Buyer One Hundred and No/100 Dollars (\$100.00) shall be delivered to Seller as earned consideration for entering into this Agreement.

14.17 ARBITRATION OF DISPUTES: Except for any claim that falls within the jurisdictional limits of a General District Court in Virginia; any controversy, claim, or dispute arising out of or relating to this Agreement or its breach, including without limitation any claim that this Agreement or any of its parts is invalid, illegal, or otherwise voidable or void, shall be submitted to arbitration before and in accordance with the arbitration rules of The McCammon Group (or its successors), having an address of The Reynolds Building, 6641 W. Broad Street, Suite 400, Richmond, Virginia 23230 and shall be handled as follows:

(a) All issues relating to the ability to arbitrate or the enforcement of the agreement to arbitrate contained herein shall be governed by the laws of the Commonwealth of Virginia;

(b) Judgment upon an arbitration award may be entered in either the Circuit Court of Fairfax County, Virginia, and shall be final, binding, and non-appealable. The parties hereby waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against any other party and agree that in the event of a dispute, each shall be limited to the recovery of only the actual damages sustained; and

(c) The arbitration provisions of this Agreement are self-executing and shall remain in full force and effect after expiration or termination of this Agreement. If any party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise, notwithstanding such failure to appear. Arbitration proceedings shall take place in the Northern Virginia area and the laws of the Commonwealth of Virginia shall be applied. The arbitration shall be conducted before a single arbitrator. The arbitrator may award attorneys' fees and costs of suit as part of an award.

The obligation herein to arbitrate shall not be binding upon any party with respect to requests by any person for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute.

This section (Arbitration of Disputes) is voluntarily entered into by both Seller and Buyer.

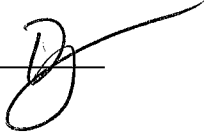
Purchaser's Initials  Seller's Initials _____

(Signature Lines On Next Page)

This section (Arbitration of Disputes) is voluntarily entered into by both Seller and Buyer.

Purchaser's Initials _____

Seller's Initials _____

A handwritten signature in black ink, consisting of a large, stylized letter 'D' with a long horizontal stroke extending to the right.


(Signature Lines On Next Page)

[Signature page to Purchase and Sale Agreement]

WITNESS the following signatures:

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: 
Name: Renee Jakobs
Title: President

BUYER:

LAKE ANNE HOUSE LLC
a Virginia limited liability company

By: Lake Anne House Development LLC, a Virginia
limited liability company, its managing member

By: CPDC Lake Anne House LLC, a Virginia
limited liability company, its managing member

By: Community Housing, Inc., a Maryland
nonstock corporation, its sole member

By: _____
Christopher LoPiano,
Senior Vice President

[Signature page to Purchase and Sale Agreement]

WITNESS the following signatures:

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: _____

Name: _____

Title: _____

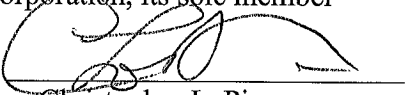
BUYER:

LAKE ANNE HOUSE LLC
a Virginia limited liability company

By: Lake Anne House Development LLC, a Virginia
limited liability company, its managing member

By: CPDC Lake Anne House LLC, a Virginia
limited liability company, its managing member

By: Community Housing, Inc., a Maryland
nonstock corporation, its sole member

By: 

Christopher LoPiano,
Senior Vice President

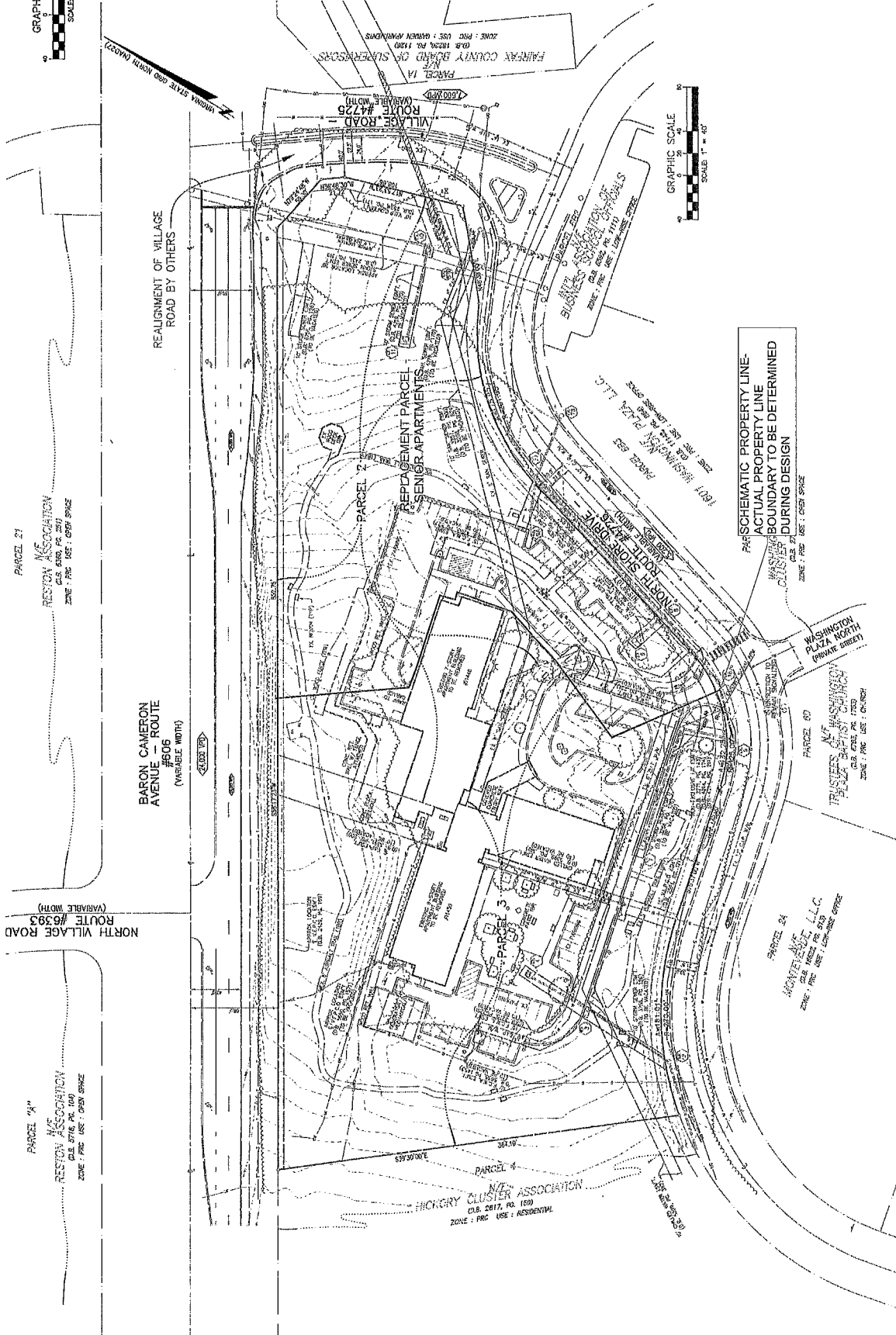
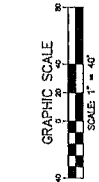
List of Schedules and Exhibits

Schedule 1.1	Description of the Land
Exhibit A:	Special Warranty Deed
Exhibit B:	[Reserved]
Exhibit C:	[Reserved]
Exhibit D:	Assignment and Assumption of Intangible Property
Exhibit E:	Memorandum of Purchase Agreement

SCHEDULE 1.1

[Legal Description of Land]

The Land will be a portion of Tax Map No. 017-2-01-0003 (Parcel One) and a portion of Tax Map No. 017-2-01-0002 (Parcel Two) that approximates the parcel labeled as "Replacement Parcel – Senior Apartments" on the attached drawing. The final boundaries of the Land will be subject to the consent of the Buyer and Seller, which consent will not be unreasonably withheld. The land to be dedicate for Village Road is excluded from the Land.



FELLOWSHIP SQUARE
LAKE ANNE, VIRGINIA

EXISTING CONDITIONS
7.5.2016



Exhibit "A"

Form of Special Warranty Deed

Prepared by and Return to:

Consideration: \$ _____

Assessed Value: \$ _____

Tax Parcel No. _____

Title Insurance Company:

THIS DEED, made as of this _____ day of _____, 2016, is by and between _____, a _____ ("Grantor"), and _____, a _____ ("Grantee"), whose address is _____.

W I T N E S S E T H:

That for and in consideration of the sum of Ten and 00/100 Dollars (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey, with SPECIAL WARRANTY, unto the Grantee, the following described property, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

AND INCORPORATED HEREIN BY REFERENCE

The above-described property is conveyed subject to the reservations, encumbrances, covenants, conditions, restrictions and easements, if any, duly of record.

IN WITNESS WHEREOF, Grantor has caused its name to be signed to these presents and sealed the day and year first above written.

By: _____ (SEAL)
Title: _____

STATE OF _____,
COUNTY/CITY OF _____, to-wit:

I _____, a Notary Public in and for said City and State, do hereby certify that _____, as _____ of _____ whose name is signed to the foregoing instrument bearing date as of the _____ day of _____, 2016, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this _____ day of _____, 2016.

Notary Public

My Commission Expires: _____
VA Registration No. _____

EXHIBIT "A" TO SPECIAL WARRANTY DEED
LEGAL DESCRIPTION

Exhibit “B”

[Reserved]

Exhibit “C”

[Reserved]

Exhibit "D"

Form of Assignment of Intangible Property

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

_____ ("**Assignor**"), in consideration of Ten Dollars (\$10.00) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby assigns to _____, a _____ ("**Assignee**"), all right, title and interest of Assignor, if any, in and to the trade name "Lake Anne Fellowship House" and any other intangible property owned by Assignor and used or designed for use in connection with the real property as more particularly described on Exhibit A attached hereto and incorporated herein (the "**Premises**"), and any contract or lease rights, licenses, permits, plans, drawings, certificates of occupancy, franchises, agreements, utility contracts, unexpired claims, warranties, guaranties and sureties, or other rights relating to the ownership, development, construction, design, use and operation of the Premises, in each case to the extent assignable (collectively, the "**Intangible Property**").

This Assignment and Assumption of Intangible Property is made by Assignor with those representations and warranties expressly provided in that certain Purchase and Sale Agreement, dated as of _____, 2016~~f~~, by and between Assignor and Assignee, as amended (the "**Agreement**").

This Assignment and Assumption of Intangible Property shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[Signatures on the following page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment and Assumption of Intangible Property to be executed under seal as of this ____ day of _____, 2016.

ASSIGNOR:

By: _____

ASSIGNEE:

_____,
a _____

By: _____

Name: _____

Title: _____

Exhibit A to Assignment of Intangible Property

Legal Description

Exhibit "E"
Form of Memorandum of Purchase Agreement

After Recording, Return to:

MEMORANDUM OF PURCHASE AGREEMENT

THIS MEMORANDUM OF PURCHASE AGREEMENT is made and entered into as of August 26, 2016, by and between Fellowship Square Foundation, Inc., a District of Columbia nonprofit corporation ("**Seller**") and Lake Anne House LLC, a Virginia limited liability company ("**Buyer**").

Seller and Buyer entered into a Purchase Agreement (the "**Purchase Agreement**") of the real property described in Exhibit A hereto (the "**Property**").

The Purchase Agreement and this Memorandum of Purchase Agreement shall automatically terminate on December 31, 2018; unless the closing date has been extended or the Purchase Agreement has been terminated in accordance with its terms. In the event the Closing Date has been extended, a revised Memorandum shall be filed in the Fairfax County land records.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Purchase Agreement on the day and year first above written.

(Signature Lines On Next Page)

[Signature page to Memorandum of Purchase Agreement]

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: _____

Name: _____

Title: _____

STATE OF _____,
COUNTY/CITY OF _____,

to-wit:

I _____, a Notary Public in and for said City and State, do hereby certify that _____, as _____ of _____ whose name is signed to the foregoing instrument bearing date as of the _____ day of _____, 2016, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this _____ day of _____, 2016.

Notary Public

My Commission Expires: _____
VA Registration No. _____

BUYER:

LAKE ANNE HOUSE LLC

a Virginia limited liability company

By: Lake Anne House Development LLC, a Virginia limited liability company, its managing member

By: CPDC Lake Anne House LLC, a Virginia limited liability company, its managing member

By: Community Housing, Inc., a Maryland nonstock corporation, its sole member

By: _____
Christopher LoPiano,
Senior Vice President

STATE OF _____,
COUNTY/CITY OF _____, to-wit:

I _____, a Notary Public in and for said City and State, do hereby certify that _____, as _____ of _____ whose name is signed to the foregoing instrument bearing date as of the _____ day of _____, 2016, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this _____ day of _____, 2016.

Notary Public

My Commission Expires: _____
VA Registration No. _____

Exhibit A to Memorandum of Purchase Agreement

Legal Description

The Land will be a portion of Tax Map No. 017-2-01-0003 (Parcel One) and a portion of Tax Map No. 017-2-01-0002 (Parcel Two) that approximates the parcel labeled as "Replacement Parcel – Senior Apartments" on the attached drawing. The final boundaries of the Land will be subject to the consent of the Buyer and Seller, which consent will not be unreasonably withheld. The land to be dedicate for Village Road is excluded from the Land.



Commonwealth Land Title Insurance Company
1620 L Street, NW, 4th Floor
Washington, DC 20036
Phone – 202.312.5126
Fax – 202.737.4108

VIA FedEx

November 4, 2016

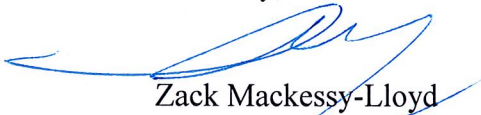
Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, MA 02110
Attn: Aaron O'Toole

RE: File No. 15-002148
Fellowship House

Dear Mr. O'Toole:

Please find enclosed for the above referenced transaction the original Memorandum of Purchase Agreement recorded in Book 24746 at page 451. Should you have any questions or need any further assistance, please do not hesitate to contact me at (202)-312-5126.

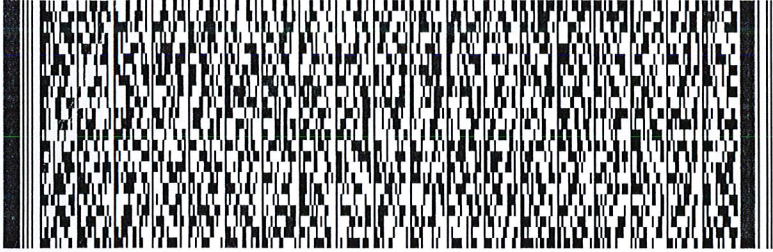
Sincerely,



Zack Mackessy-Lloyd
Commercial Coordinator

Enclosures

Fairfax County Circuit Court
DMZ Cover Sheet Application v2.2



Consideration	0	Consideration/Actual Value %	100
Actual/Assessed	0	Tax Exemption	CFO
Code Section		Amount Not Taxed	
DEM Number		Tax Map Number	017-2- -01- -0003- , 017-2- -01- -0002-
Original Book		Original Page	
Title Company	COMMONWEALTH LAND TITLE INS CO	Title Case	15-002148
Property Descr.	REPLACEMENT PARCEL, SENIOR APARTMENTS	Mutiple Lots?	YES
Return To Party Name:	ZACK MACKESSY-LLOYD	Address:	1620 L STREET, NW, 4TH FL, WASHINGTON, DC 20036
Certified	NO	Copies	0
		Page Range	

Instruments

AGREEMENT

Grantor(s)

FELLOWSHIP SQUARE FOUNDATION, INC_F_N, LAKE ANNE HOUSE LLC_F_N

Grantee(s)

FELLOWSHIP SQUARE FOUNDATION, INC_F_N, LAKE ANNE HOUSE LLC_F_N

*Bot
8/34*

~~After Recording, Return to:~~

Repared
Klein Hornig LLP
1325 G Street NW Suite 770
Washington, DC 20005
Attn: Aaron O'Toole

Tax Map Nos. 017-2-01-0002
017-2-01-0003

MEMORANDUM OF PURCHASE AGREEMENT

THIS MEMORANDUM OF PURCHASE AGREEMENT is made and entered into as of August 26, 2016, by and between Fellowship Square Foundation, Inc., a District of Columbia nonprofit corporation ("**Seller**") and Lake Anne House LLC, a Virginia limited liability company ("**Buyer**").

Seller and Buyer entered into a Purchase Agreement (the "**Purchase Agreement**") of the real property described in Exhibit A hereto (the "**Property**").

The Purchase Agreement and this Memorandum of Purchase Agreement shall automatically terminate on December 31, 2018; unless the closing date has been extended or the Purchase Agreement has been terminated in accordance with its terms. In the event the Closing Date has been extended, a revised Memorandum shall be filed in the Fairfax County land records.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Purchase Agreement on the day and year first above written.

(Signature Lines On Next Page)

Grantor: FELLOWSHIP SQUARE FO Grantee: FELLOWSHIP SQUARE FO
Date/Time: 9/13/2016 10:52:29 AM Instrument: 2016055019.002
Book/Page: 24746/0451 # of Pages: 6
Recorded in FAIRFAX CIRCUIT COURT
TESTE: JOHN T. FREY

John T. Frey

AFTER RECORDING RETURN TO:
Fidelity National Title Insurance Company
Commonwealth Land Title Insurance Company
1620 L Street, NW, 4th Floor
Washington, D.C. 20036 *em*
File No. 15-002148 1 of 1

[Signature page to Memorandum of Purchase Agreement]

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: Renee Jakobs
Name: Renee Jakobs
Title: President

STATE OF VIRGINIA,
COUNTY/CITY OF ARLINGTON, to-wit:

I Chester A. Hatstat Jr., a Notary Public in and for said City and State, do hereby certify that Renee Jakobs, as PRESIDENT of FELLOWSHIP SQUARE FOUNDATION, INC. whose name is signed to the foregoing instrument bearing date as of the 1ST day of SEPTEMBER, 2016, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this 1ST day of SEPTEMBER, 2016.

Chester A. Hatstat Jr.
Notary Public

My Commission Expires: 04/30/2020
VA Registration No. 354215



BUYER:

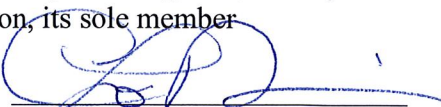
LAKE ANNE HOUSE LLC

a Virginia limited liability company

By: Lake Anne House Development LLC, a Virginia limited liability company, its managing member

By: CPDC Lake Anne House LLC, a Virginia limited liability company, its managing member

By: Community Housing, Inc., a Maryland nonstock corporation, its sole member


By: 
Christopher LoPiano,
Senior Vice President

STATE OF Maryland,
COUNTY/CITY OF Montgomery,

to-wit:

I Sonya M. Hochevar, a Notary Public in and for said City and State, do hereby certify that Christopher LoPiano, as Senior Vice President of Community Housing, Inc. whose name is signed to the foregoing instrument bearing date as of the 26th day of August, 2016, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this 30th day of August, 2016.


Notary Public

My Commission Expires: 11/25/2019
VA Registration No. _____



Exhibit A to Memorandum of Purchase Agreement

Legal Description

The Land will be a portion of Tax Map No. 017-2-01-0003 (Parcel One) and a portion of Tax Map No. 017-2-01-0002 (Parcel Two) that approximates the parcel labeled as "Replacement Parcel – Senior Apartments" on the attached drawing. The final boundaries of the Land will be subject to the consent of the Buyer and Seller, which consent will not be unreasonably withheld. The land to be dedicate for Village Road is excluded from the Land.

FIRST AMENDMENT OF PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT OF PURCHASE AND SALE AGREEMENT (“**Amendment**”) is effective as of December 31, 2018, by and between Fellowship Square Foundation, Inc., a District of Columbia nonprofit corporation (“**Seller**”) and New Lake Anne House LP, a Virginia limited partnership (“**Buyer**”).

BACKGROUND:

Seller and Lake Anne House LLC entered into that certain Purchase and Sale Agreement dated August 26, 2016, which agreement was assigned by Lake Anne House LLC to Buyer pursuant to that certain Assignment and Assumption Agreement dated May 1, 2017 (as assigned, the “**Agreement**”) for certain real property located at 11448 and 11450 North Shore Drive in Fairfax County, (the “**Property**”).

The parties desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual obligations undertaken herein and for other good and valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

1. Amendments.

a) Section 7.1 of the Agreement is deleted in its entirety and replaced with the following:

7.1 Closing. This transaction shall close (the “**Closing**”) on the date designated by the Buyer, which date shall be on or before December 31, 2019 (the “**Closing Date**”). Buyer, in its sole discretion, may extend the Closing Date for a period of up to six months by providing written notice to Seller not less than thirty (30) business days prior to December 31, 2019.

2. Amendment of Master Development Agreement. Seller and Buyer acknowledge that the Master Development Agreement between FSF and Community Housing, Inc. is also being amended to be made consistent with this Amendment.
3. No Changes. Seller and Buyer ratify the Agreement, and except as hereby expressly amended by this Amendment, confirm that the Agreement remains unchanged and in full force and effect.
4. Governing Law. This Amendment will not be construed against the party who prepared it but will be construed as though prepared by both parties. This Amendment will be construed, interpreted, and governed by the laws of the Commonwealth of Virginia.
5. Multiple Counterparts. This Amendment may be executed in counterparts, each of which will be deemed original, and it will not be necessary in making proof of this Agreement, or

the terms hereof, to produce or account for more than one of such counterparts provided that the counterpart produced bears the signature of the party sought to be bound.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Purchase Agreement on the day and year first above written.

1st Amended / 0/8

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: _____

[Handwritten Signature]

Name: _____

CHARL A. JENKINS

Title: _____

PRESIDENT

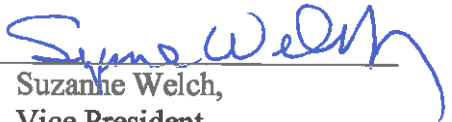
BUYER:

NEW LAKE ANNE HOUSE LP
a Virginia limited partnership

By: Lake Anne House Development LLC, a Virginia
limited liability company, its general partner

By: CPDC Lake Anne House LLC, a Virginia
limited liability company, its managing member

By: Community Housing, Inc., a Maryland
nonstock corporation, its sole member

By: 
Suzanne Welch,
Vice President

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Agreement**”) is made as of May 1, 2017 by and between Lake Anne House LLC , a Virginia limited liability company (“**Company**”) and New Lake Anne House LP, a Virginia limited partnership (“**Partnership**”).

WHEREAS, Partnership is undertaking the acquisition, development, financing, leasing and operation of a new affordable rental housing project (the “**Project**”), to be located on a portion of certain real property located at 11448 and 11450 North Shore Drive in Fairfax County (the “**Property**”).

WHEREAS, Company has entered into certain agreements, has obtained certain goods and services and has incurred certain costs, liabilities and obligations on behalf of Partnership in connection with the Project.

WHEREAS, Company now desires to assign to Partnership, and Partnership desires to assume, all such agreements goods, services, costs, liabilities and obligations.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. Company hereby transfers and assigns to Partnership and Partnership assumes from Company all of its rights, title and interest in and to any and all agreements related to the Project, including without limitation the agreements listed on Exhibit A (collectively, the “**Assigned Agreements**”), and to all of the goods, services and work products rendered or received with respect to the Project pursuant to the Invoices or the Assigned Agreements (collectively, the “**Work Product**”).
2. Without limiting Section 1, Partnership assumes the obligation to pay all amounts due under the Assigned Agreements, whether incurred before or after the date of this Agreement.
3. This Agreement is be governed by and construed in accordance with the laws of the Commonwealth of Virginia. If any term, condition or provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, the invalid or unenforceable provision will be severed from this Agreement and the Agreement will be nonetheless enforceable without regard to the invalid or unenforceable provision. This Agreement may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute only one agreement.

[signatures follow]

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption Agreement to be duly executed as of the day first written above.

NEW LAKE ANNE HOUSE LP
a Virginia limited partnership

By: Lake Anne House Development LLC, a Virginia limited liability company, its general partner

By: CPDC Lake Anne House LLC, a Virginia limited liability company, its managing member

By: Community Housing, Inc., a Maryland nonstock corporation, its sole member

By: 
Christopher LoPiano, Senior Vice President

LAKE ANNE HOUSE LLC
a Virginia limited liability company

By: Lake Anne House Development LLC, a Virginia limited liability company, its managing member

By: CPDC Lake Anne House LLC, a Virginia limited liability company, its managing member

By: Community Housing, Inc., a Maryland nonstock corporation, its sole member

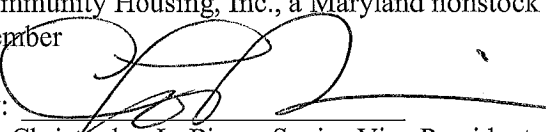
By: 
Christopher LoPiano, Senior Vice President

Exhibit A
Assigned Agreements

1. Purchase and Sale Agreement (Replacement parcel) between Fellowship Square Foundation, Inc. and Lake Anne House LLC dated August 26, 2016.

Prepared by:

Klein Hornig LLP
1325 G Street NW Suite 770
Washington, DC 20005

After Recording Return to:
Fidelity National Title Insurance Company/Commonwealth Land Title Insurance Company
1620 L Street, NW, 4th Floor
Washington DC 20036
File No. _____ of _____

Tax Map Nos. 017-2-01-0002
017-2-01-0003

AMENDED AND RESTATED MEMORANDUM OF PURCHASE AGREEMENT

THIS MEMORANDUM OF PURCHASE AGREEMENT is made and entered into as of May 1, 2017, by and between Fellowship Square Foundation, Inc., a District of Columbia nonprofit corporation (“**Seller**”) and New Lake Anne House LP, a Virginia limited partnership (“**Buyer**”).

Seller and New Lake Anne House LLC entered into a Purchase Agreement (the “**Purchase Agreement**”) of the real property described in Exhibit A hereto (the “**Property**”). A Memorandum of Purchase Agreement (the “**Original Memorandum**”) was recorded with the Fairfax County Circuit Court on September 13, 2016 in Book 24746 at Page 451 as Instrument number 2016055019.002, New Lake Anne House LLC has assigned its rights under the Purchase Agreement to Buyer. The Original Memorandum is hereby terminated and released and replaced with this Amended and Restated Memorandum of Purchase Agreement.

The Purchase Agreement and this Memorandum of Purchase Agreement shall automatically terminate on December 31, 2018; unless the closing date has been extended or the Purchase Agreement has been terminated in accordance with its terms. In the event the Closing Date has been extended, a revised Memorandum shall be filed in the Fairfax County land records.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Purchase Agreement on the day and year first above written.

(Signature Lines On Next Page)

[Signature page to Memorandum of Purchase Agreement]

SELLER:

FELLOWSHIP SQUARE FOUNDATION, INC.,
a District of Columbia nonprofit corporation

By: Renee Jakobs
Name: Renee Jakobs
Title: President

STATE OF Virginia,
COUNTY/CITY OF Fairfax, to-wit:

I Esteban Rocha, a Notary Public in and for said City and State, do hereby certify that Renee Jakobs, as President of Fellowship Square Foundation Inc whose name is signed to the foregoing instrument bearing date as of the 19th day of May, 2017, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this 19th day of May, 2017.

[Signature]

Notary Public

My Commission Expires: 05/31/2019
VA Registration No. 7635141



ESTEBAN ALONSO ROCHA
NOTARY PUBLIC 7635141
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES MAY 31, 2019

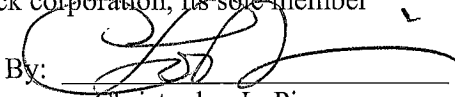
BUYER:

NEW LAKE ANNE HOUSE LP
a Virginia limited partnership

By: Lake Anne House Development LLC, a Virginia limited liability company, its general partner

By: CPDC Lake Anne House LLC, a Virginia limited liability company, its managing member

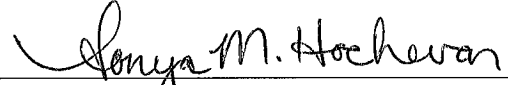
By: Community Housing, Inc., a Maryland nonstock corporation, its sole member

By: 
Christopher LoPiano,
Senior Vice President

STATE OF Maryland,
COUNTY/CITY OF Montgomery, to-wit:

I Sonya M. Hochevar, a Notary Public in and for said City and State, do hereby certify that Christopher LoPiano, as Senior Vice President of Community Housing, Inc., the sole member of CPDC Lake Anne House LLC, the managing member of Lake Anne house Development LLC, the general partner of New Lake Anne House LP, whose name is signed to the foregoing instrument bearing date as of the 30th day of May, 2017, has acknowledged the same before me in my County/City and State aforesaid.

Given under my hand and Notarial Seal this 30th day of May, 2017.


Notary Public

My Commission Expires: 11/25/19
VA-Registration-No. _____

SONYA M HOICHEVAR
Notary Public-Maryland
Montgomery County
My Commission Expires
11/25/19

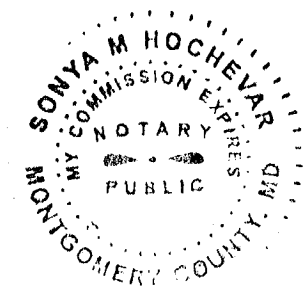


Exhibit A to Memorandum of Purchase Agreement

Legal Description

The Land will be a portion of Tax Map No. 017-2-01-0003 (Parcel One) and a portion of Tax Map No. 017-2-01-0002 (Parcel Two) that approximates the parcel labeled as "Replacement Parcel – Senior Apartments" on the attached drawing. The final boundaries of the Land will be subject to the consent of the Buyer and Seller, which consent will not be unreasonably withheld. The land to be dedicate for Village Road is excluded from the Land.



County of Fairfax, Real Estate Division
 Department of Tax Administration (DTA)
 12000 Government Center Parkway, Suite 357
 Fairfax, Virginia 22035
 703-222-8234; www.fairfaxcounty.gov/taxes

Web Control Number: 9346544



T201901000946

Tax Map Reference Number: 0261 07 0003C	
District Code:	10500
Supervisor District:	HUNTER MILL
Land Size:	.1602 AC
Deed Book/Page:	05721 / 0441

FELLOWSHIP SQUARE FOUNDATION INC
 2231 COLTS NECK RD
 RESTON VA 20191

Legal Description
RESTON BLK 3C SEC 32

PLEASE NOTIFY DTA OF MAILING ADDRESS CHANGES

Date Printed: 02/19/2019

**** 2019 NOTICE OF REAL ESTATE ASSESSMENT CHANGE - THIS IS NOT A TAX BILL ****

2017 Assessed Value of Property	2018 Assessed Value of Property	2019 Assessed Value of Property
Total: \$700	Total: \$700	Total: \$700
Percent Total Change: .00%	Percent Total Change: .00%	Percent Total Change: .00%
This amount was allocated between land and building as follows:	This amount was allocated between land and building as follows:	This amount was allocated between land and building as follows:
Land: \$700	Land: \$700	Land: \$700
Building: \$0	Building: \$0	Building: \$0
District Rates per \$100 of Value:	District Rates per \$100 of Value:	District Rates per \$100 of Value:
Real Estate 1.1300	REAL ESTATE 1.1500	REAL ESTATE TBD
Infest. Prevention .0010	Infest. Prevention .0010	Infest. Prevention TBD
Reston Community Center .0470	Reston Community Center .0470	Reston Community Center TBD
Stormwater .0300	Stormwater .0325	Stormwater TBD
Total Tax Rate 1.2080	Total Tax Rate 1.2305	Total Tax Rate TBD
Levy Information:	Levy Information:	Levy Information:
Total Tax: \$8.46	Total Tax: \$8.61	Estimated Total Tax: * \$8.61
Tax Adjustment: -\$8.46	Tax Adjustment: -\$8.61	Estimated Tax Adj: -\$8.61
Net Tax: \$0.00	Net Tax: \$0.00	Estimated Net Tax: \$0.00
Percent Levy Change: N/A	Percent Levy Change: N/A	Percent Levy Change: N/A
Reason For Change: TAX EXEMPT	Reason For Change: TAX EXEMPT	Reason For Change: TAX EXEMPT

*** The estimated taxes are calculated using the 2018 tax rate, and is subject to change.
 PLEASE NOTE: Tax Rates for 2019 have not yet been adopted by the Board of Supervisors.**

THIS IS NOT A TAX BILL



County of Fairfax, Real Estate Division
 Department of Tax Administration (DTA)
 12000 Government Center Parkway, Suite 357
 Fairfax, Virginia 22035
 703-222-8234; www.fairfaxcounty.gov/taxes

Web Control Number: 9325652



T201901000945

Tax Map Reference Number: 0172 01 0003	
District Code:	10500
Supervisor District:	HUNTER MILL
Land Size:	3.3714 AC
Deed Book/Page:	03271 / 0143

Legal Description
11450 NORTH SHORE DR RESTON PT PCL 13 SEC 1

FELLOWSHIP SQUARE FOUNDATION INC
 11260 ROGER BACON DR SUITE 503B
 RESTON VA 20190

PLEASE NOTIFY DTA OF MAILING ADDRESS CHANGES
 Date Printed: 02/19/2019

**** 2019 NOTICE OF REAL ESTATE ASSESSMENT CHANGE - THIS IS NOT A TAX BILL ****

2017 Assessed Value of Property	
Total:	\$9,911,100
Percent Total Change: 28.31%	
This amount was allocated between land and building as follows:	
Land:	\$8,680,000
Building:	\$1,231,100
District Rates per \$100 of Value:	
Real Estate	1.1300
Infest. Prevention	.0010
Reston Community Center	.0470
Stormwater	.0300
Total Tax Rate	1.2080
Levy Information:	
Total Tax:	\$119,726.09
Tax Adjustment:	-\$119,726.09
Net Tax:	\$0.00
Percent Levy Change:	N/A

2018 Assessed Value of Property	
Total:	\$9,982,400
Percent Total Change: .72%	
This amount was allocated between land and building as follows:	
Land:	\$8,680,000
Building:	\$1,302,400
District Rates per \$100 of Value:	
REAL ESTATE	1.1500
Infest. Prevention	.0010
Reston Community Center	.0470
Stormwater	.0325
Total Tax Rate	1.2305
Levy Information:	
Total Tax:	\$122,833.43
Tax Adjustment:	-\$122,833.43
Net Tax:	\$0.00
Percent Levy Change:	N/A

2019 Assessed Value of Property	
Total:	\$5,400,010
Percent Total Change: -45.90%	
This amount was allocated between land and building as follows:	
Land:	\$5,400,000
Building:	\$10
District Rates per \$100 of Value:	
REAL ESTATE	TBD
Infest. Prevention	TBD
Reston Community Center	TBD
Stormwater	TBD
Total Tax Rate	TBD
Levy Information:	
Estimated Total Tax:	* \$66,447.12
Estimated Tax Adj:	-\$66,447.12
Estimated Net Tax:	\$0.00
Percent Levy Change:	N/A

Reason For Change:
 TAX EXEMPT

Reason For Change:
 TAX EXEMPT

Reason For Change:
 TAX EXEMPT

*** The estimated taxes are calculated using the 2018 tax rate, and is subject to change.**
PLEASE NOTE: Tax Rates for 2019 have not yet been adopted by the Board of Supervisors.

THIS IS NOT A TAX BILL



County of Fairfax, Real Estate Division
 Department of Tax Administration (DTA)
 12000 Government Center Parkway, Suite 357
 Fairfax, Virginia 22035
 703-222-8234; www.fairfaxcounty.gov/taxes

Web Control Number: 9325650



T201901000944

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—
—
—

Tax Map Reference Number: 0172 01 0002	
District Code:	10500
Supervisor District:	HUNTER MILL
Land Size:	2.5885 AC
Deed Book/Page:	04214 / 0174

FELLOWSHIP SQUARE FOUNDATION INC
 11260 ROGER BACON DR SUITE 503B
 RESTON VA 20190

Legal Description
11448 NORTH SHORE DR RESTON PT PCL 13 SEC 1

PLEASE NOTIFY DTA OF MAILING ADDRESS CHANGES
 Date Printed: 02/19/2019

**** 2019 NOTICE OF REAL ESTATE ASSESSMENT CHANGE - THIS IS NOT A TAX BILL ****

2017 Assessed Value of Property	2018 Assessed Value of Property	2019 Assessed Value of Property
Total: \$6,305,250	Total: \$6,428,220	Total: \$7,680,010
Percent Total Change: 24.57%	Percent Total Change: 1.95%	Percent Total Change: 19.47%
This amount was allocated between land and building as follows:	This amount was allocated between land and building as follows:	This amount was allocated between land and building as follows:
Land: \$6,200,000	Land: \$6,200,000	Land: \$7,680,000
Building: \$105,250	Building: \$228,220	Building: \$10
District Rates per \$100 of Value:	District Rates per \$100 of Value:	District Rates per \$100 of Value:
Real Estate 1.1300	REAL ESTATE 1.1500	REAL ESTATE TBD
Infest. Prevention .0010	Infest. Prevention .0010	Infest. Prevention TBD
Reston Community Center .0470	Reston Community Center .0470	Reston Community Center TBD
Stormwater .0300	Stormwater .0325	Stormwater TBD
Total Tax Rate 1.2080	Total Tax Rate 1.2305	Total Tax Rate TBD
Levy Information:	Levy Information:	Levy Information:
Total Tax: \$76,167.42	Total Tax: \$79,099.25	Estimated Total Tax: * \$94,502.52
Tax Adjustment: -\$76,167.42	Tax Adjustment: -\$79,099.25	Estimated Tax Adj: -\$94,502.52
Net Tax: \$0.00	Net Tax: \$0.00	Estimated Net Tax: \$0.00
Percent Levy Change: N/A	Percent Levy Change: N/A	Percent Levy Change: N/A
Reason For Change: TAX EXEMPT	Reason For Change: TAX EXEMPT	Reason For Change: TAX EXEMPT

*** The estimated taxes are calculated using the 2018 tax rate, and is subject to change.**
PLEASE NOTE: Tax Rates for 2019 have not yet been adopted by the Board of Supervisors.

THIS IS NOT A TAX BILL

F

Architect's Certification
and Third-Party RESNET
Rater Certification
(MANDATORY)



Architect's Certification

Name of Development: New Lake Anne

Address of Development: 11444 North Shore Drive, Reston, VA 20190

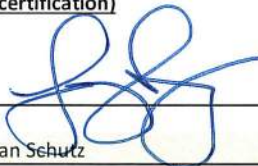
Name of Owner: New Lake Anne House LP

The architect signing this document is certifying that all unit and site amenities indicated in this certification are incorporated into the development plans and specifications, and that all products necessary to fulfill these representations are available for these purposes. The architect signing this document also certifies their understanding that both the excel application and the information in the architect certification must be the same and discrepancies between the excel application and architect's certification can result in penalties or even disqualification.

The individual who certifies this information must initial the pages where indicated, provide the personal information requested and sign on the last page. This certification should not be mailed separately to VHDA but returned to the developer for inclusion in the tax credit application.

(Acknowledge and include this instruction sheet as part of the certification)

Acknowledged:



Printed Name:

Logan Schutz

All developments seeking Virginia Low Income Housing Tax Credits are required to meet one of the following as certified by a RESNET Rater:

- New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification.
- Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
- Adaptive Reuse - Must evidence a HERS Index of 95 or better.

Plans and Specifications: Required documentation for all properties (new construction, rehabilitation and adaptive reuse)

- 1 A location map with property(ies) clearly defined.
- 2 A site plan showing overall dimensions of main building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required. For combination 4% and 9% properties, site plan must show all elements of both properties labeled so that the elements are distinguishable as to 4% and 9%.
- 3 Sketch plans of main building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas;
 - c. Sketch floor plan(s) of typical dwelling unit(s);

A Unit by Unit write up is required for all Rehabilitation properties

This certification includes two (2) separate calculations of square footage:

- 1. Average Gross Unit Square Feet:** Measurements Include A Prorata Share of Heated Residential Common Area
- 2. Net Rentable Square Feet:** Measurements *Do Not* Include A Prorata Share of Any Common Area and Reflect All Floor Plans of Each Unit Type (1-BR, 2-BR, etc.) measured from the interior face of the unit perimeter walls

1. Average Gross Unit Square Feet: (These measurements impact the scoring of tax credit applications)

For purposes of determining the total residential heated square feet (D), the building(s) were measured from the outside face of exterior walls and the centerline of any party walls. All unheated spaces (B) and nonresidential, (income producing commercial spaces) (C) were subtracted from this measurement. Community rooms, laundry rooms, property management offices and apartments, heated maintenance facilities, and other common space designed to serve residential tenants were not deducted. Based on this procedure, I certify the following calculations in determining the usable heated square feet for the above referenced development:

231,834.00	=	(A) Total gross floor area in (sq. ft.) for the entire development
29,230.00	-	(B) Unheated floor area (breezeways, balconies, storage)
0.00	-	(C) Nonresidential, (commercial income producing) area
202,604.00	=	(D) Total residential heated area (sq. ft.) for the development

INSTRUCTIONS FOR AVERAGE UNIT SQUARE FEET CALCULATIONS:

Provide the average unit size for each bedroom type, (1 bedroom elderly, 2 bedroom garden, 3 bedroom townhouse, etc.) by adding the total square feet of all the same bedroom types (2 bedroom garden with 1 bath and 2 bedroom garden with 2 baths) and adding the prorated share of heated common residential space and divide by the total number of the same bedroom types (2 bedroom garden). Do not alter any items below.

Unit Types	Average Unit Sq. Ft.*	x	Number of Units/Type	=	Total Square Feet
Supportive Housing	0.00		0		0.00
1 Story/EFF-Elderly	0.00		0		0.00
1 Story/1 BR-Elderly	0.00		0		0.00
1 Story/2 BR-Elderly	0.00		0		0.00
Efficiency Elderly	722.80		61		44,090.69
1 Bedroom Elderly	876.06		173		151,558.16
2 Bedrooms Elderly	1,159.19		6		6,955.15
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	0.00		0		0.00
2 Bedrooms Garden	0.00		0		0.00
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	0.00		0		0.00
2+ Story 3 BR Townhouse	0.00		0		0.00
2+ Story 4 BR Townhouse	0.00		0		0.00
Total			240	Total	202,604.00 **

* Including pro rata share of heated, residential common area. This information should match Structure tab of the excel application

2. Net Rentable Square Feet *

For purposes of calculating Net Rentable Square Feet, the units were measured from the face of each unit perimeter wall. The values below therefore indicate the actual square footage of each unit floor plan. (For example, there may be 2 distinct 1-bedroom floor plans, 3 distinct 2-bedroom floor plans, etc. The purpose of this section of the Architect Certification is to document and certify the floor space attributable to residential rental units in the development.)

Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**

0.00%

	Unit Type	Floor Plan Square Feet	Number of Units This Floor Plan	Total	
Mix 1	Efficiency	466	28	13048	S-1
Mix 2	Efficiency	420	7	2940	S-2
Mix 3	Efficiency	463	7	3241	S-3
Mix 4	Efficiency	695	3	2085	S-4
Mix 5	Efficiency	695	3	2085	S-4 HC
Mix 6	Efficiency	511	3	1533	S-5
Mix 7	Efficiency	511	3	1533	S-5 HC
Mix 8	Efficiency	523	6	3138	S6
Mix 9	Efficiency	568	1	568	S7 HC
Mix 10	1 BR - 1 Bath	643	36	23148	1A
Mix 11	1 BR - 1 Bath	643	6	3858	1A HC
Mix 12	1 BR - 1 Bath	627	18	11286	1B
Mix 13	1 BR - 1 Bath	690	50	34500	1C
Mix 14	1 BR - 1 Bath	622	16	9952	1D
Mix 15	1 BR - 1 Bath	622	12	7464	1D HC
Mix 16	1 BR - 1 Bath	626	6	3756	1E
Mix 17	1 BR - 1 Bath	636	6	3816	1F
Mix 18	1 BR - 1 Bath	717	7	5019	1G
Mix 19	1 BR - 1 Bath	529	7	3703	1H
Mix 20	1 BR - 1 Bath	599	7	4193	1J
Mix 21	1 BR - 1 Bath	693	2	1386	1K
Mix 22	2 BR - 2 Bath	931	5	4655	2A
Mix 23	2 BR - 2 Bath	931	1	931	2A HC
Mix 24				0	
Mix 25				0	
Mix 26				0	
Mix 27				0	
Mix 28				0	
Mix 29				0	
Mix 30				0	
Mix 31				0	
Mix 32				0	
Mix 33				0	
Mix 34				0	
Mix 35				0	
Mix 36				0	
Mix 37				0	
Mix 38				0	
Mix 39				0	
Mix 40				0	
Mix 41				0	
Mix 42				0	
Mix 43				0	
Mix 44				0	
Mix 45				0	
Mix 46				0	
Mix 47				0	
Mix 48				0	
Mix 49				0	
Mix 50				0	
Totals			240	147838	

*This information should match Unit Details page of the excel application

DEV Name: Lake Anne House

Development Amenities:

I certify that the development's plans and specifications and proposed budget incorporate all items from VHDA's most current Minimum Design and Construction Requirements and the Unit by Unit write up. In the event the plans and specifications do not include VHDA Minimum Design and Construction Requirements and any immediate needs and recommendations from the Physical Needs Assessment, then those requirements still must be met, even though the application is accepted for credits. Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

The Minimum Design & Construction Requirements may be found on VHDA's website at.....

www.VHDA.com

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)
(Enter TRUE in each box where appropriate)

- TRUE a. The development will have a community/meeting room with a minimum of 749 square feet.
- 26% b.i,ii Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls (excluding triangular gable end area, doors, windows, kneewalls, columns, retaining walls, stairwells and any features that are not a part of the façade)
Community buildings are to be included in percentage calculations.
- FALSE c. Water expense will be sub-metered (tenant will pay monthly or bi-monthly bill)
- TRUE d. Each bathroom consists only of Water Sense labeled toilets, faucets and showerheads
- TRUE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.
- TRUE f. Free Wi-Fi access will be provided for community room for resident only usage.
- FALSE g. Each Unit is provided free individual high-speed Internet access
- OR
- FALSE h. Each Unit is provided free individual Wi-Fi access
- TRUE i.,j. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR
Bath Fan with humidistat
- FALSE k. Fire Prevention - all Ranges equipped with temperature limiting controls
- OR
- TRUE l. Fire Suppression - Cooking surfaces are equipped with fire suppression features
- FALSE m. Rehab only- Each apartment has dedicated space, drain and electrical hookups to accept a permanently installed dehumidification system OR
- FALSE n. All development types- Each Unit is equipped with a permanent dehumidification system
- FALSE o. All interior doors within units are solid core
- FALSE p. At minimum one USB charging port in each Kitchen, Living room and all bedrooms
- TRUE q. All Kitchen light fixtures are LED and meet MDCR lighting guidelines
- TRUE r. Shelf or ledge outside each primary apartment entry door located in an interior hallway
- FALSE s. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building.
Minimum 30 square feet.

DEV Name: Lake Anne House

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:
(optional point items)

- TRUE a. All cooking ranges will have front controls
- FALSE b. All full bathrooms will have an independent or supplemental heat source
- TRUE c. All entrance doors have two eye viewers, one at 42" and the other at standard height

For all rehabilitation and adaptive reuse developments, upon completion of construction/rehabilitation:
(optional point items)

- FALSE The structure is listed individually in the National Register of Historic Places or is located in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will **be completed in such a manner as to be eligible for historic rehabilitation tax credits.**

Building Structure:

Number of Stories

- Low-Rise** (1-5 stories with any structural elements being wood frame construction)
- Mid-Rise** (5-7 stories with no structural elements being wood frame construction)
- 8 High-Rise** (8 or more stories with no structural elements being wood frame construction)

Accessibility:

I certify that the development plans and specifications meet all requirements of the federal Americans with Disabilities Act and Fair Housing Act (if applicable).

I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal Accessibility Standards(UFAS) for more particular information.

Check one or none of the following point categories, as appropriate:

- x Any development in which (i) the greater of 5 units or 10% of the total # of units will be assisted by HUD project-based vouchers or another form of documented and binding federal, state or locality project-based rent subsidies in order to ensure occupancy by extremely low-income persons; and (ii) the greater of 5 or 10% of the units will conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act.
(All of the units described in (ii) above must include roll-in showers (must contain permanent grab bars and fixed seats), roll under sinks, and front controls for ranges unless agreed to by the Authority prior to the applicant's submission of its application.)
60 pts.
- Any development in which the greater of 5 units or 10% of the total # of units (i) have rents within HUD's Housing Choice Voucher payment standard; (ii) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act
30 pts.
- Any development in which **five percent (5%)** of the total # of units (i) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act
15 pts.

For any accessibility option elected above, all common space must also conform to accessibility requirements of HUD Section 504 regulations.

Architect's Certification

As architect of record for the above referenced development, the above certifications are correct to the best of my knowledge.



Signed:


Printed Name:

Title:

Virginia Registration #:

Phone:

Date:



LOGAN SCHUTZ AKA

PRINCIPAL

0401015221

301-595-1000

3/29/2019

NOTE TO ARCHITECT: If representations in plans and specifications and/or any information certified in this certification is misrepresented then the architect may be penalized. Any change in this form may result in disqualification or a reduction of points under the scoring system. If you have any questions, please call JD Bondurant at VHDA (804) 343-5725.

Return this certification to the developer for inclusion in the tax credit application package.

DEV Name: Lake Anne House



**Appendix F
VHDA's Universal Design Certification**

TRUE Units in the development will meet VHDA's **Universal Design Guidelines.**

Before issuance of IRS Form 8609, applicant will provide documentation to VHDA as evidence that such units meet VHDA's Universal Design guidelines.

The number of rental units that will meet these standards: 240

The total number of rental units in this development: 240

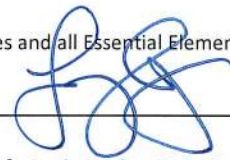
NOTE: For Elderly Developments, 100% of the units in the development must meet the Universal Design standards in order to qualify for points.

For Family Developments, points are awarded based on a percentage of the number of units meeting the Universal Design standards.

For the tax credit applicant to qualify for points associated with Universal Design, the architect of record must be on VHDA's list of Universal Design certified architects. VHDA Universal Design Certifications are only valid for 2019 applications if certification date is after January 1, 2014

All tax credit applications which include amenity points for providing VHDA Universally Designed dwelling units must include plans that clearly identify the following items in the format found on vhda.com or no points will be awarded:

- Overall building plans identifying the location of Universal Design dwelling units, and the means of vertical transportation (if applicable), along the accessible route (Minimum scale 1/8"=1'-0"). Include a legend and Universal Design General Notes section. Anything other than a fully handicap accessible elevator must have been presented to and approved by VHDA for this project at least two weeks prior to submission of reservation application.
- Site plan and building plans identifying accessible pedestrian routes from all Universal Design units to accessible parking, leasing office, community room, laundry facility, mailboxes, garbage collection areas and public transportation pick up areas. Architect must identify running slope and cross slope of route, and consider any obstructions. Include required number of accessible parking spaces, a legend for the accessible route, and a Universal Design general notes section.
- Enlarged Universal Design unit plans (Minimum scale 1/4"=1'-0") identifying clearances and all Essential Elements

Signed: 

Printed Name: LOGAN SCHUTZ AIA
Architect of Record
(same individual as on page 7)

Date: 3/29/2019



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP). In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

X New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

FALSE Earthcraft Certification - The development's design meets the criteria to obtain Viridiant's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

***Please Note Raters must have completed 500+ ratings in order to certify this form

Signed: [Signature]

Date: 4.11.2019

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

Provider Contact and Phone/Email Sean Evensen-Shanley sean.evensen-shanley@viridiant.org
(804) 212-1936

Home Energy Rating Certificate

Projected Report

Rating Date: 2019-03-08
 Registry ID: Unregistered
 Ekotrope ID: 7dBRMWKd

HERS® Index Score:

72

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$556

*Relative to an average U.S. home

Home:

11448 North Shore Drive
 Reston, VA 20190

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	8.1	\$257
Cooling	1.1	\$35
Hot Water	4.2	\$135
Lights/Appliances	12.0	\$383
Service Charges		\$81
Generation (e.g. Solar)	0.0	\$0
Total:	25.5	\$891

This home meets or exceeds the criteria of the following:

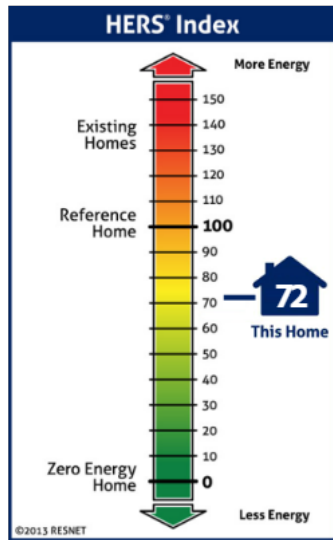
Energy Star v3

Rating Completed by:

Energy Rater: Matt Waring
 RESNET ID: 6729287

Rating Company: Viridiant
 1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
 1431 W. Main Street, Richmond, VA 23220



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	Unit 1C - Corner
Community:	New Lake Ann House Senior
Conditioned Floor Area:	751 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 10 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 17 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	35.0 CFM • 65.0 Watts
Duct Leakage to Outside:	37.55 CFM25 (5 / 100 s.f.)
Above Grade Walls:	R-27
Ceiling:	Adiabatic, R-15
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A

Matt Waring

Matt Waring, Certified Energy Rater
 Digitally signed: 3/21/19 at 8:58 AM

G

Zoning Certification Letter
(MANDATORY)



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Zoning Certification

DATE: March 11, 2018

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: ZONING CERTIFICATION

Name of Development: New Lake Anne House

Name of Owner/Applicant: New Lake Anne House LP

Name of Seller/Current Owner:
Fellowship Square Foundation Inc.

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address:

11448 North Shore Drive, Reston, VA 20190

Tax Map #: 17-2 ((1)) 2

Legal Description:

*Provided by applicant as "Legal Description of Parcel of Land for New Lake Anne House"

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>240</u>	# Units	<u>1</u>	# Buildings	<u>196,041</u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area Sq. Ft.

Current Zoning: PRC, Planned Residential Community District, allowing a density of 46.3 dwelling units per acre and the following other applicable conditions: subject to the density restrictions of Planned Condition Amendment PCA -A 502-03, Development Plan Amendment A-502-09 and PRC A-502-05 approved by the Board of Supervisors on October 16, 2018, as set forth in the attached proffer statement.

Other Descriptive Information:

The New Lake Anne House was approved for an independent living facility consisting of 240 affordable multi-family units for seniors in conjunction with 36 market-rate townhomes on the adjacent property. The New Lake Anne Fellowship House is currently going through the site plan review process (# 009357-SP-002-1). Additionally, the subdivision of the property will be pursued in the near future.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Sara Morgan

Signature

Sara Morgan

Printed Name

Senior Assistant to the Zoning Administrator

Title of Local Official or Civil Engineer

(703) 324 - 1314

Phone:

March 11, 2019

Date:

H

Attorney's Opinion
(MANDATORY)

Klein Hornig LLP
COUNSELORS AT LAW

April 5, 2019

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2019 Tax Credit Reservation Request

Name of Development: New Lake Anne
Name of Owner: New Lake Anne House LP

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated April 5, 2019 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.



5. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
6. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

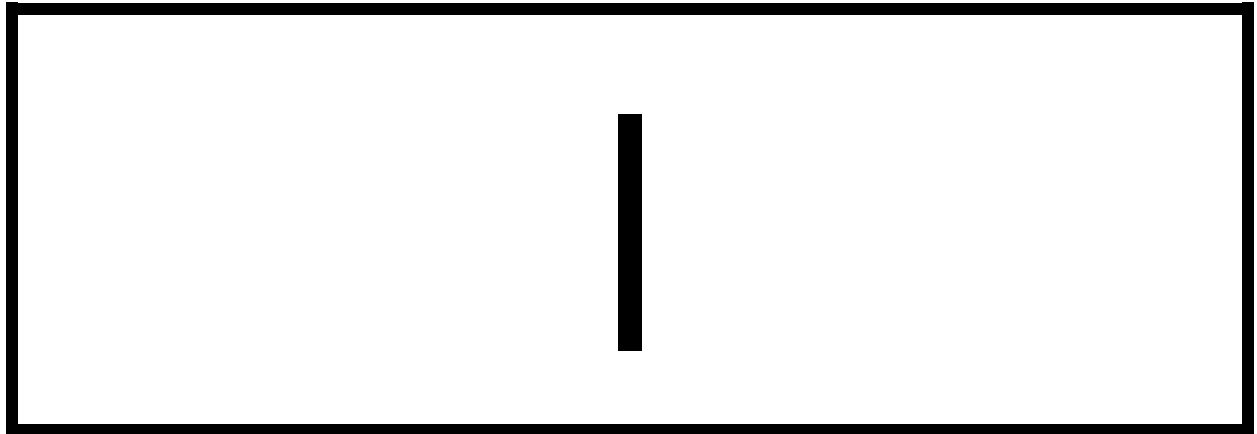
Klein Hornig LLP

By:

Mo Smith
Partner

Its:

A handwritten signature in black ink, appearing to be "Mo Smith", is written over a horizontal line. The signature is somewhat stylized and scribbled.



Nonprofit Questionnaire

(MANDATORY for points or pool)



Non-profit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving Credits from the non-profit Pool established under the Plan and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. [Attach additional sheets as necessary to complete each question.](#)

1. General Information

- a. Name of development: New Lake Anne House
- b. Name of owner/applicant: New Lake Anne House LP
- c. Name of non-profit entity: Community Housing, Inc.
- d. Address of principal place of business of non-profit entity:

8403 Colesville Road, Suite 1150, Silver Spring, MD 20910

Indicate funding sources and amount used to pay for office space:

The projected average rental expense is \$423,000 and is funded by CHI's operating funds.

- e. Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); 12/18/1992
evidenced by the following documentation:

Articles of Incorporation

- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):

04/05/1994

- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):

Community Housing, Inc. (CHI) was formed by Community Preservation and Development Corporation (CPDC), a non-stock not-for-profit 501(c)(3) corporation. CHI exists exclusively for charitable and educational purposes in support of CPDC's mission. CPDC's mission is to create and preserve financially sound, socially responsible affordable housing

for low- and moderate-income individuals and families as well as to provide community development programs to the residents of communities where it works, where feasible. CHI supports the mission by conducting or supporting activities for the benefit of CPDC and its affiliates.

i. Expected life (in years) of non-profit: ongoing/Indefinite

j. Explain the anticipated future activities of the non-profit over the next five years:

CHI plans to build on its successful foundation over the next five years by: continuing to create and preserve affordable housing by increasing its property portfolio to 6,000 units; Develop new real estate product lines and expand its geographic footprint; Increase resident and community involvement in real estate development, property management, community development programming. Become a primary third-party provider to other non-profits and government entities for community programs. On January 1, 2018, CPDC began an affiliation with Enterprise Community Investments (ECI). ECI and its parent, Enterprise Community Partners (ECP), are national intermediaries and Section 501 (c)(3) charitable organizations. With this affiliation, CPDC effectively operates as a subsidiary of ECI and has unique access to their various debt and equity resources, as well as corporate capital for deal-specific equity investments and operating deficit support, if needed.

k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?

40 full time paid staff

How many part-time, paid staff members? 2 part time paid staff

Describe the duties of all staff members:

Staff members carry out CPDC/CHI's mission via the following departments: 1) Administration; 2) Asset Management; 3) Community Impact Strategies; and 5) Real Estate Development

l. Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes No If yes, explain in detail: Finance, Information Technology and HR are provide by ECI

m. How many volunteers does the non-profit and, if applicable, any related non-profit have?
The non-profit has 539 volunteers.

n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development

CHI receives the majority of its funding from developer and asset management fees and minor amounts of in-kind services and other revenues.

- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

Please see Attachment A-Board List

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:

In 1989, following four decades of success developing more than 15,000 units of affordable housing, Eugene Ford established Community Preservation and Development Corporation (CPDC). Mr. Ford recruited Leslie Steen to be CPDC's first president. Together they determined that the focus of the new company would be preserving affordable properties in the mid-Atlantic region because secure, decent, and affordable housing was (and still is) so critically needed. In 1992, CPDC formed Community Housing, Inc (CHI) in the state of Maryland as a nonstock, not-for-profit corporation with a 501(c)(3) tax-exempt status. CHI was organized exclusively in support of CPDC's mission. CPDC appoints the board members of CHI.

- b. Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes No If yes, explain in detail:

- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes No If yes, explain:

- d. Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

- e. Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes No, If yes, explain:

- f. Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes No

- g. Explain in detail the past experience of the non-profit including, if applicable, the past experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.):

Established in 1989, Community Preservation and Development Corporation (CPDC) is a premier not for profit real estate developer focused on the acquisition, redevelopment, and operation of housing communities affordable to low-and moderate-income individuals and families, combined with the provision of high-quality resident services. CPDC has extensive experience managing complex redevelopments of vibrant mixed-income communities. CPDC also does adaptive reuse, sustainable design, historic preservation, and resident relocations during renovation.

- h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

CPDC was formed on November 13, 1989, with a mission of preserving affordable housing in the mid-Atlantic region because secure, decent and affordable housing is so critically needed. Because this need is ongoing and growing. CPDC's expected life is indefinite. CPDC's philosophical foundation rests on three convictions: Preserving affordability; Preserving Communities; and Empowering Communities. In 1992, CPDC formed CHI exclusively for charitable and educational purposes in support of CPDC's mission. CHI serves as CPDC's real estate development and asset management arm.

3. Non-profit involvement

- a. Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

Yes No

- (i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes No

- (ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

Lake Anne House Development LLC is a partnership between two LLC's controlled solely by nonprofit corporations. CPDC Lake Anne House LLC is 75% managing member and is controlled by Community Housing Inc. as its sole member. Fellowship Lake Anne House LLC is the 25% non-managing member of Lake Anne House Development LLC and is controlled by Fellowship Square Foundation Inc as its sole member. The non-managing member is jointly responsible for certain decisions related to ownership as further described in a partnership agreement

- b. (i) Will the non-profit be the managing member or managing general partner?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

This provision is specifically referenced in Section 3.1 of the Operating Agreement for the general partner.

(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No

c. Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

This provision is outlined specifically in the Right of First Refusal and Purchase Agreement.

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

d. Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes No If yes,

(i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:

CHI will act as the project's developer.

(ii) Describe the nature and extent of the non-profit's involvement in the operation or management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

As the controlling member of the Managing Member, CHI will assure compliance with LIHTC regulations in accordance with its charitable purpose.

(iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

Project Management and Oversight: Senior Vice President (77 hrs), Vice President (600 hrs), Senior Development Officer (460 hrs), Development Associate (230 hrs), Asset Manager (100 hrs), Controller (36hrs), Resident Program Manager (50 hrs), Accountant (120 hrs)

e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board

member? Housing needs study? Third party consultant? Other?

The Fellowship Square Foundation, the existing owner of Lake Anne I and II, chose CPDC/CHI to develop a redevelopment strategy for the existing buildings at Lake Anne. CPDC/CHI worked with the Fellowship Square staff, Board and residents along with Fairfax County and Reston to develop a plan to build 240 new units on the site. The project was approved by the County and by the Reston Design Review Board.

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:

New Lake Anne House LP- Owner

1) Lake Anne House Development LLC-GP 99% Interest

- a) CPDC Lake Anne House LLC-Manager and 75% Manager of Lake Anne House Development LLC
- i) Community Housing Inc-Sole Member of CPDC Lake Anne House LLC
- b) Fellowship Lake Anne House LLC is -Non-Managing Member at 25% member of Lake Anne House Development LLC.
- i) Fellowship Square Foundation Inc-Sole Member of Fellowship Lake Anne House

2) Community Housing Inc.-LP 1% Interest

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.

Lake Anne House Development LLC is a partnership between two LLC's controlled solely by nonprofit corporations. CPDC Lake Anne House LLC is 75% managing member and is controlled by Community Housing Inc. as its sole member. Fellowship Lake Anne House LLC is the 25% non-managing member of Lake Anne House Development LLC and is controlled by Fellowship Square Foundation Inc as its sole member. The non-managing member is jointly responsible for certain decisions related to ownership as further described in a partnership agreement

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development? Yes No If yes,

(i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

(ii) Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services?

- i. Will the non-profit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.

Fellowship Lake Anne House LLC will receive a portion of the developer fee.

- j. Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.

-
- k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow? Yes No If yes, explain:

Not applicable

- l. Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity? Yes No If yes, explain:

-
- m. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

Not applicable

- n. Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development? Yes No If yes, explain in detail, including the compensation for the other non-profits:

4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No
- c. Define the non-profit's geographic target area or population to be served:

Community Housing, Inc. serves low- and moderate-income residents in the mid-Atlantic

region, including Maryland, Virginia and DC.

- c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?
 Yes No If yes, or no, explain nature, extent and duration of any service:

CHI and CPDC developed/redeveloped Island Walk, a 102-unit affordable housing community in Reston near Lake Anne. Island Walk has an active resident services program that serve the residents.

- d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain:

- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?

Yes No

- f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?

Yes No If yes, explain:

CHI has support from the US Department of Housing and Urban Development on the redevelopment project (see attached HUD Guidance Letter) and the project has been awarded 20 project-based vouchers from Fairfax County Redevelopment and Housing Authority (see award letter). HUD has approved prepayment of the existing 202 loan and FCRHA is in the process of issuing 113 project-based vouchers. Further the project redevelopment was approved by the Fairfax County Board of Supervisors. See also a letter of support from Fairfax County Supervisor Cathy Hudgins.

- g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? Yes No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:

CHI has met multiple times with the residents of the existing Lake Anne buildings to discuss the proposed development and solicit input. CHI has also met with and received approval from the Reston Design Review Board and Fairfax County through the PRC Zoning approval process. As part of the rezoning projects several open community meetings were conducted to get neighborhood input.

- h. Are at least 33% of the members of the board of directors representatives of the community being served? Yes No If yes,

(i) low-income residents of the community? Yes No

(ii) elected representatives of low-income neighborhood organizations? Yes No

i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No

j. Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:

CHI has board meetings that are regular and well-attended, but they are not open to the public.

k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No

l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain:

n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

Please see Attachment B- Joint Ventures

o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

Please see attachment C- Sole General Partner

p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No If yes, explain:

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the

VHDA Housing Funds? Yes No If yes, explain:

In 2005, Community Housing, Inc received Virginia Housing Partnership funds to finance accessibility improvements at Island Walk Townhomes in Reston, VA.

- r. Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources? Yes No If yes, explain the need identified:

N/A the project is replacement housing.

- s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community? Yes No If yes, explain the plan:

5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

3-13-19
Date


New Lake Anne House LP
Owner/Applicant

By: Suzanne Welch 

Its: Vice President 
Title

3-13-19
Date

Community Housing, Inc

By: Non-profit

Board Chairman

By: Executive Director




COMMUNITY PRESERVATION AND DEVELOPMENT CORPORATION
8403 Colesville Road • Suite 1150 • Silver Spring, MD 20910
www.cpdcc.org • cpdc@cpdc.org
main 202.895.8900 • fax 202.895.8805

BOARD OF DIRECTORS TERMS* AS OF JANUARY 1, 2019

Laurel Blatchford (2018-2020)

W Kimball Griffith (2018-2020)

Leicester Johnson (2018-2020)

Barry Curtis (2018-2020)

J. Michael Pitchford (President and CEO)**

Nancy Rase (2018-2020)

Lee Reno (2018-2020)

Adrian Washington (2018-2020)

Charles Werhane (Board Chair)

Emeritus status

Conrad Egan: Board Chair Emeritus

*All terms are for 3 years, ending at the end of December of the final year. Directors are subject to term limits and may serve no more than 3 consecutive 3-year terms with the exception of the Board Chair, appointed by Enterprise Community Investments and the President and CEO, who serves at the pleasure of the Board.

Conference Call Information

Dial-in #: 1-888-272-7337

Conference ID: 5754455

Joint Ventures Between CPDC/CHI and For-Profit Companies

Development Name	Location	Date of LIHTC Application	Nonprofit Role	Nonprofit Ownership Interest	Name/Principal of Joint Venture Partner	Name/Principal of General Contractor	Name/Principal of Management Agent	Result of Application	Current Status of Development
The Residences at Wiley H. Bates Heritage Park	Annapolis, MD	Jun-03	Lead Developer	80% of General Partner Interest	Northern Real Estate Urban Ventures / Gina Merritt	Hamel Builders / Phil Gibbs	Edgewood Management Corporation / Gene Ford, Jr.	Approved	Complete
Wardman Court (f.k.a. Clifton Terrace)	Washington, DC	2000	Co-Developer	50% of General Partner Interest	Michaels Development Group / Michael Levitt	Earnest Bock & Sons / Thomas Bock	Interstate Realty Management / Michael Levitt	Approved	Complete
The Overlook at Oxon Run (f.k.a. Parkside Terrace)	Washington, DC	Jan-06	Lead Developer	80% of General Partner Interest	Crawford Edgewood Managers, Inc. / H.R. Crawford	Harkins Builders, Inc. / Mike Ibrahimi	Edgewood Management Corporation / Gene Ford, Jr.	Approved	Complete
Hampshire Towers	Takoma Park, MD	Mar-07	Lead Developer	80% of General Partner Interest	Tenacity Group / Eric Bolog	Hamel Builders / Phil Gibbs	Edgewood Management Corporation / Gene Ford, Jr.	Approved	Abandoned due to litigation with JV Partner

Tax Credit Applications with CPDC/CHI as sole General Partner

Development Name	Location	Date of LIHTC Application	Result of Application	Current Status of Development
Central Gardens II	Seat Pleasant, MD	1990	Approved	Complete
Admiral Oaks	Annapolis, MD	1990	Approved	Complete
Southern Ridge	Washington, DC	1993	Approved	Complete
Essex House	Takoma Park, MD	1994	Approved	Complete
Edgewood Terrace Ph. II	Washington, DC	1998	Approved	Complete
Park Montgomery	Silver Spring, MD	1999	Approved	Complete
Edgewood Terrace Ph. III	Washington, DC	2001	Approved	Complete
Edgewood Terrace Ph. IV	Washington, DC	2001	Approved	Complete
Island Walk	Reston, VA	Dec-03	Approved	Complete
Mayfair Mansions	Washington, DC	Jan-06	Approved	Complete
Wheeler Terrace	Washington, DC	Jan-07	Approved	Complete
Admiral Oaks	Annapolis, MD	Nov-08	Approved	Complete
Buckman Road	Alexandria, VA	May-09	Approved	Complete
Suburbia Fairfax	Fairfax, VA	Apr-10	Approved	Complete
The Larkspur	Arlington, VA	Apr-11	Approved	Complete



J

Relocation Plan
(MANDATORY, if tenants are displaced)

NOT USED

K

Documentation of
Development Location:

K.1

Revitalization Area
Certification



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

March 15, 2019

J.D. Bondurant
Director of LIHTC Programs
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220

Development Name: Lake Anne House Development
Name of Owner/Applicant: Community Preservation and Development Corporation

RE: Revitalization Area – Planning Designation

Dear Mr. Bondurant:

The Fairfax County Board of Supervisors (Board) has established a revitalization program aimed at ensuring the viability and sustainability of its older commercial areas. As a component of that program, on March 30, 1998, the Board designated the Lake Anne Village Center within its planned community of Reston as a Revitalization Area on our Comprehensive Plan, making it one of only eight such areas in the County designated as a Revitalization District or Area. This designation bestows certain regulatory/process incentives for development within the area, such as giving priority to the processing of zoning applications and allowing for the concurrent processing of zoning applications with a Comprehensive Plan amendment or site plan, among others.

The Lake Anne House Development property is located on a portion of Land Unit E in the Lake Anne Village Center; specifically 11444 North Shore Drive, Reston, VA 20190. Attached please reference the certified March 30, 1998, Board Meeting Summary, which includes Clerk Summary Item 93, Lake Anne of Reston Designated A Revitalization Area.

The construction of the Lake Anne House Development is intended to further the revitalization of the Lake Anne Village Center through the retention of affordable housing in a new multi-family building and the addition of market-rate townhomes. This investment in the community will attract new residents to the area that will serve to strengthen the economic vitality of Reston's original village center.

Office of Community Revitalization
12055 Government Center Parkway, Suite 1048
Fairfax, VA 22035
703-324-9300, TTY 711
www.fcrcv.org



Sincerely,

A handwritten signature in cursive script that reads "Barbara Byron". The signature is written in black ink and is positioned below the word "Sincerely,".

Barbara Byron, Director
Office of Community Revitalization

Attachment: a/s

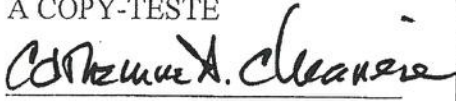
93. LAKE ANNE OF RESTON DESIGNATED A REVITALIZATION AREA (Tape 18)

Supervisor Dix moved that the Board designate the area of Reston known as Lake Anne as a revitalization area for purposes of community reinvestment opportunities. This motion was seconded by Supervisor Mendelsohn.

Following discussion, the question was called on the motion which carried by a vote of eight, Supervisor Frey and Supervisor McConnell being out of the room.

(NOTE: Later in the meeting, the Board discussed another revitalization area. See Clerk's Summary Item CL#115.)

A COPY-TESTE



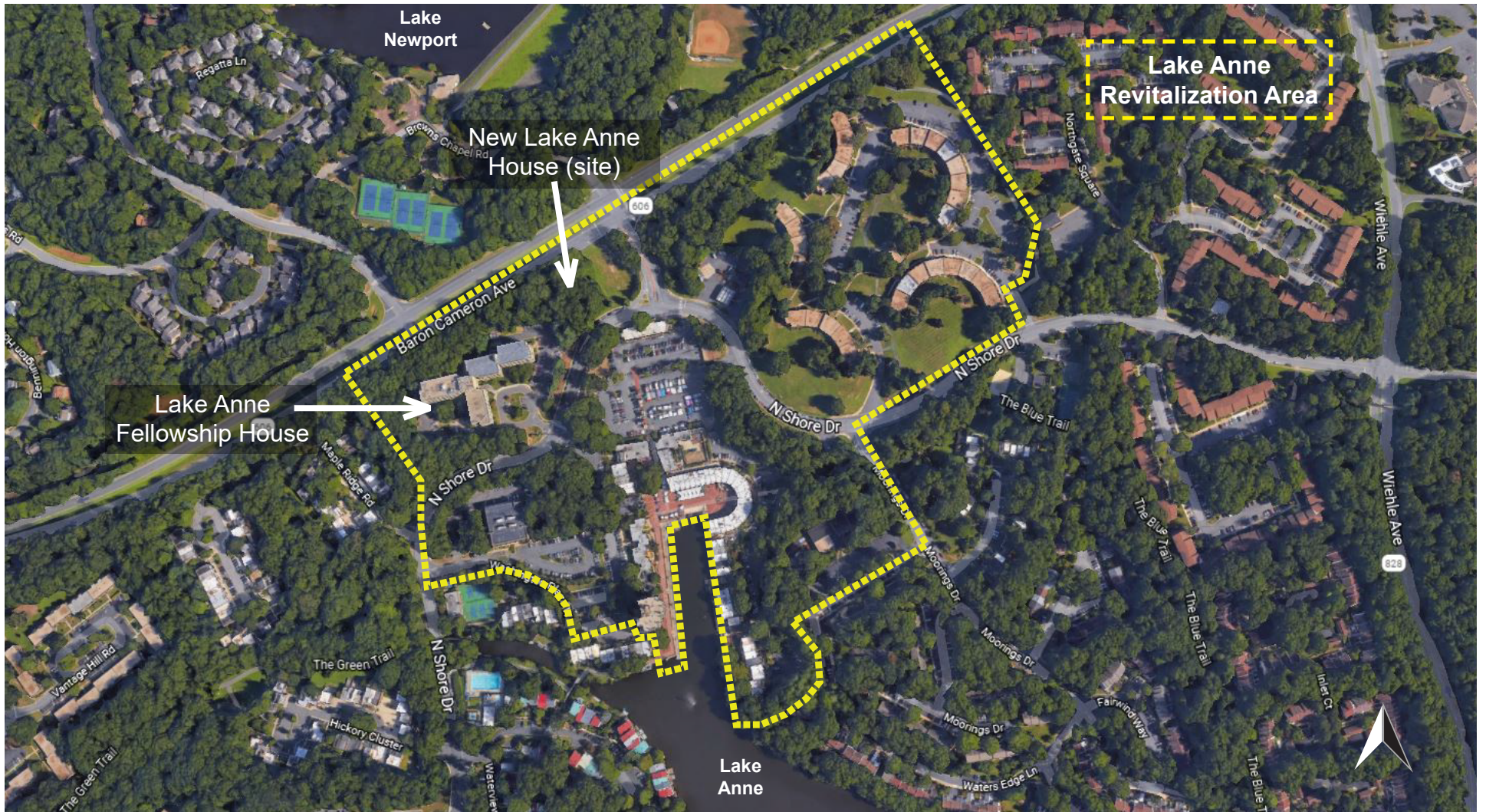
Catherine A. Chianese

Clerk to the Board of Supervisors

K.2

Location Map

NEW LAKE ANNE HOUSE
11444 NORTH SHORE DRIVE
RESTON, VIRGINIA 20191



K.3

Surveyor's Certification of
Proximity to Public
Transportation

Surveyor's Certification of Proximity to Transportation

DATE: March 6, 2019

TO: Virginia Housing Development Authority
 601 South Belvidere Street
 Richmond, VA 23220-6500

RE: 2019 Tax Credit Reservation Request

Name of Development: Lake Anne House
 Name of Owner: New Lake Anne House LP

Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.



Charles P. Johnson and Associates, Inc.
 Firm Name

By: *[Signature]*

Its: Survey Division Manager
 Title

2019

L

PHA/Section 8 Notification
Letter

NOT USED

M

Locality CEO Response
Letter



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

March 25, 2019

Ms. Susan Dewey
Executive Director
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220

Mr. Kevin Hobbs
Housing Program Administrator
Dept. of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219

RE: Redevelopment of Lake Anne House

Dear Ms. Dewey and Mr. Hobbs;

Community Preservation and Development Corporation (CPDC) and Fellowship Square Foundation (Fellowship) have partnered together on redeveloping an affordable senior housing community at Lake Anne in Reston, Virginia. The project proposes to directly replace the 240 existing, occupied, affordable senior units at Lake Anne Fellowship House with 240 new affordable senior units at the New Lake Anne House. The construction of replacement affordable housing required garnering neighborhood support as well as obtaining Fairfax County approvals. The Board of Supervisors approved the zoning changes in October of 2018 to enable the project to move forward.

CPDC and Fellowship are now assembling their financing for the project and I understand that they are applying to VHDA for 4% low income housing tax credits and applying to the Virginia Housing Trust Fund for \$700,000-\$800,000 to help support the project becoming a reality. With this letter I wanted to confirm my support for this worthwhile project and encourage your support as well.

Sincerely,

Catherine M. Hudgins

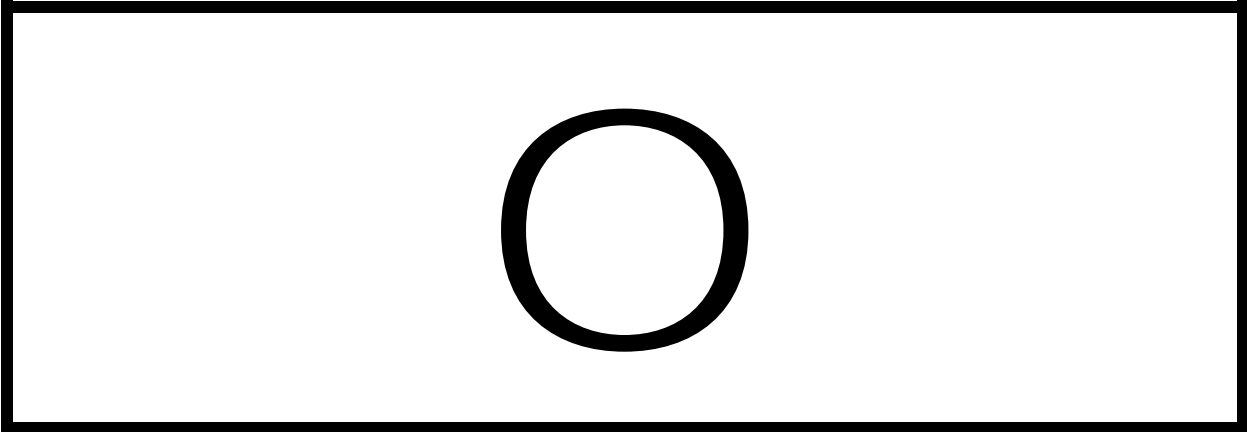
Catherine M. Hudgins, Supervisor
Hunter Mill District
Fairfax County Board of Supervisors
1801 Cameron Glen Drive, Reston, VA 20190
703-478-0283, FAX: 703-471-6847
HUNTERMILL@fairfaxcounty.gov



N

Homeownership Plan

NOT USED



O

Plan of Development
Certification Letter

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

2/21/2018

- Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)
- Listed if documentation supported at least 6 LIHTC developments
- Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

- | | | |
|--------------------------|---------------------------|---------------------------|
| 1 Alexander, Randall P. | 26 Gardner, Mark E. | 51 Orth, Kevin |
| 2 Arista, Roberto | 27 Gunderman, Timothy L. | 52 Park, Richard A. |
| 3 Barnhart, Richard K. | 28 Haskins, Robert G. | 53 Park, William N. |
| 4 Baron, Richard | 29 Heatwole, F. Andrew | 54 Pasquesi, R.J. |
| 5 Bennett, Vincent R. | 30 Honeycutt, Thomas W. | 55 Pedigo, Gerald K. |
| 6 Burns, Laura P. | 31 Hunt, Michael C. | 56 Poulin, Brian M. |
| 7 Connelly, T. Kevin | 32 Jester, M. David | 57 Queener, Brad |
| 8 Connors, Cathy | 33 Johnston, Thomas M. | 58 Ripley, F. Scott |
| 9 Copeland, M. Scott | 34 Jones Kirkland, Janice | 59 Ripley, Ronald C. |
| 10 Copeland, Robert O. | 35 Kirkland, Milton L. | 60 Ross, Stephen M. |
| 11 Copeland, Todd A. | 36 Kittle, Jeffery L. | 61 Salazar, Tony |
| 12 Cordingley, Bruce A. | 37 Koogler, David M. | 62 Sari, Lisa A. |
| 13 Crosland, Jr., John | 38 Koogler, David Mark | 63 Sinito, Frank T. |
| 14 Curtis, Lawrence H. | 39 Lancaster, Dale | 64 Stockmaster, Adam |
| 15 Daigle, Marc | 40 Lawson, Phillip O. | 65 Stoffregen, Phillip J. |
| 16 Dambly, Mark H. | 41 Lawson, Steve | 66 Surber, Jen |
| 17 Deutch, David O. | 42 Leon, Miles B. | 67 Woda, Jeffrey J. |
| 18 Dischinger, Chris | 43 Lewis, David R. | 68 Wohl, Michael D. |
| 19 Douglas, David D. | 44 Margolis, Robert B. | 69 Wolfson, III, Louis |
| 20 Ellis, Gary D. | 45 McCormack, Kevin | |
| 21 Fekas, William L. | 46 McNamara, Michael L. | |
| 22 Fitch, Hollis M. | 47 Melton, Melvin B. | |
| 23 Fore, Richard L. | 48 Midura, Ronald J. | |
| 24 Franklin, Wendell C. | 49 Mirmelstein, George | |
| 25 Friedman, Mitchell M. | 50 Nelson, IV, John M. | |

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Better Housing Coalition
- 5 Buckeye Community Hope Foundation
- 6 Community Housing Partners
- 7 Community Housing, Inc.
- 8 ElderHomes (dba Project: Homes)
- 9 Fairfax County RHA
- 10 Homes for America, Inc.
- 11 Humanities Foundation, Inc.
- 12 Huntington Housing, Inc.
- 13 Newport News RHA
- 14 NHT-Enterprise Preservation Corporation
- 15 Norfolk Redevelopment Housing Authority
- 16 People Incorporated
- 17 Piedmont Housing Alliance
- 18 Portsmouth RHA
- 19 RHA/Housing, Inc.
- 20 The Community Builders

Solomon, Mandi

From: Pittman-Shaw, Jaynell <Jaynell.Pittman-Shaw@VHDA.com>
Sent: Monday, April 28, 2014 10:11 AM
To: Everett, Christopher
Cc: Burney Brown, Shelynda
Subject: VHDA - Experience LIHTC Dev - Brookland Park

This e-mail confirms that Community Housing, Inc. will be added to our Experienced LIHTC Developers list. As such, the above referenced application qualifies for 50 points. In addition, you will not have to provide copies of 8609s or supporting documentation with future LIHTC applications, so long as Community Housing, Inc. holds a majority interest in the ownership. Congratulations!

NOTE: You may, if you'd like, include a copy of this e-mail or the Experienced LIHTC Developers list (with your organization listed), where you would normally include copies of 8609s/supporting documentation.

From: Everett, Christopher [mailto:ceverett@cpdc.org]
Sent: Monday, April 28, 2014 9:46 AM
To: Pittman-Shaw, Jaynell
Cc: Burney Brown, Shelynda
Subject: RE: VHDA - Experience LIHTC Dev

Attached, please find the 8609s for the properties listed below. These were provided in the initial application under Tab N. I wanted to confirm that this is the information you were looking for.

From: Pittman-Shaw, Jaynell [mailto:Jaynell.Pittman-Shaw@VHDA.com]
Sent: Monday, April 28, 2014 9:08 AM
To: Everett, Christopher
Cc: Burney Brown, Shelynda
Subject: VHDA - Experience LIHTC Dev

Good morning. Can you please send the corresponding 8609s for the following? Only one BIN/page per project please. Thanks

Buckman Road Dev LLC
Captain's Circle LLC
Mayfair Mansions LP
Parkside Terrace Dev LLC
Suburbia Fairfax Dev LLC
Wheeler Terrace Dev LP

Please consider the environment before printing this email.

Office Hours:

Mon - Thu 7:30 a.m. - 5 p.m.; Alt. Fri 8:30 - 4 p.m.

Jaynell A. Pittman-Shaw, MURP

Senior Tax Credit Allocation Officer
Virginia Housing Development Authority (VHDA)
601 S. Belvidere Street
Richmond, VA 23220-6504
(804) 343.5733, phone
(804) 343.8478, fax

Q

Documentation of Rental
Assistance

New Lake Anne House

The project will be supported by four (4) project-based voucher contracts that will have fair market rents above the existing as-is Lake Anne rents. Some of these rents have been approved by HUD (i.e. Lake Anne II units) while others are in the process of being approved based upon rent comparable studies (RCS).

- A. Lake Anne I 27-unit MUTM Contract. There is an existing HAP contract at Lake Anne I for 27 units that was increased recently as a Mark Up To Market.

- B. Lake Anne I 113-unit PBV Contract. The Lake Anne I rents reflect the prepayment of the existing HUD 202 mortgage and issuance of project-based tenant protection vouchers. With the payoff of the HUD 202 loan, we are requesting HUD approval of if the 113 Lake Anne I units at \$1700 for a studio, \$2000 for a one-bedroom unit and \$2400 for a two-bedroom unit based on RCS. On July 14, 2017, a request was submitted to HUD for prepayment approval of the HUD 202 Direct Loan at Lake Anne I by Fellowship. HUD issued a conditional approval letter dated April 19, 2018. Related to the prepayment of the 202 Loan and pursuant to HUD Notice H 2018-02, Fellowship is seeking a PBV contract for the 113 unsubsidized units at Lake Anne I. FCRHA has conducted interviews and certifications to qualify tenants, and FCRHA will be in the position soon to issue the 113-unit project-based voucher contract.

- C. Lake Anne II RAD PBRA Contract for 91 Units. The existing Lake Anne II units have been moved onto the Rental Assistance Demonstration (RAD) platform. In 2018, HUD established rents at \$1564 for a studio and \$1850 for a one-bedroom unit, with annual OCAF adjustments.

- D. FCRHA 20 PBV Units. Additionally, Fairfax County has awarded 20 project-based vouchers (PBVs) for the new building. The Developer has a request pending with FCRHA that the rent for the 20 PBV units match that of the Lake Anne I units (\$1700, \$2000, and \$2400) and this approved is tied to HUD’s approval of the as-proposed rents for the Lake Anne I HUD 202 units (113 units).

It should be noted that the unit mix has changed from the existing buildings to the new project. HUD is aware of this change. Formal HUD approval is needed as part of a unit combining process so that the new project can provide more one bedrooms that are currently available.

UNIT TYPES	EXISTING	NEW LAKE ANNE HOUSE	AS-PROPOSED RENTS
Studio	122	71	\$1564-1700/mo
1BR/1BA	115	163	\$1850-2000/mo
2BR	3	6	\$2000-2400/mo



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Multifamily Northeast Region
Baltimore Satellite Office
City Crescent Building
10 South Howard Street, 5th Floor
Baltimore, MD 21201-2528

June 8, 2017

Renee Jakobs
President
Fellowship Square Foundation
2231 Colts Neck Road
Reston, VA 20191

Suzanne Welch
Vice President, Real Estate
Community Preservation and Development Corporation
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910

Re: Redevelopment of Lake Anne I ("**Lake Anne 1**") and Lake Anne II ("**Lake Anne 2**") (collectively, "**Lake Anne**" or "**the Properties**") by Fellowship Square Foundation, Inc. ("**Fellowship**") and Community Preservation Development Corporation ("**CPDC**")
HUD Project No. SH-VA-02; HAP Contract No. VA39M000024 (Lake Anne 1)
HUD Project No. 000-5-NI-RAP (Lake Anne 2)

Dear Ms. Jakobs and Ms. Welch:

I am writing in response to the submission made to HUD by Fellowship and CPDC (collectively, the "**Development Team**" or "**Team**") on November 10, 2016 (and supplemented by a letter dated January 4, 2017), and our subsequent discussion on May 5, 2017, relating to the planned redevelopment of Lake Anne.

According to the Development Team, Lake Anne 1 and Lake Anne 2 contain a total of 240 affordable senior housing units located in two buildings on two adjoining parcels in the Lake Anne Village section of Reston, Virginia (the "**Existing Buildings**"). Both Properties are currently owned by Fellowship. Lake Anne I, which was financed with a Section 202 Direct Loan (the "**202 Loan**"), has 140 units – and 27 of those units are assisted under an existing HAP contract (the "**Existing HAP Contract**"). Lake Anne 2, which has 100 units, recently underwent a conversion to project-based Section 8 assistance under HUD's RAD II program.

The information submitted to HUD indicates that the Development Team entered into a Master Development Agreement to provide for the replacement of the Existing Buildings with a new, 240-unit affordable seniors' building (the "**New Building**") on the unimproved portion of the Lake Anne site. The information further indicates that:

- The two parcels currently comprising Lake Anne include:
 - The Lake Anne 1 site (the "**LA1 Site**"), which is located on the eastern side of Lake Anne (and it is referred to as "Parcel 3" on the attached site plan). The LA1 Site has the 202 Loan and the Existing HAP Contract.
 - The Lake Anne 2 site (the "**LA2 Site**"), which is located on the western portion of Lake Anne (and it is referred to as "Parcel 2" on the attached site plan).
- Under the proposed redevelopment plan, the LA1 Site will not change – the "Existing Lot Line" shown on the attached site plan is the current boundary of that site and it will not be altered. The LA2 Site, however, would be divided into two parcels – one (the "**LA2 Existing Building Site**") that includes the existing building for Lake Anne 2, and the other (the "**LA2 New Building Site**") that includes the western, unimproved portion of the Lake Anne 2 property. This division of the LA2 Site is shown by the "Proposed Lot Line" shown on the attached site plan.
- At a future date, after the 202 Loan on Lake Anne 1 is prepaid, ownership of the LA2 New Building Site will be transferred to a new Partnership (as described below) for construction of the New Building. Fellowship would, however, retain ownership of both the LA1 Site and the LA2 Existing Building Site (collectively, the "**Old Site**") and the Existing Buildings. After the New Building is completed, the existing Lake Anne 1 and Lake Anne 2 residents would move directly from the Existing Buildings (on the Old Site) to newly constructed units at the New Building – and the Existing Buildings would then be demolished. The Old Site will then be sold and likely redeveloped as new market rate housing that is not subject to a HUD use agreement (or similar HUD restrictions).
- The New Building (and the LA2 New Building Site) will be owned by a newly-formed limited partnership controlled by the Development Team (the "**Partnership**"). The Partnership's sole general partner shall be wholly owned and controlled by the Team. The New Building shall be financed with, among other sources, new tax exempt bond financing, 4% LIHTC equity, seller take-back financing from Fellowship, and a portion of the anticipated proceeds from the sale of the Old Site.

Per the Development Team's request, I am writing to confirm that:

1. **MUTM Renewal**: HUD is currently reviewing the Development Team's application to replace the Existing HAP Contract with a new 20-year HAP contract renewed under HUD's "Option 1B," mark-up-to-market ("**MUTM**") renewal option (the "**Initial MUTM Contract**"). Subject to HUD's approval of the application, the Initial MUTM Contract shall provide for contract rents at the "as is" comparable market rents for the existing Lake Anne I units.
2. **202 Loan Prepayment**: As part of the redevelopment process, the Team shall request HUD approval of the prepayment of the HUD 202 Loan (the "**202 Loan Prepayment**" or "**Prepayment**") and HUD will review and process that request in accordance with HUD Notice 2013-17 (the "**Notice**"). The Prepayment shall require Fellowship to execute a new HUD Use Agreement encumbering LA1 Site, in accordance with the Notice. The Notice's provisions addressing "substantial rehabilitation" shall be satisfied based on the planned new construction of the New Building. We understand that the Team is seeking HUD approval of the Prepayment by the end of the third quarter of 2017, with the timing of the actual prepayment to be as prescribed by the HUD approval.
3. **TPV Voucher Issuance**: The Development Team will submit to HUD a request for tenant protection vouchers ("TPVs") on or about the date of the Section 202 loan prepayment. HUD will review the submission as it relates to the eligibility of the unassisted tenants (tenants not covered by the Existing HAP Contract) in receiving TPV's if faced with a rent increase due to the prepayment/refinancing of Lake Anne 1. The TPVs shall be administered by the Fairfax County Redevelopment Housing Authority ("**FCRHA**") and provide for rental assistance at the FCRHA's payment standard.

HUD understands that the Development Team, working with the FCRHA, ultimately intends to seek tenant consent to convert the TPVs to project-based-voucher ("**PBV**") assistance. The TPVs would be issued to the eligible Lake Anne 1 residents while they are still living at Lake Anne 1. The TPV assistance (or PBV assistance, if then converted) would be transferred by FCRHA to the New Building when the New Building is completed and the residents are relocated to the New Building. The Development Team understands that tenants with TPV's have the right to move from Lake Anne, which could impact property income.

4. **HAP/Use Agreement Transfer:** HUD shall review promptly following the Team's submission of an application to HUD in accordance with Section 211 of the HUD Appropriations Act of 2017 ("**Section 211**") and the HUD guidance at 80 Fed. Reg. 16963: (a) the transfer of the Initial MUTM Contract to the New Building (and the resident relocation to the New Building), (b) the modification of the unit mix under the Initial MUTM Contract as described below, (c) the assignment of the Initial MUTM Contract to the Partnership, and (d) the release of the 202 Use Agreement from the LA1 Site, and the Agreement's transfer to the LA2 New Building Site (collectively, the "**HAP/Use Agreement Transfer**"). The HAP /Use Agreement Transfer shall occur on or about the date the New Building receives a REAC inspection score of 60 or higher (the "**Completion Date**"). HUD shall permit the HAP/Use Agreement Transfer to occur on or about the Completion Date regardless of whether Section 211 (or any successor thereto) remains in effect, and after HUD approval of the transfer in accordance with Section 211 requirements.

Based on the Team's current plans, we understand that the Team will request that the transferred Initial MUTM HAP Contract provide for a modification to the unit mix to allow for a decrease in the total number of units under the contract from 27 to 22 by reducing the number of efficiency units (changing 10 efficiency units to 5 one-bedroom units) when the new building is constructed. The issuance of the modified Initial MUTM Contract, subject to review and approval by HUD, with the revised unit mix, shall be subject to the Team submitting to HUD documentation confirming that the proposed unit mix change will not result in an increase in Section 8 budget authority.

5. **HAP Renewal Contract:** Prior to completion of the New Building, the Team shall submit an application to HUD to replace the Initial MUTM Contract with a new 20-year, MUTM Contract renewed under Option 1B of Chapter 15 of the Section 8 Renewal Guide (the "**New Contract**"). Provided that the application satisfies the Option 1B/Chapter 15 requirements, the New Contract shall set the initial contract rents for the assisted, newly constructed units at the New Building at the comparable market rents for such units.

Pre-Development Loan: HUD understands that Fellowship will obtain a loan from the Community Capital Bank of Virginia in the original principal amount of approximately \$1,000,000 to fund certain predevelopment costs relating to the planned redevelopment of the Properties. The Loan shall be secured by a deed of trust encumbering the HUD non-insured LA2 Site.

HUD hereby confirms that it will favorably consider each of the items requested for approval subject to each submission to HUD, including the necessary information required in connection with such approvals. If you have any questions relating to the matters discussed above, please contact me at (410) 209-6510 or at brenda.j.brown@hud.gov.

Sincerely,


Brenda J. Brown
Director, Asset Management Division
(Satellite Office Coordinator)

Attachment (site plan)

cc: Chris LoPiano (CPDC)
Matt Engel (CPDC)
Eddie Byrne (Fellowship)
Aaron O'Toole (Klein Hornig)
Stephen Niles (Klein Hornig)
Gates Dunaway (The Gates Dunaway Group)

**Part I
Housing Assistance Payments Contract**

**U.S. Department of Housing and
Urban Development
Office of Multifamily Housing Programs**

**Rental Assistance Demonstration (RAD)
for the Conversion of Rent Supplement or
Rental Assistance Payment
to Project-Based Section 8 (Component 2)**

Type of Financing at Time of Conversion: N/A	Section 8 Project Number: Lake Anne Fellowship House II: VA36RR00004	FHA Project Number (if applicable): 000-005-NI
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This contract is a housing assistance payments contract (Contract) between the United States of America, acting through the Department of Housing and Urban Development (HUD), and Fellowship Square Foundation Incorporated (Owner). The Contract is subject to Notice PIH 2012-32 (HA), including 24 C.F.R. Part 880 (as in effect November 5, 1979, as amended), as modified and as published in Appendix I of Notice PIH 2012-32 (HA).

- Check the adjacent box if the project will not undergo Initial Repairs, in which case section 1.5 of this Contract shall apply, the initial Contract Rents shall be as provided in Exhibit 1A, and neither section 1.6 of the Contract nor Exhibit 1B or Exhibit 1C of the Contract shall apply.
- Check the adjacent box if any units under the Contract will undergo Initial Repairs, in which case section 1.6 of this Contract shall apply, the initial Contract Rents shall be the Post-Rehab Contract Rents as provided in Exhibit 1B, and neither section 1.5 of the Contract nor Exhibit 1A of the Contract shall apply.

1.1 Statutory Authority, Purpose of Contract, and Contract Terminology.

- (a) **Statutory Authority.** The Contract is entered pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, 125 Stat. 673 – 675 (Nov. 18, 2011); as amended by the Consolidated Appropriations Act, 2014, Pub. L. No. 113-76, 128 Stat. 635 (Jan. 17, 2014); as further amended by the Consolidated and Further Continuing Appropriations Act, 2015, Pub. L. No. 113-235, 128 Stat. 2757 – 2758 (Dec. 6, 2014), as further amended from time to time; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq.
- (b) **Purpose.** The purpose of the Contract is to effectuate the conversion of a Rent Supplement or a Rental Assistance Payment (RAP) project to a Multifamily Housing project with Project-Based Rental Assistance under section 8 of the Act.
- (c) **Terminology.** Terms in the Contract that are defined in 24 C.F.R. Part 880, as modified and as published in Appendix I of Notice PIH 2012-32 (HA), and in 24 C.F.R. Part 5, which applies pursuant to 24 C.F.R. § 880.104(d), shall have the meaning set forth therein. The following terms shall have the meaning set forth in the section of Notice PIH 2012-32 (HA) captioned "Definitions": Anniversary of the HAP Contract, Initial Repairs, Operating Cost Adjustment Factor, Project-Based Rental Assistance, and Surplus Cash. The term "As-Is Contract Rents" means rents that reflect the market value of the contract units before any repairs are performed. The term "Post-Rehab Contract Rents" means rents that reflect the market value of the contract units after the Initial Repairs are completed.

1.2 Scope; Assignability of Contract; and HUD Requirements.

- (a) **Scope of Contract.** The Contract consists of Part I, Part II, and the exhibits identified in section 1.4(d) of the Contract, which are hereby incorporated into and made a part of the Contract.
- (b) **Assignability of Contract.** HUD may assign the Contract at any time to a public housing agency (PHA) for the purpose of PHA administration of the Contract to the extent permitted under any Annual Contributions Contract (ACC) between HUD and the PHA. Unless and until HUD assigns the Contract to a PHA, HUD shall be the Contract Administrator (CA) and, in that capacity, a party to the Contract. Upon any assignment of the Contract by HUD to a PHA, the PHA shall assume all the contractual obligations of HUD under the Contract (or of any PHA to which HUD had previously assigned the Contract) and shall replace HUD (or any PHA to which HUD had previously assigned the Contract) as the CA and as a party to the Contract during the ACC term.
- (c) **HUD Requirements.** The Contract shall be construed and administered in accordance with Notice PIH 2012-32 (HA) (Notice). With the exception of the provisions of 24 C.F.R. Part 880 and section 8 of the Act that are identified in Appendix I and Appendix II of the Notice, respectively, as inapplicable, the Contract shall further be construed and administered in accordance with all statutory requirements and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements. However, any changes in HUD requirements, except to the extent required by statute, that are inconsistent with the provisions of sections 2.3(a)(1) or 2.6 of the Contract, shall not be applicable.
- (d) **Statutory Changes during Term.** If any statutory change during the term of the Contract is inconsistent with section 2.3(a)(1) or 2.6 of the Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of such sections because of such statutory change, then the Contract Administrator or the Owner may terminate the Contract upon notice to the other party.

1.3 Effective Date, Initial Term, and Funding For Initial Term of Contract.

- (a) **Effective Date and Initial Term.** The Contract begins on 03/01/2017 and shall run for an initial term of twenty (20) years.
- (b) **Funding for Initial Term.**
 - (1) Execution of the Contract by HUD is an obligation of HUD of \$ 288,446, an amount sufficient to provide housing assistance payments for approximately 2 months of the first annual increment of the Contract term.
 - (2) HUD will provide additional funding for any remainder of the first annual increment and for subsequent annual increments, including any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate amount of time within the Contract term to which it will be applied.

1.4 Fiscal Year, Project Description, Statement of Services, and Exhibits.

- (a) **Fiscal Year.** The ending date of each Fiscal Year shall be December 31.
(Insert March 31, June 30, September 30, or December 31, as approved by HUD.) The Fiscal Year for the project shall be the 12-month period ending on this date. However, the first Fiscal Year for the project is the

period beginning with the effective date of the Contract and ending on the last day of the Fiscal Year which is not less than 12 months after the effective date.

(b) **Project Description** (Print or type the street address(es) and the number of units by bedroom size).

11450 North Shore Drive, Renton, VA 20190; 100 units (32 studios; 67 1-bedroom units; one 2-bedroom unit. Note that these unit count numbers include 1 non-revenue studio unit being used as an office and one non-revenue 2-bedroom staff unit)

(c) **Statement of Services, Maintenance and Utilities Provided by the Owner.**

- (1) Services and Maintenance: general maintenance common areas, parking
- (2) Equipment: range, refrigerator, window coverings
- (3) Utilities: heating/cooling, cooking, hot water, cold water sewer, trash/recycling
- (4) Other: electric

(d) **Exhibits.** The exhibits to the Contract consist of the following:

- (1) **Exhibit 1A:** Schedule of Contract Units and Contract Rents (applicable only to projects not undergoing Initial Repairs);
- (2) **Exhibit 1B:** Schedule of Contract Units and "Post-Rehab" Contract Rents (applicable only to projects undergoing Initial Repairs);
- (3) **Exhibit 1C:** Schedule of Contract Units and "As-Is" Contract Rents (applicable only to projects undergoing Initial Repairs);
- (4) **Exhibit 2:** Daily Debt Service; and
- (5) **Exhibit 3:** Affirmative Fair Housing Marketing Plan.

1.5 Initial Contract Rent-Setting for Projects that Will Not Undergo Initial Repairs. If the project will not undergo Initial Repairs, the initial Contract Rents shall be as provided in Exhibit 1A.

1.6 Initial Contract Rent-Setting for Projects that Will Undergo Initial Repairs.

- (a) If one or more units under the Contract will undergo Initial Repairs, except as otherwise provided in this section 1.6, the initial Contract Rents shall be the Post-Rehab Contract Rents as provided in Exhibit 1B.

- (b) The Owner shall ensure that the Initial Repairs are completed and that a cost certification prepared in such form as approved by HUD is received by HUD no later than October 31, 2020, unless such date is extended in writing by HUD.
- (c) If HUD receives the cost certification by the required date, unless HUD rejects the cost certification in writing in accordance with section 1.6(f) below, the Post-Rehab Contract Rents as provided in Exhibit 1B shall remain the initial Contract Rents, which shall be adjusted annually, or continue to be adjusted annually, in the manner prescribed in section 2.6 of this Contract.
- (d) If HUD does not receive the cost certification by the required date, the Contract Rents shall be reduced to the As-Is Contract Rents as provided in Exhibit 1C effective the first day of the month following the date specified in section 1.6(b), or such other date as extended in writing by HUD, subject to the offsetting procedure as provided in section 1.6(f).
- (e) If upon timely receipt of the cost certification, HUD determines that the Initial Repairs were not performed in a manner that substantially comports with the scope of work or identifies other deficiencies that warrant rejecting the cost certification, HUD will reject the cost certification and will notify the Owner in writing of such determination. Such notification shall identify the deficiencies in the cost certification and shall prescribe a time within which the Owner must cure the deficiencies. Unless otherwise provided by HUD in writing, upon such notice rejecting the cost certification, the Contract Rents shall be reduced to the As-Is Contract Rents as provided in Exhibit 1C effective the first day of the month following the date of such notice, subject to the offsetting procedure as provided in section 1.6(f).
- (f) If for any reason the As-Is Contract Rents come into effect pursuant to this section 1.6, unless otherwise provided by HUD in writing, the initial Contract Rents shall be applied retroactively starting with the effective date of the Contract using the As-Is Contract Rents as provided in Exhibit 1C. Furthermore, beginning the month in which the As-Is Contract Rents come into effect, the Contract Rents shall be offset by the difference between the Post-Rehab Contract Rents, including any annual rent adjustments paid at the Post-Rehab Contract Rent level, and the As-Is Contract Rents until the difference has been repaid to HUD.
- (g) HUD may, in its sole discretion and upon such terms and conditions it deems necessary, allow the Owner to complete the Initial Repairs, cure any identified deficiencies, and provide a cost certification in order to re-establish the Post Rehab Contract Rents.

1.7 Owner Obligation to Operate Project. The Owner agrees to operate the project for the full initial term of the Contract specified in section 1.3(a) and for each renewal term in accordance with the Contract, Notice PIH 2012-32 (HA), all statutory requirements, and all HUD regulations and other requirements, including any amendments to and/or changes in statutory requirements, HUD regulations (including 24 C.F.R. Part 880), and other requirements.

1.8 Flood Insurance Applicability.

- If the adjacent box is checked, the Owner agrees that the project will be covered, during the life of the property, regardless of transfer of ownership, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

Signature Page

Warning: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

As evidenced by the signature below of their authorized representative, the Owner and HUD hereby agree to the terms of this Contract, the scope of which is set forth in section 1.2(a) of the Contract.

Owner

Name of Owner (Print or Type)

Fellowship Square Foundation Incorporated

By: *Renee Jakobs*
Signature of authorized representative

Name of Signatory (Print or Type)
Renee Jakobs

Official Title (Print or Type)
President

Date (mm/dd/yyyy): 2/28/2017

United States of America
Secretary of Housing and Urban Development

By: _____
Signature of authorized representative

Name of Signatory (Print or Type)

Official Title (Print or Type)

Date (mm/dd/yyyy): _____

Signature Page

Warning: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

As evidenced by the signature below of their authorized representative, the Owner and HUD hereby agree to the terms of this Contract, the scope of which is set forth in section 1.2(a) of the Contract.

Owner

Name of Owner (Print or Type)

Fellowship Square Foundation Incorporated

By: _____

Signature of authorized representative

Name of Signatory (Print or Type)

Renee Jakobs

Official Title (Print or Type)

President

Date (mm/dd/yyyy): _____

United States of America

Secretary of Housing and Urban Development

By: _____

Signature of authorized representative

Name of Signatory (Print or Type)

Brenda J. Brown, Director

Official Title (Print or Type)

Asset Management Division

Date (mm/dd/yyyy): _____

02/23/2017

Exhibit 1A

Schedule of Contract Units and Contract Rents

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent

Exhibit 1B

Schedule of Contract Units and "Post-Rehab" Contract Rents

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
29	0 BDRM	\$1500	\$0	\$1500
62	1 BDRM	\$1775	\$0	\$1775

Exhibit 1C

Schedule of Contract Units and "As-Is" Contract Rents

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
29	0 BDRM	\$1200	\$0	\$1200
62	1 BDRM	\$1325	\$0	\$1325

Exhibit 2

Daily Debt Service

Number of Bedrooms	Number of Contract Units	Daily Debt Service
0	<u>29</u>	<u>\$ N/A</u>
1	<u>62</u>	<u>\$ N/A</u>
2	<u> </u>	<u>\$</u>
3	<u> </u>	<u>\$</u>
4	<u> </u>	<u>\$</u>
5	<u> </u>	<u>\$</u>

This information is used for computing assistance payments for vacant units under section 2.3(d) of the Contract.

Exhibit 3

Affirmative Fair Housing Marketing Plan

800021815

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 8/31/2013)

1a. Project Name & Address (Including City, County, State & Zip Code) Lake Anne Fellowship House II 11450 North Shore Drive Reston, VA 20191 Census Tract: 4821	1b. Project Contract Number 2.2.3.45	1c. No. of Units 99
1d. Census Tract _____		
1e. Housing/Expanded Housing Market Area Housing Market Area: Expanded Housing Market Area:		

1f. Managing Agent Name, Address (Including City, County, State & Zip Code), Telephone Number & Email Address

1g. Application/Owner/Developer Name, Address (Including City, County, State & Zip Code), Telephone Number & Email Address

Fellowship Square Foundation, Inc, 250 Exchange Place, Suite G, Herndon, VA 20170

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify) _____

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

Administrator, Louneta Beckles, 11450 North Shore Drive, Reston, VA 20190, 703-471-6474

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (Including City, State & Zip Code), Telephone Number & E-Mail Address.

George P. Davies, Acting Executive Director, 250 Exchange Place, Suite G, Herndon, VA 20170

2a. Affirmative Fair Housing Marketing Plan

Plan Type Updated Plan Date of the First Approved AFHMP: 2/20/1974

Reason(s) for current update: Review

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly Family Mixed (Elderly/Disabled) Disabled

2c. Date of Initial Occupancy

07/25/1978

2d. Advertising Start Date

Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin 01/01/1974

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies

To place applicants on a waiting list (which currently has _____ individuals)

To reopen a closed waiting list (which currently has 240 individuals)

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

- White American Indian or Alaska Native Asian Black or African American
 Native Hawaiian or Other Pacific Islander Hispanic or Latino Persons with Disabilities
 Families with Children Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:
The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be x

The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

We will analyze marketing activities within 180 days after closing the waiting list. This will assist us in determining if the outreach efforts reached the target populations. We will evaluate this every time the wait list is closed. Our evaluation will then assist us in determining if any adjustments need to be made to our outreach efforts, including a change in advertising methods to reach the more difficult to reach populations within our housing area.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

All leasing related staff involved in the application process. This will include Administrator, Assistant Administrator, Leasing Assistant, and/or bookkeeper, and. In some instances our receptionist.

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP? Yes
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? Yes
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Biennially, all staff are involved with external Fair Housing Training, either by county, city, state, or HUD sponsored programming. Staff are also informed during regularly scheduled staff meetings.

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? No
- (5) If yes, how and how often?

We will take this under advisement to assess how we can strategically develop and implement a program that would allow us to assess staff skills related to Fair Housing within our programs.

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

Yes

- (2) What staff positions are/will be responsible for tenant selection?

All leasing related staff involved in the application process. This includes Administrator, Assistant Administrator, Leasing Assistant, and/or Bookkeeper and in some instances, the receptionist.

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

All staff involved with marketing and leasing activities are trained in AFHM and Fair Housing. All are required to receive or have received a Certified Occupancy Specialist Certification or similar at time of hire. Local fair housing trainings are attended at least biennially by the same staff.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

The data collected was from the 2010 Census information provided by American Factfinder.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

George Davies

6/12/13

Name (type or print)

George Davies,

Title & Name of Company

Acting Executive Director, Fellowship Square Foundation, Inc.

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Barbara Brinkley 10-17-2014

Signature & Date (mm/dd/yyyy)

Edward C. Dawson 10/31/2014

Signature & Date (mm/dd/yyyy)

Name (type or print)

Barbara Brinkley

Title

Senior Project Manager

Name (type or print)

Edward C. Dawson

Title

Equal Opportunity Spec.



U.S. Department of Housing and Urban Development

Steven M. Paikin, Director
Office of Fair Housing and Equal Opportunity
District of Columbia Field Office
820 First Street, NE
Washington, DC 20002-4205
(202) 275-6305
(202) 275-6387 (fax)

October 31, 2014

Mr. George P. Davies
Acting Executive Director
Fellowship Square Foundation, Inc.
250 Exchange Place, Suite G.
Herndon, VA 20170

Dear Mr. Davies:

SUBJECT: Affirmative Fair Housing Marketing Plan
Project Name : Lake Anne Fellowship House II
Project Location: Reston, VA 20191
Project Number : N/A

The Department is pleased to advise you that the Affirmative Fair Housing Marketing Plan (AFHMP) that you submitted for the subject project is approved as of the date of this letter.

As you know, the primary purpose of the affirmative marketing program is to promote a condition in which individuals of similar income levels in the same housing market area have available to them a like range of choices in housing, regardless of an individual's race, color, religion, sex, disability status, familial status or national origin. Accordingly, the Department has identified procedures, which you are required to follow pursuant to the goals of the program, the department's regulations, and your approved Plan.

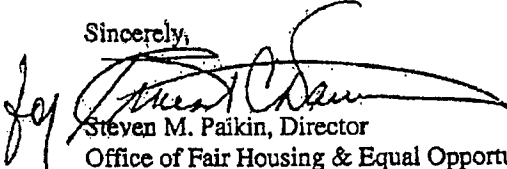
- (1) The approved AFHMP must be available for public inspection in your office.
- (2) The HUD Fair Housing Poster is required to be prominently displayed in all offices in which sales or rental activity takes place; displayed from the start of construction; and properly maintained throughout the construction and sales/rental period.
- (3) You must ensure that all advertising material related to this housing contains the Equal Housing Opportunity logo, slogan, or statement, in conformance with the HUD Fair Housing Advertising Regulations (24 CFR Part 109). Copies of materials sent to community contacts must be submitted to this office.

- (4) Undertake affirmative marketing activities in advance of marketing to other prospective occupants in order to provide opportunities to reside in the project to those persons who are least likely to apply, as determined in the plan, and to those persons expected to reside in the community because of present or planned employment.
- (5) Copies of advertisements, materials sent to community contacts, and photo of the project site sign must be maintained on file.

It is further understood, that pursuant to new guidelines, the Affirmative Fair Housing Marketing Plan will be updated and submitted for approval every three to five years during the term of the project.

The Department encourages you to make every possible good faith effort to carry out the provisions and fulfill the objectives of your AFHMP Plan. If you have any questions, or need assistance, please feel free contact me at (202) 275-6305.

Sincerely,


Steven M. Paikin, Director
Office of Fair Housing & Equal Opportunity
District of Columbia Field Office

Enclosure: Approved AFHMP

cc: Multi Family Housing, w/encl.
File, w/encl.
Ms. Louneta Beckles 11450 N. Shore Drive
Reston, VA 20190

**Part II
Housing Assistance Payments Contract**

**U.S. Department of Housing and
Urban Development
Office of Multifamily Housing Programs**

**Rental Assistance Demonstration (RAD)
for the Conversion of Rent Supplement or
Rental Assistance Payment to Project-Based
Section 8 (Component 2)**

Section 8 Project Number: Lake Anne Fellowship House II: VA36RR00004	FHA Project Number (if applicable): 000-005-NI
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2.1 OWNER'S WARRANTIES.

- (a) **Legal Capacity.** The Owner warrants that it has the legal right to execute this Contract and to lease dwelling units covered by this Contract.
- (b) **Condition of Property.** The Owner warrants that the rental units to be leased by the Owner under the Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures) or will be in such condition no later than the date of completion of Initial Repairs as set forth in section 1.6(b) of this Contract. The Owner further warrants that it will remedy any defects or omissions covered by this warranty if called to its attention within 12 months of the date of completion of work indicated in indicated in the previous sentence.

2.2 FAMILIES TO BE HOUSED; CONTRACT ADMINISTRATOR (CA) ASSISTANCE.

- (a) **Families to Be Housed.** The Contract Units are to be leased by the Owner to eligible Low-Income Families (Families) for occupancy by such Families solely as private dwellings and as their principal place of residence. (See also section 2.9.)
- (b) **CA Assistance.**
 - (1) The CA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable the Families to lease decent, safe, and sanitary housing pursuant to section 8 of the Act.
 - (2) If there is a Utility Allowance and if the Allowance exceeds the total Family contribution, the Owner shall pay the Family the amount of the excess. The CA will pay funds to the Owner in trust solely for the purpose of making this payment. Any pledge by the Owner of payments properly payable under this Contract shall not be construed to include payments covered by this paragraph (b)(2). (See 24 C.F.R. § 880.501(e).)

2.3 HOUSING ASSISTANCE PAYMENTS TO OWNER.

- (a) **Housing Assistance Payments on Behalf of Families.**
 - (1) Housing assistance payments shall be paid to the Owner for units under lease for occupancy by Families in accordance with the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of the rent payable by the Family as determined in accordance with the HUD-established schedules and criteria.

- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by the Family shall be subject to change by reason of changes in Family Income, Family composition, extent of exceptional medical or other unusual expenses or program rules in accordance with the HUD-established schedules and criteria; or by reason of a change in any applicable Utility Allowance approved or required by the CA. Any such change shall be effective as of the date stated in a notification of the change to the Family, which need not be at the end of the Lease Term.
- (b) **Vacancies During Rent-Up.** If a Contract Unit is not leased as of the effective date of the Contract, the Owner is entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the Contract, provided that the Owner (1) commenced marketing; (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on its waiting list, if any, and advertising the availability of the unit in a manner specifically designed to reach eligible Families; and (3) has not rejected any eligible applicant, except for good cause acceptable to the CA.
- (c) **Vacancies after Rent-Up.** If an eligible Family vacates a unit, the Owner is entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the first 60 days of vacancy if the Owner:
 - (1) Certifies that it did not cause the vacancy by violating the lease, the Contract or any applicable law or by moving a Family to another unit;
 - (2) Notified the CA of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
 - (3) Has fulfilled and continues to fulfill the requirements specified in paragraphs (b)(1), (2), and (3) of this section; and
 - (4) Certifies that any eviction resulting in a vacancy was carried out in compliance with section 2.8.
- (d) **Vacancies for Longer than 60 Days.** If an assisted unit continues to be vacant after the period specified in paragraph (b) or (c) of this section, the Owner may apply to receive additional payments for the vacancy period in an amount equal to the principal and interest payments required to amortize that portion of the debt service attributable to the vacant unit (see Exhibit 2) for up to 12 additional months for the unit if:
 - (1) The unit was in decent, safe and sanitary condition during the vacancy period for which payments are claimed;
 - (2) The Owner has fulfilled and continues to fulfill the requirements specified in paragraph (b) or (c) of this section, as appropriate; and
 - (3) The Owner has demonstrated to the satisfaction of HUD that:
 - (i) For the period of vacancy, the project is not providing the Owner with revenues at least equal to project expenses (exclusive of depreciation), and the amount of payments requested is not more than the portion of the deficiency attributable to the vacant unit; and
 - (ii) The project can achieve financial soundness within a reasonable time.
- (e) **Prohibition of Double Compensation for Vacancies.** The Owner is not entitled to payments for vacant units to the extent it can collect for the vacancy from other sources (such as security deposits, other amounts collected from the Family, payments from the CA under section 2.7(b), and governmental payments under other programs). If the Owner collects any of the Family's share of the rent for a vacancy period in an amount which, when added to the vacancy payment, results in more than the Contract Rent, the excess must be reimbursed as HUD directs.

- (f) **CA Not Obligated for Family Rent.** The CA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with section 2.7(b) of this Contract. The financial obligation of the CA is limited to making housing assistance payments on behalf of Families in accordance with this Contract.
- (g) **Owner's Monthly Requests for Payments.**
- (1) The Owner shall submit monthly requests to the CA or as directed by the CA for housing assistance payments. Each request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or the number of each unit, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit 1 for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where applicable, the amount to be paid the Family in accordance with section 2.2(b)(2)); and (v) the total amount of housing assistance payments requested by the Owner.
 - (2) Each of the Owner's monthly requests shall contain a certification by it that to the best of its knowledge and belief (i) the dwelling units are in decent, safe, and sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this Contract and is payable under the Contract, (iv) none of the amount claimed has been previously claimed or paid under this Contract, and (v) the Owner has not received and will not receive any payments or other consideration from the Family, the PHA (where the CA is a PHA), HUD, or any other public or private source for the unit beyond that authorized in this Contract and the lease.
 - (3) If the Owner has received an excessive payment, the CA, in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.
 - (4) The Owner's monthly requests for housing assistance payments are subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses any writing containing any materially false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of the executive branch of the Government of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

2.4 MAINTENANCE, OPERATION AND INSPECTION.

- (a) **Maintenance and Operation.** The Owner agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide decent, safe, and sanitary housing, including the provision of all the services, maintenance and utilities set forth in section 1.4(c), in accordance with HUD's Uniform Physical Condition Standards and inspection Requirements, currently codified in 24 C.F.R. Part 5 Subpart G, and HUD's Uniform Physical Condition Standards for Multifamily Properties, currently codified in 24 C.F.R. Part 200 Subpart P. The Owner also agrees to comply with the lead-based paint regulations at 24 C.F.R. Part 35. If the CA determines that the Owner is not meeting one or more of these obligations, the CA shall have the right to take action under section 2.19(b).
- (b) **Inspection.**
- (1) Prior to occupancy of any Contract Unit by a Family, the Owner and the Family shall inspect the unit and both shall certify that they have inspected the unit and have determined it to be decent, safe, and sanitary. The Owner shall keep copies of these reports on file for at least three years.
 - (2) The CA shall inspect or cause to be inspected the Contract Units and related facilities at least annually, or as otherwise directed by HUD, and at such other times (including prior to initial occupancy and reentering of any unit) as may be necessary to ensure that the Owner is meeting its obligation to maintain the units in decent, safe, and sanitary condition including the provision of the agreed-upon utilities and other services. The CA shall take into account complaints by occupants and any other information

coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.

(c) **Units Not Decent, Safe, and Sanitary.**

- (1) If the CA notifies the Owner that it has failed to maintain a dwelling unit in decent, safe, and sanitary condition and the Owner fails to take corrective action within the time prescribed in the notification, the CA may exercise any of its rights or remedies under the Contract, including reduction or suspension of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with section 8 assistance and the CA does not have other section 8 funds for such purposes, the CA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. If the Family continues to occupy the unit, it will do so in accordance with the terms of its lease, including the termination date and amount of rent payable by the Family.
 - (2) The foregoing provision, section 2.4(c)(1), shall be construed and applied in accordance with section 2.1(b) of the Contract.
- (d) **Notification of Abatement.** Any reduction or suspension of housing assistance payments shall be effective as provided in written notification to the Owner. The Owner shall promptly notify the Family of any such abatement.
- (e) **Overcrowded and Underoccupied Units.** Where the CA determines a unit is larger or smaller than appropriate for an eligible Family, the Owner agrees to correct the situation in accordance with HUD regulations and requirements in effect at the time of the determination.

2.5 FINANCIAL REQUIREMENTS.

(a) **Submission of Financial and Operating Statements.**

The Owner agrees to comply with HUD's Uniform Financial Reporting Standards, currently codified in 24 C.F.R. Part 5 Subpart H.

(b) **Use of Project Funds.**

- (1) Project funds must be used for the benefit of the project, to make mortgage payments, to pay operating expenses, to make required deposits to the replacement reserve in accordance with section 2.5(c) of the Contract, and to provide distributions to the Owner as provided in section 2.5(b)(2) of the Contract.
- (2) For the life of the Contract, Surplus Cash may be distributed to the Owner only at the end of each fiscal year of project operation following the effective date of the Contract after all project expenses have been paid, or funds have been set aside for payment, and all reserve requirements have been met.

(c) **Replacement Reserve.**

- (1) The Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations.
 - (i) The obligation of the Owner to deposit into the replacement reserve shall commence upon the effective date of the Contract. The amount of the deposit to the replacement reserve will be adjusted each year by the amount of the automatic annual adjustment factor. See 24 C.F.R. Part 888.

- (ii) The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. Should the reserve achieve that level, the rate of deposit to the reserve may be reduced with the approval of HUD.
 - (iii) All earnings including interest on the reserve must be added to the reserve.
 - (iv) Funds will be held by the mortgagee and may be drawn from the reserve account and used only in accordance with HUD guidelines and with the approval of, or as directed by, HUD.
 - (v) In the event the project is not subject to any financing, funds will be held by the Owner, and may be drawn from the reserve account and used only in accordance with HUD guidelines and with the approval of, or as directed by, HUD.
 - (vi) The Owner shall not fund extraordinary maintenance and repair and/or replacement of capital items out of project funds without the prior written consent of HUD.
- (2) In the case of HUD-insured projects, the provisions of this paragraph (c) will apply instead of the otherwise applicable mortgage insurance requirements.

2.6 RENT ADJUSTMENTS.

- (a) **Operating Cost Adjustment Factor.** Contract Rents will be adjusted annually by HUD's Operating Cost Adjustment Factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the Contract term and provided that the OCAF-adjusted rent potential shall not exceed the Maximum Rent. The Maximum Rent is equal to the greater of (1) 110% of the Fair Market Rent (FMR) potential based on the FMRs in effect at such time for the FMR area in which the project is located, less Utility Allowances; or (2) the comparable market rent potential for the market area, as demonstrated by a Rent Comparability Study (RCS) prepared in accordance with HUD requirements and procured and paid for by the Owner. If the Maximum Rent exceeds the OCAF-adjusted rent potential, the Contract Rents shall be adjusted by the OCAF. If the OCAF-adjusted rent potential exceeds the Maximum Rent, the adjusted rents shall be limited by the Maximum Rent.
- (b) **Exception to Application of Maximum Rent.** When an RCS has been used to establish the initial Contract Rents or to justify an OCAF-adjusted rent potential in excess of 110% of the Fair Market Rent potential any time during the term of the Contract, for the next four annual rent adjustments, the Maximum Rent shall not apply and the Contract Rents shall be adjusted by the OCAF.
- (c) **Terminology.** For purposes of this section 2.8, the term "OCAF-adjusted rent potential" means the sum of all OCAF-adjusted Contract Rents for all units under the Contract; the term "Fair Market Rent potential" means the sum of all fair market rents for all units under the Contract; and the term "comparable market rent potential" means the sum of all comparable market rents for all units under the Contract.

2.7 MARKETING AND LEASING OF UNITS.

- (a) **Compliance with Equal Opportunity Requirements.** Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's HUD-approved Affirmative Fair Housing Marketing Plan (Exhibit 3 to this Contract) and with all regulations relating to fair housing advertising. Projects shall be managed and operated without regard to race, color, religion, sex, disability, familial status or national origin.
- (b) **Security Deposits.** The Owner agrees to comply with applicable section 8 regulations and other requirements, as revised from time to time, regarding security deposits and to comply with all State and local law.

(c) **Eligibility, Selection and Admission of Families.**

- (1) The Owner shall be responsible for determination of eligibility of applicants, selection of Families from among those determined to be eligible, computation of the amount of housing assistance payments on behalf of each selected Family and of total Family contributions and recordkeeping in accordance with applicable HUD regulations and requirements.
 - (2) The Owner shall not charge any applicant or assisted Family any amount in excess of the total Family contribution except as authorized by HUD.
 - (3) In initial renting of the Contract Units, the Owner must comply with the income eligibility requirements of section 16(c)(1) of the Act [42 U.S.C. § 1437n(c)(1)] and 24 C.F.R. § 5.653(d)(1). The Owner must further comply with the income targeting requirements of section 16(c)(3) of the Act [42 U.S.C. § 1437n(c)(3)] and 24 C.F.R. § 5.653(c). Section 16(c)(4) – (6) of the Act [42 U.S.C. § 1437n(c)(4) – (6)] shall also apply.
 - (4) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by HUD.
 - (5)
 - (i) The Owner shall make a reexamination of Family income, composition, and the extent of medical or other unusual expenses incurred by the Family at least as often as required by HUD regulations or other requirements, and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with applicable HUD regulations and requirements.
 - (ii) If a Family reports a change in income or other circumstances that would result in a decrease of total Family contribution between regularly scheduled reexaminations, the Owner, upon receipt of verification of the change, must promptly make appropriate adjustments in the total Family contribution. The Owner may require in its lease that Families report increases in income or other changes between scheduled reexaminations.
 - (iii) A Family's eligibility for housing assistance payments continues until the total Family contribution equals the total housing expense for the unit it occupies. The termination of eligibility at this point will not affect the Family's other rights under the lease nor preclude resumption of payments as a result of later changes in income or other circumstances during the term of this Contract.
 - (6) Where fewer than 100 percent of the units in the project are covered by this Contract, assisted Families shall be dispersed throughout. At initial rent-up, the Owner shall lease the units identified in Exhibit 1 to eligible Families. Thereafter, the Owner may lease other units of appropriate size and type to eligible Families in accordance with Exhibit 1.
 - (7) The Owner shall maintain as confidential all information relating to section 8 applicants and assisted Families, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- (d) **Rent Redetermination after Adjustment in Utility Allowance.** In the event that the Owner is notified of a CA determination approving or requiring an adjustment in the Utility Allowance applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.
- (e) **Processing of Applications and Complaints.** The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HUD and PHA regulations (where the CA is a PHA), and requirements and shall maintain records and furnish such copies or other information as may be required by HUD or the PHA.

- (f) **Review: Incorrect Payments.** In making housing assistance payments to Owners, the PHA (where the CA is a PHA) or HUD will review the Owner's determinations under this section. If, as a result of this review, or other reviews, audits or information received by the PHA or HUD at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the PHA or HUD shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery.

2.8 Termination of Tenancy or Section 8 Assistance by the Owner. The Owner agrees not to terminate any tenancy of or assistance on behalf of an assisted Family except in accordance with all HUD regulations and other requirements in effect at the time of the termination and any State and local law.

2.9 Reduction of Number of Units for Failure to Lease to Eligible Families.

- (a) **Limitation on Leasing to Ineligible Families.** The Owner may not at any time during the term of this Contract lease more than 10 percent of the assisted units in the project to families which are ineligible under section 8 requirements at initial occupancy without the prior written approval of HUD. Failure on the part of the Owner to comply with this prohibition is a violation of the Contract and grounds for all available legal remedies, including specific performance of the Contract, suspension or debarment from HUD programs and reduction of the number of units under the Contract, as set forth in paragraph (b) of this section. (See also section 2.19.)
- (b) **Reduction for Failure to Lease to Eligible Families.** If, at any time beginning six months after the effective date of the Contract, the Owner fails for a continuous period of six months to have at least 90 percent of the assisted units leased or available for leasing by Families eligible under section 8 requirements at initial occupancy, HUD (or the PHA at the direction of HUD, as appropriate) may, on at least 30 days' notice, reduce the number of units covered by the Contract. HUD or the PHA may reduce the number of units to the number of units actually leased or available for leasing plus 10 percent (rounded up). This reduction, however, will not be made if the failure to lease units to eligible Families is permitted in writing by HUD under paragraph (a) of this section.
- (c) **Restoration.** HUD will agree to an amendment of the ACC or the Contract, as appropriate, to provide for subsequent restoration of any reduction made pursuant to paragraph (b) of this section if:
- (1) HUD determines that the restoration is justified by demand,
 - (2) The Owner otherwise has a record of compliance with its obligations under the Contract, and
 - (3) Sufficient appropriations are available to support the funding of the units to be restored.

2.10 NONDISCRIMINATION.

- (a) **General.** The Owner shall not in the selection of Families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, religion, sex, disability, familial status, or national origin.
- (b) **Members of Certain Classes.** The Owner shall not automatically exclude anyone from participation in, or deny anyone the benefits of, the Housing Assistance Payments Program because of membership in a class, such as unmarried mothers, recipients of public assistance, and disabled persons.
- (c) **The Fair Housing Act.** The Owner shall comply with all requirements imposed by the Fair Housing Act, which prohibits discrimination in the sale, rental, financing and advertising of housing on the basis of race, color, religion, sex, handicap, familial status, or national origin, and any related rules and regulations.
- (d) **Title VI of the Civil Rights Act of 1964 and Executive Order 11063.** The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d. et seq.; the HUD Regulations issued thereunder, 24 C.F.R. Part 1; the HUD requirements pursuant to these regulations; and

Executive Order 11063 and the regulations and requirements issued thereunder at 24 C.F.R. Part 107 to the end that, in accordance with that Act, Executive Order 11063, and the regulations and requirements of HUD, no person in the United States shall, on the grounds of race, color, religion (creed), sex, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to HUD's implementing regulations for Title VI at 24 C.F.R. Part 1, the implementing regulations for Executive Order 11063 at 24 C.F.R. Part 107, and the HUD requirements pursuant to the regulations. The obligation of the Owner to comply therewith inures to the benefit of the United States of America, HUD, and the PHA (where the CA is a PHA), any of which shall be entitled to invoke any remedies available by law to redress any breach or to compel compliance by the Owner.

- (e) **Section 504 of the Rehabilitation Act of 1973.** The Owner shall comply with all the requirements imposed by section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794 et seq., and HUD regulations issued thereunder at 24 C.F.R. Part 8. Section 504 provides that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance. Accordingly, the Owner (1) shall not discriminate against any qualified individual with a disability on the basis of disability, and (2) shall cause to be incorporated into all contracts executed in connection with this project a provision requiring compliance with rules and regulations issued pursuant to section 504.
- (f) **Employees of Owner.**
- (1) In carrying out the obligations under this Contract, the Owner will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, disability, familial status, or national origin. The Owner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, creed, religion, sex, disability, familial status, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- (2) The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Owner will in all solicitations or advertisements for employees placed by or on behalf of the Owner state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, disability, familial status, or national origin. The Owner will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for project work.
- (g) **Age Discrimination Act of 1975.** The Owner shall comply with any rules and regulations issued or adopted by HUD under the Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq. at 24 C.F.R. Part 146, which prohibits discrimination on the basis of age in programs and activities receiving Federal financial assistance.

2.11 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The Owner and the PHA (where the CA is a PHA) agree to cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to or permitted by all applicable civil rights statutes, Executive Orders, and rules and regulations.

2.12 PROPERTY AND LIABILITY INSURANCE. The Owner agrees that the project shall be covered at all times by commercially available property and liability insurance to protect the project from financial loss. To the extent insurance proceeds permit, the Owner agrees to promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project.

2.13 FLOOD INSURANCE. (See section 1.8 of the Contract for applicability.) The Owner agrees that the project will be covered, during the life of the property, regardless of transfer of ownership, by flood insurance in an

amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.14 REPORTS AND ACCESS TO PREMISES AND RECORDS.

- (a) The Owner shall furnish any information and reports pertinent to this Contract as reasonably may be required from time to time by HUD and the PHA (where the CA is a PHA).
- (b) The Owner shall permit HUD and the PHA (where the CA is a PHA) or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

2.15 DISPUTES.

- (a) **Projects for which a PHA is the CA.**
 - (1) Any dispute concerning a question of fact arising under this Contract which cannot be resolved by the PHA (where the CA is a PHA) and the Owner may be submitted by either party to the HUD Field Office, which will promptly make a decision and furnish a written copy to the Owner and the PHA.
 - (2) The decision of the Field Office will not be reviewable unless, within 30 calendar days from the date of receipt of the Field Office's determination, either party mails or otherwise furnishes to HUD a written appeal with written justification addressed to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the Field Office pending resolution of the appeal.
- (b) **Projects for which HUD is the CA.** Any dispute concerning a question of fact arising under this Contract which cannot be resolved by agreement between the HUD Field Office and the Owner may be submitted by the Owner to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the Field Office, pending resolution of the appeal.

2.16 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF PHA, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS.

- (a) No person or entity in the following clauses shall have an interest, direct or indirect, in this Contract or in any proceeds or benefits arising from it, during his or her tenure or for one year thereafter.
 - (1) any member or officer of the PHA (where it is the CA or the Owner), except where his or her interest is as a tenant;
 - (2) (i) any employee of the PHA (where it is the CA or the Owner) who formulates policy or influences decisions with respect to the section 8 project;
(ii) any other employee of the PHA (where it is the CA or the Owner), except where his or her interest is as a tenant;
 - (3) any member of the governing body or the executive officer of the locality (city or county) in which the project is situated;
 - (4) any member of the governing body or executive officer of the locality (city or county) in which the PHA (where it is the CA or the Owner) was activated;

- (5) any other State or local public official (including State legislators), who exercise any functions or responsibilities with respect to the section 8 project;
- (6) any PHA (which is not the CA), where any of its members, officers, or employees has a personal interest in the project, including an interest by reason of membership on the board of the PHA which is the CA (except an employee who does not formulate policy or influence decisions with respect to the section 8 project may have an interest as a tenant).
- (b) Members of the classes described in paragraph (a) who involuntarily acquire an interest in the section 8 program or in a section 8 project, or who had acquired prior to the beginning of their tenure any such interest, must disclose any interest or perspective interest to the PHA (where it is the CA or the Owner) and the HUD Field Office, and may, with appropriate justification, if consistent with State law, apply to the HUD Field Office (through the PHA where it is the CA) for a waiver. Any other requests for waivers of paragraph (a) must be referred to HUD Headquarters, with appropriate recommendations from the Field Office, for a determination of whether a waiver will be granted.
- (c) No person to whom a waiver is granted shall be permitted (in his or her capacity as member of a class described in paragraph (a)) to exercise responsibilities or functions with respect to a Contract executed, or to be executed, on his or her behalf, or with respect to a Contract to which this person is a party.
- (d) The Owner shall insert in all contracts, subcontracts, and arrangements entered into in connection with the project or any property included or planned to be included in the project, and shall require its contractors and subcontractors to insert in each of the subcontracts, the provisions of paragraphs (a) through (d).
- (e) The provisions of paragraphs (a) through (d) of this section shall not apply to a utility service if the rates are fixed or controlled by a governmental agency or applicable to the Depositary Agreement.

2.17 INTEREST OF MEMBER OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise from it.

2.18 ASSIGNMENT, SALE, FORECLOSURE, OR DEED IN LIEU OF FORECLOSURE.

- (a) The Owner agrees that it has not made and will not make any sale, assignment, or conveyance or transfer in any fashion of this Contract or the project, or of any part of the Contract or the project, or any of the Owner's interest in the Contract or the project, without the prior written consent of HUD. However, in the case of an assignment as security for the purpose of obtaining financing of the project, HUD shall consent in writing if HUD has approved the terms of the financing.
- (b) The Owner agrees to notify HUD (and the PHA where it is the CA) promptly of any proposed action covered by paragraph (a) of this section. The Owner further agrees to request the prior written consent of HUD for any such proposed action.
- (c) The Owner agrees that HUD may condition any prior written consent required under section 2.18(a) of this Contract on any reasonable requirements related to the effective administration of the Contract, as determined by HUD.
- (d) (1) For purposes of this section, a sale, assignment, conveyance, or transfer includes but is not limited to one or more of the following:
 - (i) A transfer by the Owner, in whole or in part,
 - (ii) A transfer by a party having a substantial interest in the Owner,
 - (iii) Transfers by more than one party of interests aggregating a substantial interest in the Owner,

- (iv) Any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution of interests by any other method or means, and
 - (v) Any refinancing; or any restructuring of permanent debt by the Owner of the project, including any loan modification.
- (2) An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer. An assignment by one or more general or limited partners of a limited partnership interest to a limited partner, who will have no more than a 25 percent interest, shall not be considered an assignment, conveyance, or transfer.
- (3) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.
- (e) The Owner and the party signing this Contract on behalf of the Owner represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect to it.
- (f) Except where otherwise approved by HUD, this Contract, and the ACC (if applicable) shall continue in effect and housing assistance payments will continue in accordance with the terms of the Contract in the event:
- (1) Of assignment, sale, or other disposition of the project or this Contract, or the ACC,
 - (2) Of foreclosure, including foreclosure by HUD,
 - (3) Of assignment of the mortgage or deed in lieu of foreclosure,
 - (4) The PHA or HUD takes over possession, operation or ownership,
 - (5) The Owner prepays the mortgage.

2.19 DEFAULTS BY PHA (if a PHA is the CA) AND/OR OWNER.

- (a) **Rights of Owner if PHA (where the CA is a PHA) Defaults under Contract.**
- (1) Events of Default. The occurrence of any of the following events, if the Owner is not in default, is defined as a default under the ACC:
- (i) If the PHA (where the CA is a PHA) fails to perform or observe any term or condition of this Contract;
 - (ii) If the Contract is held to be void, voidable, or ultra vires;
 - (iii) If the power or right of the PHA (where the CA is a PHA) to enter into the Contract is drawn into question in any legal proceeding; or
 - (iv) If the PHA (where the CA is a PHA) asserts or claims that the Contract is not binding upon the PHA for any such reason.
- (2) Owner Request for HUD Determination of Default. If the Owner believes that an event as specified in paragraph (a)(1) has occurred, and the Owner is not in default, the Owner may, within 30 days of the initial occurrence of the event:
- (i) Notify HUD of the occurrence of the event;

- (ii) Provide supporting evidence of the default and of the fact that the Owner is not in default; and
 - (iii) Request HUD to determine whether there has been a default.
- (3) HUD Determination of Default and Curing of Default. HUD, after notice to the PHA (where the CA is a PHA) giving it a reasonable opportunity to take corrective action, or to demonstrate that it is not in default, shall make a determination whether the PHA is in default and whether the Owner is not in default. If HUD determines that the PHA is in default and that the Owner is not, HUD shall take appropriate action to require the PHA to cure the default. If necessary for the prompt continuation of the project, HUD shall assume the PHA's rights and obligations under the Contract, including any funds. HUD shall continue to pay annual contributions with respect to the units covered by this Contract in accordance with the ACC and this Contract until reassigned to the PHA. All rights and obligations of the PHA assumed by HUD will be returned as constituted at the time of the return: (i) when HUD is satisfied that all defaults have been cured and that the project will thereafter be administered in accordance with all applicable requirements, or (ii) when the Contract is at an end, whichever occurs sooner.
- (4) Enforcement by Owner. The provisions of this paragraph (a) are made for the benefit of the Owner, the lender, the PHA where it is the lender and then only in its capacity as lender, and the Owner's other assignees, if any, who have been specifically approved by HUD prior to the assignment. These provisions shall be enforceable by these parties against HUD by suit at law or in equity.
- (b) Rights of PHA (where the CA is a PHA) and HUD if Owner Defaults under Contract.

- (1) Events of Default. A default by the Owner under this Contract shall result if:
- (i) The Owner has violated or failed to comply with any provision of, or obligation under, this Contract or of any Lease, including failure to correct any deficiencies identified by the CA in connection with any annual or other inspection; or
 - (ii) The Owner has asserted or demonstrated an intention not to perform some or all of its obligations under this Contract or under any Lease; or
 - (iii) For projects with mortgages insured by HUD or loans made by HUD, the Owner has violated or failed to comply with the regulations for the applicable insurance or loan program, with the insured mortgage, or with the regulatory agreement; or the Owner has filed any false statement or misrepresentation with HUD in connection with the mortgage insurance or loan.
- (2) CA Determination of Default. Upon a determination by the CA that a default has occurred, the CA shall notify the Owner and the lender, with a copy to HUD (where the CA is a PHA), of
- (i) The nature of the default;
 - (ii) The actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner and/or the lender to cure the default); and
 - (iii) The time within which the Owner and/or the lender shall respond with a showing that all the required actions have been taken.

If the Owner and/or lender fail to respond or take action to the satisfaction of the CA (and HUD, where the CA is a PHA), the CA shall have the right to take corrective action to achieve compliance in accordance with paragraph (b)(3), or to terminate this Contract with HUD approval (where the CA is a PHA), in whole or in part, or to take other corrective action to achieve compliance in the CA's discretion, or as directed by HUD (where the CA is a PHA).

(3) **Corrective Actions.** Pursuant to paragraph (b)(2) of this section, the CA, in its discretion or as directed by HUD (where the CA is a PHA), may take the following corrective actions either directly or in conjunction with or acting through a PHA:

- (i) Take possession of the project, bring any action necessary to enforce any rights of the Owner growing out of the project operation, and operate the project in accordance with the terms of this Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with this Contract. If the CA takes possession, housing assistance payments shall continue in accordance with the Contract.
- (ii) Collect all rents and charges in connection with the operation of the project and use these funds to pay the necessary expenses of preserving the property and operating the project and to pay the Owner's obligations under the note and mortgage or other loan documents.
- (iii) Apply to any court, State or Federal, for specific performance of this Contract, for an injunction against any violation of the Contract, for the appointment of a receiver to take over and operate the project in accordance with the Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to the PHA (where the CA is a PHA) and/or HUD arising from a default under any of the terms of this Contract could be irreparable and the amount of damage would be difficult to ascertain.
- (iv) Reduce or suspend housing assistance payments.
- (v) Recover any overpayments.

(4) **HUD Rights.**

- (i) Notwithstanding any other provisions of this Contract, in the event HUD determines that the Owner is in default of its obligations under the Contract, HUD shall have the right, after notice to the Owner, the trustee, if any, and the PHA (where the CA is a PHA) giving them a reasonable opportunity to take corrective action, to proceed in accordance with paragraph (b)(3).
 - (ii) In the event HUD takes any action under this section, the Owner and the PHA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the PHA. HUD shall not have the right to terminate the Contract except by proceeding in accordance with paragraphs (b)(1), (2), and (3) of this section and with the ACC.
- (c) **Remedies Not Exclusive and Non-Waiver of Remedies.** The availability of any remedy under this Contract or the ACC, where applicable, shall not preclude the exercise of any other remedy under this Contract or the ACC or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.20 EXCLUSION OF THIRD PARTY RIGHTS.

- (a) A Family that is eligible for housing assistance under the Contract is not a party to or a third party beneficiary of the Contract.
- (b) Nothing in the Contract shall be construed as creating any right of any third party to enforce any provision of the Contract, or to assert any claim against HUD or the PHA (where the CA is a PHA), under the Contract.

2.21 NO AGENCY RELATIONSHIP BETWEEN HUD AND THE PHA (WHERE THE CA IS A PHA). If the CA is a PHA under ACC with HUD, the PHA is not the agent of HUD, and the Contract does not create any relationship between HUD and any suppliers, employees, contractors, or subcontractors used by the PHA to carry out functions or responsibilities in connection with administration of the Contract under the ACC.

**U.S. Department of Housing and Urban Development
Office of Housing**

PROJECT-BASED SECTION 8

**HOUSING ASSISTANCE PAYMENTS
RENEWAL CONTRACT
FOR MARK-UP-TO-MARKET PROJECT**

Lake Anne Fellowship House I (VA39M000024)

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Renewal Contract. The instructions are not part of the Renewal Contract.

**RENEWAL HAP CONTRACT
FOR SECTION 8 MARK-UP-TO-MARKET PROJECT¹**

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: VA39M000024

Section 8 Project Number of Expiring Contract: Same

FHA Project Number (if applicable): 000-SH051

Project Name: Lake Anne Fellowship House I

Project Description:³

This property is located at 11450 N Shore Drive in Reston, VA 22090-4239 in Fairfax County. It consists of 27 section 8 units (18 eff. bedroom and 9 one bedroom). Also, there are 113 non-section 8 units (72 eff. bedroom, 39 one bedroom, and 2 two bedroom) units.

Check this box if the project is a Section 236 project or a Section 221(d)(3) below market interest rate (BMIR) project at the beginning of the Renewal Contract term.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Name of Owner

Fellowship Square Foundation, Inc.

2 TERM AND FUNDING OF RENEWAL CONTRACT

- a The Renewal Contract begins on 10/1/2017⁵ and shall run for a period of 20 (Twenty)⁶ years.
- b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 31,668⁷, an amount sufficient to provide housing assistance payments for approximately 12⁸ months of the first annual increment of the Renewal Contract term.
- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 RENEWAL CONTRACT

a Parties

- (1) This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (2) If HUD is the contract administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as contract administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) and section 11 (PHA default) of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 ("Section 8") (42 U.S.C. 1437f),

and section 524(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) ** (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

c Expiring Contract

Previously, the owner entered into a Housing Assistance Payments Contract ("Expiring Contract") with HUD or a PHA to make Section 8 housing assistance payments to the owner for eligible families living in the project. The term of the Expiring Contract has expired or will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

The purpose of the Renewal Contract is to renew the Expiring Contract for an additional term. During the term of the Renewal Contract, the contract administrator will make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract. Such payments shall only be made for contract units occupied by eligible families ("families") leasing decent, safe and sanitary units from the owner in accordance with HUD regulations and other requirements.

e Contract units

The Renewal Contract applies to the project contract units identified in Exhibit A by size and applicable contract rents.

4 EXPIRING CONTRACT – PROVISIONS RENEWED

a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

b Any provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1) The amount of the monthly contract rents;
- (2) Contract rent adjustments;

(3) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section.

5 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the project are adjusted in accordance with section 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

b Contract rent adjustments

(1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) ("fifth year adjustment"), during the term of the Renewal Contract the contract administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements, using an operating cost adjustment factor (OCAF) established by HUD. Such adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for a fifth year adjustment.

(2) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*)

(a) This section 5(b)(2) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

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- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such anniversary of the Renewal Contract, the contract administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the contract administrator in accordance with HUD requirements, necessary to set the contract rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
- (c) To assist in the redetermination of contract rents, the contract administrator may require that the owner submit to the contract administrator a rent comparability study prepared (at the owner's expense) in accordance with HUD requirements.

(3) Procedure for rent adjustments during renewal term

To adjust contract rents during the term of the Renewal Contract (in accordance with paragraph 5b(1) or paragraph 5b(2)), the contract administrator shall give the owner notice of the revised Exhibit A. The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the contract administrator in accordance with paragraph 5b(1) or paragraph 5b(2). The notice shall specify when the adjustment of contract rent is effective. The notice by the contract administrator of the revised Exhibit A constitutes an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with paragraph 5b, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

6 OWNER WARRANTIES

- a The owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

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- b The owner warrants that the rental units to be leased by the owner under the Renewal Contract are in decent, safe and sanitary condition, as defined by HUD, and shall be maintained in such condition during the term of the Renewal Contract.

7 OWNER NOTICE

- a Before termination of the Renewal Contract, the owner shall provide written notice to the contract administrator and each assisted family in accordance with the law and HUD requirements.
- b If the owner fails to provide such notice in accordance with the law and HUD requirements, the owner may not increase the tenant rent payment for any assisted family until such time as the owner has provided such notice for the required period.

8 APPLICABLE REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including amendments or changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD regulations and requirements which are inconsistent with the provisions of the Renewal Contract, including the provisions of section 5 (contract rent) and section 10 (distributions), shall not be applicable.

9 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 of the Renewal Contract, and if HUD determines, and so notifies the contract administrator and the owner, that the contract administrator is unable to carry out the provisions of section 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

10 DISTRIBUTIONS

During the term of the Renewal Contract, neither HUD nor the PHA may impose any additional limitations on distributions of project funds other than any distribution limitations specified in Exhibit B, which is attached to and made a part of this Renewal Contract.

11 PHA DEFAULT

- a** This section of the Renewal Contract applies if the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA contract administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as contract administrator, to make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract, and that the owner is not in default of its obligations under the Renewal Contract, HUD will take actions HUD determines necessary for the continuation of housing assistance payments to the owner in accordance with the Renewal Contract.

12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT

- a** This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).

-
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

13 EXCLUSION OF THIRD-PARTY RIGHTS

- a The contract administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with the contract administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the owner.
- b The owner is not the agent of the contract administrator or HUD, and the Renewal Contract does not create or affect any relationship between the contract administrator or HUD and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with implementation of the Renewal Contract.
- c If the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the contract administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the contract administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

14 WRITTEN NOTICES

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

Navigate Affordable Housing Partners

By: _____

Signature of authorized representative

Eric Strong, CEO

Name and official title

Date _____

U.S. Department of Housing and Urban Development

By: _____

Signature of authorized representative

Authorized Agent - , U.S. Department of HUD

Name and official title

Date _____

Owner

Name of Owner

Fellowship Square Foundation, Inc.

By:  _____

Signature of authorized representative

Renee Jakobs - President

Name and title

Date 9/11/2017

Part G – Information on Mortgagor Entity

Name of Entity

Fellowship Square Foundation, INC.

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
 Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
• corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
• partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
• trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Renee Jakobs

President

Name and Title

~~Michael Collins~~ Edward Byrne

Vice President

Name and Title

~~Christian David Hartmann~~ Joan Thomas

Secretary

Name and Title

~~Jennifer Maloney~~ John Gray

Treasurer

Name and Title

~~Edward S. Bryne~~ Scott Parkin

Board Member

Name and Title

Daniel Flavin

~~Michael Collins~~
Board Member
Board Member

Name and Title

Bryan Isler

Board Member

Name and Title

~~David Lee Pearey~~ Christian David Hartmann

Board Member

Name and Title

Carl Alan Jenkins

Board Member

Name and Title

~~Douglas Paul Jones~~ Robert Sargeant

Board Member

Name and Title

Vernon LeRoy Krueger

Board Member

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Renee Jakobs - President

Authorized Official's Signature

Renee Jakobs

9/11/17
Date (mm/dd/yyyy)

Part I – HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number

VA39M000024

Date (mm/dd/yyyy)

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

January 18, 2017

Ms. Suzanne Welch
Lake Anne House LLC
c/o Community Development and Preservation Corporation
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910

Re: Lake Anne House

Dear Ms. Welch:

Attached is your award letter for 20 of the 25 project-based vouchers requested for Lake Anne I and II.

Please note that the selection of this award was based on a competitive process as outlined in the Code of Federal Regulations and the Fairfax County Redevelopment and Housing Authority's (FCRHA) Housing Choice Voucher Administrative Plan. Other considerations were the rent amounts and other information that you submitted in your application dated November 17, 2016.

The Fairfax County Housing and Redevelopment Authority (RHA) looks forward to working with you and your organization in providing affordable housing.

Sincerely,

Thomas Fleetwood, Director
Fairfax County Department of Housing and Community Development

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(RHA)
PROJECT BASED VOUCHER (PBV) PROGRAM LETTER OF INTENT
(LOI)
TO AWARD RENTAL HOUSING ASSISTANCE**

RHA Selection of PBV Proposals

This is a letter of intent to notify you that the below referenced project has been selected to be awarded PBV rental assistance.

Development Name:	Lake Anne I and II
Development Address:	11448 North Shore Drive, Reston, VA 20190
Owner Name:	Lake Anne House LLC
Owner Address:	8403 Colesville Road, Silver Spring, MD 20910
Owner Contact:	Suzanne Welch
Contact Phone	202-885-9559
Contact Email Address:	swelch@cpdc.org
Total# of Units:	240
Proposed # of PBV	20

RHA is required to select PBV proposals which meet the mandatory HUD criteria for the PBV program and that are in accordance with the competitive selection procedures of the RHA Administrative Plan of the Housing Choice Voucher Program.

HUD Mandatory Criteria include:

- The location of the project is within the PHA's jurisdiction or the PHA has been authorized to administer the program in accordance with 24 CFR § 982.51.
- The proposal is for an eligible housing type.
- For new construction and rehabilitation housing, construction has not started.
- The project does not exceed the 25 percent cap with exceptions provided for in 24 CFR § 983.56(b).
- Gross rents are within 110% of the latest HUD-published Fair Market Rents for the unit size.
- Proposed project is consistent with local PHA requirements stated in the RFP.
- The owner is eligible, not on the GSA list of contractors excluded from participation in federal procurements, and does not have a conflict of interest.
- The proposal is complete.

This project meets the HUD Mandatory Criteria and the selection requirements of the HUD regulations at 24 CFR 983.51(b)(2) in compliance with the RHA Administrative Plan.

HUD regulations stipulate that the initial rent for a PBV project may not exceed the lesser of:

- 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary of HUD) for the unit bedroom size minus any applicable utility allowances;
- The reasonable rent; or
- The rent requested by the owner.

RHA is issuing this Letter of Intent (LOI) to Award Rental Housing Assistance utilizing the 2017 fair market rents for Fairfax County, Virginia (effective 10/1/2016) as a basis under the following proposed contract rent schedule:

(Note- since the award is for less units than requested, please complete the chart below with the number of units in each bedroom size category and the targeted percentage of the Area Median Income (AMI), as it will now differ from the data in Attachment H of the application. Also please send a revised Attachment H-1 listing the proposed units)

Rent Schedule and Proposed Contract Rents

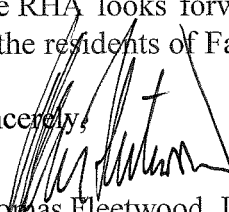
Unit Size (x BR, x BA) (targeted AMI)	#of Units	Proposed Monthly Contract Rent per Unit	Monthly Utility Allowance	Proposed Gross Contract Rent per Unit
1 BR, 1 BA (30% AMI)		\$1,513	0	\$1,513
1 BR, 1 BA (50% AMI)		\$1,513	0	\$1,513
2 BR, 2 BA (30% AMI)		\$1,746	0	\$1,746
2 BR, 2 BA (50% AMI)		\$1,746	0	\$1,746

Prior to executing an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) for this project which enables construction to start, both an environmental review and subsidy layering analysis will need to be performed by HUD.

If you have any questions concerning this Letter of Intent or the RHA-PBV Program, please contact Russell Lee at 703-246-5004 or via email at Russell.Lee@fairfaxcounty.gov.

The RHA looks forward to working with you in providing affordable rental housing to the residents of Fairfax County.

Sincerely,


 Thomas Fleetwood, Director
 Fairfax County Department of Housing and Community Development

Department of Housing and Community Development
 3700 Pender Drive, Suite 100
 Fairfax, Virginia 22030-7442
 Tel. 703-246-5280 • Fax 703-653-1383 • TTY 703-385-3578
www.fairfaxcounty.gov/rha

R

Documentation of
Operating Budget

Lake Anne
Detailed Operating

Administrative Expense			
	Per Annum	Per Month	PUPA
Marketing	\$5,000	\$417	\$21
Other Rent Expense(staff unit)	\$24,000	\$2,000	\$100
Legal	\$10,000	\$833	\$42
Audit	\$25,000	\$2,083	\$104
Bookkeeping/Computer	\$30,000	\$2,500	\$125
Office Supplie/Equip	\$10,000	\$833	\$42
Other Admin Expense/training	\$9,000	\$750	\$38
Telephone/Ans Serc.	\$23,000	\$1,917	\$96
Elderly Service Programs	\$75,000	\$6,250	\$313
Accounting Fee	\$14,400	\$1,200	\$60
TOTAL	\$225,400	\$18,783	\$939

Management Fee			
Percent	Per Annum	Per Month	PUPA
3.50%	\$164,160	\$11,978	\$684

Payroll Expense			
	Per Annum	Per Month	PUPA
Gross Payroll	\$0	\$0	\$0
Office Staff Payroll	\$125,000	\$10,417	\$521
Admin Office	\$31,000	\$2,583	\$129
Maintenance Supr	\$70,000	\$5,833	\$292
Maintenance Tech	\$44,000	\$3,667	\$183
Janitor/Porter	\$30,000	\$2,500	\$125
Concierge	\$30,000	\$2,500	\$125
Overtime/Bonuses	\$22,400	\$1,867	\$93
Health Ins./Benefits	\$60,000	\$5,000	\$250
TOTAL	\$412,400	\$34,367	\$1,718

Owner-Paid Utilities Landlord Paid Water and Sewer			
	Per Annum	Per Month	PUPA
Electricity	\$100,000	\$8,333	\$417
Water+Sewer	\$60,000	\$5,000	\$250
Gas		\$0	\$0
Oil	\$0	\$0	\$0
Utility	\$0	\$0	\$0
Other	\$25,000	\$2,083	\$104
TOTAL	\$185,000	\$15,417	\$771

Operating and Maintenance			
	Per Annum	Per Month	PUPA
Repairs Contract	\$25,000	\$2,083	\$104
Repairs Material	\$37,497	\$3,125	\$156
Trash Removal	\$35,000	\$2,917	\$146
Heating & Cooling	\$15,000	\$1,250	\$63
Exterminating	\$25,000	\$2,083	\$104
RHOA Annual Assessment	\$7,774	\$648	\$32
Monitoring -security	\$0	\$0	\$0
Grounds Contract	\$50,000	\$4,167	\$208
Card Access Contract	\$8,400	\$700	\$35
Snow Removal	\$7,500	\$625	\$31
Cleaning Contract/Supplies	\$27,153	\$2,263	\$113
Emergency Call	\$52,000	\$4,333	\$217
Elevator maintenance	\$15,000	\$1,250	\$63
Fire Equipment Maintenance	\$10,000	\$833	\$42
Decorating	\$15,000	\$1,250	\$63
Miscellaneous Other	\$22,500	\$1,875	\$94
TOTAL*	\$352,824	\$29,402	\$1,470
		\$0	\$0

Taxes and Insurance			
	Per Annum	Per Month	PUPA
RE Taxes	\$160,000	\$13,333	\$667
Hazard Insurance	\$65,000	\$5,417	\$271
Misc. Tax/Lic./Perm.	\$5,000	\$417	\$21
Payroll Taxes	\$101,145	\$8,429	\$421
Workman's Compensation	\$16,500	\$1,375	\$69
TOTAL	\$347,645	\$28,970	\$1,449

TOTAL OPEX*	\$1,687,429	\$140,619	\$7,031
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viridiant

October 26, 2018

Matt Engle
Community Preservation & Development Corporation
8403 Colesville Road, Suite 1150
Silver Spring, Maryland 20910
E: mengle@cpdc.org

RE: Preliminary Utility Allowance for Lake Anne Fellowship

Dear Mr. Engle,

Please see the following Preliminary Utility Allowance (UA) for Lake Anne Fellowship located in Fairfax, Virginia. The electric utility allowance projections were generated utilizing Dominion Energy utility rates. The utility rates are current within 90 days of the date of this letter. Below is a table depicting the highest UA by each bedroom type. Should you have any questions do not hesitate to contact me.

EARTHCRAFT PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE		
Utilities	Type of Utility	Paid by	0-bdr	1-bdr	2-bdr
Heating	Electric	Tenant	\$11	\$14	\$17
Air Conditioning	Electric	Tenant	\$5	\$7	\$8
Cooking	Electric	Tenant	\$4	\$6	\$7
Lighting	Electric	Tenant	\$18	\$22	\$27
Hot Water	Electric	Tenant	\$10	\$13	\$16
Water	-	Owner	-	-	-
Sewer	-	Owner	-	-	-
Trash	-	Owner	-	-	-
Total UA for costs paid by tenant			\$49	\$62	\$74

*Allowances only for application use for Lake Anne Fellowship as an EarthCraft project.

Sincerely,

Rob McRaney
Business Relations Manager, Viridiant



S

Supportive Housing
Certification

NOT USED

T

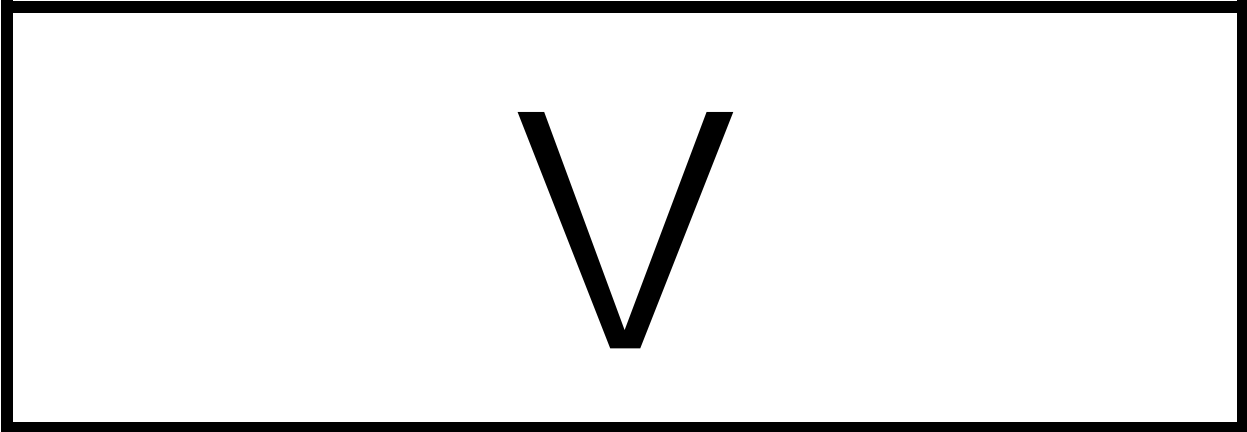
Funding Documentation

NOT USED

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

NOT USED



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, DC 20005
Attn: Mo Smith

RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT

This Right of First Refusal and Purchase Option Agreement (this "**Agreement**") is made as of April 4, 2019, by and among New Lake Anne House LP, a Virginia limited partnership (the "**Company**"), Community Housing, Inc., a Maryland nonstock corporation ("**CHI**"), Fellowship Square Foundation, Incorporated, a District of Columbia nonprofit corporation ("**FSF**"), and Lake Anne House Development LLC, a Virginia limited liability company ("**MM Grantee**").

RECITALS

- A. The Company owns that certain land and the improvements thereon, as more particularly described on the attached Exhibit A ("**Property**").
- B. The Company was formed for the purpose of acquiring, owning or leasing, redeveloping, constructing, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a two hundred forty (240) unit mixed use multifamily housing complex located in one (1) building to be known as New Lake Anne House to be located on the Property (together with all improvements, rights, fixtures, personalty and personal property of the Company used in the operation thereof and all escrow, operating, and reserve accounts relating thereto, the "**Project**").
- C. The Company desires to give, grant, bargain, sell and convey to CHI and FSF (as applicable, the "**Grantee**"), or such other governmental or qualified Section 501(c)(3) organization as may be designated by Grantee for the Refusal Right (defined below) certain rights to purchase the Project on the terms and subject to the conditions set forth in this Agreement.

Therefore, the parties agree as follows:

AGREEMENT

1. Grant of Refusal Right. If during the Refusal Right Period (defined below), the Company (a) determines to sell the Project, or (b) receives an offer to purchase the Project, Grantee will have a right of first refusal to purchase the Project (the "**Refusal Right**") on and subject to the terms and conditions set forth in this Agreement. The Refusal Right may be exercised (i) by CHI and FSF jointly, as Grantee, ("**Joint Refusal Right**") for a period of one hundred fifty (150) days ("**Joint Exercise Period**") commencing upon Grantee's receipt of the Offer Notice (defined below), provided, however, that if (i) either CHI or FSF (including their respective affiliates) is in default of any obligation with respect to the Project beyond any applicable notice and cure period, then the non-defaulting party will have the right individually, as Grantee, to exercise the Refusal Right, or (ii) either CHI or FSF elects not to exercise the Joint Refusal Right ("**Non-Electing Grantee**") by providing written notice to the other party or by failing to cause the exercise the Joint Refusal Right during the Joint Exercise Period, then such other party will have the right individually, as Grantee, to exercise the Refusal Right for a period commencing on the

earlier of (a) the date after the expiration of the Joint Exercise Period, or (b) the date on which the Non-Electing Grantee waives in writing its right to exercise the Joint Refusal Right, and ending one hundred eighty (180) days after Grantee's receipt of the Offer Notice.

2. Refusal Right Period. The Refusal Right Period will commence upon December 31 of the fifteenth (15th) year of the Compliance Period, and will continue for a period of thirty-six (36) months thereafter, which period will not end earlier than one (1) year after the expiration of the Compliance Period (the "**Refusal Right Period**").

3. Qualified Grantee or Assignee. The foregoing grant of the Refusal Right will be effective only if the Grantee or its designee is a governmental agency or "qualified nonprofit organization", as defined in Section 42(h)(5)(c) of the Internal Revenue Code ("**Code**") at the time of the Offer Notice (defined below) and remains such at all times as of (i) the date that the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the date that the Refusal Right has been assigned to a Permitted Assignee (defined below). Any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned will be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Section 10 hereof.

4. Offer Notice. Promptly upon (a) determining to sell the Project, or (b) receiving an offer to purchase the Project, the Company will notify each Grantee and deliver to each of them a copy of any such offer (such notification from Company the "**Offer Notice**"). The Offer Notice will include the Company's good faith estimate of the Refusal Purchase Price (as defined below). The Company will not accept an offer to Purchase the Project unless and until (a) the Refusal Right has expired without exercise thereof by Grantee under Paragraph 1 hereof, which expiration will occur no later than one hundred eighty (180) days after the later of CHI's or FSFs receipt of the Offer Notice, or (b) each Grantee has waived its right to exercise the Refusal Right in writing.

5. Refusal Right Purchase Price. The purchase price for the Project (the "**Refusal Purchase Price**") pursuant to the Refusal Right will be the greater of:

- a. the sum of the outstanding indebtedness, including accrued interest, secured by the Project, or
- b. the sum of (i) the principal amount of outstanding indebtedness secured by the Project (other than indebtedness incurred within the five (5)-year period ending on the closing on the sale of the Project ("**Closing Date**")), and (ii) all Federal, state and local taxes attributable to such sale. The immediately preceding sentence is intended to comply with and be interpreted and calculated consistently with the provisions of Section 42(i)(7)(B) of the Code. In the absence of formal IRS guidance or legal precedents to the contrary, the phrase "principal amount of outstanding indebtedness" will exclude any accrued interest owed. In the event that accrued interest is determined to be included in the phrase "principal amount of outstanding indebtedness," then, in the absence of formal IRS guidance or legal precedent to the contrary, the phrase "other than indebtedness incurred with the 5-year period ending on the Closing Date" will include any accrued interest incurred in the five (5)-year period ending on the Closing Date that remains unpaid as of that date. The Company agrees to accept the Grantee's computation of the amount described in this Section 5.b if the method of computation is supported by an opinion of a national or regional law firm with recognized expertise in matters relating to Section 42 of the Code.

6. Exercise of Refusal Right. In the event that Grantee elects to exercise the Refusal Right, it will give the Company written notice of its intent to exercise the Refusal Right (the "*Exercise Notice*") for the Refusal Purchase Price and will specify a date for delivery of the deed not more than three hundred sixty (360) days after Grantee's delivery of the Exercise Notice. Upon request by the Grantee made together with the Exercise Notice, the Company will advise Grantee of the amount of tax liability the Company maintains is to be included in the Refusal Purchase Price and the calculation thereof under Section 5.b (subject to Grantee's right to compute such amount as set forth therein). Grantee will be deemed to have accepted such calculation unless it contests it (or requests further information or justification) in writing within ten (10) business days. In the event of dispute that the Company and Grantee are unable to resolve by discussion, then each will present their rationale to an independent, third-party accountant whose decision after considering such rationale will be binding on the parties. Grantee's three hundred sixty (360)-day period to close will be tolled during the pendency of any dispute. Subject to the prior consent of all lenders necessary so that such assumption does not violate any of the Project loan documents ("*Required Consent*"), Grantee may pay all or a portion of the Refusal Purchase Price by assuming the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the Required Consent.

7. Grant of Option to Purchase. The Company hereby grants to MM Grantee an option (the "*Purchase Option*") to purchase the Project for a period of sixty (60) months ("*Purchase Option Period*") commencing upon the expiration of the Compliance Period, on and subject to the terms and conditions specified herein.

8. Purchase Option Purchase Price. The purchase price for the Project pursuant to the Purchase Option ("*Purchase Option Price*") will be equal to the fair market value of the Project, subject to the rent restrictions as further set forth below. Upon receipt of an Option Notice (defined below), the Company and the MM Grantee will exercise their best efforts in good faith to agree on the purchase price for the Project. If the parties fail to agree, then the purchase price for the Project will be determined by appraisal conducted by an experienced appraiser selected by MM Grantee, using the income capitalization method of valuation, and assuming that the rent restrictions and any other restrictive covenants in effect during the Compliance Period will remain in effect in perpetuity. Notwithstanding the foregoing, if prior to exercise of the Purchase Option Section 42 of the Code has been amended, or the IRS has issued guidance, which may include a revenue ruling or provided a private letter ruling to the Company, or tax counsel to the Company has issued an opinion letter concluding that property of the nature and use of the Property may be sold pursuant to an option at the price determined under Section 42(i)(7) of the Code or some other price that is less than fair market value without limiting tax credits or deductions that would otherwise be available to the investor, then the Purchase Option Price shall be such price.

9. Exercise of Option. In the event that MM Grantee elects to exercise the Purchase Option, it will give the Company written notice thereof (the "*Option Notice*") and will specify a date for delivery of the deed not more than three hundred sixty (360) days after the MM Grantee's delivery of the Option Notice. Subject to the prior consent of the relevant lenders, the MM Grantee may pay all or a portion of the Purchase Option Price by assuming the existing indebtedness of the Company. The Company agrees upon request of MM Grantee to use its best efforts to obtain the Required Consent.

10. Alternative Purchase of Company Interests. In addition to the foregoing, the Grantee or the MM Grantee, as applicable, may, at its election, in lieu of a direct acquisition of the Project pursuant to the Refusal Right or the Purchase Option, acquire the interests (but not less than all of such interests) of the partner(s) in the Company (such interests, the "*Company Interests*"). The Grantee or the MM Grantee, as applicable, and the partner(s) of the Company will exercise their best efforts in good faith to agree on the purchase price for the Company Interests, which will reflect the agreed upon fair market value of the Company Interests. If the parties fail to agree, the fair market value of the Company Interests will be determined by appraisal, which appraisal will take into account the value of the Project appraised

as low-income housing using the income capitalization method of valuation, and assuming that the rent restrictions and any other restrictive covenants in effect during the Compliance Period will remain in effect in perpetuity, and any discounts customarily applied to similar types of partnership interests, with any such appraisal to be made by an experienced appraiser selected by Grantee or the MM Grantee, as applicable.

11. Assignment. (i) Grantee may assign its Refusal Right under this Agreement to any of the following provided such assignee then qualifies as an organization described in Section 42(i)(7)(A) of the Code and agrees to maintain the Project as low- and moderate-income housing: (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project, or (ii) MM Grantee may assign its Purchase Option under this Agreement to an assignee that agrees to maintain the Project as low-and moderate-income housing (each such permitted assignee under clause (i) and (ii), a "*Permitted Assignee*"). Prior to any assignment or proposed assignment of its rights hereunder, Grantee or the MM Grantee, as applicable, will give written notice thereof to the Company. Upon any permitted assignment hereunder, references in this Agreement to Grantee or the MM Grantee, as applicable, will mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of rights hereunder will be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of the obligations of Grantee or the MM Grantee, as applicable, under this Agreement and copies of such written agreement are delivered to the Company. Except as specifically permitted herein, neither Grantee's nor MM Grantee's rights hereunder will be assignable.

12. Governing Law. This Agreement will be construed in accordance with the laws of the Commonwealth of Virginia in order to effectuate the purposes of this Agreement.

13. Covenants to Run with the Land. The covenants and agreements set forth herein will be revised as required so that they may be recorded against and run with title to the Project and the underlying land. The covenants and agreements set forth herein will be binding upon and will inure to the benefit of the successors and assigns of the respective parties hereto.

14. Counterparts. This Agreement may be executed in separate counterparts or counterpart signature pages, which together will constitute a single agreement. Except as may be otherwise required to record this Agreement, PDF, TIF, facsimile, or other electronic images of signatures will be deemed originals for all purposes.

15. Headings. This Agreement's headings are for convenience of reference and are not intended to qualify the meaning of any provision or covenants herein.

16. Recitals. The Recitals to this Agreement are hereby incorporated by this reference and made part of this Agreement.

17. Miscellaneous.

- a. The Company, Grantee, and MM Grantee each represent and warrant that neither has had or will have any dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the transactions contemplated hereby. As between the parties, each party hereto will be solely responsible for paying any compensation, commissions or charges which may be claimed by any broker, finder or similar party claiming to have

worked with such party in connection with the negotiation of this Agreement and/or the consummation of the transactions contemplated hereby.

- b. The rights and obligations of the Company, Grantee, and MM Grantee under this Agreement will inure to the benefit of and bind their respective successors and assigns. This Agreement constitutes the entire agreement by and among the Company, Grantee, and MM Grantee with respect to the subject matter hereof, and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by the Company, Grantee, and MM Grantee.
- c. The Company, Grantee, and MM Grantee will subordinate this Agreement to the lien of any deed of trust necessary to develop the Project.
- d. In no event will the Refusal Right, Purchase Option, or the right to purchase the Company Interests or a sale after a purchase pursuant to such Purchase Option, Refusal Right be exercised so as to restrict ownership, use or occupancy of the Project because of race, creed, color, sex, religion, or national origin or any other basis prohibited by law.
- e. The term of this Agreement will be ninety (90) years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof.
- f. If the Company, Grantee, or MM Grantee agree to convey the Project hereunder by a lease, then where the context so requires, references to a "sale" and delivery of a "deed" will mean conveyances by lease and delivery of any necessary lease documents.

18. **Notices.** Any notice required to be delivered hereunder will be in writing and will be delivered by hand or sent by certified mail, postage prepaid and return receipt requested, or sent by a nationally recognized overnight delivery service which provides a receipt for delivery, addressed as set forth below (or to such other address as either party may from time to time designate by written notice to that effect):

If to the Company: c/o Community Preservation and Development Corporation
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910
Attention: Suzanne Welch

If to Grantee: c/o Community Preservation and Development Corporation.
8403 Colesville Road, Suite 1150
Silver Spring, MD 20910
Attention: Suzanne Welch

And to: Fellowship Square Foundation Incorporated
c/o Hunters Woods Fellowship House
11260 Roger Bacon Drive, Suite 503B
Reston, Virginia 20190
Attn: Eddie Byrne
E-Mail: esbyrne08@gmail.com

If to MM Grantee: c/o Community Preservation and Development Corporation.

8403 Colesville Road, Suite 1150
Silver Spring, MD 20910
Attention: Suzanne Welch

And to: Fellowship Square Foundation Incorporated
c/o Hunters Woods Fellowship House
11260 Roger Bacon Drive, Suite 503B
Reston, Virginia 20190
Attn: Eddie Byrne
E-Mail: esbyrne08@gmail.com

With a copy to: Klein Hornig LLP
1325 G Street, NW, Suite 770
Washington, D.C. 20010
Attn: Mo Smith
E-Mail: msmith@kleinhornig.com

Any notice given hereunder will be deemed given on receipt by the party to whom such notice was sent in accordance herewith, as evidenced by the receipt for delivery provided by the postal service or applicable overnight delivery service.

[remainder of page intentionally blank]
[signatures on following pages]

The parties have duly executed this Right of First Refusal and Purchase Option Agreement by their duly authorized signatories effective as of the date written on the initial page hereof.

MM GRANTEE:

LAKE ANNE HOUSE DEVELOPMENT LLC,
a Virginia limited liability company

By: CPDC Lake Anne House LLC
a Virginia limited liability company
its managing member

By: Community Housing, Inc.
a Maryland nonstock corporation
its sole member

By: Suzanne Welch
Suzanne Welch
Its: Vice President

STATE/Commonwealth of Maryland)
COUNTY OF Montgomery)

I, the undersigned, a Notary Public in and for said County in said Montgomery, hereby certify that Suzanne Welch, whose name as Vice President of Community Housing, Inc., the sole member of CPDC Lake Anne House LLC, the managing member of Lake Anne House Development LLC, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 4 day of April, 2019.

Kezia Hawkins
Notary Public

[NOTARIAL SEAL]

My Commission Expires:



CHI:

Community Housing, Inc.
a Maryland nonstock corporation

By: *Suzanne Welch*
Suzanne Welch
Its: Vice President

STATE/Commonwealth of Maryland)
:)
COUNTY OF Montgomery)

I, the undersigned, a Notary Public in and for said County in said Montgomery, hereby certify that Suzanne Welch, whose name as Vice President of Community Housing, Inc., is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 4 day of April, 2019.

Kezia Hawkins
Notary Public

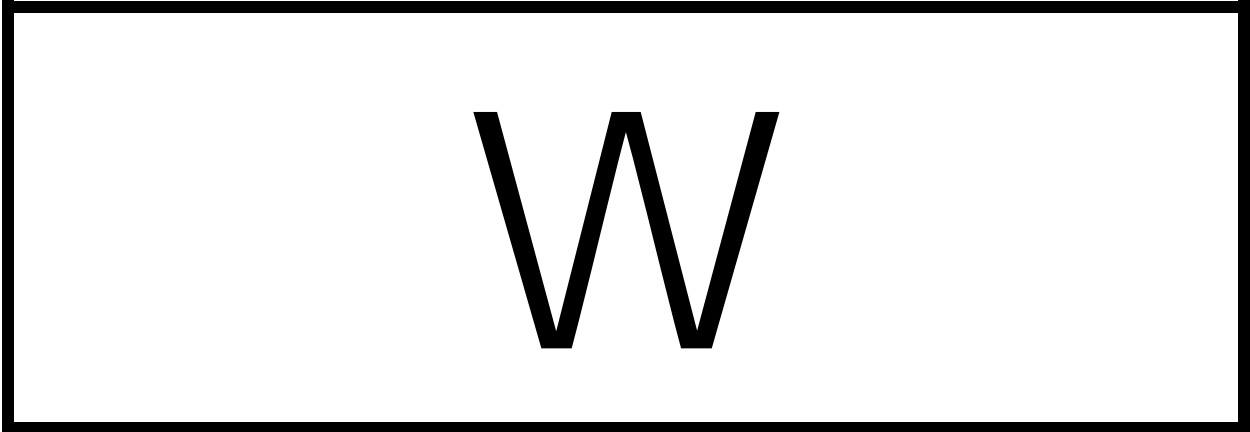
[NOTARIAL SEAL]

My Commission Expires:

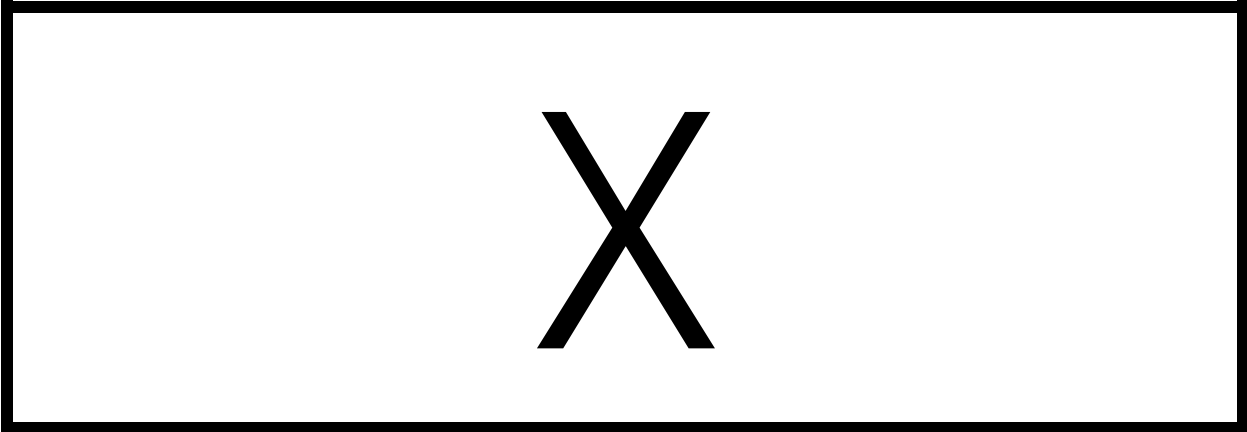
KEZIA HAWKINS
NOTARY PUBLIC
MONTGOMERY COUNTY
MARYLAND
MY COMMISSION EXPIRES MAY 21, 2022

EXHIBIT A

Property Description



(Reserved)



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

New Lake Anne

Marketing Plan for Handicapped Accessible Units & Target Population Units

March 2019

Page 1

Of the 240 units at the New Lake Anne, over 10% or Twenty-Six (26) units will be designed to meet the Uniform Federal Accessibility Standards (UFAS) as outlined in Section 504 of the Rehabilitation Act and as Type A dwelling units as outlined in the ICC/ANSI A117.1 standard. Complying with the Americans with Disability Act within the building, there will be accessible access to all amenity and public spaces. Elevators will serve all floors and there will be dedicated parking access and handicap parking. The location of the site promotes the use of public transportation and nearby communal services. Additionally, the Owner commits to providing a first preference on our waiting list for persons with an intellectual or developmental disability. Upon vacancy, the owner will first contact both the Virginia Department of Medical Assistance Services (DMAS) and the Virginia Department of Behavioral Health and Developmental Services (DBHDS). These agencies will have pre-screened tenants who are interested and eligible to live in a project-based voucher unit.

All units will be initially filled with existing Lake Anne residents. However, upon unit turnover, the units will be actively marketed to persons with disabilities as defined in the Fair Housing Act, and they will all include roll-in showers and roll under sinks and front control ranges.

Units will be held vacant for 60 days during which marketing efforts will be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management will request the ability to lease units to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

New Lake Anne

Marketing Plan for Handicapped Accessible Units & Target Population Units

March 2019

Page 2

The Owner and Managing Agent will distribute marketing material that lists the basic accessibility features of the units that meet the requirements of HUD Section 504 regulations. This information will be made available in alternative formats upon request; including large print, computer diskette or audiotape. Additionally, information will be forwarded via US postal service or email to organizations whose emphasis is placed on assisting persons with special needs, including:

accessva.org virginiahousingsearch.com

Central Virginia Community Services- 434.847.8050

Department of Rehabilitative Services-434.947.6721

Area Center for Independent Living-434.528.4971

Virginia Board for People with Disabilities-804.786.0016

Virginia Vocational and Rehabilitation Agency-804.662.7000

CONSTRUCTION

The marketing team, architect, and accessibility consultants will coordinate closely with the construction staff to ensure quality control. The delivery schedule will be obtained from construction at the start of the construction phase. This schedule will be updated daily to insure accuracy. The construction staff will inform the team of delays in the delivery of units. The Community Manager or his/her designee will inspect the unit and sign a copy of the punch-out list if the work and the unit are acceptable to management. A copy of the inspection and sign off on the punch-out list will be kept on site in the unit file. If further work is needed, construction will complete same and advise the Community Manager when the work has been completed. After Management has accepted the unit, and has scheduled a move-in date for an acceptable resident construction, will obtain the final approvals from the regulating agencies, and obtain a Certificate of Occupancy for the unit just prior to move in of the new resident. If there is a disagreement about the work needed or acceptance standards, then the issue will be brought to the attention of the Owner or Owner's designee for action.

The Owner will inform Management about construction changes that will affect leasing. Management, in turn, will provide the Owner with weekly, or more often if requested, status

New Lake Anne

Marketing Plan for Handicapped Accessible Units & Target Population Units

March 2019

Page 3

reports as to acceptance and leasing of units. Construction shall not interfere with the marketing function. A written plan outlining construction activity will be drawn up and agreed to by the General Contractor.

The plan will also establish liaisons from the construction staff. A procedure to deal with latent defects and construction "call backs" that is acceptable to all parties will be developed.

Construction Administration will be provided by the architect and a third-party accessibility consultant to ensure that compliance with all accessibility regulations is ensured.

STAFFING

The Property Manager for the project—SL Nusbaum Realty Co. has extensive experience with Section 504 compliance. SL Nusbaum Realty Co. manages many communities that receive funding or other support from HUD and other federal and state administered programs. These include new construction projects, major rehab projects, as well as many older properties that have been refinanced with HUD loans. Bringing non-compliant properties into compliance with fair housing, ADA and Sect. 504 is often a significant and important aspect of these deals.

In addition to vast experience with the physical requirements with Section 504 compliance, Nusbaum also has adopted internal management practices to assure operational compliance with the both the spirit and letter of the regulations related to accessibility, including: staff training, formal processes for requests for reasonable accommodations and reasonable modifications, and relationships with contractors and third-party consultants. These practices are included in Nusbaum policies and procedures and are often also referenced in property management agreements and management plans (where applicable).

Specific responsibility for the units will be led by the following parties:

Community Manager- Resident relations, marketing, rent collection, certification and recertification procedures, selection of applicants, maintenance of resident files, preparation and submission of required reporting, supervision of project staff, physical maintenance of property, and other duties assigned by the Regional Property Manager.

Resident Services Coordinator-There will be a dedicated resident services coordinator who will be responsible for identifying the service needs to the senior residents and will also focus on the residents with physical and intellectual disabilities. This coordinator will not provide direct services but will serve as a link between residents and existing service networks.