
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 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:

VA 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
Pamela Freeth	pamela.freeth@vhda.com	(804) 343-5563
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. Submission Checklist	Mandatory Items, Tabs and Descriptions
2. Development Information	Development Name and Locality Information
3. Request Info	Credit Request Type
4. Owner Information	Owner Information and Developer Experience
5. Site and Seller Information	Site Control, Identity of Interest and Seller info
6. Team Information	Development Team Contact information
7. Rehabilitation Information	Acquisition Credits and 10-Year Look Back Info
8. Non Profit	Non Profit Involvement, Right of First Refusal
9. Structure	Building Structure and Units Description
10. Utilities	Utility Allowance
11. Enhancements	Building Amenities above Minimum Design Requirements
12. Special Housing Needs	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. Unit Details	Set Aside Selection and Breakdown
14. Budget	Operating Expenses
15. Project Schedule	Actual or Anticipated Development Schedule
16. Hard Costs	Development Budget: Contractor Costs
17. Owner's Costs	Development Budget: Owner's Costs, Developer Fee, Cost Limits
18. Eligible Basis	Eligible Basis Calculation
19. Sources of Funds	Construction, Permanent, Grants and Subsidized Funding Sources
20. Equity	Equity and Syndication Information
	Gap Calculation
21. Cash Flow	Credit Reservation Amount Needed
22. BINs	Cash Flow Calculation
24. Owner Statement	BIN by BIN Eligible Basis
25. Scoresheet	Owner Certifications
26. Development Summary	Self Scoresheet Calculation
27. Efficient Use of Resources	Summary of Key Application Points
28. Efficient Use of Resources - TE Bonds	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.

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

1. Development Name: Cecelia House
2. Address (line 1): Intersection of Aiken Drive and
 Address (line 2): Farm Station Road
 City: Warrenton State: VA Zip: 20187
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: -77.67630 Latitude: 38.74130
 (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 Fauquier 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: 9304.01
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** FALSE
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%
	TRUE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 6
- Planning District: 9
- State Senate District: 27
- State House District: 31

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

Cecelia House will be a New Construction Multifamily Development with 75 rental apartment units in one 4-story elevator building; targeting the elderly in Fauquier County. The construction will include brick & Hardi-Plank siding exterior. The project is intended to be financed with 9% tax credits. An additional building of 50 units is being proposed to be constructed using 4% tax exempt bond financing for a total of 125 units.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

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: Paul S. McCulla
 Chief Executive Officer's Title: County Administrator Phone: (540) 422-8001
 Street Address: 10 Hotel Street, Suite 204
 City: Warrenton State: VA Zip: 20186

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Paul S. McCulla, County Administrator

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

Chief Executive Officer's Name: _____
 Chief Executive Officer's Title: _____ Phone: _____
 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: Northwest / North Central VA Pool
- or
- b. If requesting Tax Exempt Bonds, select development type:

2. Type(s) of Allocation/Allocation Year

Carryforward Allocation

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:

New Construction

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? FALSE

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

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? TRUE
- 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?	75
Total Units within 4% Tax Exempt allocation Request?	50
Total Units:	125

% of units in 4% Tax Exempt Allocation Request: 40.00%

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: 30

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: Cecelia House I Limited Partnership

Developer Name: REBJ, Inc + Good Works Development LP + Saint Mary's Housing Corporation

Contact: M/M ▶ Mr. First: Noah MI: Last: Hale

Address: 1375 Piccard Drive, Suite 150

City: Rockville St. ▶ MD Zip: 20850

Phone: (240) 428-7799 Ext. 225 Fax: (240) 428-7631

Email address: nhale@tmadevelopment.com

Federal I.D. No. TBD (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.
Robert B. Margolis, bobm@tmadevelopment.com, (240) 428-7799 ext 101

- 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.

Names **	Phone	Type Ownership	% Ownership	
Cecelia House GP LLC	(240) 428-7799	General Partner	100.000%	
MARG Rural LLC, Manager	(240) 428-7799		0.000%	needs
Robert Margolis & Elizabeth Margolis, Members	(240) 428-7799		0.000%	needs
Good Works LP	(540) 687-5866		0.000%	needs
G. Kimball Hart, GP	(540) 687-5866		0.000%	needs
Saint Mary's Housing Corporation	(703) 946-6112		0.000%	needs
Reverend Franklyn McAfee, President	(703) 946-6112		0.000%	needs

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: 12/28/2019

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..... 12/28/2019 .
- 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: Vint Hill Village LLC

Address: 7200 Lineweaver Road #100

City: Warrenton St.: VA Zip: 20187

Contact Person: Brian Cohn Phone: (202) 345-3901

There is an identity of interest between the seller and the owner/applicant..... FALSE

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

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>Allison T. Domson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600, Richmond, VA 23219</u> | | |
| Email: | <u>adomson@williamsmullen.com</u> | Phone: | <u>(804) 420-6915</u> |
| 2. Tax Accountant: | <u>Todd Fentress</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Tidwell Group</u> | | |
| Address: | <u>4249 Easton Way, Suite 210, Columbus, OH 43219</u> | | |
| Email: | <u>todd.fentress@tidwellgroup.com</u> | Phone: | <u>(614) 528-1441</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>Matt Melnick</u> | This is a Related Entity. | <u>TRUE</u> |
| Firm Name: | <u>TM Associates Management, Inc</u> | | |
| Address: | <u>1375 Piccard Drive, Suite 150, Rockville, MD 20850</u> | | |
| Email: | <u>mmelnick@tmamgroup.com</u> | Phone: | <u>(240) 683-0300</u> |
| 5. Contractor: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | | |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |
| 6. Architect: | <u>Alan R. Miner, AIA</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Miner Feinstein Architects LLC</u> | | |
| Address: | <u>31 West Patrick Street, Suite 100 Frederick MD 21701</u> | | |
| Email: | <u>alan@mfarchitects.net</u> | Phone: | <u>(301) 760-7988</u> |
| 7. Real Estate Attorney: | <u>Allison T. Domson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600, Richmond, VA 23219</u> | | |
| Email: | <u>adomson@williamsmullen.com</u> | Phone: | <u>(804) 420-6915</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> |

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)

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:

- FALSE a. Be authorized to do business in Virginia.
FALSE b. Be substantially based or active in the community of the development.
FALSE 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.
FALSE e. Not be affiliated with or controlled by a for-profit organization.
FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
FALSE 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: Saint Mary's Housing Corporation (Please fit NP name within available space)

Contact Person: Michael Seltz

Street Address: 109 Hanson Lane

City: Alexandria State: VA Zip: 22302-0000

Phone: (703) 946-6112 Extension: Contact Email: mseltzhpm@comcast.net

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 40.0%

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: Saint Mary's Housing Corporation

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

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	75	bedrooms	97
Total number of rental units in development	75	bedrooms	97
Number of low-income rental units	75	bedrooms	97
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	75	bedrooms	97
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.....			78,059.69 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			0.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			78,059.69 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	3.770		
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

2. UNIT MIX

a. Specify the average size and number per unit type (as indicated in the Architect's Certification):

Note: Average sq foot should include the prorata of common space.

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	959.39	SF	53	53
2BR Elderly	1236.91	SF	22	22
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			75	75

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

3. Structures

a. Number of Buildings (containing rental units)..... 1

b. Age of Structure:..... 0 years

c. Number of stories:..... 4

d. The development is a scattered site development..... FALSE

e. Commercial Area Intended Use: N/A

f. Development consists primarily of : **(Only One Option Below Can Be True)**

i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE

ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE

iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

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>TRUE</u> | vi. Detached Two-family | <u>FALSE</u> |
| iii. Slab on Grade | <u>TRUE</u> | vii. Basement | <u>FALSE</u> |
| iv. Crawl space | <u>FALSE</u> | | |

h. Development contains an elevator(s). TRUE
 If true, # of Elevators. 1
 Elevator Type (if known) Hydraulic MRL

- i. Roof Type ▶ Flat
 j. Construction Type ▶ Combination
 k. Primary Exterior Finish ▶ Brick

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Maintenance Facilities, Rental Office, Community Room

m. Number of Proposed Parking Spaces..... 79
 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. FALSE
 If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

i. 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 structureNotes 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.

ii. 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	10.70%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	10.70%
Project Wide Absorption Period (Months)	5

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.
- 85.00% 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.
- TRUE 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.
- TRUE 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
- TRUE 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.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE 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
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE 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.
- TRUE 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:

- | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <u>TRUE</u> Earthcraft Gold or higher certification | <u>FALSE</u> National Green Building Standard (NGBS) certification of Silver or higher. |
| <u>FALSE</u> U.S. Green Building Council LEED certification | <u>FALSE</u> Enterprise Green Communities (EGC) Certification |

If Green Certification is selected, no points will be awarded for d. Watersense Bathroom fixtures above.

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.)

- | | |
|--------------------------------------------------|--------------------------------------|
| <u>FALSE</u> Zero Energy Ready Home Requirements | <u>FALSE</u> 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.

75 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: N/A

2019 Low-Income Housing Tax Credit Application For Reservation

I. UTILITIES

1. Describe the Heating/AC System: Split System

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	0	19	21	0	0
Air Conditioning	Electric	Tenant	0	14	18	0	0
Cooking	Electric	Tenant	0	16	19	0	0
Lighting	Electric	Tenant	0	8	9	0	0
Hot Water	Electric	Tenant	0	14	16	0	0
Water		Tenant	0	25	31	0	0
Sewer		Tenant	0	29	36	0	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$125	\$150	\$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. TRUE Local PHA
- e. FALSE Other: _____

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**)

FALSE

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)

TRUE

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: Yes

Organization which holds such waiting list: Central Virginia Housing Authority

Contact person: Dee Smith

Title: Executive Director

Phone Number (504) 604-9949

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..... FALSE

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

FALSE 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

FALSE 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.

FALSE

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

d. Number of units receiving assistance:

0

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew.....

FALSE

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

L. UNIT DETAILS

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
8	10.67%	30% Area Median
0	0.00%	40% Area Median
30	40.00%	50% Area Median
37	49.33%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
75	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
8	10.67%	30% Area Median
0	0.00%	40% Area Median
30	40.00%	50% Area Median
37	49.33%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
75	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	1 BR - 1 Bath	30% AMI	6	6	629.00	\$534.00	\$3,204
Mix 2	2 BR - 2 Bath	30% AMI	2	2	890.00	\$641.00	\$1,282
Mix 3	1 BR - 1 Bath	50% AMI	21		629.00	\$974.00	\$20,454
Mix 4	2 BR - 2 Bath	50% AMI	9		890.00	\$1,168.00	\$10,512
Mix 5	1 BR - 1 Bath	60% AMI	26		629.00	\$1,194.00	\$31,044
Mix 6	2 BR - 2 Bath	60% AMI	11		890.00	\$1,432.00	\$15,752
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0
Mix 23							\$0

L. UNIT DETAILS

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
Mix 51									\$0
Mix 52									\$0
Mix 53									\$0
Mix 54									\$0
Mix 55									\$0
Mix 56									\$0
Mix 57									\$0
Mix 58									\$0
Mix 59									\$0
Mix 60									\$0
Mix 61									\$0
Mix 62									\$0
Mix 63									\$0
Mix 64									\$0
Mix 65									\$0
Mix 66									\$0
Mix 67									\$0
Mix 68									\$0
Mix 69									\$0
Mix 70									\$0
Mix 71									\$0
Mix 72									\$0
Mix 73									\$0
Mix 74									\$0
Mix 75									\$0
Mix 76									\$0
Mix 77									\$0
Mix 78									\$0
Mix 79									\$0
Mix 80									\$0
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			75	8	4,557.00	\$5,943		\$82,248

Total Units	75	Net Rentable SF:	TC Units	52,917.00
			MKT Units	0.00
			Total NR SF:	52,917.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$5,000
2. Office Salaries			\$41,250
3. Office Supplies			\$10,875
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$37,211
<u>4.00%</u> of EGI	<u>\$496.15</u>	Per Unit	
6. Manager Salaries			\$46,725
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$375
9. Auditing			\$7,000
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$9,375
12. Tax Credit Monitoring Fee			\$2,500
13. Miscellaneous Administrative			\$3,000
Total Administrative			<u>\$163,311</u>

Utilities

14. Fuel Oil			\$0
15. Electricity			\$15,750
16. Water			\$5,625
17. Gas			\$0
18. Sewer			\$7,625
Total Utility			<u>\$29,000</u>

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$3,900
22. Exterminating			\$2,250
23. Trash Removal			\$8,250
24. Security Payroll/Contract			\$375
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$15,000
28. Maintenance/Repairs Payroll			\$40,875
29. Repairs/Material			\$9,375
30. Repairs Contract			\$750
31. Elevator Maintenance/Contract			\$5,250
32. Heating/Cooling Repairs & Maintenance			\$5,250
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$5,625
35. Decorating/Payroll/Contract			\$4,725
36. Decorating Supplies			\$7,500
37. Miscellaneous			\$75
Totals Operating & Maintenance			<u>\$109,200</u>

M. OPERATING EXPENSES

Taxes & Insurance	
38. Real Estate Taxes	\$75,000
39. Payroll Taxes	\$9,750
40. Miscellaneous Taxes/Licenses/Permits	\$4,500
41. Property & Liability Insurance	\$24,375
42. Fidelity Bond	\$199
43. Workman's Compensation	\$2,475
44. Health Insurance & Employee Benefits	\$9,825
45. Other Insurance	\$0
Total Taxes & Insurance	\$126,124
Total Operating Expense	\$427,635

Total Operating Expenses Per Unit \$5,702 **C. Total Operating Expenses as % of EGI** 46.01%

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$22,500

Total Expenses	\$450,135
-----------------------	------------------

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	2/11/2019	Robert B. Margolis
b. Site Acquisition	12/28/2019	Robert B. Margolis
c. Zoning Approval	3/11/2019	Amy L. P. Rogers
d. Site Plan Approval	4/1/2020	Robert B. Margolis
2. Financing		
a. Construction Loan		
i. Loan Application	10/1/2019	Robert B. Margolis
ii. Conditional Commitment	11/1/2019	Robert B. Margolis
iii. Firm Commitment	12/1/2019	Robert B. Margolis
b. Permanent Loan - First Lien		
i. Loan Application	11/1/2019	Adam J. Diehl
ii. Conditional Commitment	12/1/2019	Adam J. Diehl
iii. Firm Commitment	1/1/2020	Adam J. Diehl
c. Permanent Loan-Second Lien		
i. Loan Application	3/1/2019	Mike Seltz
ii. Conditional Commitment	3/5/2019	Mike Seltz
iii. Firm Commitment	3/5/2019	Mike Seltz
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	3/4/2019	Robert B. Margolis
3. IRS Approval of Nonprofit Status	12/1/1975	Mike Seltz
4. Closing and Transfer of Property to Owner	12/28/2019	Robert B. Margolis
5. Plans and Specifications, Working Drawings	3/14/2019	Alan R. Miner
6. Building Permit Issued by Local Government	7/1/2020	Robert B. Margolis
7. Start Construction	7/1/2020	Robert B. Margolis
8. Begin Lease-up	5/1/2021	Matt Melnick
9. Complete Construction	7/1/2021	Robert B. Margolis
10. Complete Lease-Up	12/31/2021	Matt Melnick
11. Credit Placed in Service Date	12/31/2021	Robert B. Margolis

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)	9,621,450	0	0	9,621,450
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	0
Total Structure	9,621,450	0	0	9,621,450
f. Earthwork	1,125,000	0	0	1,125,000
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	1,125,000	0	0	1,125,000
Total Structure and Land	10,746,450	0	0	10,746,450
q. General Requirements	594,000	0	0	594,000
r. Builder's Overhead (1.8% Contract)	198,000	0	0	198,000
s. Builder's Profit (5.5% Contract)	594,000	0	0	594,000
t. Bonds	90,288	0	0	90,288
u. Building Permits	112,860	0	0	112,860
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Builders Risk	112,500	0	0	112,500
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$12,448,098	\$0	\$0	\$12,448,098

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	0	0	0	0
b. Architecture/Engineering Design Fee \$6,019 /Unit)	451,435	0	0	451,435
c. Architecture Supervision Fee \$3,010 /Unit)	225,725	0	0	225,725
d. Tap Fees	220,000	0	0	220,000
e. Environmental	10,000	0	0	10,000
f. Soil Borings	50,000	0	0	50,000
g. EarthCraft/LEED	37,500	0	0	37,500
h. Appraisal	10,000	0	0	10,000
i. Market Study	7,500	0	0	7,500
j. Site Engineering / Survey	20,000	0	0	20,000
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	112,860	0	0	112,860
n. Construction Interest (6.0% for 9 months)	350,000	0	0	210,000
o. Taxes During Construction	99,375	0	0	99,375
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (2.0%)	97,500	0	0	0
r. Other Permanent Loan Fees	30,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	0	15,000
u. Accounting	0	0	0	0
v. Title and Recording	148,125	0	0	148,125
w. Legal Fees for Closing	100,000	0	0	100,000
x. Mortgage Banker	51,500	0	0	51,500
y. Tax Credit Fee	58,750			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	65,000	0	0	65,000
ab. Organization Costs	2,500	0	0	0
ac. Operating Reserve	432,893	0	0	0
ad. Contingency	93,750	0	0	0
ae. Security	0	0	0	0
af. Utilities	75,000	0	0	0
(1) Other* specify: Syndication Legal Fee	25,000	0	0	0
(2) Other* specify: O&M Reserve	130,000	0	0	0
(3) Other* specify: Lease Up Reserve	75,000	0	0	0
(4) Other* specify: Lender Inspector	28,000	0	0	28,000
(5) Other * specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$3,022,413	\$0	\$0	\$1,862,020
Subtotal 1 + 2 (Owner + Contractor Costs)	\$15,470,511	\$0	\$0	\$14,310,118
3. Developer's Fees	1,700,000	0	0	1,700,000
4. Owner's Acquisition Costs				
Land	1,350,000			
Existing Improvements	0	0		
Subtotal 4:	\$1,350,000	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$18,520,511	\$0	\$0	\$16,010,118

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:

\$1,775,641

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

\$246,940 **Meets Limits**
\$220 **Meets Limits**
\$346,620

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	18,520,511	0	0	16,010,118

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	0	16,010,118
---	---	------------

4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)

a. For QCT or DDA (Eligible Basis x 30%)	0	0
<i>State Designated Basis Boosts:</i>		
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	0
c. For Green Certification (Eligible Basis x 10%)		1,601,012

Total Adjusted Eligible basis

0	17,611,130
---	------------

5. Applicable Fraction

100.00000%	100.00000%	100.00000%
------------	------------	------------

6. Total Qualified Basis

(Eligible Basis x Applicable Fraction)

0	0	17,611,130
---	---	------------

7. Applicable Percentage

(Beginning with 2016 Allocations, use the standard 9% rate.)
(For tax exempt bonds, use the most recently published rates.)

0.00%	0.00%	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	\$0	\$1,585,002
\$1,585,002 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.				
2.				
3.				
Total Construction Funding:			\$0	

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	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
				Amount of Funds	Annual Debt Service Cost			
1.	USDA 538	10/1/2019	11/1/2019	\$6,500,000	\$415,652	5.75%	40.00	40.00
2.	SMHC	3/1/2019	3/5/2019	\$3,250,000	\$0	2.85%	0.00	30.00
3.	FHLB	6/1/2019	10/31/2019	\$500,000	\$0	0.00%	0.00	30.00
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$10,250,000	\$415,652			

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.	Saint Mary's Housing Corporation	3/5/2019	\$3,250,000
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$3,250,000

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

a.	Tax Exempt Bonds	\$0
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: FHLB	\$500,000
i.	Other:	\$0

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: USDA - RD 538	\$6,500,000

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: N/A

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

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

8. Other Subsidies

Action: Provide documentation (**Tab Q**)

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

b. FALSE **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	\$556,757	(Note: Deferred Developer Fee cannot be negative.)	
iv. Other:			
Equity Total	\$556,757		

2. Equity Gap Calculation

a. Total Development Cost	\$18,520,511
b. Total of Permanent Funding, Grants and Equity	- \$10,806,757
c. Equity Gap	\$7,713,754
d. Developer Equity	- \$771
e. Equity gap to be funded with low-income tax credit proceeds	\$7,712,983

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Hudson Housing Capital		
Contact Person:	W. Kimmell Cameron	Phone:	(212) 218-4488
Street Address:	630 Fifth Avenue, 28th Floor		
City:	New York	State:	NY
		Zip:	10111

b. Syndication Equity	
i. Anticipated Annual Credits	\$825,000.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.935
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	\$824,918
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$7,712,983

c. Syndication:	Private
d. Investors:	Corporate

4. Net Syndication Amount	\$7,712,983
Which will be used to pay for Total Development Costs	

5. Net Equity Factor	93.5000530356%
Must be equal to or greater than 85%	

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>\$18,520,511</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$10,806,757</u>
3. Equals Equity Gap		<u>\$7,713,754</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>93.5000530356%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$8,250,000</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$825,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,585,002</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$825,000</u>
Credit per LI Units	<u>\$11,000.0000</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$8,505.1546</u>	

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	\$82,248
Plus Other Income Source (list): <u>Vending/Tenant Charges/Interest Income</u>	\$1,030
Equals Total Monthly Income:	<u>\$83,278</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$999,336</u>
Less Vacancy Allowance <u>7.0%</u>	<u>\$69,954</u>
Equals Annual Effective Gross Income (EGI) - Low Income Units	<u><u>\$929,382</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>\$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	<u>\$929,382</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$929,382</u>
d. Total Expenses	<u>\$450,135</u>
e. Net Operating Income	<u>\$479,247</u>
f. Total Annual Debt Service	<u>\$415,652</u>
g. Cash Flow Available for Distribution	<u>\$63,595</u>

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	929,382	947,970	966,930	986,268	1,005,993
Less Oper. Expenses	450,135	463,639	477,548	491,875	506,631
Net Income	479,247	484,331	489,381	494,393	499,363
Less Debt Service	415,652	415,652	415,652	415,652	415,652
Cash Flow	63,595	68,679	73,729	78,741	83,711
Debt Coverage Ratio	1.15	1.17	1.18	1.19	1.20

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,026,113	1,046,636	1,067,568	1,088,920	1,110,698
Less Oper. Expenses	521,830	537,485	553,609	570,218	587,324
Net Income	504,284	509,151	513,959	518,702	523,374
Less Debt Service	415,652	415,652	415,652	415,652	415,652
Cash Flow	88,632	93,499	98,307	103,050	107,722
Debt Coverage Ratio	1.21	1.22	1.24	1.25	1.26

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,132,912	1,155,570	1,178,682	1,202,255	1,226,300
Less Oper. Expenses	604,944	623,092	641,785	661,038	680,870
Net Income	527,968	532,478	536,897	541,217	545,431
Less Debt Service	415,652	415,652	415,652	415,652	415,652
Cash Flow	112,316	116,826	121,245	125,565	129,779
Debt Coverage Ratio	1.27	1.28	1.29	1.30	1.31

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

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).

Must Complete

Number of BINS: 1

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID
DO NOT use the CUT Feature

Bldg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisitor			30% Present Value Credit for Rehab / New Construction			70% Present Value Credit		
									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
1.		75		Aiken Dr. & Farm Station Dr		Warrenton	VA	20187	\$0			\$0	\$17,611,130	07/01/21	9.00%	\$1,585,002	
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	
75									\$0			\$0				\$0	

Totals from all buildings

\$0

\$0

\$17,611,130

\$0

\$0

\$0

\$1,585,002

Number of BINS: 1

Credit Amount should equal Gap Calculation Request.

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 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: Cecelia House I Limited Partnership
By: Cecelia House GP LLC, its GP
By: MARG Rural LLC, its Managing Member

By: 
Its: Robert B. Margolis, Its Managing Member
(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:

	Included		Score
a. Signed, completed application with attached tabs in PDF format	Y	Y or N	0
b. Active Excel copy of application	Y	Y or N	0
c. Partnership agreement	Y	Y or N	0
d. SCC Certification	Y	Y or N	0
e. Previous participation form	Y	Y or N	0
f. Site control document	Y	Y or N	0
g. Architect's Certification	Y	Y or N	0
h. Attorney's opinion	Y	Y or N	0
i. Nonprofit questionnaire (if applicable)	Y	Y, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
Total:			<u><u>0.00</u></u>

1. READINESS:

a. VHDA notification letter to CEO (via Locality Notification Information Application)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 or 40	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			<u><u>0.00</u></u>

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	17.55%	Up to 40	35.10
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	3%	0, 20, 25 or 30	30.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			<u><u>90.10</u></u>

2019 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			75.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	Y	0 or 30	30.00
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)	N	0, 10 or 20	0.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet VHDA's Universal Design standards	100%	Up to 15	15.00
h. Developments with less than 100 units	Y	up to 20	10.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>140.00</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)	10.67%	Up to 10	10.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	10.67%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	50.67%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	50.67%	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>70.00</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
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	91.57
b. Cost per unit		Up to 100	2.95
Total:			<u>94.52</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	Y	Up to 45	35.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
Total:			<u>95.00</u>

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

TOTAL SCORE: 539.62

2019 Low-Income Housing Tax Credit Application For Reservation

Amenities:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	25.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	8.00
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	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
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	4.00
		<u>72.00</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>75.00</u></u>

X. Development Summary

Summary Information 2019 Low-Income Housing Tax Credit Application For Reservation

Project Name: **Cecelia House**

Cycle Type: 9% Tax Credits **Requested Credit Amount:** \$825,000
Allocation Type: New Construction **Jurisdiction:** Fauquier County
Total Units: 75 **Population Target:** Elderly
Total LI Units: 75
Project Gross Sq Ft: 78,059.69 **Owner Contact:** Noah Hale
Green Certified? TRUE

Total Score
539.62

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$10,250,000	\$136,667	\$131	\$415,652

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$10,746,450	\$143,286	\$138	58.02%
General Req/Overhead/Profit	\$1,386,000	\$18,480	\$18	7.48%
Other Contract Costs	\$315,648	\$4,209	\$4	1.70%
Owner Costs	\$3,022,413	\$40,299	\$39	16.32%
Acquisition	\$1,350,000	\$18,000	\$17	7.29%
Developer Fee	\$1,700,000	\$22,667	\$22	9.18%
Total Uses	\$18,520,511	\$246,940		

Total Development Costs	
Total Improvements	\$15,470,511
Land Acquisition	\$1,350,000
Developer Fee	\$1,700,000
Total Development Costs	\$18,520,511

Income		
Gross Potential Income - LI Units		\$999,336
Gross Potential Income - Mkt Units		\$0
Subtotal		\$999,336
Less Vacancy %	7.00%	\$69,954
Effective Gross Income		\$929,382

Proposed Cost Limit/Unit: \$246,940
Applicable Cost Limit/Unit: \$346,620
Proposed Cost Limit/Sq Ft: \$220
Applicable Cost Limit/Sq Ft: \$178

Rental Assistance? FALSE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	53
# of 2BR	22
# of 3BR	0
# of 4+ BR	0
Total Units	75

Expenses		
Category	Total	Per Unit
Administrative	\$163,311	\$2,177
Utilities	\$29,000	\$387
Operating & Maintenance	\$109,200	\$1,456
Taxes & Insurance	\$126,124	\$1,682
Total Operating Expenses	\$427,635	\$5,702
Replacement Reserves	\$22,500	\$300
Total Expenses	\$450,135	\$6,002

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	8	8
40% AMI	0	0
50% AMI	30	30
60% AMI	37	37
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$929,382
Total Expenses	\$450,135
Net Income	\$479,247
Debt Service	\$415,652
Debt Coverage Ratio (YR1):	1.15

Income Averaging? FALSE

Extended Use Restriction? 30

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$211.60** Credits/SF = **10.56884** Const \$/unit = **\$165,974.6400**

TYPE OF PROJECT
LOCATION
DATE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 17000
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(15,000-35,000)=4

12000
200
1

200
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	0.00	959.39	1,236.91	0.00	0.00	0.00
NUMBER OF UNITS	0	0	53	22	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	206,700	277,753	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	206,700	277,753	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	206,700	277,753	0	0	0
PROJECT COST PER UNIT	0	0	203,009	261,733	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	18,480	24,833	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	18,480	24,833	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,480	24,833	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,140	13,073	0	0	0
COST PER UNIT POINTS	0.00	0.00	1.26	1.69	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	63.79	27.78	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-TH
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 **2.95**

TOTAL CREDIT PER UNIT POINTS **91.57**

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
0	0	206,700	277,753	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	206,700	277,753	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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
0	0	18,480	24,833	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Credit Parameter	0	18,480	24,833	0	0	0

Standard Credit Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Credit Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Standard Credit Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Credit Parameter

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
0	0	206,700	277,753	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	206,700	277,753	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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
0	0	18,480	24,833	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	18,480	24,833	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$211.60** Credits/SF = **10.56884** Const \$/unit = **\$165,974.64**

TYPE OF PROJECT
LOCATION
DATE OF CONSTRUCTION

GFNFRAI = 11000; EIDFRLY = 12000
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(10,000-35,000)=4

12000
200
1

200
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	0.00	959.39	1,236.91	0.00	0.00	0.00
NUMBER OF UNITS	0	0	53	22	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	206,700	277,753	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	206,700	277,753	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	206,700	277,753	0	0	0
PROJECT COST PER UNIT	0	0	203,009	261,733	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	18,480	24,833	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	18,480	24,833	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,480	24,833	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,140	13,073	0	0	0
COST PER UNIT POINTS	0.00	0.00	1.26	1.69	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	63.79	27.78	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-TH
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 **2.95**

TOTAL CREDIT PER UNIT POINTS **91.57**

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
0	0	206,700	277,753	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	206,700	277,753	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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
0	0	18,480	24,833	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Credit Parameter	0	18,480	24,833	0	0	0

Standard Credit Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Credit Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Standard Credit Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Credit Parameter

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
0	0	206,700	277,753	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	206,700	277,753	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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
0	0	18,480	24,833	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
Adjusted Cost Parameter	0	18,480	24,833	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

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-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Standard Cost Parameter - low rise
 Parameter Adjustment - mid rise
 Parameter Adjustment - high rise
Adjusted Cost Parameter

A

Partnership or Operating Agreement

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

**AGREEMENT OF LIMITED PARTNERSHIP
OF
CECELIA HOUSE I LIMITED PARTNERSHIP**

THIS AGREEMENT OF LIMITED PARTNERSHIP (this "Agreement") is made as of March 4, 2019, by and among Cecelia House GP LLC, a Virginia limited liability company ("General Partner"), MARG Rural LLC, a West Virginia limited liability company, and Good Works LP, a Virginia limited partnership (each a "Limited Partner") in accordance with the provisions of the Virginia Revised Uniform Limited Partnership Act, Title 50, Chapter 2.1 of the Code of Virginia.

NOW, THEREFORE, the parties hereto hereby agree to as follows:

I. **Name.** Cecelia House I Limited Partnership

II. **Business.** The business of the Partnership is to acquire, construct, develop, improve, invest in, hold, lease, maintain, operate and otherwise deal with that certain multi-family affordable housing development to be located in Fauquier County, Virginia, commonly known as Cecelia House (the "Project").

III. **Principal Office.** The address of the principal office of the Partnership, where records required to be maintained by Section 50-73.8 of the Act are to be kept, is at 1375 Piccard Drive, Suite 150, Rockville, Maryland 20850. The Partnership's registered agent for purposes of the Act is Cogency Global, Inc., having a business address 250 Browns Hill Court, Midlothian, Virginia 23114. The sole duty of the registered agent is to forward to the Partnership any notice that is served on it as registered agent.

IV. **Partners.** The name and the business address of the General Partner and Limited Partners, and the percentages of ownership and cash flow in the Partnership by each such Partner, are as follows:

General Partner:

<u>Name</u>	<u>Address</u>	<u>Percentage of Ownership</u>
Cecelia House GP LLC	1375 Piccard Road Suite 150 Rockville, MD 20850	1%

Limited Partners:

MARG Rural LLC	1375 Piccard Drive Suite 150 Rockville, MD 20850	49.5%
Good Works LP	102 West Washington St. Middleburg, VA 20117	49.5%

V. **Term, Dissolution and Winding Up.** The Partnership shall continue in perpetuity, except that the Partnership shall be dissolved, and its affairs wound up, prior to such date upon the happening of any of the following:

- A. The sale or other disposition of all or substantially all the assets of the Partnership, or
- B. The retirement (which term includes the death, dissolution, adjudication of insanity or incompetence, bankruptcy or withdrawal for any reason) of a General Partner, unless the remaining General Partners (if any) or Limited Partners elect to continue the business of the Partnership pursuant to Paragraph XIII hereof, or
- C. The retirement of a General Partner if no General Partner remains, or
- D. The decision of all the General Partners to terminate the Partnership.

VI. **Capital Contributions - Capital Accounts.** Each Partner has made capital contributions to the Partnership. A capital account shall be maintained for each Partner and such account shall be adjusted for each Partner's share of all items of profit and loss and distributions and each Partner's contributions to the Partnership.

VII. **Additional Contributions.** No Limited Partner has agreed to make any additional capital contribution. Except to the extent required by law, no General Partner shall be required to make any additional capital contribution.

VIII. **Returns.** No time has been agreed upon for the return of the contributions of the Limited Partners.

IX. **Profits.** All profits, losses and distributions (including profits and proceeds from the sale or disposition of all or substantially all Partnership assets and all proceeds from a refinancing) shall be shared by the Partners in the ratio which the capital contributions of each Partner bear to the aggregate capital contributions of all the Partners. If the Partnership assets are distributed in kind to the Partners upon the dissolution and liquidation of the Partnership, the capital accounts of the Partners shall be adjusted to reflect their share of all unrecognized gains

and losses and the assets shall be distributed based on the fair market value of such assets.

X. **Assignments.** In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor or incompetent, and such attempted assignment shall be void and ineffectual and shall not bind the Partnership.

No Limited Partner shall have the right to substitute an assignee as a Limited Partner in its place. The General Partner shall, however, have the right to permit any such assignee to become a Substitute Limited Partner and any such permission by the General Partner shall be binding and conclusive without the consent or approval of any Limited Partners. Any such Substitute Limited Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the terms of any financial agreements and other documents required in connection with applicable mortgage financing to the same extent and on the same terms as the other Limited Partners. Any such Substitute Limited Partner shall also execute, acknowledge and deliver an instrument to the General Partner signifying his/her/its agreement to be bound by all the provisions of this Agreement, as last amended, and shall accept such other terms as the General Partner in its exclusive discretion may determine as a condition to permitting such substitution.

In the event of the death or incapacity of a Limited Partner, his legal representatives shall have the same status as an assignee of the Limited Partner unless and until the General Partner shall permit such legal representatives to become a Substitute Limited Partner on the same terms and conditions as herein provided for assignees generally. The death of a Limited Partner shall not dissolve the Partnership.

An assignee of a Limited Partner who does not become a Substitute Limited Partner as provided above shall have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled if no such assignment had been made by such Limited Partner.

If any assignment of the interest of a Limited Partner shall be made, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such assignment, and such instrument must evidence the written acceptance of the assignee to all the terms and provisions of this Agreement and if such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose hereunder.

XI. **Additional Limited Partners.** The General Partner is authorized at any time and from time to time, to admit to the Partnership additional Limited Partners upon each such additional Limited Partner's making, or agreeing to make, such contributions to the capital of the Partnership as the General Partner shall determine.

XII. **Priorities.** No Limited Partner has any right of priority over any other Limited Partner, as to contributions or as to compensation by way of income.

XIII. **Continuation.** Upon the death, dissolution, incapacity, bankruptcy, or withdrawal from the Partnership of a General Partner, any remaining or surviving General Partner or Limited Partners may elect to continue the business of the Partnership.

XIV. **Demands for Property.** A Limited Partner has no right to demand and receive property in return for his capital contribution.

XV. **Additional Provisions.**

A. Management and control of the business and affairs of the Partnership shall be vested in the General Partner, and except as otherwise expressly provided herein, no Limited Partner shall have or exercise any rights in connection with the management of such business. The General Partner shall devote to the conduct of the business of the Partnership so much of its time as may be reasonably necessary to efficient operations, but they shall not be precluded from conducting other businesses as well, even if it competes with the Partnership.

B. The General Partner is specifically authorized to execute such documents as it deems necessary in connection with the acquisition, development and financing of Partnership property, including without limiting the generality hereof, any note, mortgage, loan and regulatory agreements and any other documents which may be required in connection with the acquisition of the Partnership property or the financing and development thereof; and the Company is specifically authorized to execute such documents as it deems necessary in connection with all documents and actions necessary to qualify for, and apply to Virginia Housing Development Authority for financing and an allocation of low income housing tax credits for the Project (as defined below) under Section 42 of the Internal Revenue Code of 1986, as amended.

C. The Partnership is hereby authorized to borrow, by a mortgage loan from any lender, whatever amounts may be required for the acquisition of the Property, the development thereon of improvements constituting the Project, and the operation of the Project. Any such mortgage loan shall provide that neither the Partnership nor any Partner shall have any personal liability for the repayment of all or any part of such mortgage loan after the completion of the Project.

D. Except as provided in Paragraph XV. C. hereof, the General Partner shall be bound by the terms of any mortgage note, mortgage, loan agreement and regulatory agreement and any other documents required in connection with the financing of the acquisition of the Property and the development of the Project thereon. Any incoming General Partner shall as a condition of receiving any interest in the Partnership property agree to be bound by the terms of such instruments and documents to the same extent and on the same terms as the other General Partners. Upon any dissolution of the Partnership, or any transfer of the Property subject to any applicable mortgage, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by any regulatory or other agreement applicable to the Partnership or the Property in a

manner satisfactory to the regulating agency or authority. In the event of any inconsistency between the provisions of this Agreement and any applicable regulatory agreement, the provisions of such regulatory agreement shall prevail.

E. Each General Partner and each Limited Partner (including a Substitute or additional General Partner or Limited Partner) hereby irrevocably constitutes, and empowers to act alone, the General Partner, as attorney-in-fact for such General Partner and such Limited Partner, with full power of substitution, with authority to execute, acknowledge and swear to all instruments, and file all documents, requisite to carrying out the intention and purpose of this Agreement, including, without limitation, all business certificates and necessary Certificates of Limited Partnership and amendments thereto from time to time in accordance with all applicable laws. The foregoing appointment shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Partners under this Agreement will be relying upon the power of the General Partner to act as contemplated by this Agreement in such filing and other action on behalf of the Partnership and the Partners. The foregoing power of attorney shall survive the assignment by any partner of the whole or any part of his or its interest hereunder or the retirement of any appointing General Partner.

F. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto. This Agreement may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. If any clause or provision hereof shall be deemed unlawful or unenforceable, in whole or in part, then such clause or provision shall have no force or effect as though not herein contained and the remainder of this Agreement shall remain operative and in full force and effect.

[Signature Pages Follow]

**SIGNATURE PAGE TO
AGREEMENT OF LIMITED PARTNERSHIP OF
CECELIA HOUSE I LIMITED PARTNERSHIP**

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals to this Agreement of Limited Partnership effective as of date stated above.

GENERAL PARTNER:

CECELIA HOUSE GP LLC,
a Virginia limited liability company

By: MARG Rural LLC,
a West Virginia limited liability company,
its Manager

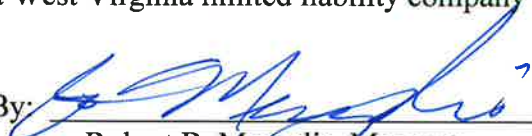
By: 
Robert B. Margolis, Manager

**AGREEMENT OF LIMITED PARTNERSHIP OF
CECELIA HOUSE I LIMITED PARTNERSHIP**

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals to this Agreement of Limited Partnership effective as of date stated above.

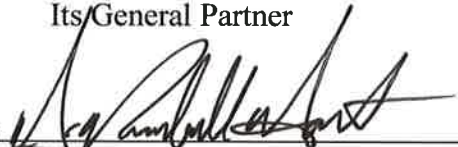
LIMITED PARTNERS:

MARG RURAL LLC,
a West Virginia limited liability company

By: 
Robert B. Margolis, Manager

GOOD WORKS LP,
a Virginia limited partnership

By: Hart, McMurphy & Parks, Inc.,
Its General Partner

By: 
G. Kimball Hart,
President

38391646_1



**OPERATING AGREEMENT
OF
CECELIA HOUSE GP LLC**

January 8, 2019

**OPERATING AGREEMENT
OF
CECELIA HOUSE GP LLC**

THIS OPERATING AGREEMENT, is made and entered into effective as of January 8, 2019, by and between MARG Rural LLC, a West Virginia limited liability company (“MARG”), Good Woods LP, a Virginia limited partnership, and Saint Mary’s Housing Corporation, a Virginia non-stock corporation, which agree as follows:

**SECTION 1
ORGANIZATIONAL MATTERS**

1.01 Formation. The Company was formed as a Virginia limited liability company under the Act on January 8, 2019. The rights and obligations of the Members shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistency between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern and in the event of any inconsistency between any items and conditions contained in this Agreement and any mandatory provisions of the Act, the terms and conditions of the Act shall govern.

1.02 Name. The name of the Company shall be Cecelia House GP LLC.

1.03 Principal Office. The principal office of the Company is 1375 Piccard Drive, Suite 150, Rockville, MD 20850, or such other place as the Managers may from time to time designate. The Company may have other offices at any place or places as may be determined by the Managers.

1.04 Purpose. The purpose of the Company shall be: (i) to own, finance, hold and otherwise enjoy the benefits of ownership as general partner of Project Partnership; (ii) to act as the general partner of the Project Partnership pursuant to the terms and subject to the conditions of this Agreement and the agreement of limited partnership for the Project Partnership, as the same may be amended from time to time; (iii) by and through the Project Partnership, to acquire the Property for construction of the Project which shall be developed by Developer for the Project Partnership pursuant to the Development Agreement; (v) by and through the Project Partnership, following Completion of the Project, to own and operate the Project; and (vi) to conduct such other activities with respect to the Company and/or the Project as are necessary and/or appropriate to carry out the foregoing purposes and to do all things incidental to or in furtherance of such purposes.

1.05 Certificate of Formation; Filings. The Company executed and filed Articles of Organization with the Virginia State Corporation Commission as required by the Act. Any Manager may execute and file any amendments to the Articles of Organization authorized by the Members from time to time in a form prescribed by the Act. Any Manager also shall cause to be made, on behalf of the Company, such additional filings and recordings as the Manager shall deem necessary or advisable.

1.06 Fictitious Business Name Statements; Qualification in Other States. Following the execution of this Agreement, fictitious business name statements and qualifications in various states may be filed and published as deemed necessary by the Manager.

1.07 Registered Office and Registered Agent. The Company shall continuously maintain a registered office and a designated and duly qualified agent for service of process on the Company in the Commonwealth of Virginia. As of the date of this Agreement, the address of the Company's registered office is 250 Browns Hill Court, Midlothian, Virginia 23114 and its registered agent is Cogency Global, Inc. The registered office and registered agent may be changed from time to time by action of the Members.

1.08 Term. The Company commenced on January 8, 2019, and shall continue until terminated pursuant to this Agreement.

SECTION 2 **DEFINITIONS**

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

“Act” shall mean the Virginia Limited Liability Company Act, Va. Code Section 13.1-1000 et seq., as amended and in force from time to time.

“Additional Member” shall mean any Person who, after the execution of this Operating Agreement, pursuant to Section 10.06, is issued a Membership Interest by the Company in exchange for a Capital Contribution.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to the next to the last sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” means, with respect to any Member, Manager or employee of the Company, any Person that directly or indirectly through one or more intermediaries, controls, or is

controlled by, or is under common control with, such Member, Manager or employee and shall include any relative or spouse of such Member, Manager or employee or any relative of such Member's, Manager's or employee's spouse. As used in the foregoing sentence, the term "control" means possession, directly or indirectly, of the power to direct or cause a direction of the management or policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Approved Budget" means, either the Initial Project Budget or the Final Project Budget, as applicable in the context, to the extent approved by the Members in accordance with Section 4 hereof.

"Articles" shall mean the Articles of Organization of the Company as filed and amended with the State Corporation Commission of Virginia from time to time.

"Business Day" means any day excluding a Saturday, Sunday, and all other days on which the offices of the Commonwealth of Virginia are not open for business.

"Capital Account" as of any given date shall mean the account calculated and maintained by the Company for each Member as specified in Section 8.

"Capital Contribution" shall mean any contribution to the capital of the Company by a Member in cash, property or services, or a binding obligation to contribute cash, property or services, whenever made.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"Company" shall mean Cecelia House GP LLC, a Virginia limited liability company, as set forth in the Certificate of Organization issued by the Virginia State Corporation Commission on January 8, 2019.

"Company Minimum Gain" shall have the meaning set forth in Regulations Section 1.704-2(b)(2) and 1.704-2(d) with respect to partnership minimum gain.

"Completion" means, as to the Project, the date when the construction of the Project is completed substantially in accordance with the Plans.

"Construction Contract" means the stipulated sum or guaranteed maximum price contract with the General Contractor for the construction of the Project.

"Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such

year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managers.

“Developer” shall mean, collectively, the Members, as co-developers, or a to-be-formed entity formed by the Members.

“Development Agreement” shall mean that certain Development Agreement to be entered into by the Project Partnership and Developer.

“Distribution Percentage” means a Member’s percentage interest in distributions and allocations of Profits and Losses, as set forth on Schedule 1 as it may be amended from time to time.

“Entity” shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association.

“Final Project Budget” means the budget for the Project that has been approved by the Members in accordance with Section 4 hereof and submitted to the Project Lender in connection with obtaining the Project Loan. Upon approval of the Final Project Budget, this Agreement will be amended by the Members to attach the Final Project Budget hereto as Exhibit A.

“Fiscal Year” shall mean the Company’s fiscal year, which shall be the calendar year.

“General Contractor” means the construction company that enters into the Construction Contract with the Project Partnership.

“Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Managers;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Managers, as of the following times: (A) the acquisition of an additional interest in the Company following its initial capitalization by any new or existing Member in exchange for more than a de minimus Capital Contribution or in exchange for services; (B) the distribution by the Company to a Member of more than a de minimus amount of Company property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (A) and (B) above shall be made only if the Managers reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by such Member and the Manager; and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (iv) of the definition of Profits and Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent the Managers determine that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii), or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Initial Project Budget” means the budget for the Project set forth in Exhibit A attached hereto and incorporated herein.

“Insurance Program” shall mean a program of insurance coverage for the Company which shall be with insurance companies and coverages and amounts and otherwise in form and substance as are standard in the industry for the business and activities similar to those of the Company whether pursuant to this Agreement and/or as the general partner of the Project Partnership pursuant to the Project Partnership’s agreement of limited partnership, as the same may be amended from time to time.

“Major Decision” means any of the decisions listed on Exhibit B attached hereto and incorporated herein that require the affirmative vote of Members holding more than sixty (60%) the Voting Units.

“Manager” shall mean a manager as defined in the Act and as specified in Section 4.

“Member” shall mean each of the parties who executes a counterpart of this Agreement as a Member and each of the parties who may hereafter become an Additional Member or a Substitute Member pursuant to the terms hereof, so long as any such party continues to hold a Membership Interest.

“Membership Interest” shall mean the percentage interest in the Company of a Member (or a Successor in Interest thereof) set forth on Schedule 1 as amended from time to time, including all of the rights, privileges and obligations of the Member relating to his status as a Member (or Successor in Interest in the Company) except rights to distributions and allocation of Profits and Losses.

“Member Nonrecourse Debt” shall have the meaning set forth in Regulations Section 1.704-2(b)(4) with respect to partner nonrecourse debt.

“Member Nonrecourse Debt Minimum Gain” shall mean an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

“Member Nonrecourse Deductions” has the meaning set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2) with respect to partner nonrecourse deductions.

“Net Cash Flow” shall mean, with respect to any fiscal period, all cash receipts during such fiscal period not used for capital expenditures and not considered as Net Cash Flow in a prior fiscal period and any amount theretofore held in any reserve that was not considered as part of Net Cash Flow in a prior fiscal period which the Managers determine need not be held any longer in reserve, all determined in accordance with the Company’s method of accounting, less Operating Expenses.

“Nonrecourse Deductions” shall have the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Regulations.

“Nonrecourse Liability” shall have the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

“Operating Agreement” or “Agreement” shall mean this Operating Agreement as originally executed and as amended from time to time.

“Operating Expenses” shall mean, with respect to any fiscal period, (i) to the extent paid other than with cash withdrawn from reserves, the amount of cash disbursed in such period in order to operate the Company and to pay expenses (including, without limitation, wages, taxes, insurance, repairs, and/or other costs and expenses) incident to the ownership or operation of the property or the Company and (ii) amounts added to reserves as determined by the Managers.

“Partnership Audit Procedures” has the meaning given to that term in Section 9.09.

“Partnership Representative” has the meaning given to that term in Section 9.09.

“Permitted Transferee” shall mean (i) other Members; (ii) in the case of a Member that is a natural person and not an Entity, the spouse, the children or other descendants of any such Member (whether naturally born or legally adopted), or a trustee who holds such Membership Interest in trust for the exclusive benefit of the Member, such individual Member’s spouse, such individual Member’s children and descendants (whether naturally born or legally adopted) or any one or more of such persons; or (iii) in the case of a Member that is a trustee of a Trust, the beneficiaries of such trust.

“Person” shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so permits.

“Plans” means the plans and specifications approved by the Members in accordance with Section 4 hereof.

“Profits” and “Losses” means, for each fiscal year, an amount equal to the Company’s taxable income or loss for such fiscal year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to this definition of “Profits” and “Losses” shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of “Gross Asset Value,” the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with the definition of “Depreciation”;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member’s Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this definition of “Profits” and “Losses,” any items that are specially allocated pursuant to Section 9.03 or Section 9.04 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 9.03 and 9.04 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

“Project” the multifamily affordable housing development to be constructed on the Property and to be known as “Cecelia House Apartments.”

“Project Lender” means, individually or collectively as the context may require, the governmental authority, governmental authorities, lender and/or lenders providing the Project Loan.

“Project Loan” shall mean any loan made to Project Partnership by a Project Lender in connection with any acquisition, predevelopment, construction, bridge and/or permanent financing of the Project.

“Project Partnership” means Cecelia House I Limited Partnership, a Virginia limited partnership.

“Property” means that certain real property and improvements thereon, if any, containing appropriately __ acres and located in Fauquier County, Virginia, and described more particularly in the Purchase Agreement.

“Property Management Agreement” means the property management agreement for the Project to be entered into between the Project Partnership and Quantum Real Estate Management, LLC.

“Purchase Agreement” means that certain Sale Agreement by and between MARG, as original purchaser, and Vint Hill Village, LLC, as seller, dated as of February 11, 2019, as amended and assigned to Project Partnership pursuant to a First Amendment to Sale Agreement and Assignment Agreement dated March 11, 2019.

“Regulations” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Related Party” means with respect to any Person, (i) any Person who directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person, or (ii) any Person in which such Person has a twenty-five percent (25%) or more beneficial interest or as to which such Person serves as a trustee or general partner or in a similar fiduciary capacity. A Person shall be deemed to control a Person if it owns, directly or indirectly, at least twenty-five percent (25%) of the ownership interest in such Person or otherwise has the power to direct the management, operations or business of such Person. The

term “beneficial owner” is to be determined in accordance with Rule 13d-3 promulgated by the SEC under the Securities Exchange Act of 1934.

“Substitute Member” shall mean a Successor in Interest who is admitted to the Company as a Member pursuant to Sections 10.03 and 10.04.

“Successor in Interest” means a Person other than a Member who is an assignee, transferee, successor or legatee of, or who otherwise succeeds to an ownership interest in, all or any portion of a Member’s Membership Interest and who has not been admitted as a Substitute Member.

“Unanimous Decision” means any of the decisions listed on Exhibit C attached hereto and incorporated herein that require the affirmative vote of all Members.

“Voting Unit” means the measure of the rights of a Member of the Company, pursuant to the provisions of this Agreement, to participate in the management and affairs of the Company and to vote on Company matters. The number of Voting Units possessed by a Member is determined in accordance with Section 7 hereof. Each Member’s Voting Units are set forth on Schedule 1 hereto, as it may be amended from time to time.

SECTION 3 **MEMBERS**

3.01 Names and Addresses. The names and mailing addresses of all Members are set forth on Schedule 1 attached hereto, which shall be amended from time to time to reflect changes in the identity and/or addresses of the Members.

SECTION 4 **MANAGEMENT**

4.01 Managers. The Company shall be managed under the direction of at least one (1) and not more than two (2) Managers, who shall be called individually a “Manager,” and collectively, the “Managers.” The initial Manager of the Company shall be MARG.

4.02 General Powers of the Managers.

(a) Except as otherwise limited in this Operating Agreement, the Managers shall have exclusive right to manage the Company and to make all decisions regarding the business of the Company. The Managers shall carry out the policies, directions, orders and resolutions of the Members in the manner described in this Operating Agreement and as authorized and directed by the Members from time to time. To the extent not inconsistent with the Act, the Articles or the express provisions of this Operating Agreement, all of the Managers shall have the same rights, powers and authority with respect to the Company. The Managers may delegate prescribed functions to any employee, agent or consultant.

(b) Except for Major Decisions and Unanimous Decisions, the Managers are granted the right, power and authority to do in the name of, and on behalf of, the Company all things that, in his sole judgment, are necessary, proper or desirable to carry out the purposes of the Company, including, but not limited to, the right, power and authority to:

(i) Enter into, make and perform contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company.

(ii) Open and maintain bank accounts, investment accounts and other arrangements, draw checks and other orders for the payment of money, and designate individuals with authority to sign or give instructions with respect to those accounts and arrangements; provided, that Company funds shall not be commingled with funds from other sources and shall be used solely for the benefit of the Company.

(iii) Collect funds due to the Company.

(iv) Acquire, utilize for the Company's purposes, maintain and dispose of any assets of the Company.

(v) Pay debts and obligations of the Company, to the extent that funds of the Company are available therefor.

(vi) Borrow money or otherwise commit the credit of the Company for Company activities, and voluntarily prepay or extend any such borrowings.

(vii) Employ from time to time persons, firms or corporations for the operation and management of the Company, including, without limitation, managing agents, contractors, subcontractors, architects, engineers, laborers, supplies, accountants and attorneys, on such terms and for such compensation as the Managers shall determine, notwithstanding the fact that the Managers or any Member may have a financial interest in such firms or corporations.

(viii) Make elections available to the Company under the Code.

(ix) Register the Company as a tax shelter with the Internal Revenue Service and furnish to the Internal Revenue Service lists of investors in the Company, if required, pursuant to applicable provisions of the Code.

(x) Obtain general liability, property and other insurance for the Company, as the Managers deems proper.

(xi) Take such actions as may be directed by the Members in furtherance of their approval of any matter set forth in Section 4 hereof.

(xii) Do and perform all such things and execute, acknowledge and deliver any and all such instruments as may be in furtherance of the Company's purposes and necessary and appropriate to the conduct of its business.

(c) The Managers may delegate to one (1) or more of their number the authority to execute any documents or take any other actions deemed necessary or desirable in furtherance of any action that they have authorized on behalf of the Company as provided in Section 4 hereof. Unless otherwise expressly provided by the Act, the Articles, or the terms of this Operating Agreement, the vote, approval or consent of a majority of the Managers, determined on a per capita basis, shall be necessary and sufficient for the Managers to take any action on behalf of the Company that the Managers are authorized to take pursuant to the Act, the Articles or this Operating Agreement.

(d) All actions taken by the Managers on behalf of the Company from the date of its organization to the execution of this Agreement are ratified and confirmed.

(f) The Managers shall provide advance written notice to the Members requesting approval of any Major Decision or Unanimous Decision, accompanied by a description in reasonable detail of the matters as to which such approval is requested. The Members will communicate in writing to the Managers their approval or non-approval of any matters described in the notice requesting such approval within ten (10) Business Days after receipt of such notice. If a Member does not so respond, it will be deemed not to have approved the matters set forth in the notice requesting approval. If any matter is disapproved, the Members will attempt to resolve the same through good faith negotiation.

4.03 Tenure. A Manager shall hold office until his death, resignation, disqualification or removal.

4.04 Removal; Vacancy. A Manager may be removed at any time by the affirmative vote of Members holding more than two-thirds of the Voting Units when, in their judgment, the best interests of the company will be served thereby. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any vacancy created or caused by removal, death, resignation or disqualification shall be filled by the affirmative vote of Members holding more than two-thirds of the Voting Units.

4.05 Compensation. The compensation, if any, of the Managers shall be fixed from time to time by the Members. The Managers shall be entitled to reimbursement for expenses incurred by them in performing their duties, according to the policies set by the Members from time to time. Any amount paid as compensation to a Manager who is also a Member shall be treated as a guaranteed payment in accordance with Code Section 707(c).

4.06 Power of Attorney.

(a) Each Member does hereby irrevocably constitute and appoint the Managers serving in office from time to time, and each of them, as the Company's true and lawful attorney-in-fact, with full power and authority in their or its name, place and stead, to

make, execute, consent to, swear to, acknowledge, record and file from time to time any and all of the following:

(i) Any certificate or other instrument that may be required to be filed by the Company or the Members under the laws of the Commonwealth of Virginia or under the applicable laws of any other jurisdiction to the extent the Managers deem any such filing to be necessary or desirable;

(ii) Any instrument or document which may be required to effect the continuation of the Company, the admission of an Additional or Substitute Member, or the dissolution and termination of the Company pursuant to the provisions of this Operating Agreement; and

(iii) Any agreement, instrument, lease, deed, deed of trust, promissory note, certificate or other document in the name or on behalf of the Company which is necessary or appropriate to implement, effectuate or otherwise carry out any transaction to which the Company is a party or to which the Company or any of its assets is or may be subject, provided such transaction has been approved by the Managers or the Members, as the case may be, in accordance with the provisions of this Operating Agreement.

(b) The appointment by each Member of the Managers of the Company as his attorneys-in-fact is irrevocable and shall be deemed to be a power coupled with an interest and shall survive the disability, incompetence, bankruptcy, death or dissolution of any Person given such power, except, that in the event of an assignment by a Member of all or any part of his Membership Interest, this power of attorney shall survive such assignment only until such time, if any, as the successor in interest shall have been admitted to the Company as a Substitute Member and all required documents and instruments shall have been duly executed, filed and recorded to effect such substitution.

4.07 Managers Have No Exclusive Duty to Company. Unless otherwise expressly provided hereunder or under any other agreement entered into between the Company and such person, no Manager shall be required to manage the Company as his sole and exclusive function, and he may have other interests and activities in addition to those relating to the Company, and neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of such Manager or to the income or proceeds derived therefrom.

4.08 Single Manager. If at any time there is only one person serving as a Manager, such Manager shall be entitled to exercise all powers of the Managers set forth in this Section, and all references in this Section and otherwise in this Agreement to "Managers" shall be deemed to refer to such single Manager.

4.09 Transactions with Managers. The Managers (a) may appoint, employ, contract or otherwise deal with any Person, including a Manager or an Affiliate thereof, and with Persons that have a financial interest in a Manager or in which a Manager has a financial interest, for transacting the Company's business, including the performance of any and all services or purchases of goods or

other property which may at any time be necessary, proper, convenient or advisable in carrying on the business and affairs of the Company or in disposing of some or all of its assets; and (b) may otherwise enter into business transactions (including but not limited to the sale, merger, or other disposition of the Company or all or substantially all of its assets) with any such Persons.

SECTION 5

LIMITATION OF LIABILITY; INDEMNIFICATION

5.01 Limitation of Liability of Managers. In any proceeding brought by or in the right of the Company or brought by or on behalf of Members of the Company, a Manager (in his capacity as a Manager) or any of its Affiliates shall not be liable to the Company or its Members for any monetary damages arising out of any transaction, occurrence or course of conduct, unless in such proceeding the Manager or any of its Affiliates was adjudged to have engaged in willful misconduct or a knowing violation of the criminal law.

5.02 Indemnity of Managers. The Managers shall be indemnified by the Company under the following circumstances and in the manner and to the extent indicated:

(a) Every Person, and his heirs, executors and administrators, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding of any kind, whether civil, criminal, administrative, arbitrative or investigative, or was or is the subject of any claim, and whether or not by or in the right of the Company, by reason of his being or having been a Manager, or by reason of his serving or having served at the request of the Company as a director, officer, manager, employee or agent of another Entity, or at the request of the Company in any capacity that under Federal law regulating employee benefit plans would or might constitute him a fiduciary with respect to any such plan, whether or not such plan is or was for employees of the Company, shall be indemnified by the Company against expenses (including attorneys' fees), judgments, fines, penalties, awards, costs, amounts paid in settlement and liabilities of all kinds, actually and reasonably incurred by him in connection with, or resulting from, such action, suit, proceeding or claim, if he acted in good faith and in the manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, provided that no indemnification shall be made in respect of any claim, issue or matter as to which he shall have been adjudicated to be liable to the Company for willful misconduct or a knowing violation of the criminal law in the performance of his duty to the Company unless, and only to the extent, that the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, he is fairly and reasonably entitled to indemnity. The termination of any such action, suit or proceeding by judgment, order or conviction, or upon a plea of nolo contendere or its equivalent, or by settlement, shall not of itself create a presumption that any such Person did not act in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Company.

(b) Any indemnification under Section 5.02(a) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that

indemnification of such Person is proper in the circumstances because the Manager had met the applicable standard of conduct set forth in such paragraph. Such determination may be made either (i) by the Managers by a majority vote of a quorum consisting of Managers who were not a party to such action, suit or proceeding, or (ii) if such a quorum is not obtainable or, even if obtainable, if a quorum of disinterested Managers so directs, by independent legal counsel in a written opinion, or (iii) by a majority of the Voting Units held by those Members who were not a party to such action, suit or proceeding.

(c) Reasonable expenses (including attorneys' fees) incurred by or in respect of any such Person in connection with any such action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, shall be paid by the Company in advance of the final disposition thereof upon receipt of an undertaking by, or on behalf of, such Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company.

(d) The Managers of the Company shall have the power, generally and in specific cases, to indemnify their employees and agents to the same extent as provided in this Section with respect to its Managers.

(e) The provisions of this Section 5 are in addition to, and not in substitution for, any other right to indemnity to which any Person who is or may be indemnified by or pursuant to this Section may otherwise be entitled, and to the powers otherwise accorded by law to the Company to indemnify any such Person and to purchase and maintain insurance on behalf of any such Person against any liability asserted against or incurred by him in any capacity referred to in this Section or arising from his status as serving or having served in any such capacity (whether or not the Company would have the power to indemnify against such liability).

(f) If any provision of this Section 5 shall be adjudicated invalid or unenforceable, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Company may have under the laws of the Commonwealth of Virginia.

(g) No amendment or repeal of this Section 5 shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal. For purposes of Sections 5.01 and 5.02, the Partnership Representative shall be considered a Manager.

5.03 No Personal Liability to Members. Notwithstanding any provision of Section 5.02 above, the indemnification provided in Section 5.02 shall in no event cause the Members to incur any liability to the Company beyond their total Capital Contributions plus their share of any undistributed profits of the Company, nor shall it result in any liability of the Members to any third party.

SECTION 6
MEETINGS OF MEMBERS

6.01 Meetings. Meetings of the Members shall not be required, but meetings of the Members may be called upon terms and notices as reasonably determined by the Managers.

6.02 Action by Consent. All Member votes and consents shall be taken by written consent signed by Members holding such number of Voting Units as are required to approve the action or matter described in the consent. Such consent or consents shall be filed with the Company's books and records. Action taken under this Section 6.02 is effective when the requisite number of Members entitled to vote have signed the consent or consents, unless the consent or consents specify a different effective date. The record date for determining Members entitled to take action shall be the date the first Member signs a written consent. A copy of any such action taken pursuant to this Section 6.02 shall be delivered to each Member pursuant to the provisions of Section 12.01.

SECTION 7
VOTING UNITS; MEMBER VOTING

7.01 Voting Units. Except as otherwise expressly provided hereunder, all matters on which votes are required hereunder shall be cast by Voting Units held by the Members. Each Voting Unit shall be entitled to one vote on all matters coming before any meeting of Members. The number of Voting Units held by each Member is set forth on Schedule 1 hereto. No new Voting Unit shall be awarded to any Person without the Unanimous Decision of the Members. Any transfer by a Member of some or all its Membership Interest as permitted hereunder shall result in a proportionate reduction in the Voting Units held by the transferor and the transferee shall not be entitled to receive or hold any such Voting Units unless such Person is admitted as a Substitute Member with corresponding Voting Units pursuant to the provisions of Sections 10.03 and 10.04 hereof. Changes in the number of outstanding Voting Units shall be reflected on the books of the Company and may from time to time be reflected on revisions to Schedule 1. Each Member agrees and acknowledges that no Member shall be entitled to Voting Units unless such Member receives Voting Units in accordance with the terms and provisions of this Operating Agreement.

7.02 Voting Generally. The affirmative vote of Members holding (i) at least sixty percent (60%) of the Voting Units represented in person or by proxy and entitled to be voted at a meeting shall be the act of the Members for all Major Decisions, and (ii) one hundred percent (100%) of the Voting Units represented in person or by proxy and entitled to be voted at a meeting shall be the act of the Members for Unanimous Decisions, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, the Articles, or by the express provisions of this Agreement.

SECTION 8
CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.01 Members' Capital Contributions.

(a) Initial Capital Contribution. Each initial Member shall make such Capital Contributions set forth on Schedule 1 attached hereto as his Initial Capital Contribution.

(b) Additional Capital Contributions. The Members shall not be required to make any further Capital Contributions beyond those set forth in Section 8.01(a) above without their prior consent.

(c) Loans. The Managers may endeavor to obtain a loan or loans to the Company, from time to time, for necessary capital on reasonable terms, in order to finance the ownership and operation of the business of the Company.

(d) Loans to Company by Members. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company in accordance with the terms of this Agreement.

8.02 Capital Accounts. A separate Capital Account will be maintained for each Member in accordance with Code Section 704(b) and the Regulations thereunder. Without limiting the foregoing, the Capital Account of a Member shall be credited with the amount of all Capital Contributions by such Member to the Company. The Capital Account of a Member shall be increased by the amount of any Profits (or items of gross income) allocated to such Member pursuant to Section 9, and decreased by (i) the amount of any Losses (or items of loss or deduction) allocated to such Member pursuant to Section 9 and (ii) the amount of any cash or property (valued at its Gross Asset Value) distributed to such Member pursuant to Section 9.01 of this Agreement.

8.03 Interest and Return of Capital Contribution. No Member shall receive any interest on his Capital Contribution. Except as otherwise specifically provided for herein, the Members shall not be allowed to withdraw or have refunded any Capital Contribution.

8.04 Effect of Sale or Exchange. In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest.

SECTION 9
DISTRIBUTIONS, ALLOCATIONS, ELECTIONS AND REPORTS

9.01 Distributions.

(a) All distributions of cash or other property, except distributions upon the Company's dissolution (which shall be governed by Section 11.04), shall be made to the Members

on a pro rata basis in accordance with their respective Distribution Percentages on the record date of such distribution.

(b) The Company shall distribute to the Members the amount necessary (as reasonably determined by the Managers) to cover the income taxes payable by the Members on income earned by the Company that is taxable to the Members, including allocations of income under Code Section 704(c), assuming each Member is in the highest combined individual federal, state and local tax bracket applicable to any Member (taking into consideration the character of the income with a proper adjustment for (i) the deductibility of state income taxes on federal income tax returns, and (ii) tax credits, capital gains and losses, and other specially allocated items which pass through to the Member). Distributions under this Section 9.01(b) shall be made when such taxes are due, including the payment of estimated taxes, and be netted against distributions made under Section 9.01(a).

(c) The Managers shall have the right to determine how much Net Cash Flow, if any, of the Company shall be distributed among the Members each year. Such distributions of Net Cash Flow of the Company shall be distributed among the Members, pro rata in proportion to their respective Distribution Percentages. The Managers shall have the right to establish, maintain and expend reserves to provide for working capital, future investments, debt service and such other purposes as the Managers deem necessary or advisable.

(d) Except as provided in Sections 9.01(b) and 11.04 hereof, all distributions of cash and property shall be made at such times and in such amounts as determined by the Managers.

(e) All other provisions hereof notwithstanding, the Company's obligation, and Managers' authority, to make any distribution is subject to the restrictions governing distributions under the Act and such other pertinent governmental restrictions as are now and may hereafter become effective. Currently, among other prohibitions, the Act prohibits the Company from making a distribution to the extent that, after giving effect to the distribution, liabilities of the Company exceed the fair value of the assets of the Company. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 9.

9.02 Allocations Generally. After giving effect to the special allocations set forth in Sections 9.03 and 9.04 hereof, Profits or Losses for any fiscal year shall be allocated in the following order and priority:

(a) Except as provided in Section 9.02(b) below, Profits and Losses shall be allocated to and among the Members in proportion to the Distribution Percentage held by each Member.

(b) Losses allocated pursuant to Section 9.02(a) hereof shall not exceed the maximum amount of Losses that can be allocated without causing a Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of

Losses pursuant to Section 9.02(a) hereof, the limitation set forth in this Section 9.02(b) shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

9.03 Special Allocations. For the purposes of this Agreement and the allocations of Profits and Losses and items of income, gain, loss, deduction and expense, this Agreement shall be deemed to include a "minimum gain chargeback" as provided for in Regulations Section 1.704-2(f), a "partner nonrecourse debt minimum gain chargeback" as provided for in Regulations Section 1.704-2(i), and a "qualified income offset" as provided for in Regulation Sections 1.704-2(b)(ii)(d). "Nonrecourse deductions," as defined in Regulations Section 1.704-2(b), shall be allocated to and among the Members in proportion to the Distribution Percentage held by each Member. "Partner nonrecourse deductions," as defined in Regulations Section 1.704-2(i), shall be allocated as required pursuant to such Section. In the event of any election to adjust the tax basis of any property of the Company pursuant to Code Section 732, 734 or 743, allocations shall be made as required to make the Capital Account adjustments provided for in Regulations Section 1.704-1(b)(2)(iv)(m).

9.04 Curative Allocations. The allocations set forth in Sections 9.02(b) and 9.03 hereof (together the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 9.04. Therefore, notwithstanding any other provision of this Section 9 (other than the Regulatory Allocations), the Company shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner determined by the Managers to be appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to the Sections of this Agreement other than the Regulatory Allocations and this Section. In exercising its discretion under this Section, the Managers shall take into account future Regulatory Allocations that, although not yet made are likely to offset other Regulatory Allocations previously made.

9.05 Other Allocation Rules.

(a) The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 9.03 and 9.04 hereof shall be determined by applying rules analogous to those set forth in calculating Profits and Losses.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managers using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members, in the same proportions as they share Profits or Losses, as the case may be, for the year.

(d) The Members are aware of the income tax consequences of the allocations made by this Section 9 and hereby agree to be bound by the provisions of this Section 9 in reporting their shares of Company income and loss for income tax purposes.

(e) Solely for the purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Members' interests in Company Profits are equal to the Members' Distribution Percentages.

9.06 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with subparagraph (i) of the definition of Gross Asset Value).

In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Managers in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 9.06 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provisions of this Agreement.

9.07 Allocation of Recapture. For purposes of determining the character (as ordinary income or capital gain) of any taxable income or gain of the Company allocated to the Members pursuant to this Section 9, such portion of the taxable income or gain of the Company allocated pursuant to this Section 9 which is treated as ordinary income attributable to the recapture of depreciation shall, to the extent possible, be allocated among the Members in the proportion which (a) the amount of depreciation previously allocated to each Member bears to (b) the total of such depreciation allocated to all Members. This Section shall not alter the amount of allocations among the Members pursuant to Section 9 but merely the character of the income so allocated.

9.08 Returns and Other Elections. The Managers shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does

business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.

All elections permitted to be made by the Company under federal or state laws, including but not limited to any election under Section 754 of the Code, shall be made by a majority of the number of Managers.

9.09 Partnership Representative.

(a) **Designation and Authority of the Partnership Representative.** The Company will designate pursuant to Proposed Regulations Section 301.6223-1 (and any successor Regulations and other applicable guidance) on its United States federal income tax return for each such taxable year of the Company, Manager as the "Partnership Representative" and any Person selected by the Partnership Representative may serve as the "designated individual" for the Partnership Representative and the Company for purposes of the laws and procedures set forth in Subchapter C of Chapter 63 of Subtitle F of the Code, as modified by Section 1101 of the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, and including any successor statutes thereto or Regulations promulgated or official guidance issued thereunder (the "Partnership Audit Procedures") and shall make such corresponding designations under any corresponding provisions of applicable foreign, state, or local tax law. The Partnership Representative shall (i) determine all matters with respect to any examination of the Company by any taxing authority (including, without limitation, the allocation of any resulting taxes, penalties and interest among the Members and whether to make an election under Section 6226 of the Code (and any similar provision under applicable foreign, state, or local tax law) with respect to any audit or other examination of the Company) and, (ii) notwithstanding anything herein to the contrary, make such elections as it deems appropriate pursuant to the provisions of the Partnership Audit Procedures.

(b) Obligations of Members.

(i) **Generally.** Each Member and former Member agrees to cooperate, and to cause its direct and indirect owners to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of any tax proceedings, in each case regardless whether then a Member or after ceasing to be a Member. Any deficiency for taxes imposed on any Member or former Member or its direct or indirect owners (including penalties, additions to tax or interest imposed with respect to such taxes) will be paid by such Member or former Member or its direct or indirect owners as applicable, and if required to be paid (and actually paid) by the Company, such Member or former Member shall indemnify the Company for such amounts within thirty (30) days of such payment by the Company, in each case regardless of whether then a Member or after ceasing to be a Member.

(ii) **Partnership Audit Procedures.** At the request of the Partnership Representative, in connection with an adjustment of any item of income, gain, loss, deduction, or credit of the Company or any subsidiary entity in which the Company has an interest, directly or indirectly, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, promptly file one or more amended tax returns in the manner contemplated by

Section 6225(c) of the Code (and any Regulations or official guidance relating thereto, and, if applicable, any corresponding or similar provisions under state or local law) and pay any tax due with respect to such returns. If the Partnership Representative makes an election for the Company pursuant to Section 6226 of the Code with respect to an imputed underpayment, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, comply with the requirements under such section (and any Regulations or official guidance relating thereto). At the request of the Partnership Representative, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, provide the Partnership Representative and the Company with any information available to such Member or former Member (or its direct or indirect owners or representatives) and with such representations, certificates, or forms relating to such Member or former Member (or its direct or indirect owners or representatives) and any other documentation, in each case, that the Partnership Representative determines, in its reasonable discretion, are necessary to modify an imputed underpayment under Section 6225(c) of the Code or the Regulations or other official guidance thereunder. In the event that any imputed underpayment is paid or payable by the Company under Section 6225(a)(1) of the Code, each Member and former Member shall indemnify the Company in an amount equal to such Member's or former Member's share (as determined by the Partnership Representative with the advice of the Company's tax counsel) of the imputed underpayment and any associated interest and penalties) paid or payable by the Company; provided, however, that the Partnership Representative may determine, in its discretion, to allocate the burden of such amount to such Member without requiring payment by such Member to the Company.

(iii) **Survival of Obligations.** Each Member's obligations to comply with the requirements of this Section 9.09 shall survive the Member's transfer of all or any portion of its interest in the Company, otherwise ceasing to be a Member of the Company and/or the termination, dissolution, liquidation and winding up of the Company, to the extent applicable.

(iv) **Exculpation and Indemnification of Partnership Representatives and Designated Individuals.** Any Person acting as a "Partnership Representative" or "designated individual" pursuant to this Section 9.09 shall, when acting in such capacity, be deemed to be Manager for purposes of the Act, and as such his, her or its liability shall be eliminated to the same extent as Manager's liability is eliminated under Section 5.01 of this Agreement and he, she or it shall be entitled to indemnification to the same extent as a Manager is entitled to indemnification under Section 5.02 of this Agreement.

(c) **State Law.** If any state or local tax law provides for a Partnership Representative or person having similar rights, powers, authorities or obligations, the Partnership Representative shall also serve in such capacity.

SECTION 10

TRANSFER OF MEMBERSHIP INTEREST

10.01 Transfer Generally. No Member shall, directly or indirectly, transfer, sell, give, encumber, assign, pledge, or otherwise deal with or dispose of all or any part of his Membership Interest now owned or subsequently acquired by him, other than as provided for in this Agreement. Any transfer in violation of and without full compliance with this Agreement shall

be void ab initio and without legal effect. A Member's Voting Units may not be transferred, in whole or in part, to a Successor in Interest, another Member or any other Person except as specifically provided herein. Notwithstanding the foregoing, any Member may transfer all or any portion of such Member's Membership Interest at any time to any Permitted Transferee and such Permitted Transferee shall be a Successor in Interest without giving effect to the options described in Section 10.02 hereof. No Permitted Transferee shall hold any Voting Units unless such Person executes an instrument agreeing to be bound by the terms of this agreement as provided in Section 10.04.

10.02 Right of First Opportunity.

(a) If a Member wishes to transfer all or any portion of his Membership Interest, such Member shall, before making any such disposition, first give the other Members a selling notice, specifying in writing the price, conditions and terms upon which he is willing to sell such Membership Interest. The other Members shall have the option to purchase all of the offered Membership Interest at the price and upon the conditions and terms set forth in such notice in the manner described herein, provided, that, notwithstanding the preceding sentence, no assignee of a Membership Interest pursuant to this Section 10.02 shall be entitled to all or a portion of the transferring Member's Voting Units or become a Substitute Member of the Company except as provided in Sections 10.03 and 10.04.

(b) The other Members shall have thirty (30) days from the date of the selling notice within which to elect to purchase all of the offered Membership Interest; and if they do not elect to purchase all of such offered Membership Interest, then the Company shall have a similar option exercisable within the following thirty (30) day period.

(c) The option may be exercised by giving notice to the offering Member within the specified period. If more than one Member among those eligible to elect desires to purchase, they may purchase the offered Membership Interest in proportion to their respective Membership Interest, unless they otherwise agree. The closing of the purchase shall occur on a mutually agreed date not more than seventy-five (75) days from the date of the selling notice.

(d) If neither a Member nor the Company elects to purchase all of the offered Membership Interest, then the offering Member may sell such Membership Interest at a price not below nor upon terms more advantageous to the purchaser than those contained in the selling notice. If the sale is not made and consummated within ninety (90) days after the date of the selling notice, the offering Member may not thereafter sell or otherwise dispose of any of his Membership Interest without again complying with this Section 10.02.

10.03 Rights of Successor in Interest; Admittance as Substitute Member. No Successor in Interest (other than a Permitted Transferee) of the whole or any portion of any Membership Interest of a Member shall have the right to participate in the management of the business and affairs of the Company or to hold any Voting Units, or to become a Substitute Member in place of his predecessor in interest with respect to the whole or any portion of said Membership Interest without the prior written consent of the Members holding one hundred percent (100%) of the Voting Units entitled to be voted (not taking into account any Voting Units of the

transferring Member), which consent shall be in the Members' respective sole discretion and be binding and conclusive on all parties. A Permitted Transferee shall become a Substitute Member upon executing an instrument in which such Permitted Transferee agrees to be bound by the terms of this Agreement and no consent of any Members shall be required. A Successor in Interest shall be bound by, and shall take such Membership Interest subject to, the terms and conditions of this Agreement as same applies to Members and their Membership Interests, but a Successor in Interest shall not have any Voting Units or any other rights or privileges of a Member hereunder (including but not limited to the right to participate in the Members' right of first opportunity set forth in Section 10.02) other than to share in the allocations and distributions to which the transferor Member would be entitled in respect of the transferred Membership Interest unless and until such Successor in Interest is admitted as a Substitute Member in accordance with the provisions of this Section 10.03 and Section 10.04 hereof, which admittance may be with or without corresponding Voting Units.

10.04 Requirements for Substitute Members. As a condition to the admission as a Substitute Member with respect to the whole or any portion of a Membership Interest, a Successor in Interest shall execute and acknowledge such instruments in form and substance as the Managers may reasonably deem necessary or desirable to affect such admission and to confirm the agreement of such Person being admitted as a Substitute Member to be bound by all of the terms of this Operating Agreement, as the same may have been amended and then in force. Such Successor in Interest shall pay all reasonable expenses in connection with such admission as a Substitute Member.

10.05 Tax Reporting. Each Member agrees that if he transfers or assigns all or part of his Membership Interest herein, such Member shall keep a list containing the transferee's name, address, social security number or taxpayer identification number, as the case may be, the date on which such transfer occurred and the name, address and tax shelter registration number, if required to be obtained, of the Company.

10.06 Admission of New Member. With the consent of Members holding one hundred percent (100%) of the Voting Units, any Person may become an Additional Member in the Company by the issuance of a new Membership Interest, with or without corresponding Voting Units, in consideration for such Capital Contribution as the Managers shall determine appropriate; provided, that such Person executes such instruments as the Managers deem necessary or desirable to effect its admission as a Member and to confirm its agreement to be bound by all the terms and conditions of this Operating Agreement.

10.07 Allocations to New Members. No Additional Member or Substitute Member or Successor in Interest shall be entitled to any retroactive allocation of items of taxable income, gain, loss, deductions or credits of the Company. The Managers may, at its option, at the time an Additional Member or Substitute Member is admitted, or a Successor in Interest receives a Membership Interest, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of income, gain, loss, deductions or credits to an Additional Member or Substitute Member or Successor in Interest for that portion of the Company's tax year in which an Additional Member or Substitute Member was admitted or Successor in Interest received his

Membership Interest, in accordance with the provisions of Section 706(d) of the Code and the regulations promulgated thereunder.

SECTION 11

DISSOLUTION AND TERMINATION

11.01 Events of Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

(a) The determination in writing of Members holding one hundred percent (100%) of the Voting Units;

(b) The sale, transfer or assignment of substantially all of the assets of the Company;

(c) The adjudication of the Company as insolvent within the meaning of insolvency in either bankruptcy or equity proceedings, or the filing of an involuntary petition in bankruptcy against the Company (which is not dismissed within ninety (90) days), or the filing against the Company of a petition for reorganization under the federal bankruptcy code or any state statute (which is not dismissed within ninety (90) days), or a general assignment by the Company for the benefit of creditors, or the voluntary claim (by the Company) that it is insolvent under any provisions of the federal bankruptcy code (or any state insolvency statutes), or the appointment for the Company of a temporary or permanent receiver, trustee, custodian or sequestrator, and such receiver, trustee, custodian or sequestrator is not dismissed within ninety (90) days; or

(d) As otherwise required by Virginia law.

11.02 Liquidation. Upon the dissolution of the Company, it shall wind up its affairs by either or a combination of both of the following methods as the Managers (or if there are no Managers, such Person or Persons elected by Members holding one hundred percent (100%) of the Voting Units) shall in their sole discretion determine:

(a) Selling the Company's assets and, after paying the Company's liabilities or reserving sufficient funds for such liabilities, distributing the net proceeds to the Members in satisfaction of their interests in the Company; and/or,

(b) Distributing the Company's assets to the Members in kind with the Members accepting undivided interests in the Company's assets, subject to its liabilities, in satisfaction of their interests in the Company.

11.03 Orderly Liquidation. A reasonable time as determined by the Managers (or the Person or Persons carrying out the liquidation) not to exceed eighteen (18) months shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to the creditors so as to minimize any losses attendant upon dissolution.

11.04 Distributions. Upon dissolution, the Company's assets (including any cash on hand) shall be distributed in the following order and in accordance with the following priorities:

(a) First, to the payment of the debts and liabilities of the Company (including but not limited to loans made by the Members or Managers) and the expenses of liquidation, including a sales commission to the selling agent, if any; then

(b) Second, to the setting up of any reserves which the Managers (or the Person or Persons carrying out the liquidation) shall deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. Said reserves shall be paid over to a bank or an attorney at law as escrow agent to be held for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies. At the expiration of such period as the Managers (or the Person or Persons carrying out the liquidation) shall deem advisable, but in no event to exceed eighteen (18) months, the Managers shall distribute the balance thereof in the manner provided in the following subparagraph; then

(c) Third, to the Members on a pro rata basis in accordance with their respective Capital Accounts after giving effect to all contributions, allocations and distributions for all periods.

11.05 Taxable Gain or Loss. Taxable income, gain and loss from the sale of the Company's property incurred upon or during liquidation and termination of the Company shall be allocated to the Members as provided in Section 9.

11.06 Certificate of Cancellation.

(a) Within a reasonable time following the completion of the liquidation of the Company, there shall be supplied to each of the Members a statement which shall set forth the assets and the liabilities of the Company as of the date of complete liquidation and each Member's portion of the distributions pursuant to this Agreement. Upon completion of the liquidation of the Company and the distribution of all the Company's assets, the Company shall terminate, and the Members shall execute and record a Certificate of Cancellation of the Company as well as any and all other documents required to effectuate the dissolution and termination of the Company.

(b) Upon the issuance of the filing of the Certificate of Cancellation, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Managers shall thereafter be trustees for the Members and creditors of the Company and as such shall have authority to distribute any Company property discovered after dissolution, convey real estate, if any, and take such other action as may be necessary on behalf of and in the name of the Company.

SECTION 12
NOTICES

12.01 Form; Delivery. Whenever, under the provisions of law, the Articles or this Operating Agreement, notice is required hereunder to be given to any Person, it shall not be construed to mean exclusively personal notice unless otherwise specifically provided, but such notice may be given in writing, by mail or by a generally recognized overnight courier service, addressed to such Person, at his post office and street address as it appears on the records of the Company, with postage or applicable delivery fees thereon prepaid or billed to the sender. Any such notice shall be deemed to have been given at the time it is deposited, postage or applicable fees prepaid or billed to sender, in the United States mail or with such recognized courier service. Notice may also be given by a form of electronic transmission consented to by the Person to whom the notice is given. Notice given by a form of electronic transmission shall be deemed to have been delivered at the time it is transmitted. Any consent to notice by electronic transmission shall be revocable by written notice to the Company and shall be deemed revoked if (a) the Company is unable to deliver by electronic transmission two (2) consecutive notices given by the Company in accordance with such consent and (b) such inability becomes known to the Managers or other person responsible for giving the notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or action.

12.02 Waiver. Whenever any notice is required to be given under the provisions of law, the Articles or this Operating Agreement, a written waiver thereof, signed by the Person or Persons entitled to such notice and filed with the records of the meeting, whether before or after the time stated therein, shall be conclusively deemed to be equivalent to such notice. In addition, any Member who attends a meeting of Members in person, or is represented at such meeting of proxy, without protesting at the commencement of the meeting the lack of notice thereof to him, or any Manager who attends a meeting of the Managers without protesting at the commencement of the meeting such lack of notice, shall be conclusively deemed to have waived notice of such meeting.

SECTION 13 **MISCELLANEOUS PROVISIONS**

13.01 Bank Accounts. The Company shall maintain such bank accounts as the Managers may determine to be appropriate from time to time.

13.02 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the Managers in which shall be entered fully and accurately all transactions and other matters relating to the Company in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. The books and records shall at all times be maintained at the principal office of the Company, which initially shall be located at 1375 Piccard Drive, Suite 150, Rockville, MD 20850, and shall be open to inspection and examination of the Members or their duly authorized representatives during reasonable business hours.

13.03 Application of Virginia Law. This Operating Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Virginia, without reference to its choice of law provisions, and specifically the Act.

13.04 Amendments. Any amendment to this Operating Agreement may be proposed to the Members by the Managers or by Members holding at least two-thirds of all Voting Units in the Company. A vote on any amendment to this Operating Agreement shall be taken within thirty (30) days after notice thereof has been given to the Members unless such period is otherwise extended by applicable laws, regulations, or agreement of the Members. A proposed amendment shall become effective at such time as it has been approved by Members holding one hundred percent (100%) of the Voting Units. The execution of an amended Operating Agreement by all Members shall be conclusive evidence of approval of such amended Operating Agreement.

13.05 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments as necessary to comply with any laws, rules or regulations.

13.06 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

13.07 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

13.08 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

13.09 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.10 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

13.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

13.12 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditor of the Company. The specific intent of the undersigned is that there shall be no third-party beneficiaries of this Agreement.

13.13 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. A signature communicated electronically (e.g., by facsimile or as a JPEG, PDF or similar file attached to an e-mail message) shall have the same force and effect as if an original signature.

13.14 Entire Agreement. This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

13.15 Waiver of Jury Trial. TO THE FULLEST EXTENT POSSIBLE, THE COMPANY, THE MANAGERS AND EACH MEMBER WAIVES IN FULL THE RIGHT TO A TRIAL BY JURY IN REGARD TO ANY DISPUTES, CLAIMS, CAUSES OF ACTION, OBLIGATIONS, DAMAGES, COMPLAINTS, LITIGATION OR ANY MATTER WHATSOEVER AND OF ANY TYPE OR NATURE, WHETHER IN CONTRACT, TORT OR OTHERWISE, THAT THEY MAY HAVE NOW OR IN THE FUTURE MAY HAVE RELATING TO THIS AGREEMENT OR ANY MATTER RELATING TO THIS AGREEMENT. THE MEMBERS, THE MANAGERS AND THE COMPANY EACH REPRESENT AND WARRANT THAT (i) HE, SHE OR IT IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED HIM, HER OR IT OF THE MEANING AND RAMIFICATIONS OF THE RIGHT TO A TRIAL BY JURY, OR (ii) HE, SHE OR IT HAD THE FULL AND COMPLETE OPPORTUNITY TO CONSULT WITH COUNSEL AND CHOSE NOT TO DO SO, AND, THEREFORE, IN EITHER CASE, FREELY AND VOLUNTARILY WAIVE SUCH RIGHT TO TRIAL BY JURY.

[Signatures on following page]

The undersigned, being all of the initial Members of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement, including the schedules and exhibits hereto, constitutes the sole and entire Operating Agreement of Cecelia House GP LLC, adopted as of the date first written above.

MEMBERS:

MARG Rural LLC,
a West Virginia limited liability company

By: 

Robert B. Margolis, Manager

Good Works LP,
a Virginia limited partnership

By: Hart, McMurphy & Parks, Inc.,
Its General Partner

By: 

G. Kimball Hart,
President

Saint Mary's Housing Corporation,
a Virginia non-profit, non-stock corporation

By: 

David Lennon, Vice President

LIST OF SCHEDULES AND EXHIBITS:

Schedule 1 - Members' Names, Addresses, Membership Interests, Voting Units
and Initial Capital Contributions

SCHEDULE 1

**Members' Names, Addresses, Membership Interests, Voting Units
and Initial Capital Contributions**

Name and Address	Membership Interest	Voting Units	Distribution Percentage	Initial Capital Contributions
MARG Rural LLC 1375 Piccard Drive, Suite 150 Rockville, MD 20850	50%	50%	30%	\$30
Good Works LP 102 W. Washington St. Middleburg, VA 20117	10%	10%	30%	\$30
Saint Mary's Housing Corporation 6420 Linway Terrace McLean, VA 22101	40%	40%	40%	\$40
TOTAL	100%	100%	100%	\$100

EXHIBIT A

Initial Project Budget

(Private/Confidential)

EXHIBIT B

Major Decisions

1. Take any action in contravention of an Approved Budget that increases a line item by more than 10% or the total Approved Budget by more than 5%.
2. Cause the Company and/or the Project Partnership to borrow money, refinance, recast, extend, compromise or otherwise deal with any loans (including securing such loans), including, without limitation, the form and substance of any guaranties, indemnities, cash escrows, letters of credit or bonds required to be provided as credit enhancement for any loans, or otherwise, and the Person or Persons who will provide such credit enhancement; provided, however, that no Member shall be required to provide any indemnification or any guaranty of the obligations of the Company and/or the Project Partnership with respect to any loan except as expressly provided in the Agreement, and no Member shall have the unilateral right to pledge, encumber, assign or otherwise transfer any property of the Company or the Project Partnership to secure a loan or other indebtedness of a party which is not the Company or the Project Partnership, respectively.
3. Approve any material modifications to any loans, including, without limitation, any material modifications to any guaranties, indemnities, cash escrows, letters of credit or bonds provided as credit enhancement for any loans.
4. Approve the Property Management Agreement, the Development Agreement, the Construction Contract, and the terms of any amendment to the Purchase Agreement, or any termination of any of the foregoing.
5. Take or permit any action under the operating agreement for the Project Partnership that would materially and adversely affect the Project being completed in accordance with the Final Project Budget and the Project Loan Documents, or the rights or interests of the Company as general partner of the Project Partnership (including, but not limited to, resigning or withdrawing as the general partner thereof).
6. Change the zoning classification of the Property or the applicable or permitted use of the Property for the Project.
7. Institute any legal action involving a claim in excess of One Hundred Thousand Dollars (\$100,000); settle any legal action that involves an uninsured expense in excess of Fifty Thousand Dollars (\$50,000) or confirm a judgment against the Project Partnership and/or the Company in excess of Fifty Thousand Dollars (\$50,000).
8. Except as otherwise provided in this Agreement, the entry into by the Company and/or the Project Partnership of any contract with, or the making of any payment to, any Member, or any Related Party of a Member, or with respect to any such contract, making any amendment, modification or rescission thereof; or consenting to the assignment of any rights or delegation of any duties by any party thereto.

9. Approve changes to the Insurance Program.
10. Approve any agreement with a term of greater than one year or with an aggregate value of greater than Fifty Thousand Dollars (\$50,000) to the extent such agreement is not expressly provided for in an Approved Budget.
11. Approve any material design, service or construction plans, contracts, or budget with an aggregate value of greater than Fifty Thousand Dollars (\$50,000), to the extent not expressly provided for in an Approved Budget.
12. Approve any professional contract or amendment thereto (including but not limited to any other property management agreement, any asset management agreement, servicing agreement, or construction management agreement) with an aggregate value of greater than Fifty Thousand Dollars (\$50,000) or a term greater than one year, to the extent not expressly provided for in an Approved Budget.
13. Select accountants for the Company; provided, however, Tidwell Group, shall be an approved accountant.
14. Select legal counsel for the Company and/or the Project Partnership; provided, however, Williams Mullen PC shall be an approved legal counsel.
15. Change the date on which the fiscal year and fiscal quarters of the Company and/or the Project Partnership will end.
16. Take any other action requiring the approval of the Members under this Agreement or the Act (except for any action requiring unanimous approval as provided in this Agreement).

EXHIBIT C

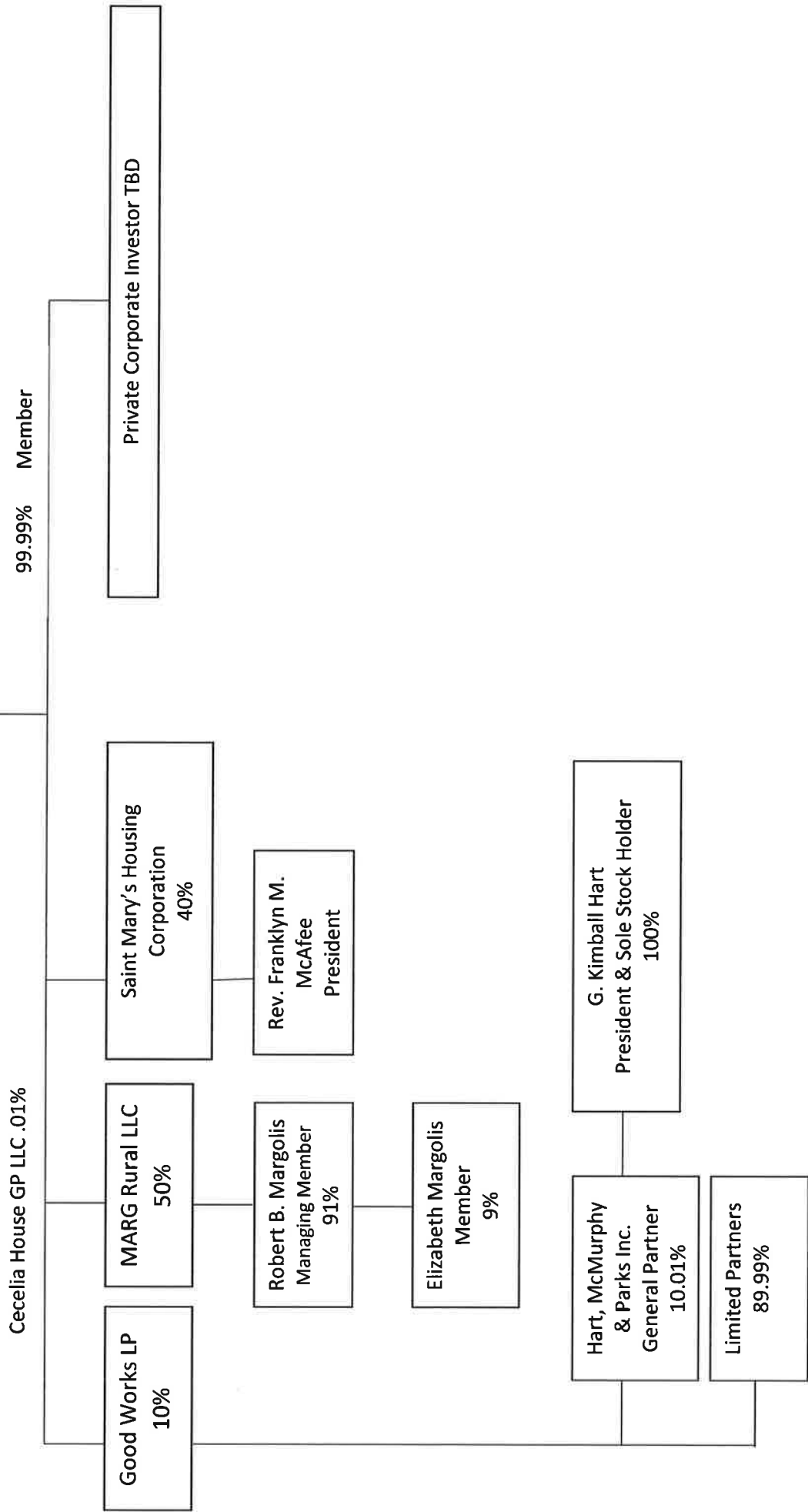
Unanimous Decisions

1. Approve the Final Project Budget and the Plans and any Material modification thereof (provided, however, that the Final Project Budget and the Plans shall be deemed automatically approved by the Members unless the modifications to the Initial Project Budget as compared to the Final Project Budget submitted in connection with the Project Loan are Material). For purposes of this Exhibit C, “**Material**” shall be any modification which reduces revenues by more than ten percent (10%) or increases costs by more than five percent (5%), as measured with respect to both a specific expenditure and the amount budgeted therefor and the total effect on the Approved Budget, or which would cause the net operating income of the Project to be negative.
2. Amend this Agreement or the articles of organization for the Company, or knowingly take or permit any action to occur that would adversely affect or otherwise alter the structure of the Company and/or the Project Partnership or disproportionately affect the rights or obligations of any one Member.
3. Approve the articles of organization and operating agreement for the Project Partnership and any other governing or organizational documents for the Project Partnership, and any amendment thereto, or assign or delegate any rights, duties or obligations of the Company thereunder (whether as Manager or otherwise) to another party.
4. Cause a merger, conversion, reorganization or similar transaction with respect to the Company and/or the Project Partnership.
5. Organize or form any subsidiary of the Company and/or the Project Partnership.
6. Dissolve, liquidate or otherwise terminate the Company (except as provided in Section 11.01) and/or the Project Partnership.
7. At any time after the eighteenth (18th) anniversary of the Effective Date, market and sell the Company’s membership interests in the Project Partnership and/or interests in the Property, the Project or any part thereof.
8. Confess a judgment against the Company and/or the Project Partnership or join in, initiate, or take any action for foreclosure, bankruptcy or any other insolvency proceedings. For the purposes hereof, a plea of nolo contendere by the Manager shall be the equivalent of a guilty plea.
9. Except as permitted in accordance with the terms of the Agreement, admit or remove any party as a Member.
10. Take any action (or the failure to take any action) which would result in a breach of this Agreement or cause any representation of the Manager to become inaccurate or untrue.

11. Elect a method of accounting other than the accrual method.

38383854_4

Cecelia House I Limited Partnership



B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, March 4, 2019

This is to certify that the certificate of limited partnership of

Cecelia House I Limited Partnership

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

Office of the Clerk

March 4, 2019

LISA M. CONNER
WILLIAMS MULLEN CLARK & DOBBINS, P.C.
200 S 10TH ST STE 1600
RICHMOND, VA 23219

RECEIPT

RE: Cecelia House I Limited Partnership

ID: L021710 - 1

DCN: 19-03-01-1226

Dear Customer:

This receipt acknowledges payment of \$100.00 to cover the fee for filing a certificate of limited partnership with this office.

This receipt also acknowledges payment of \$100.00 to cover the fee for expedited service.

The effective date of the certificate is March 4, 2019.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

RECEIPT
NLP
CIS0353

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 8, 2019

This is to certify that the certificate of organization of

Cecelia House GP LLC

was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: January 8, 2019



State Corporation Commission

Attest:

Joel H. Peck
Clerk of the Commission



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Office of the Clerk

January 8, 2019

COGENCY GLOBAL INC.
250 BROWNS HILL COURT
MIDLOTHIAN, VA 23114

RECEIPT

RE: Cecelia House GP LLC

ID: S7973797

DCN: 19-01-08-6348

Dear Customer:

This is your receipt for \$100.00 to cover the fee(s) for filing articles of organization for a limited liability company with this office.

The effective date of the filing is January 8, 2019.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

RECEIPTLC
LLNCD
CISECOM

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, JANUARY 8, 2019

The State Corporation Commission has found the accompanying articles submitted on behalf of
Cecelia House GP LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the
Commission, effective January 8, 2019.

STATE CORPORATION COMMISSION

By 

Mark C. Christie
Commissioner

DLLCACPT
CISECOM
19-01-08-6348

**ARTICLES OF ORGANIZATION
OF
CECELIA HOUSE GP LLC**

The undersigned, pursuant to Chapter 12 of Title 13.1 of the Code of Virginia, states as follows:

1. The name of the limited liability company is Cecelia House GP LLC.
2. The purpose for which the limited liability company is formed is to engage in any lawful business, purpose or activity for which a limited liability company may be formed under the Virginia Limited Liability Company Act.
3. The name of the limited liability company's initial registered agent is COGENCY GLOBAL INC. The initial registered agent is a foreign stock corporation authorized to transact business in Virginia.
4. The address of the limited liability company's initial registered office, which is identical to the business office of the initial registered agent, is 250 Browns Hill Court, Midlothian, VA 23114. The initial registered office is located in Chesterfield County, Virginia.
5. The address of the limited liability company's principal office where the records of the limited liability company are to be kept is 1375 Piccard Drive, Suite 150, Rockville, MD 20850.

ORGANIZER:

/s/ Allison T. Domson Date: January 8, 2019
Allison T. Domson

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:

Cecelia House

Name of Applicant (entity):

Cecelia House I Limited Partnership

Cecelia House GP LLC

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

Robert Margolis

Printed Name

2/22/2019

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

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Cecelia House

Name of Applicant: Cecelia House I Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Robert Margolis, MARG Rural LLC
Principal's Name:

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y
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	Pine Tree Village Senior Painted Post, NY	Pine Tree Village LP 240-428-7799	Robert Margolis Y	35	35	2002	2003	N
2	Oxford Manor New Oxford, PA	New Oxford I LP 240-428-7799	MARG Rural, LLC Y	32	32	2003	2003	N
3	Lincoln Shinnston, WV	New Shinnston I LP 240-428-7799	MARG Rural, LLC Y	32	32	2003	2003	N
4	Great Mills Court Lexington Park, MD	New Great Mills I LP 240-428-7799	MARG Rural, LLC Y	44	44	2004	2005	N
5	Lawrenceville Manor Lawrenceville, VA	Lawrenceville I LP 240-428-7799	MARG Rural, LLC Y	24	24	2004	2005	N
6	Brookeside Square Boykins, VA	Brookeside Square LP 240-428-7799	MARG Rural, LLC Y	32	32	2004	2005	N
7	Reese Village Emporia, VA	Reese I LP 240-428-7799	MARG Rural, LLC Y	40	40	2004	2005	N
8	Stonewall Gardens Bridgeport, WV	Stonewall I LP 240-428-7799	MARG Rural, LLC Y	44	44	2004	2004	N
9	Caroline Manor II Bowling Green, VA	Caroline Manor II LP 240-428-7799	MARG Rural, LLC Y	17	17	2005	2005	N
10	Keysville Manor Keysville, VA	New Keysville I LP 240-428-7799	MARG Rural, LLC Y	24	24	2005	2005	N
11	Tyler Run I Edenton, NC	Tyler Run I LP 240-428-7799	MARG Rural, LLC Y	50	50	2004	2006	N

List of LIHTC Developments (Schedule A)

12	Tyler Run II Edenton, NC	Tyler Run II LP 240-428-7799	MARG Rural, LLC Y	60	60	2005	2008	N
13	Walker Landing Elizabeth City, NC	Walker Landing, LLC 240-428-7799	Walker Landing Partner LLC Y	155	155	2006	2009	N
14	Laural Woods Ashland, VA	Laural Woods LP 240-428-7799	MARG Rural, LLC Y	40	40	2007	2008	N
15	Meg Village Sissonville, WV	Meg Village LP 240-428-7799	MARG Rural, LLC Y	41	41	2007	2008	N
16	Cole Harbour Blackstone, VA	Cole Harbour LP 240-428-7799	MARG Rural, LLC Y	36	36	2008	2009	N
17	The Meadows Farmville, VA	Meadows Apartments LP 240-428-7799	MARG Rural, LLC Y	40	40	2009	2009	N
18	Cedar Street Smithfield, VA	Cedar Street Apartments LP 240-428-7799	MARG Rural, LLC Y	24	24	2009	2010	N
19	Baker Heights Martinsburg, WV	Baker I LP 240-428-7799	MARG Rural, LLC Y	56	56	2010	2010	N
20	Henry Williams Petersburg, VA	Owens Court LP 240-428-7799	MARG Rural, LLC Y	42	42	2012	2013	N
21	Llewellyn Village Middleburg, VA	Llewellyn Village LP 240-428-7799	MARG Rural, LLC Y	16	16	2010	2011	N
22	Courthouse Lane II Bowling Green, VA	Courthouse Lane II LP 240-428-7799	MARG Rural, LLC Y	24	24	2010	2011	N
23	Crossroads Mt. Hope, WV	New Cross Roads I LP 240-428-7799	MARG Rural, LLC Y	49	49	2011	2011	N
24	Unity Terrace Fairmont, WV	New Unity Terrace I LP 240-428-7799	MARG Rural, LLC Y	99	99	2011	2011	N
25	Parkway Village Waynesboro, VA	Parkway Village Apartments LP 240-428-7799	MARG Rural, LLC Y	126	126	2012	2014	N
26	Gypsy Hill House Apartments Staunton, VA	Gypsy Hill House I LP 240-428-7799	Marshall, LLC Y	100	100	2012	2014	N
27	Southside Gardens Portsmouth, VA	Southside Gardens Apartments LP 240-428-7799	MARG Rural, LLC Y	134	134	2011	2012	N
28	Apple Tree Gardens Ranson, WV	New Apple Tree Gardens I LP 240-428-7799	MARG Rural, LLC Y	93	93	2012	2012	N
29	Marjorie Gardens Morgantown, WV	Marjorie Gardens I LP 240-428-7799	MARG Rural, LLC Y	126	126	2014	2015	N

List of LIHTC Developments (Schedule A)

30	Ryan Village Princeton, WV	Ryan Village I LP 240-428-7799	MARG Rural, LLC Y	44	44	2015	2016	N
31	Lowe Gardens Shepherdstown, WV	Lowe Gardens I LP 240-428-7799	MARG Rural, LLC Y	24	24	2013	2013	N
32	Cedar Creek Phase I Middletown, VA	Cedar Creek Apartments I LP 240-428-7799	Marshall, LLC Y	46	46	2015	2017	N
33	Royal Hills Apartments Phase I Front Royal, VA	Royal Hills Apartments I LP 240-428-7799	Marshall, LLC Y	46	46	2015	2017	N
34	Malvern Hills Apartments Portsmouth, VA	Malvern Hills Apartments LP 240-428-7799	Marshall, LLC Y	55	55	2014	2015	N
35	Tucker Manor Parsons, WV	Tucker Manor I LP 240-428-7799	MARG Rural, LLC Y	30	30	2013	2013	N
36	Samuel Chase Apartments Princess Anne, MD	Samuel Chase Associates LP 240-428-7799	MARG Rural, LLC Y	60	60	2015	2016	N
37	Shreveport Ridge Ashburn, VA	Shreveport Ridge LP 240-428-7799	MARG Rural, LLC Y	98	98	2014	2015	N
38	The Woods @ Brambleton Ashburn, VA	Brambleton Apartments LLC 240-428-7799	MARG Rural, LLC Y	202	202	2015	2016	N
39	Chesterdown Cove Chestertown, MD	Chesterdown Cove Preservation LP 240-428-7799	MARG Rural, LLC Y	34	34	2018	2019	N
40	Greenwood Village Cambridge, MD	Greenwood Village Preservation LP 240-428-7799	MARG Rural, LLC Y	20	20	2018	2019	N

* 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: 2,294 2,294

LIHTC as % of Total Units
100%



TM Associates, Inc.

RESUME

Robert B. Margolis
President

T.M. Associates, Inc.
1375 Piccard Dr, Suite 150
Rockville, Maryland 20850

(240) 428-7799

EDUCATION

AMERICAN UNIVERSITY - Masters in Business Administration -School of Finance.

UNIVERSITY OF DENVER - Bachelor of Science in Business Administration - School of Real Estate and Construction Management.

EXPERIENCE

Robert Margolis makes his primary living selling low-income housing tax credits to corporate investors. These tax credits are awarded to developers who acquire, rehabilitate and preserve low-income housing. Mr. Margolis has completed over one hundred tax credit arrangements.

Robert is active in numerous organizations within the affordable housing industry. He is a former member of the Board of Directors of the Council for Affordable Rural Housing in Washington, D.C. and former lobbyist for the Rural Housing Reinsurance Company International, LTD.

Robert is President of REBJ, Inc., T.M. Associates, Inc., his apartment and land development companies. Robert is also the CEO of T.M. Associates Management, Inc his property management company that manages over 11,000 units in eight states and the District of Columbia.

Robert has been involved for the past 30+ years as a general partner and developer in the development and preservation of over 100 HUD and FmHA subsidized housing projects (over 7000 units) for low and moderate income families and the elderly. Each of these projects continues to provide housing for the low and moderate income families.

Robert's family of companies are continually recognized for the quality of their work by the numerous awards they receive and industry listings they appear in.

REFERENCES - For Robert Margolis

Eagle Bank
7830 Old Georgetown RD
Bethesda, MD 20814
Daniel Swanson, VP
240-497-1793

Revere Bank
2101 Gaither RD, Suite 600
Rockville, MD 20850
Rick Woo, Vice President
240-499-1197

United Bank
1115 30th St, NW
Washington, DC 20007
Terence Callahan, Asst VP
202-742-1073

Council for Affordable Rural Housing
116 S. Fayette St
Alexandria, VA 22314
Colleen Fisher, Executive Director
703-837-9001

List of LIHTC Developments (Schedule A)



Development Name: Cecelia House

Name of Applicant: Cecelia House I Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Elizabeth Margolis, MARG Rural LLC

Controlling GP (CGP) or 'Named' Managing Member of Proposed Property? Y
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	Oxford Manor New Oxford, PA	New Oxford I LP 240-428-7799	MARG Rural, LLC Y	32	32	2003	2003	N
2	Lincoln Shinnston, WV	New Shinnston I LP 240-428-7799	MARG Rural, LLC Y	32	32	2003	2003	N
3	Great Mills Court Lexington Park, MD	New Great Mills I LP 240-428-7799	MARG Rural, LLC Y	44	44	2004	2005	N
4	Lawrenceville Manor Lawrenceville, VA	Lawrenceville I LP 240-428-7799	MARG Rural, LLC Y	24	24	2004	2005	N
5	Brookeside Square Boykins, VA	Brookeside Square LP 240-428-7799	MARG Rural, LLC Y	32	32	2004	2005	N
6	Reese Village Emporia, VA	Reese I LP 240-428-7799	MARG Rural, LLC Y	40	40	2004	2005	N
7	Stonewall Gardens Bridgeport, WV	Stonewall I LP 240-428-7799	MARG Rural, LLC Y	44	44	2004	2004	N
8	Caroline Manor II Bowling Green, VA	Caroline Manor II LP 240-428-7799	MARG Rural, LLC Y	17	17	2005	2005	N
9	Keysville Manor Keysville, VA	New Keysville I LP 240-428-7799	MARG Rural, LLC Y	24	24	2005	2005	N
10	Tyler Run I Edenton, NC	Tyler Run I LP 240-428-7799	MARG Rural, LLC Y	50	50	2004	2006	N
11	Tyler Run II Edenton, NC	Tyler Run II LP 240-428-7799	MARG Rural, LLC Y	60	60	2005	2008	N

List of LIHTC Developments (Schedule A)

12	Walker Landing Elizabeth City, NC	Walker Landing, LLC 240-428-7799	Walker Landing Partner LLC Y	155	155	2006	2009	N
13	Laural Woods Ashland, VA	Laural Woods LP 240-428-7799	MARG Rural, LLC Y	40	40	2007	2008	N
14	Meg Village Sissonville, WV	Meg Village LP 240-428-7799	MARG Rural, LLC Y	41	41	2007	2008	N
15	Cole Harbour Blackstone, VA	Cole Harbour LP 240-428-7799	MARG Rural, LLC Y	36	36	2008	2009	N
16	The Meadows Farmville, VA	Meadows Apartments LP 240-428-7799	MARG Rural, LLC Y	40	40	2009	2009	N
17	Cedar Street Smithfield, VA	Cedar Street Apartments LP 240-428-7799	MARG Rural, LLC Y	24	24	2009	2010	N
18	Baker Heights Martinsburg, WV	Baker I LP 240-428-7799	MARG Rural, LLC Y	56	56	2010	2010	N
19	Henry Williams Petersburg, VA	Owens Court LP 240-428-7799	MARG Rural, LLC Y	42	42	2012	2013	N
20	Llewellyn Village Middleburg, VA	Llewellyn Village LP 240-428-7799	MARG Rural, LLC Y	16	16	2010	2011	N
21	Courthouse Lane II Bowling Green, VA	Courthouse Lane II LP 240-428-7799	MARG Rural, LLC Y	24	24	2010	2011	N
22	Crossroads Mt. Hope, WV	New Cross Roads I LP 240-428-7799	MARG Rural, LLC Y	49	49	2011	2011	N
23	Unity Terrace Fairmont, WV	New Unity Terrace I LP 240-428-7799	MARG Rural, LLC Y	99	99	2011	2011	N
24	Parkway Village Waynesboro, VA	Parkway Village Apartments LP 240-428-7799	MARG Rural, LLC Y	126	126	2012	2014	N
25	Gypsy Hill House Apartments Staunton, VA	Gypsy Hill House I LP 240-428-7799	Marshall, LLC Y	100	100	2012	2014	N
26	Southside Gardens Portsmouth, VA	Southside Gardens Apartments LP 240-428-7799	MARG Rural, LLC Y	134	134	2011	2012	N
27	Apple Tree Gardens Ranson, WV	New Apple Tree Gardens I LP 240-428-7799	MARG Rural, LLC Y	93	93	2012	2012	N
28	Marjorie Gardens Morgantown, WV	Marjorie Gardens I LP 240-428-7799	MARG Rural, LLC Y	126	126	2014	2015	N
29	Ryan Village Princeton, WV	Ryan Village I LP 240-428-7799	MARG Rural, LLC Y	44	44	2015	2016	N

List of LIHTC Developments (Schedule A)

30	Lowe Gardens Shepherdstown, WV	Lowe Gardens I LP 240-428-7799	MARG Rural, LLC Y	24	24	2013	2013	N
31	Cedar Creek Phase I Middletown, VA	Cedar Creek Apartments I LP 240-428-7799	Marshell, LLC Y	46	46	2015	2017	N
32	Royal Hills Apartments Phase I Front Royal, VA	Royal Hills Apartments I LP 240-428-7799	Marshell, LLC Y	46	46	2015	2017	N
33	Malvern Hills Apartments Portsmouth, VA	Malvern Hills Apartments LP 240-428-7799	Marshell, LLC Y	55	55	2014	2015	N
34	Tucker Manor Parsons, WV	Tucker Manor I LP 240-428-7799	MARG Rural, LLC Y	30	30	2013	2013	N
35	Samuel Chase Apartments Princess Anne, MD	Samuel Chase Associates LP 240-428-7799	MARG Rural, LLC Y	60	60	2015	2016	N
36	Shreveport Ridge Ashburn, VA	Shreveport Ridge LP 240-428-7799	MARG Rural, LLC Y	98	98	2014	2015	N
37	The Woods @ Brambleton Ashburn, VA	Brambleton Apartments LLC 240-428-7799	MARG Rural, LLC Y	202	202	2015	2016	N
38	Chestertown Cove Chestertown, MD	Chestertown Cove Preservation LP 240-428-7799	MARG Rural, LLC Y	34	34	2018	2019	N
39	Greenwood Village Cambridge, MD	Greenwood Village Preservation LP 240-428-7799	MARG Rural, LLC Y	20	20	2018	2019	N
40								

* 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:**

2,259 2,259

**LIHTC as % of
100% Total Units**

ELIZABETH A. MARGOLIS

P.O. Box 34474

West Bethesda, Maryland 20827

301-767-9722/ebethmarg@aol.com

Work Experience

T.M. Associates, Rockville, MD

Office Manager, January 1, 2010–Current

- Manage all daily procurement duties for busy Development Office
- Coordinates all weekly meetings and bi-weekly conferences
- Solely manages filing system and is responsible for office database management

Homemaker, Bethesda, MD

(1988-2009)

Education

Michigan State, East Lansing, Michigan

BS in Engineering, 12/1987

Computer Proficiency

Microsoft Office: Word, Excel, PowerPoint, Access

Internet: Conducted numerous research professionally and personally

Professional References

Neil Mutreja, T.M. Associates, Lead Development Officer, 301-365-9314

List of LIHTC Developments (Schedule A)



Development Name: Cecelia House
 Name of Applicant: Cecelia House I Limited Partnership

INSTRUCTIONS:

- 1 A Schedule A is required for **every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an **uncorrected** 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: G. Kimball Hart Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
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	Levis Hill House Middleburg, VA	WHF-I 703-850-3980	Y	20	20	2008	2009	N
2	Piedmont Lane The Plains, Va	WHF-II 703-850-3980	Y	16	16	2012	2013	N
3	Shreveport Ridge Apts Brambleton, VA	WHF-III 703-850-3980	Y	98	98	2014	2015	N
4	Washburn Place Marshall, VA	WHF-V 703-850-3980	Y	30	30	2018	2018	N
5	Heronview Apartments Sterling, VA	WHF-VI 703-850-3980	Y	96	96	TBD	TBD	N
6	Stone Springs Apts Dulles, VA	WHF-VII 703-850-3980	Y	128	128	TBD	TBD	N
7	Ashburn Chase Apts Ashburn, VA	Ashburn Chase LLC 703-850-3980	Y	48	48	TBD	TBD	N
8	Ashburn Chase Apts II Ashburn, VA	Ashburn Chase II LLC 703-850-3980	Y	48	48	TBD	TBD	N
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

* 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.

ADD ADDITIONAL PROPERTIES USING NEXT TAB

G. Kimball Hart

Contact Information:

Good Works LP
PO Box 1258
Middleburg, VA 20118

Phone: 540-687-5866
Fax: 540-687-3913
kim@goodworksva.com

Education:

Yale University:

- BA English—1970
- MPPM/MBA—1980

Business Career:

Hart, McMurphy & Parks: (1983 to date) HMP is a small company specializing in the creation and management of select teams customized to meet client needs. Areas of expertise include commercial and residential development and construction, market analysis, community development, and communications. HMP also has extensive experience in the design and analysis of green buildings.

Good Works LP: (2017 to date) HMP is the sole General Partner of Good Works LP, a for-profit partnership organized to develop, own, operate, and eventually sell affordable workforce housing projects in Northern Virginia.

Windy Hill Foundation: (1990 – 2016) Mr. Hart has served as both President and Executive Director for this not-for-profit foundation building affordable housing in Northern Virginia. Mr. Hart is currently serving as Manager of Windy Hill Development Company. Mr. Hart has designed, built, or remodeled over 500 units of affordable housing to date.

Booz-Allen & Hamilton: (1979-1983) Consultant in the Energy and Environment Division based in Washington, DC.

U.S. News and World Report: (1975-1978) Writer on energy related topics.

Career Highlights:

- * 25 years building affordable workforce housing for Windy Hill Foundation (12 years as a volunteer and 13 years as paid staff).
- * 18 years of consulting assignments for the Electric Power Research Institute including: building energy use, lighting, electric transportation, educational facilities, active solar, and passive solar.
- * A significant contribution to 11 books on energy subjects including five national awards for research or publications principally on buildings.
- * Member of the Loudoun County Economic Development Commission (2006-2011)
- * Member of the Loudoun County Housing Advisory Board (2006-2008).
- * Winner of the 2008 Loudoun Laurels Award in Business and Not-For-Profit.
- * Winner of the 2013 Virginia Governor's Housing Award for "Best Affordable Housing Energy Conservation Effort."

Affordable Housing Development (Good Works LP)

- 128-units Stone Springs Apartments—Sterling, VA
Scope: 3-building complex: clubhouse; 84-unit 4-story, multi-family elevator apartment building with underground parking; and 44-unit 4-story multi-family elevator apartment building with surface parking. In planning, construction to commence Spring 2018. Cost: \$30 million. Financing: VHDA 4% Bond and HUD financing.

Affordable Housing Development (Windy Hill Foundation)

- 96-units Heronview—Kincora, VA
Scope: 4-story, podium-style multi-family elevator apartment building including both flats and 2-over-2 townhouse units. Under construction. Cost: \$27 million. Financing: VHDA 9% Low-Income Housing Tax Credits.
- 30-units Washburn Place—Marshall, VA
Scope: Townhouse units in 5 sticks of 6 units each. All units are 3-bedroom, including 5 fully handicapped accessible units. Under construction. Cost: Estimated to be \$8.6 million. Financing: VHDA 9% Low-Income Housing Tax Credits and low-interest loans.
- 202-units The Woods—Brambleton, VA
Scope: 4-story, multi-family apartment complex of 5 buildings around a common square. Completed in 2015. Cost: Approximately \$34 million. Financing: VHDA 4% Low-Income Housing Tax Credits and a tax-exempt bond.
- 98-units Shreveport Ridge—Brambleton, VA
Scope: 3-story, multi-family apartment building with 2-story townhouses over flats. Completed in 2014. 100% geo-thermal heating and cooling, and certified green. Cost: \$22 million. Financing: VHDA 9% Low-Income Housing Tax Credits and low-interest loans.
- 2-units The Rectory—The Plains VA
Scope: Complete renovation of 100-year old Grace Church Rectory in The Plains, into a 2-unit rental. Completed in 2012. Cost: \$400,000. Financing: Local donations.
- 16-units Piedmont Lane—The Plains VA
Scope: A total of 16 units on two lots within the town of The Plains. Completed in 2012. Five separate buildings in quadplex and duplex configurations. Cost: \$5.8 million including land. Financing: VHDA Low-Income Housing Tax Credits, low interest loans, and local donations.

- 20-Units Levis Hill House
 Scope: New three-story construction completed 2008.
 Cost: \$5.4 Million including land.
 Financing: Local fund raising, VHDA low-income housing tax credits and low-interest SPARC loan, CDBG grant, Federal Home Loan Bank (FHLB) grant, and Loudoun County rent subsidy.
- 14-Units Virginia Lane
 Scope: Seven duplexes, all 2-story frame, with a mix of 1, 2, and 3-bedroom units completed in 2004. Cost: \$4 Million including the full cost of 2200 ft of municipal water and sewer lines and land. Financing: Local donations, \$300k from HUD, and a conventional local bank loan at favorable rates.
- 6-Units Barton Place
 Scope: Gut-rehab of a 5-unit stone apartment building and a related SFD unit completed in 1997. Cost: \$200,00. Financing: Low-interest loan for Southeast Rural Community Assistance Project.
- 16-Units Llewellyn Village Apartments
 Scope: Three-story apartment all 2-bedroom units completed 1995. All units have project-based federal subsidy. Cost: \$2 Million excluding land. Financing: 30-year loan at 2% from Rural Development (RDA).
- 2-Unit Kaye House
 Scope: Complete renovation of a burned shell into a duplex, completed in 2000. Cost: \$150,000 Financing: Local donations and conventional loan from local bank at favorable rates.
- 9-Units Cottage Rehab
 Scope: Nine SFD frame homes. Initially renovated in 1984-1987. Current renovation in 2010 will bring all structures up to “green” building standards. Cost: Approx \$600,000. Financing: President’s Stimulus package and Loudoun County Housing Trust Fund.

Land Acquisition and Zoning Activities (Windy Hill Foundation)

Twenty significant land acquisition and successful zoning applications in 15 years to support Windy Hill Foundation projects. These transactions included:

- Annexation of 7 acres on the western boarder of Middleburg. This included a boundary line adjustment between the Town of Middleburg and Loudoun Co.
- Working with the Town of Middleburg to exercise Eminent Domain in order to facilitate road improvements into the Windy Hill area. This included a successful outcome to related court actions.
- Purchasing one lot at auction to quiet title.
- Four boundary line adjustments within the Town of Middleburg to accommodate construction of new projects.

- Participated in five successful rezoning applications to create affordable housing projects.
- Eight successful zoning variance applications to work out constraints at five sites.
- Facilitated three major donations of land to make projects possible.

Successfully negotiated a real estate tax exemption on all property owned by the Windy Hill Foundation. This process included passage of a supporting resolution by the Loudoun Co. Board of Supervisors and passage of a bill in the Virginia House of Delegates.

Water and Sewer Utility Projects (Windy Hill Foundation)

Principally Sewer: Willisville
 Scope: Connected 10 individual grinder pumps to 2500' of force main; built treatment facility; and installed low-pressure drain field. Project included bathroom additions and renovations.
 Cost: \$1.2million. Financing: Loudoun County Board of Supervisors, Housing Trust Fund, and private donations.

Water & Sewer: Virginia Lane
 Scope: Connected 16 gravity sewer laterals to 2200' of force main including 15 manholes, 2 pump stations, and a crossing of Route 50. Project included parallel 8" water line and 5 fire hydrants.
 Cost: \$623,000 (of \$4 million project). Financing: local donations and local bank financing at favorable rates.

Principally Water: Levis Hill House
 Scope: In addition to traditional water and sewer connections for a 20-unit apartment building, assisted the Town of Middleburg in upgrading a 6" water main to loop service for reliability.
 Cost: \$30,000 (of \$5.4 million project). Financing: VHDA low-income housing tax credits, low interest loans, and donations.

List of LIHTC Developments (Schedule A)



Development Name: Cecelia House

Name of Applicant: Cecelia House I Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Saint Mary's Housing Development Corporation
Principal's Name:

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
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	Wingler House II/ Ashburn, VA	Wingler House II Limited Partnership	Y	132	132	12.18.03	10.4.04	N
2								
3								

* 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:**

132 132

**LIHTC as % of
100% Total Units**

St. Mary's Housing Corporation

St. Mary's Background

Saint Mary's Housing Corporation and its related entities (Second Saint Mary's Housing Corporation; Saint Mary's Housing Development Corporation and Third Saint Mary's Housing Corporation) have almost fifty years of independent living affordable housing development and management experience.

St. Mary's was organized in 1970 by Monsignor Joseph Wingler, then pastor of Saint Mary's Catholic Church in Alexandria as a Virginia 501 (c)(4) corporation to develop Evergreen Apartments, a 246 unit VHDA bond funded HUD Section 8 project in Annandale, Virginia. The current St. Mary's Housing Corp. board is headed by Reverend Franklyn M. McAfee, Pastor Emeritus of Saint John's Church in McLean.

Evergreen House was followed in 1979 by Marywood Apartments, a 129 unit HUD Section 202/Section 8 project in Manassas, Virginia. Both Evergreen and Marywood serve independent, low income seniors, 62 years of age and older.

The success of Evergreen and Marywood led to a creative financing restructuring which produced three 4% tax credit projects and became the source of secondary funding. In 1993, St. Mary's restructured its mortgage debt with VHDA to obtain an increase in mortgage proceeds and to establish a fund to be used by St. Mary's for secondary financing of future low and moderate income senior housing. The initial value of the fund was \$10 million and currently the fund holds in excess of \$11 million.

The fund enabled the development of three tax credit projects:

Madonna House at Belmont, a 130 unit project in Fredericksburg

Wingler House 1, a 132 unit project in Ashburn, Virginia and

Wingler House 2, the second phase, another 132 units in Ashburn.

All five communities, totaling 769 units, were developed in conjunction with Quantum Real Estate Management, LLC (Quantum) under the direction of Margaret (Pat) Bessette.

Site Search and Refinancing

Since the completion of the Wingler House in 2003 and working with the extraordinary resource of the mortgage restructuring fund, St. Mary's has been seeking to develop another 4% low income housing tax credit project for independent seniors within the seventeen county jurisdiction of the Diocese of Arlington.

In 2017 and 2018, St. Mary's refinanced Madonna House and Wingler 1 under HUD's 223f program. Both refinancing included a buyout of the investor limited partner and undertaking over \$25,000 per unit in renovation which was made possible by retaining the St. Mary's secondary financing in place.

3.13.19



E

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

SALE AGREEMENT

THIS SALE AGREEMENT (this "Agreement") is made and entered into as of February 11th, 2019 (the "Effective Date"), by and between (i) Vint Hill Village, LLC, a Virginia limited liability company ("Seller"), and (ii) MARG Rural, LLC, a West Virginia limited liability company, ("Purchaser").

RECITALS:

A. Seller is the owner of real property in Fauquier County, Virginia. A portion of such real property is approximately depicted in Exhibit A attached hereto and made a part hereof (such portion of Seller's real property approximately depicted in Exhibit A, together with any improvements located thereon, is hereinafter referred to as the "Real Property"). For the purposes of this Agreement the term "Property" means the Real Property and the Assumed Contracts (as defined in Section 8(b)). As of the Effective Date, the Real Property is not a separately taxed parcel among the land records of Fauquier County, Virginia (the "County"). Instead, the diagram attached as Exhibit A is an approximate depiction of the anticipated size and shape of the Real Property. Upon the occurrence of the Subdivision (as defined in Section 12(a)(iii)), a legal description for the actual, subdivided Real Property shall be attached to this Agreement as Exhibit A.

B. Seller desires to sell, and Purchaser desires to purchase, the Property pursuant and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE. Subject to the provisions of this Agreement, Seller agrees to sell and convey and Purchaser agrees to purchase the Property.

2. PURCHASE PRICE AND EARNEST MONEY. The purchase price ("Purchase Price") shall be Two Million Two Hundred and Fifty Thousand Dollars (\$2,250,000). Simultaneously with the execution of this Agreement, Purchaser shall pay to the Escrow Agent (as defined below) the sum of Eleven Thousand Two Hundred Fifty Thousand Dollars (\$11,250) as the earnest money deposit (the "Earnest Money"). The Earnest Money shall be held in escrow pending closing. The Earnest Money shall be held in a federally insured interest bearing account and all interest thereon shall be deemed a part of the Earnest Money. The Earnest Money shall be applied to the Purchase Price or otherwise paid to Seller or Purchaser as provided for herein. Subject to the provisions of Section 5(b), Purchaser shall pay the balance of the Purchase Price at closing in full in immediately available federal funds to Seller, subject to adjustments and prorations set forth herein.

3. ADDITIONAL DEPOSITS. In addition to the Earnest Money, Purchaser shall pay to the Escrow Agent the following deposits, collectively the "Additional Deposits":

(a) The sum of Twenty-Two Thousand Five Hundred Dollars (\$22,500) upon Purchaser's receipt of an award of low income housing tax credits, as defined in Section 32 of this Agreement;

(b) The sum of Sixty-Seven Thousand Five Hundred Dollars (\$67,500) upon Purchaser's receipt of all financing necessary to proceed to Closing, as determined in Purchaser's sole discretion.

Escrow Agent shall hold and expose of the Additional Deposits according to the provisions of Sections 2 and 32 of this Agreement.

4. **EFFECTIVE DATE.** The Effective Date, which is set forth above, shall be the later of the dates that this Agreement is executed by Seller or Purchaser.

5. **CLOSING.**

(a) **Closing Date and Escrow.** Subject to the terms and conditions of this Agreement, the closing shall take place at the office of Potomac Settlement Services, Inc., Attn: Kate Gibson Polizzi, 15100 Washington Street, Suite 201, Haymarket, VA 20169, telephone number: (703) 656-2171, fax number: (571) 248-4436 (the "Escrow Agent") at and as of 9:00 A.M. (Eastern Time) on the earlier to occur of: (a) December 28th, 2019, or (b) that date which is thirty (30) days after the Subdivision Date (as defined herein), or at such other place, time and date as may hereafter be mutually agreed between Seller and Purchaser, time being of the essence. As used in this Agreement, the term "**closing**" means the transfer and assignment of the Property to Purchaser and the performance by each party of the obligations on its part then to be performed under and in accordance with this Agreement, and the term "**Closing Date**" means the date on which the closing actually occurs.

(b) On the Closing Date, and immediately following the satisfaction (or waiver under Section 12 hereof) of all conditions precedent to closing set forth in Section 12 hereof: (i) the Escrow Agent shall disburse to Seller and, in accordance with Seller's written instructions, any mortgage holders, by wire transfer of federal funds, an amount equal to the Purchase Price reduced by any costs, expenses and adjustments payable by Seller under this Agreement, (ii) the Escrow Agent shall deliver to Purchaser all other documents and instruments received by it which, in accordance with the terms of this Agreement, are to be delivered by Seller to Purchaser on the Closing Date, and (iii) the Escrow Agent shall deliver to Seller all other documents and instruments received by it which, in accordance with the terms of this Agreement, are to be delivered by Purchaser to Seller on the Closing Date.

(c) **Seller's Deliveries:** On the Closing Date, Seller shall deliver to Purchaser (through the Escrow Agent) the following:

(i) a Deed (the "Deed") containing, *inter alia*, the "Army Covenants" and an allocation of FAR to the Real Property in the form attached hereto as Exhibit B, duly executed and acknowledged by Seller and in proper form for recording, conveying the Real Property to Purchaser;

(ii) the Assignment and Assumption of Contracts in the form attached hereto as Exhibit C, duly executed by Seller;

(iii) a copy of each Assumed Contract then in effect and all warranties, licenses and permits (to the extent in Seller's possession or control);

(iv) a certification as to Seller's non-foreign status which complies with the provisions of Section 1445(b)(2) of the Internal Revenue Code of 1986, as amended, duly executed by Seller;

(v) an owner's affidavit acceptable to Seller, duly executed by Seller; and

(vi) a closing statement between Seller and Purchaser, duly executed by Seller, setting forth the prorations and adjustments to the Purchase Price respecting the Property to be made pursuant to this Agreement.

(d) Purchaser's Deliveries. On the Closing Date, Purchaser shall pay the Purchase Price and shall deliver to Seller (through the Escrow Agent) the following:

(i) the Assignment and Assumption of Contracts in the form attached hereto as Exhibit C, duly executed by Purchaser; and

(ii) a closing statement between Seller and Purchaser, duly executed by Purchaser, setting forth the prorations and adjustments to the Purchase Price respecting the Property to be made pursuant to this Agreement.

(e) Adjustments. This Section 5(e) shall survive the Closing Date for one (1) year. The following items of expense shall be adjusted as of 11:59 p.m. on the day immediately preceding the Closing Date:

(i) Real estate and other municipal and local assessments with respect to the Real Property. Delinquent taxes shall be paid by Seller at Closing. Any "roll back taxes" or similar taxes shall be paid by Purchaser. If the Closing Date shall occur before the tax rate or assessment is fixed for the tax year in which the Closing Date occurs, the apportionment of taxes shall be upon the basis of the tax rate or assessment for the preceding year applied to the latest assessed valuation and Seller and Purchaser shall readjust real estate taxes promptly upon the fixing of the tax rate or assessment for the tax year in which the Closing Date occurs.

(ii) Fuel, water and sewer service charges, and charges for all other public utilities. On the Closing Date, Purchaser shall post such security deposits as are required by the utility companies in order to continue service to the Real Property in replacement of the security deposits previously deposited by Seller with such utility companies. At Purchaser's option, Purchaser may elect to open its own accounts with such utility companies on the Closing Date in which event Seller shall close its own applicable accounts and the respective charges for such utility bills shall not be prorated.

(iii) All charges payable with respect to the Assumed Contracts.

(iv) Any apportionments and prorations which are not expressly provided for in this Section 5(e), which shall be made in accordance with the customary practice in the Commonwealth of Virginia.

(f) Post-Closing Obligations. On or before June 30, 2020, Seller shall, at its sole cost, construct a stormwater management pond offsite and abutting the Property sufficient to receive stormwater runoff from the Property. Purchaser and Seller will cooperate in the design of such pond and the pipes and other equipment and facilities, that Purchaser shall provide, at its sole expense, necessary to transport the stormwater runoff from the Property to such adjacent stormwater management pond. Seller shall obtain the applicable construction permits for the stormwater management pond by December 31, 2019. If Seller fails to meet the requirements of this paragraph, Purchaser may take any action it deems appropriate, in its sole discretion, to complete the stormwater management pond and the costs of completion shall result in a dollar-for-dollar reduction of the Purchase Price, which, if occurring after Closing, shall be paid by Seller to Purchaser. The provisions of this Section shall survive Closing and the recording of the Deed. Notwithstanding the foregoing, if the Purchaser notifies Seller it intends to exercise its option to extend the settlement beyond

December 31, 2019, then, the dates in this section shall be extended by the same number of days as the extended Closing.

(g) **Final Closing Adjustment.** No later than six (6) months following the Closing Date, Seller and Purchaser shall make a final adjustment to the prorations made pursuant to Section 5(e) above (the "Final Closing Adjustment"). All adjustments or prorations which could not be determined at the closing because of the lack of actual statements, bills or invoices for the current period, or any other reason, are to be made as a part of the Final Closing Adjustment. Any net adjustment in favor of Purchaser is to be paid in cash by Seller to Purchaser no later than thirty (30) days after the Final Closing Adjustment. Any net adjustment in favor of Seller is to be paid in cash by Purchaser to Seller no later than thirty (30) days after the Final Closing Adjustment. Notwithstanding the foregoing, if a manifest error in the prorations made at closing is determined by Seller or Purchaser or if material information which was not available at closing becomes available after closing, the parties will adjust the prorations made at closing promptly (and in any event within thirty (30) days after such error or material information is discovered). This Section 5(f) shall survive the Closing Date for one (1) year.

6. REPRESENTATIONS AND WARRANTIES.

(a) **Representations of Seller.** Seller represents and warrants to Purchaser that except as may be disclosed by any documents and materials delivered or made available to Purchaser pursuant to Section 7(d):

(i) **Organization and Authorization.** Seller is an entity duly organized and qualified to do business in the Commonwealth of Virginia. The individual or entity executing this Agreement on behalf of Seller is duly authorized to execute this Agreement on behalf of Seller. The execution and delivery of this Agreement and the performance of all obligations of Seller hereunder have been duly authorized by all entity action of Seller.

(ii) **No Conflicting Agreements.** The transfer and delivery by Seller of the Property to Purchaser as provided hereunder and the performance by Seller of its obligations under this Agreement will not conflict with or result in the breach of any of the terms of any agreement or instrument to which Seller is a party.

(iii) **FIRPTA.** Seller is not a "foreign person" within the meaning of the United States tax laws and to which reference is made in Internal Revenue Code Section 1445(b)(2).

(iv) **No Consents.** Seller is not aware of any consents required for the performance of Seller's obligations hereunder.

(v) **Leases.** There are not, and at closing there will not be, any leases, license agreements and other occupancy agreements ("Leases") that will be binding upon the Property (except for any Lease entered into by Purchaser or consented to by Purchaser pursuant to the terms of this Agreement).

(vi) **Zoning.** The Property is currently zoned Planned Commercial Industrial with 125 assisted living units.

(vii) **Condemnation.** As of the Effective Date, Seller has not received any written notice of any pending or threatened condemnation of all or any portion of the Real Property.

(viii) **Litigation.** As of the Effective Date, Seller has not received written notice of any litigation that is pending or threatened with respect to the Property, except (A) litigation

fully covered by insurance policies (subject to customary deductibles); or (B) litigation set forth in Schedule 5(a)(vii).

(ix) Service Contracts. Attached hereto as Schedule 5(a)(viii) is a schedule of all of the current service, maintenance or other contracts related to the ownership and operation of the Property (collectively, the "**Contracts**") excluding any service, maintenance or other contracts which the tenants under the Leases have entered into.

Except as expressly set forth in this Agreement, it is understood and agreed that Seller is not making and has not at any time made any warranties or representations of any kind or character, express or implied with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability, or fitness for a particular purpose or any other matter or thing regarding the Property. Purchaser acknowledges and agrees that upon closing Seller shall sell and convey to Purchaser and Purchaser shall accept the Property "as is, where is, with all faults." Purchaser shall rely solely on its own investigation with respect to the Property, including the Property's physical, environmental or economic condition, compliance or lack thereof with any ordinance, order, permit or resolution. In addition to, and not by way of limitation of, the sale of the Property on an AS IS CONDITION WITH ALL FAULTS basis under this Agreement, Purchaser acknowledges that Seller makes no representations or warranties whatsoever to Purchaser regarding the: (i) physical condition of the Property or (ii) presence or absence of Hazardous Materials in, at, or under the Property. Seller hereby expressly excludes from its sale of the Property any representation or warranty not expressly set forth herein or in any document delivered by Seller at closing.

References in this Agreement to the "**knowledge**" of Seller shall refer only to the actual knowledge (as opposed to constructive, deemed or imputed knowledge) of the Designated Employees (as hereinafter defined) and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller, or any affiliate of Seller, to any property manager, or to any other trustee, officer, agent, manager, representative or employee of Seller or any affiliate thereof or to impose upon such Designated Employees any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. As used herein, the term "**Designated Employees**" shall refer to Ed Moore. There shall be no personal liability on the part of the Designated Employees arising out of any representation or warranty made herein.

(b) Purchaser's Independent Investigations. Purchaser acknowledges that it is being given the full opportunity to inspect and investigate each and every aspect of the Property during the Feasibility Period (as defined below), either independently or through agents, representatives or experts of Purchaser's choosing, as Purchaser considers necessary or appropriate, and its failure to give the Termination Notice (as defined in Section 7(c)) conclusively evidences Purchaser's complete satisfaction with such independent investigation. Such independent investigation by Purchaser includes, without limitation, the presence or absence of Hazardous Materials. "**Hazardous Materials**" shall mean materials, wastes or substances that are (A) included within the definition of any one or more of the terms "hazardous substances," "hazardous materials," "toxic substances," "toxic pollutants," and "hazardous waste" in any Environmental Law; (B) any material, waste or substance that is regulated or classified as hazardous or toxic; (C) petroleum; (D) asbestos or asbestos-containing materials; (E) polychlorinated biphenyls; (F) flammable explosives; or (G) radioactive materials. "**Environmental Laws**" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), the Clean Air Act, as amended (42 U.S.C. Sections 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601-2629), and all regulations promulgated under the foregoing, and any other federal, state or local laws, statutes, rules, ordinances, or regulations now or hereafter in effect

relating to liability or other responsibilities of property owners for or with respect to environmental matters.

(c) **Release.** Without limiting the provisions of this Section 6, Purchaser waives its right to recover from, and forever releases and discharges, and covenants not to sue, Seller, Seller's affiliates, Seller's property manager, any lender to Seller, the partners, trustees, shareholders, controlling persons, directors, officers, attorneys, employees and agents of each of them, and their respective heirs, successors, personal representatives and assigns (each a "Seller Party", and collectively, the "Seller Parties") with respect to any and all claims, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the Property including, without limitation, the physical, environmental and structural condition of the related Real Property or any law or regulation applicable thereto, including, without limitation, any claim or matter relating to the use, presence, discharge or release of Hazardous Materials on, under, in, above or about the Real Property; *provided, however,* Purchaser does not waive its rights, if any, to recover from, and does not release or discharge or covenant not to sue Seller for (i) any breach of Seller's representations or warranties set forth in Section 6(a), subject to the limitations and conditions provided in this Agreement, or (ii) any breach of Seller's obligations set forth in this Agreement that expressly survive closing.

(d) **Waiver by Purchaser.** If Purchaser and/or its assignee, with knowledge of (i) a default in any of the covenants, agreements or obligations to be performed by Seller under this Agreement and/or (ii) any breach of or inaccuracy in any representation or warranty of Seller made in this Agreement nonetheless elects to proceed to closing, then, upon the consummation of the closing, Purchaser and/or its assignee shall be deemed to have waived any such default and/or breach or inaccuracy and shall have no claim against Seller with respect thereto.

(e) **Right to Cure.** If after the date hereof and prior to the closing, Purchaser becomes aware or is deemed to know that any of the representations or warranties made herein by Seller are untrue, inaccurate or incorrect in any material respect (other than as a result of receipt of written notice thereof from Seller pursuant to the requirement of the next sentence), Purchaser shall use good faith efforts to notify Seller in writing within five (5) days of obtaining such knowledge and, in any event, prior to the closing. If at or prior to the closing, Seller obtains knowledge that any of the representations or warranties made herein by Seller is untrue, inaccurate or incorrect, Seller shall notify Purchaser in writing thereof within five (5) days of obtaining such knowledge and, in any event, prior to the closing. In either such event, Seller shall not be obligated to cure any such misrepresentation or breach. If Seller is otherwise willing to attempt to cure the misrepresentation or breach, Seller shall be entitled to a reasonable adjournment of the closing (not to exceed thirty (30) days beyond the previously scheduled Closing Date) for the purpose of any such cure; *provided, however,* Purchaser shall have the right to waive such breach at any time during said period of adjournment and in the event of such waiver Seller and Purchaser shall consummate the closing without any reduction or credit against the Purchase Price with respect thereto. If Seller fails to cure any misrepresentation or breach or declines to cure any other misrepresentation or breach not required to be cured, then Purchaser, as its sole remedy for any and all such materially untrue, inaccurate or incorrect material representations or warranties, shall be entitled to terminate this Agreement as set forth in Section 12(c). If any such representation or warranty is untrue, inaccurate or incorrect but is not untrue, inaccurate or incorrect in any material respect, Purchaser shall be deemed to waive such misrepresentation or breach of warranty, and Purchaser shall be required to consummate the transactions contemplated hereby without any reduction of or credit against the Purchase Price.

(f) **Purchaser's Representations.** Purchaser represents to Seller that:

(i) Organization and Authorization. Purchaser is a West Virginia limited liability company duly organized and in good standing in the state of its organization and is duly registered to do business in the Commonwealth of Virginia. The individual executing this Agreement on behalf of Purchaser is duly authorized to execute this Agreement on behalf of Purchaser. The execution and delivery of this Agreement and the performance of all obligations of Purchaser hereunder have been duly authorized by all entity action of Purchaser.

(ii) No Conflicting Agreements. The purchase of the Property by Purchaser as provided hereunder and the performance by Purchaser of its obligations under this Agreement will not conflict with or result in the breach of any of the terms of any agreement or instrument to which Purchaser is a party.

(iii) No Consents. Purchaser is not aware of any consents required for the performance of Purchaser's obligations hereunder.

7. BUYER'S INSPECTIONS AND FEASIBILITY PERIOD.

(a) Purchaser's Access. During the Feasibility Period, Seller shall give to Purchaser and its officers, directors, employees, agents, advisors, or representatives ("**Representatives**"), complete access to the Property during normal business hours and after reasonable prior notice, for the purpose of performing any reasonable tests and investigations, including, without limitation, non-intrusive environmental and property condition tests and studies and an updated survey of the Property (any intrusive testing shall require Seller's prior written consent, to be granted or withheld in Seller's sole discretion). Seller shall have the right to accompany Purchaser and/or its Representatives during any Purchaser investigation or testing. Purchaser shall repair any damage to the Property caused by any entry upon the Property by Purchaser or its Representatives. Neither Purchaser nor any Representative of Purchaser shall contact or communicate with any governmental authority regarding any Hazardous Materials on, or the environmental condition of, the Property without prior written notice to Seller and written approval by Seller, such approval to be granted or withheld in Seller's sole discretion. Notwithstanding any other provision of this Agreement, this Section 7(a) shall survive the closing or termination of this Agreement for any reason and Purchaser shall not be relieved of its obligations under this Section 7(a) by reason of the closing or any termination of this Agreement.

(b) Purchaser's Insurance; Indemnification. Before receiving access to the Property, Purchaser shall obtain a policy of general liability insurance, which insures Purchaser and its Representatives, with liability insurance limits of not less than \$2,000,000 combined single limit for personal injury and property damage. Such policy shall name Seller and Seller's property manager as additional insureds. Such policy shall be issued by such insurance companies, shall provide such coverage and shall carry such other limits as may be approved by Seller, in its reasonable discretion. Purchaser shall provide Seller with a certificate of insurance evidencing that Purchaser has obtained the aforementioned policy of insurance. By Purchaser's execution of this Agreement, Purchaser agrees to: (i) indemnify, defend, and hold Seller, and any member, manager, employee, agent or attorney of Seller and any other party related in any way to any of the foregoing, free and harmless from and against any and all costs, loss, damages and expenses, of any kind or nature whatsoever (including attorneys' fees and costs) arising out of or resulting from the entry and/or the conduct of activities upon the Property by Purchaser or its Representatives and their employees, agents, representatives, contractors, subcontractors or attorneys at the Property or any breach of this Section 7, whether arising prior to or after the Effective Date; and (ii) deliver promptly to Seller copies of all third party reports commissioned by or on behalf of Purchaser which set forth the results of tests, studies and inspections of the Property. Notwithstanding any provisions of this Agreement, the preceding sentence shall survive the expiration or termination of this Agreement.

(c) **Feasibility Period.** If, during the period between the Effective Date and 5:00 p.m. Eastern Time on that date which is ninety (90) days after the Effective Date (such period is hereinafter referred to as the "Feasibility Period"), Purchaser gives Seller written notification (the "Termination Notice") that Purchaser elects not to consummate the purchase of the Property, this Agreement shall terminate, the Earnest Money and the interest thereon shall be returned to Purchaser, and, except as otherwise provided in this Agreement, neither party shall have any further liability to the other under this Agreement. Purchaser shall have the absolute right, in its sole discretion, to determine whether to give the Termination Notice. If Purchaser elects not to give the Termination Notice prior to the expiration of the Feasibility Period, then this Agreement shall remain in full force and effect in accordance with, and subject to, its terms. If the Termination Notice is not delivered on or prior to the expiration of the Feasibility Period, Purchaser shall be deemed to have reviewed, accepted and approved (and all representations and warranties of Seller made herein shall be subject to and qualified by) all of the Due Diligence Deliveries, all Permitted Exceptions, and other matters known to Purchaser. If Purchaser has knowledge of a breach of representation, warranty or covenant and does not send a Termination Notice to Seller during the Feasibility Period, then Purchaser shall be deemed to have waived such breach. In the event Purchaser delivers the Termination Notice, or otherwise terminates this Agreement for any reason (whether pursuant to this Section 7(c) or otherwise), then Purchaser shall deliver to Seller copies of all third party reports, investigations and studies, other than economic analyses (collectively, the "Reports" and, individually, a "Report") prepared for, and delivered to, Purchaser in connection with its due diligence review of the Property. Purchaser's obligation to deliver the Reports pursuant to this Section 7(c) shall survive any termination of this Agreement.

(d) **Due Diligence Deliveries.** Seller agrees to deliver to Purchaser within five (5) days after the Effective Date the materials listed on Schedule 6(d) (the "Due Diligence Deliveries"), each to the extent in Seller's possession.

8. INTERIM OPERATION OF THE PROPERTY.

(a) **General Operation.** Except as otherwise contemplated or permitted by this Agreement or approved by Purchaser in writing, from the Effective Date to the Closing Date (or earlier termination of this Agreement), Seller agrees that it will operate, maintain, and repair and lease the Real Property in the ordinary course, on an arm's length basis and reasonably consistent with Seller's past practices and will not dispose of or encumber any Property, except for dispositions of personal property in the ordinary course of business or as otherwise permitted by this Agreement.

(b) **Contracts.** Prior to the expiration of the Feasibility Period, Purchaser shall designate those Contracts which Purchaser elects to assume at closing (each of which shall be an "Assumed Contract"), and all other Contracts shall be terminated by Seller as of the earliest termination date possible, *provided* that Purchaser shall be responsible for payment of all fees due for the period after closing through the termination date of the Contract. Payment of all termination fees associated therewith shall be the obligation of Purchaser. Seller agrees that, without Purchaser's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), during the term of this Agreement Seller will not enter into any new Contract affecting the Property if such Contract cannot be terminated on thirty (30) days' notice or less.

(c) **Maintenance.** Between the Effective Date and the Closing Date (or earlier termination of this Agreement), Seller shall (i) continue to maintain its existing insurance coverage with respect to the Property, if any; and (ii) not grant any voluntary liens affecting the Property.

(d) **Leases.** Prior to the execution of any new leases for the Property, Seller shall give notice of its intent to do so to Purchaser. Purchaser shall have five (5) Business Days after receipt of

such notice to notify Seller of its objections, if any, to any such proposed lease. During the Feasibility Period, Purchaser shall not have any approval rights over proposed leases. Accordingly, during the Feasibility Period, any such proposed lease shall be deemed approved by Purchaser (regardless of whether Purchaser has in fact objected to such proposed lease) provided Purchaser has received notice thereof and Seller may enter into such proposed lease or renewal, extension or expansion of an existing Lease five (5) Business Days after it gave the notice to Purchaser required under this Section 8(d). After the end of the Feasibility Period, Seller shall not enter into any new lease without Purchaser's approval, such approval not to be unreasonably withheld, conditioned or delayed (Purchaser's failure to object within the five (5) day period described above shall be deemed approval by Purchaser). Nothing in this Agreement shall be interpreted to require Seller to lease any portion of the Property as a condition to the sale of the Property and Seller shall have no obligation to enter into or to seek any leases for the Property prior to the Closing Date. All leases or amendments thereto executed in accordance with this Section 8(d) shall be deemed "Leases" for all purposes of this Agreement.

9. TITLE. Seller does not make any representations, warranties or covenants concerning title to the Property except that: (a) after the Effective Date, Seller shall not execute any deed, easement, restriction, covenant or other matter affecting title to the Property unless Purchaser has received a copy thereof and has expressly approved the same in writing (such approval will not be unreasonably withheld, conditioned or delayed); and (b) all mortgages against the Property shall be paid or otherwise defeased by Seller at or before closing, it being understood and agreed that Seller shall have the right to have the Escrow Agent apply a corresponding portion of the Purchase Price proceeds at closing for such purpose.

10. COSTS. Purchaser shall pay the cost of all premiums and charges in connection with any Title Commitment (as defined in Section 11) or the title policy issued in connection with the Title Commitment (the "Title Policy") (including endorsements) issued to Purchaser, the cost of preparing the Survey (as defined in Section 11), all recording and filing charges in connection with the Deed (other than as set forth below in this Section 10), one-half of all escrow charges due to the Escrow Agent, all costs of Purchaser's due diligence, including fees due its consultants, and all lenders' fees or other costs or expenses related to any financing to be obtained by Purchaser. Seller shall pay one-half of all escrow charges due to the Escrow Agent. Seller shall pay the Virginia Grantor's Tax with respect to the Deed. All other State and County recordation and transfer taxes and recording charges payable in connection with the recording of the Deed (whether imposed in the form of transfer taxes, documentary stamps or otherwise) shall be paid by Purchaser. Each party shall pay the fees and costs of its own counsel.

11. TITLE INSURANCE.

(a) Within ten (10) days after the Effective Date, Purchaser may order an updated ALTA survey of the Real Property (the "Survey") and may order a title insurance commitment (the "Title Commitment") from a title insurance company that the Escrow Agent is agent for (the "Title Company") and, if ordered by Purchaser, shall deliver a copy thereof, as well as any updates of the Survey and the Title Commitment, to Seller. Purchaser may not order title insurance through any person or entity other than Escrow Agent. Any easements, covenants, restrictions, exceptions of record and other matters that are shown on the Title Commitment or the Survey in their respective forms at the end of the Feasibility Period (and as most recently delivered to Seller by Purchaser or the Title Company), or that would have been shown on the Title Commitment or the Survey (if Purchaser elects not to obtain the Title Commitment or the Survey), together with (a) all laws, ordinances, statutes, orders, requirements and regulations to which the Property is subject, (b) the preprinted exceptions in the Title Commitment or Title Policy; (c) any exception from a survey updated after the end of the Feasibility Period; (d) any Title Commitment requirements which are the Purchaser's responsibility to fulfill (such as providing the Title Company with organizational and authorization documentation); and (e) any Lease approved by Purchaser pursuant to the terms of this Agreement, are hereinafter collectively referred to as "Permitted

Exceptions". If Purchaser objects to any exception or matter shown on the Title Commitment or the Survey, Purchaser shall deliver a written notice thereof to Seller not less than five (5) Business Days prior to the expiration of the Feasibility Period. If Purchaser does not timely deliver any such objection notice to Seller, Purchaser shall be deemed to have approved all matters shown, identified or referenced in the Title Commitment and the Survey (or, if Purchaser elects not to obtain the Title Commitment or the Survey, that would have been shown, identified or referenced in the Title Commitment or the Survey if such had been obtained by Purchaser). Seller shall have no obligation to cure any Purchaser title objection or satisfy any other title matters. If the Title Company notifies the parties of any additional exceptions to title filed against the Real Property after the expiration of the Feasibility Period, Purchaser shall have five (5) Business Days from the date of delivery of any such title supplement within which to object to the same by written notice to Seller. If Purchaser does not timely deliver such objection notice to Seller, Purchaser shall be deemed to have approved all such additional exceptions, each of which shall be deemed a Permitted Exception. With respect to any title or survey matter to which Purchaser has timely objected, Seller shall notify Purchaser within three (3) Business Days of receipt of Purchaser's objection notice whether Seller intends to endeavor to cure such title or survey matter. If Seller elects not to cure a title or survey matter which Purchaser has objected to, Purchaser shall have the right to terminate this Agreement by written notice to Seller given within two (2) Business Days of Seller's notice not to cure, failing which, any such title or survey matter shall be deemed a Permitted Exception and Purchaser shall proceed to closing without any reduction or abatement in the Purchase Price. Notwithstanding anything contained herein to the contrary, Purchaser shall have no right to object to: (i) any matter over which the Title Company is willing to insure, (ii) any matter arising as a result of an act or omission of Purchaser or its affiliates, agents, employees or representatives; (iii) the so called "Army Covenants" that are contained in, *inter alia*, the deed(s) into Seller with respect to the Real Property[; **OR (IV) THE EXACT SIZE, SHAPE OR LOCATION OF THE REAL PROPERTY (IT BEING UNDERSTOOD AND AGREED BY PURCHASER THAT THE EXACT SIZE, SHAPE AND LOCATION OF THE REAL PROPERTY WILL NOT BE KNOWN OR DETERMINED UNLESS AND UNTIL THE SUBDIVISION OCCURS.)**

(b) Notwithstanding any provision of this Agreement to the contrary, the Property and title thereto is accepted by Purchaser subject to, and Purchaser covenants with Seller that Purchaser shall at its expense comply with, all of the following, which shall indefinitely survive closing and delivery of the Deed:

(i) Conservancy; Architectural Controls:

(1) Purchaser acknowledges that there has been imposed, and shall be confirmed upon the Property, in accordance with the overall plan of development of the Vint Hill development project (the "**Project**") of which the Property forms a part, a set of covenants and restrictions intended to enhance the desirability of the entire Vint Hill Project. Purchaser acknowledges that certain Declaration of Covenants Conditions and Restrictions ("**Conservancy Declaration**") for the Project and providing for, *inter alia*, owners' membership in The Vint Hill Conservancy, Inc. (the "**Conservancy**"), together with the other related documents, and recognizes that the Property is and shall be subject to, among other things, various architectural requirements. Purchaser hereby agrees: (i) that the Property shall be subject to the aforesaid covenants and restrictions as recorded among the Land Records, as they may be amended from time to time, and (ii) to work with Seller, the Conservancy and other appropriate authorities in good faith to ensure that exterior renovations or other improvements to the existing buildings and/or new construction or site changes requiring minor or major site plan approval from the County comply with approved and recorded architectural controls and guidelines for Vint Hill, as implemented by the Conservancy and the Declarant. Should this Contract not be terminated, Purchaser shall accept the Property at Closing subject to the Conservancy Documents.

(2) The Conservancy must approve preliminary and final plan and design for any and all improvements located on land subject to the Declaration. Accordingly, Purchaser shall submit its site and exterior design approval, plans and specifications showing any improvements or modifications proposed to the site and Building. No action will be taken to complete these improvements without the prior approval of the Conservancy. Purchaser understands that Fauquier County has sole construction permit granting authority. Purchaser acknowledges that notwithstanding that some individuals associated with Seller are also associated with the Conservancy; any such relationships shall in no way be interpreted or construed by Purchaser as a basis for, or an expectation of, favorable consideration of Purchaser's plans and design by the Conservancy.

(3) The Conservancy shall administer the affairs of the Conservancy including the preparation and filing of all necessary documents with the Virginia State Corporation Commission such as annual reports and registered agent forms and the payment of franchise fees and other applicable charges and costs and the payment of real estate tax assessments on Conservancy property.

(4) Purchaser agrees it and its successors and assigns, shall be required to become a member of the Conservancy, and Purchaser covenants and agrees that it shall fully cooperate with Seller to the extent either may reasonably request Purchaser to do so in connection with any expansion or alteration of easements or rights of way for the overall benefit of Vint Hill, provided however that such expansions or alterations shall not materially adversely affect the conduct of the business to be operated by the Purchaser, or its permitted tenants or subtenants, on the Property.

(ii) Army Covenants, Proffers and Permitted Exceptions:

(1) The Property is a portion of the real estate acquired by the Vint Hill Economic Development Authority by Deed ("**Deed of Acquisition**") recorded in Deed Book 851 at Page 368, and re-recorded in Deed Book 869, at Page 1366, all among the land records of Fauquier County, Virginia ("**Land Records**"). The Property is or shall be subject to, *inter alia*: (i) the easements and covenants set forth in the Deed (the "**Army Covenants**"), and any applicable ground water monitoring requirements proposed by the Army ("**Groundwater Requirements**"), receipt of both of which is acknowledged by the Purchaser; (ii) the obligations and requirements arising from the Vint Hill EDA PCID and PRD Rezoning Application Proffers (as of: December 15, 1999) with a one-page Memorandum/ Letter of Clarification dated December 20, 1999, as amended, receipt of which is hereby acknowledged by the Purchaser and incorporated herein by this reference and which are subject to change and cost adjustment by the County from time to time (the "**Proffers**"); (iii) those covenants restrictions and other documents described in the Conservancy Documents (collectively, the "**Conservancy Documents**") receipt of which is hereby acknowledged by Purchaser; (iv) those various reservations, easements and documents of record in the chain of title to the Property.

(2) Purchaser acknowledges the Army Covenants, the Groundwater Requirements, and the Proffers. Purchaser expressly acknowledges and agrees that the conveyance of the Property contemplated hereby shall be expressly subject to the Army Covenants, the Proffers and the Permitted Exceptions, and all rights, easements, obligations and agreements therein contained.

(3) At Closing, the appropriate floor area ratio ("**FAR**") of the Property shall be recited in the Deed, which shall provide that the floor area for the entirety of the Property to be conveyed hereunder shall be Ninety-Eight Thousand (98,000) square feet.

(4) Purchaser is aware and acknowledges that Vint Hill is a planned community and as a condition of the rezoning, it was proffered that there be maintained certain

architectural, density, height, and other limitations, and that the Property will employ the use of a property owners association to address the common interests of its members. Purchaser warrants that all aspects of the Proffers, as may be amended, shall be adhered to in the utilization of the Property.

12. CONDITIONS PRECEDENT TO CLOSING.

(a) Conditions to Purchaser's Obligations. The obligations of Purchaser to purchase the Property from Seller and to perform the other covenants and obligations to be performed by Purchaser on the Closing Date shall be subject to the following conditions (all or any of which may be waived in writing, in whole or in part, by Purchaser):

(i) Representations and Warranties True. The representations and warranties made by Seller under this Agreement shall be true and correct in all material respects on the date of this Agreement and shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

(ii) Seller's Performance. Seller shall have performed in all material respects all covenants, agreements and delivered all documents required by this Agreement to be performed or delivered by it on or before the Closing Date.

(iii) Subdivision. On or prior to the closing, Seller shall have caused a parcel in the approximate size and shape as the parcel depicted on Exhibit A to be subdivided into a separately taxed parcel among the land records of the County (the "Subdivision"). For the purposes of this Agreement, the term "Subdivision Date" shall mean the date upon which a plat is recorded in the land records of the County creating or confirming the Subdivision. Zoning. The Subdivision of the Property will include the 125 assisted living units.

(iv) Tax Credit Allocation. Purchaser must receive the Tax Credit Allocation as defined in Section 32 of this Agreement.

(b) Conditions to Seller's Obligations. The obligations of Seller to sell the Property to Purchaser and to perform the other covenants and obligations to be performed by Seller on the Closing Date shall be subject to the following conditions (all or any of which may be waived in writing, in whole or in part, by Seller):

(i) Representations and Warranties True. The representations and warranties made by Purchaser under this Agreement shall be true and correct in all material respects on the date of this Agreement and shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date.

(ii) Purchaser's Performance. Purchaser shall have performed all covenants, agreements and delivered all documents required by this Agreement to be performed or delivered by it on or before the Closing Date.

(iii) Subdivision. On or prior to the closing, Seller shall have caused the Subdivision to occur.

(c) Termination. Subject to the provisions of Sections 13 and 14 of this Agreement, in the event that any condition set forth in Sections 12(a) or 12(b) is not satisfied on or prior to the

Closing Date, and if such condition remains unsatisfied for a period of ten (10) Business Days after notice thereof (except that no such notice shall be required in connection with a failure of a party to close when obligated to do so under this Agreement) then the party to this Agreement whose obligations are conditioned upon the satisfaction of such condition may terminate this Agreement, by written notice delivered to the other party at or prior to the occurrence of the closing and the Earnest Money and the interest thereon shall be returned to Purchaser. Upon any termination of this Agreement pursuant to this Section 12(c), except as otherwise provided in this Agreement, neither party shall have any further liability to the other under this Agreement.

13. SELLER'S FAILURE TO PERFORM. If Seller fails to perform under this Agreement when obligated to do so and such failure continues for a period of ten (10) Business Days after written notice from Purchaser, then Purchaser may either: (a) enforce specific performance hereof (in connection with a failure by Seller to convey the Property to Purchaser at closing when obligated to do so under the terms of this Agreement), or (b) terminate this Agreement and receive the Earnest Money and, in the event of such termination, Purchaser and Seller shall be relieved of all obligations and liabilities under this Agreement (except as otherwise provided in this Agreement). If Purchaser elects subsection (a) from the previous sentence, the parties shall continue this Agreement pending Purchaser's action for specific performance, in which latter event Purchaser, as a condition to such action, shall not accept return of the Earnest Money and shall place the full amount of the Purchase Price above the Earnest Money into escrow with the Escrow Agent or provide other evidence satisfactory to Seller that Purchaser is ready, willing and able to close.

14. BUYER'S FAILURE TO PERFORM. If Purchaser fails to perform this Agreement when obligated to do so, the Earnest Money shall be paid to and retained by Seller as fixed, agreed and liquidated damages, and as Seller's exclusive remedy for such failure to perform, and Seller and Purchaser shall be relieved from all liabilities and obligations under this Agreement (except as otherwise provided in this Agreement).

15. ATTORNEYS' FEES; COSTS. In connection with any litigation arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs at both the trial and appellate levels.

16. CONDEMNATION. In the event of the institution, prior to closing of any proceedings, judicial, administrative or otherwise, which relate to a taking or proposed taking of any portion of the Property by eminent domain, Seller shall immediately notify Purchaser thereof. In the event of any such taking or proposed taking which relates to more than twenty percent (20%) of the land area of the Real Property, Purchaser may at its option, terminate this Agreement by written notice to Seller within ten (10) days after Purchaser is advised of the commencement of condemnation proceedings and all Earnest Money shall be refunded to Purchaser, and Purchaser and Seller shall be relieved of all obligations and liability under this Agreement (except as otherwise provided in this Agreement), or Purchaser shall have the right to appear and defend such condemnation proceedings, and in the event the closing occurs, any award in condemnation shall, at Purchaser's election, become the property of Purchaser.

17. BROKERS AND AGENTS. Each of the parties represents to the other that it has not retained or used the services of a broker or agent in connection with this transaction. Each party agrees to indemnify and hold the other harmless from any claims of brokers or agents for fees or commissions arising out of this transaction attributable to a breach by such party of its representations under this Section.

18. NOTICES. Any notice required or permitted to be given hereunder shall be in writing and delivered by a nationally recognized overnight courier service providing a receipt (such as Federal

Express), by hand or by facsimile addressed as follows (or to such other address as may be designated by any party by notice to the other):

If to Seller:

Vint Hill Village, LLC
c/o EFO Capital Management, Inc.
Attn.: Mr. J. Mitchell Neitzey
21 Dupont Circle, N.W.
Suite 410
Washington, DC 20036

with a copy to:

Greenstein DeLorme & Luchs, P.C.
Attn.: Vincent Mark J. Policy, Esq.
1620 L. Street, N.W.
Suite 900
Washington, D.C. 20036

If to Purchaser:

To Purchaser: MARG Rural LLC

 c/o TM Associates, Inc.

 1375 Piccard Drive, Suite 150

 Rockville, Maryland 20850
 Attention: Robert B. Margolis

 E-mail: bobm@tmdevelopment.com

With a Copy to: Allison T. Domson, Esq.

 Williams Mullen

 200 South 10th Street, Suite 1600

 Richmond, Virginia 23219

 E-mail: adomson@williamsmullen.com

If intended for the Escrow Agent, at the address above designated with copies to the other parties.

or at any other address designated by either party by notice to the other party pursuant to this Section 18. Notices shall be deemed given when received by the party to whom it is addressed, if delivered by overnight courier service or by hand or on the date the automatic acknowledgment indicates delivery was made to the party to whom it is addressed, if sent by facsimile.

19. ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties, and no prior verbal or written agreement of understanding shall survive the execution of this Agreement. In the event of any amendment or modification of this Agreement, the amendment or modification shall be in writing signed by all the parties, or their agents, in order to be binding upon the parties. This Agreement, or a memorandum thereof, shall not be recorded among the land records.

20. FURTHER ASSURANCES. Seller agrees that it will, at any time and from time to time after the Closing Date, upon request of and at the sole cost and expense of Purchaser, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances and assurances as may reasonably be required for the assigning, transferring, granting, assuring and confirming to Purchaser, or for aiding and assisting in collecting and reducing to possession, any or all of the assets or property being sold to Purchaser pursuant to this Agreement, provided that the same do not impose any liability on Seller beyond that provided in this Agreement or any document required to be executed by Seller pursuant to this Agreement (other than under this Section).

21. WAIVER OF JURY TRIAL. The parties hereto waive trial by jury in any action, proceeding or counterclaim brought by any party against any other party on any matter arising out of or in any way connected with this Agreement.

22. BENEFIT AND BURDEN AND ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Purchaser shall not assign its rights under this Agreement without Seller's prior written consent; provided, however, that no such approved assignment shall relieve or release Purchaser from any obligations under this Agreement (whether arising pre- or post-Closing) and Purchaser shall remain jointly and severally liable for all the same together with such assignee. Any assignment of Purchaser's rights under this Agreement in contravention of this Section 22 shall be null and void and of no force and effect and shall constitute a material default by Purchaser under this Agreement.

23. APPLICABLE LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia.

24. LIMITATION ON LIABILITY; SURVIVAL.

(a) Except as otherwise set forth in this Agreement, the representations, warranties and covenants in this Agreement shall not survive settlement and delivery of the Deed and shall be merged therein. The representations and warranties set forth in Section 6(a) of this Agreement shall survive settlement and delivery of the Deed and shall not be merged therein; provided, however, that in the event of a breach by Seller of a representation or warranty under Section 6(a) of this Agreement, Seller's liability for such breach shall survive only for claims asserted by Purchaser against Seller prior to the expiration of ninety (90) days from the Closing Date, and after such ninety (90) day period said representations and warranties shall be extinguished and of no further force and effect with respect to any claims not asserted by Purchaser prior to the expiration of such period.

(b) Notwithstanding any provision to the contrary herein or in any document or instrument executed by Seller and delivered to Purchaser at or in connection with the closing, including, but not limited to, the Deed (collectively, "**Closing Documents**"), Seller shall have no liability whatsoever with respect to any suits, actions, proceedings, investigations, demands, claims, liabilities, fines, penalties, liens, judgments, losses, injuries, damages, expenses or costs, including, without limitation, attorneys' and experts' fees and costs and investigation and remediation costs under any of the representations and warranties contained in this Agreement or in any Closing Document (collectively,

"Claims"), except to the extent (and only to the extent) that the aggregate amount of all Claims for breach of Seller's representations and warranties exceeds Ten Thousand Dollars (\$10,000) (the "Threshold Amount") and, in such case, such Claims shall only be valid (and Seller shall only be liable) for the portion that exceeds the Threshold Amount. Further, notwithstanding any provision to the contrary herein or in any Closing Document, Seller shall have no liability with respect to any Claim under any of the representations and warranties contained in this Agreement or in any Closing Document, which Claim relates to or arises in connection with any other matter not expressly set forth in Seller's representations and warranties set forth in this Agreement or in any Closing Document. Purchaser shall not make any Claim or deliver any Claim notice, unless in good faith, it believes would exceed the Threshold Amount as set forth above.

25. TIME OF THE ESSENCE. All times, wherever specified herein for the performance by Seller or Purchaser of their respective obligations hereunder, are of the essence of this Agreement. Notwithstanding the foregoing, any time period provided for herein which shall end on a Saturday, Sunday, or legal holiday shall extend to the next Business Day. For purposes of this Agreement, the term "Business Day" shall mean those days of the week which are not a Saturday, Sunday or any other federal or state holiday in which the banks in Fauquier County, Virginia are not open for business.

26. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement binding on the parties hereto.

27. DRAFTS NOT AN OFFER TO ENTER INTO A LEGALLY BINDING CONTRACT. The parties hereto agree that the submission of a draft of this Agreement by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Property pursuant to the terms of this Agreement. The parties shall be legally bound with respect to the purchase and sale of the Property pursuant to the terms of this Agreement only if and when the parties have been able to negotiate all of the terms and provisions of this Agreement in a manner acceptable to each of the parties in their respective sole discretion, including, without limitation, all of the Exhibits and Schedules hereto, and each of Seller and Purchaser have fully executed and delivered to each other a counterpart of this Agreement, including, without limitation, all Exhibits and Schedules hereto.

28. CONFIDENTIALITY AND PRESS RELEASES.

(a) **Confidentiality.** For the purposes of this Agreement, the term "**Confidential Information**" shall include all information furnished to Purchaser or any Representative of Purchaser (each, a "**Purchaser Party**") by or at the direction of Seller relating to Seller, the Property (or any other assets of Seller), this Agreement or the potential acquisition of the Property by Purchaser, as well as written memoranda, notes, analysis, reports, compilations, or studies prepared by any Purchaser Party which contain, or are derived from, such information furnished by or at the direction of Seller, whether in writing, computer diskette, other medium or oral communication. Purchaser agrees that: (i) it shall not disclose, or otherwise make or permit others to make copies or otherwise reproduce, any Confidential Information, except for use by any Representative of Purchaser who has a need to have such Confidential Information in connection with assisting the Purchaser in evaluating the proposed transaction by Purchaser (provided that Purchaser shall advise such persons of the confidential nature of such Confidential Information and such persons shall agree to maintain the confidentiality of such Confidential Information in accordance with the terms hereof); and (ii) each Purchaser Party will use Confidential Information exclusively for the purpose of evaluating the potential acquisition of the Property by Purchaser. In addition, subject to the provisions of subsection (b) below, no Purchaser Party shall disclose terms, conditions and provisions of this Agreement to any third party.

(b) Press Release. Seller and Purchaser hereby covenant that (i) prior to the closing it shall not issue any press release or public statement (a "Release") with respect to the transactions contemplated by this Agreement without the prior consent of all parties to this Agreement, except to the extent required by law or the regulations of the Securities and Exchange Commission, and (ii) after the closing, any Release issued by Seller or Purchaser shall be subject to the review and approval of all such parties (which approval shall not be unreasonably withheld). If Seller or Purchaser is required by law to issue a Release, such party shall, at least two (2) Business Days prior to the issuance of the same, deliver a copy of the proposed Release to the other party for its review.

(c) Survival. This Section 28 shall survive closing or the earlier termination of this Agreement.

29. ESCROW.

(a) Interpleader. In the event of a dispute concerning the disposition of the Earnest Money, the Escrow Agent shall have the right at any time to deposit any cash funds held by it under this Agreement with the clerk of the court having jurisdiction. The Escrow Agent shall give written notice of such deposit to Seller and Purchaser. Upon such deposit, the Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The Escrow Agent as Stakeholder. The parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against all costs, claims, and expenses, including reasonable attorneys' fees, incurred in connection with the performance of the Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by the Escrow Agent in bad faith, in willful disregard of this Agreement or involving gross negligence on the part of the Escrow Agent.

30. **LIKE-KIND EXCHANGE**. Each party hereby agrees to take any and all actions at closing as are reasonably necessary to help the other to effectuate a like-kind exchange of the Property pursuant to Section 1031 of the Code, including, but not limited to (i) entering into a like-kind exchange trust agreement authorized by a "qualified intermediary" acceptable to Purchaser and Seller to effectuate a like-kind exchange of the Property, which agreement shall be in the form and substance sufficient to allow such party's exchange of the Property to qualify as a tax-free exchange under Section 1031 of the Code, (ii) paying to the qualified intermediary the cash at closing for the Property in accordance with the instructions of the intermediary, and (iii) executing a notification statement acknowledging that the other party has elected to effectuate a like-kind exchange; provided, however, that in no event shall the non-requesting party be required to take title to any other real property or to incur any additional expenses or liability in order to effectuate the like-kind exchange and, except as set forth below in subsection (b), the like-kind exchange shall not delay the Closing Date. The requesting party, whether Seller or Purchaser, agrees to indemnify, defend and hold the other party harmless from and against any and all costs, expenses, claims and other liabilities of any kind arising with regard to the effectuation of a tax free exchange as described herein. Notwithstanding anything to the contrary provided herein, the non-requesting party makes no representations or warranties as to the tax treatment for the transaction contemplated hereby or the ability of the transaction contemplated to qualify for like-kind exchange treatment pursuant to Section 1031 of the Code. In the event both parties desire to effectuate a like-kind exchange as described herein, each party shall pay any and all costs associated with their respective transactions.

31. WATER AND SEWER TAPS. Purchaser agrees and covenants that Purchaser shall purchase from Seller any necessary water and sewer taps for the Property, at Seller's rates therefor. The foregoing agreement and covenant shall survive closing and delivery of the Deed.

32. AWARD OF LOW-INCOME HOUSING TAX CREDITS FROM VIRGINIA HOUSING DEVELOPMENT AUTHORITY. Purchaser intends to finance the Project through the use of low income housing tax credits ("LIHTC") from Virginia Housing Development Authority ("VHDA") for the Project in an amount sufficient to make the acquisition and construction of the Project feasible for Purchaser, and to locate investors to partner in the Project that will provide equity for the Project in exchange for use of the LIHTC. Seller agrees to cooperate fully in providing information in connection with Purchaser's application for such LIHTC, when and where required. Seller acknowledges and agrees that Purchaser's obligation to close hereunder is expressly conditioned upon Purchaser's receipt of a final reservation of 2019 LIHTC from VHDA (the "Tax Credit Allocation") prior to July 1, 2019. In the event Purchaser fails to obtain the Tax Credit Allocation on or before July 1, 2019, this Agreement shall automatically terminate (unless otherwise agreed to by the parties in writing), whereupon the Additional Deposits paid by Purchaser shall be returned to Purchaser and this Agreement shall be null and void and both of the parties hereto shall be relieved of any and all liability hereunder except for as otherwise stated in this Agreement.

[The Remainder of this Page is Intentionally Left Blank]

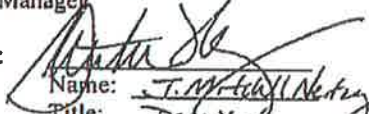
IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the day and year first above stated.

SELLER:

Vint Hill Village, LLC,
a Virginia limited liability company

By: Vint Hill Development, LLC,
its Sole Member

By: EFO Capital Management, Inc.
its Manager

By: 
Name: T. M. Fisher
Title: President


PURCHASER:

MARG RURAL, LLC,
a West Virginia limited liability company

By: 
Name: Robert Margolis
Title: Manager

The undersigned Escrow Agent executes this Agreement solely for the purpose of evidencing its agreement to perform its obligations, as set forth in this Agreement, it being understood and agreed that the Escrow Agent shall have absolutely no liability for the performance by Seller or Purchaser of their obligations under this Agreement.

POTOMAC SETTLEMENT SERVICES, INC.

By: 
Name: Melissa Fisher
Title: Title Agent

LIST OF EXHIBITS

<u>Exhibit A</u>	Legal Description
<u>Exhibit B</u>	Form of Deed
<u>Exhibit C</u>	Form of Assignment and Assumption of Contracts

LIST OF SCHEDULES

<u>Schedule 5(a)(vii)</u>	Litigation
<u>Schedule 5(a)(viii)</u>	Service Contracts
<u>Schedule 6(d)</u>	Due Diligence Deliveries

Exhibit A

Legal Description

BEGINNING AT A POINT SITUATED ON THE SOUTHERN LINE OF SIGLAR ROAD,
CONTINUE ALONG SAID SOUTHERN LINE S30°25'45"W 325.15' TO A POINT, THENCE
ALONG A CURVE TO THE RIGHT WITH A CHORD S40°20'15"W 223.69, R=650.00,
L=224.81' AND $\Delta=19^{\circ}48'59''$ TO A POINT, THENCE LEAVE SAID SOUTHERN LINE S42°
02'48"E 198.93' TO A POINT, THENCE N08°30'02"W 273.24' TO A POINT, THENCE ALONG
A CURVE TO THE LEFT WITH A CHORD N50°34'31"E 290.84', R=645.00, L=293.37' AND
 $\Delta=26^{\circ}03'35''$ TO A POINT, THENCE S59°34'15"E 299.71' TO THE POINT OF BEGINNING,
SAID PARCEL CONTAINING 3.77 ACRES OR 164,226.73 SQ. FT.

Exhibit A-1

Exhibit B

Form of Deed

Grantee Address:

Prepared By:

DEED OF CONVEYANCE

This DEED OF CONVEYANCE is made and entered into this ___ day of _____, 201___, by and between _____, LLC, a Virginia limited liability company (herein the "GRANTOR"); and _____ (herein the "GRANTEE");

WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the GRANTOR does hereby BARGAIN, SELL, GRANT and CONVEY with SPECIAL WARRANTY OF TITLE, unto the GRANTEE, all the following described property ("the Property"), together with all rights, ways, easements, improvements and appurtenances thereunto belonging, to-wit:

This conveyance is made expressly SUBJECT TO recorded covenants and restrictions, conditions, easements, reservations, agreement and rights of ways to the extent that the same are valid and apply to the property conveyed or any part thereof, and, in particular without limiting the foregoing: (1) that VINT HILL CONSERVANCY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS originally recorded May 20, 2002, in Deed Book 955, at Page 0002, as from time to time thereafter amended (the "Declaration"), and (2) those easements, restrictions, covenants, rights-of-way, reservations, notices and other matters referenced in that aforementioned Deed dated September 16, 1999, to the GRANTOR from the UNITED STATES OF AMERICA recorded with attached exhibits in Deed Book 851, at Page 368, and re-recorded in Deed Book 869, at Page 1366, and Deed Book 906, at Page 481, and Deed Book 1042, at Page 2318 (collectively the "USA Deed").

By the acceptance and endorsement of this Deed, the GRANTEE acknowledges receipt of all covenants and notices contained in Exhibit B of the USA Deed, including the following:

1. CERCLA COVENANT AND NOTICE.
2. NOTICE OF THE PRESENCE OF LEAD-BASED PAINT, AND COVENANT AGAINST THE USE OF THE PROPERTY FOR RESIDENTIAL PURPOSES.
3. NOTICE OF THE PRESENCE OF ASBESTOS AND COVENANT.
4. PCB CONTAINING EQUIPMENT NOTIFICATION.

This conveyance is further SUBJECT TO the following restrictive covenants which shall run with the title to the Property and shall inure to the benefit of and be binding upon, the successors and assigns of the parties hereto:

1. For the period of time after the date of this Deed, permanent improvements on the Property shall be limited to a maximum of 125 Assisted Living Units and Ninety Eight Thousand

Exhibit B-2

(98,000) total square feet of gross building floor area ("FAR") from the total pool of FAR available to the property known as Vint Hill, unless and until an increase in this amount is agreed to by the GRANTOR, at GRANTOR's sole discretion. GRANTOR may assign its rights described above by written instrument, recorded in the Fauquier County land records. In the event GRANTOR is dissolved or GRANTOR's existence is terminated prior to any such assignment of GRANTOR's rights, then GRANTOR's rights described in this paragraph 1 shall be deemed to have been assigned to, and shall thereafter be exercised by, the Declarant, as defined in the Declaration.

2. The foregoing limitation shall be monitored by the Fauquier County Department of Community Development on an individual parcel basis, as well as on a cumulative total site basis if the Property is subsequently subdivided. The GRANTEE, its successors and assigns shall reasonably cooperate with such monitoring.

3. The foregoing restrictive covenant shall inure to the benefit of the County of Fauquier, Virginia, and the Vint Hill Conservancy, Inc. and in the event proceedings are instituted to enforce the restrictive covenant contained in the foregoing paragraph 1, and if the GRANTEE, or its successors or assigns, are found to be in violation of such restrictive covenant, said GRANTEE, or its successors or assigns, along with any other members of the Vint Hill Conservancy also in violation of such restrictive covenant, shall pay a pro-rata portion of the County's and/or the Vint Hill Conservancy Inc.'s reasonable attorney's fees and costs of court in such proceedings.

This conveyance is further SUBJECT TO those certain Vint Hill [Farms] Economic Development Authority, PCID and PRD Rezoning Application Proffers (the "Proffers") adopted by the Fauquier County Board of Supervisors on December 20, 1999, as such Proffers may be amended from time to time.

Exhibit B-3

The GRANTEE, for itself, its successors and assigns, agrees to be bound by the Proffers to the extent that the same are valid and as they pertain to the Property.

TO HAVE AND TO HOLD the said land and premises, together with all rights, ways, appurtenances and easements thereto belonging, or in anywise appertaining unto the said GRANTEE and its successors in fee simple, forever.

[Signatures on following pages]

IN WITNESS WHEREOF, the GRANTOR has caused this writing to be executed by an authorized signatory pursuant to due authority granted by said limited liability company.

WITNESS/ATTEST: _____, LLC,
a Virginia limited liability company

By: _____, LLC,
its _____

By: _____
its Manager

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____, as _____ and on behalf of _____, LLC, the Manager of _____, LLC, the sole member of _____, LLC.

Notary Public

My commission expires: _____

My Registration number: _____

[signatures continue on following page]

IN WITNESS WHEREOF, the GRANTEE has caused this writing to be executed by an authorized signatory pursuant to due authority granted by said GRANTEE.

[_____]

By: _____ (SEAL)

Name:

Title:

its authorized signatory

COMMONWEALTH OF VIRGINIA
COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____,
201____ by _____, as _____ of and on behalf of

_____.

NOTARY PUBLIC

My commission expires: _____

My Registration number: _____

Exhibit B-6

Exhibit C

Form of Assignment and Assumption of Contracts

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS (this "Assignment") is entered into effective as of _____ 201 __, between (i) _____, LLC, a Virginia limited liability company ("Assignor"), and (ii) _____, a _____ ("Assignee").

1. Property. The "Property" shall mean the real property located in Fauquier County, Virginia, legally described in Exhibit A to this Assignment.
2. Service Contracts. The "Contracts" shall mean all contracts relating to the Property listed in Exhibit B to this Assignment.
3. Assignment of Contracts. For good and valuable consideration received by Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, transfers and assigns to Assignee all right, title and interest of Assignor in and to each of the Contracts.
4. Assumption of Contracts. Assignee hereby assumes, and agrees to be bound by, all of the covenants, agreements and obligations of Assignor under the Contracts which shall arise or be incurred, or which are required to be performed, on and after the date of this Assignment.
5. Binding Effect. This Assignment shall inure to the benefit of, and be binding upon, each of the parties hereto and their respective successors and assigns.
6. Exhibits. The Exhibits referred to in this Assignment and attached hereto are incorporated herein by this reference and made a part hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment effective as of the day and year first above written.

ASSIGNOR:

_____, LLC,
a Virginia limited liability company

By: _____, LLC,
its _____

By: _____
its Manager

By: _____
Name: _____
Title: _____

ASSIGNEE:

a _____

By: _____
Name: _____
Title: _____



**FIRST AMENDMENT TO SALE AGREEMENT
AND ASSIGNMENT AGREEMENT**

THIS FIRST AMENDMENT TO SALE AGREEMENT AND ASSIGNMENT AGREEMENT (this "Amendment") is made as of this 11th day of March, 2019, by and between VINT HILL VILLAGE, LLC, a Virginia limited liability company ("Seller"), MARG RURAL LLC, a West Virginia limited liability company (the "Assignor"), CECELIA HOUSE I LIMITED PARTNERSHIP, a Virginia limited partnership ("Assignee").

WHEREAS, Assignor entered into a Sale Agreement dated as of February 11, 2019 (the "Contract"), with Seller for the purchase of certain real property located in Fauquier County, Virginia, and described more particularly in the Contract (the "Property"); and

WHEREAS, Assignor formed Assignee for the purpose of purchasing the Property; and

WHEREAS, Assignor now wishes to assign, and Assignee wishes to accept, the assignment of the Contract pursuant to the terms hereof; and

WHEREAS, Assignee and Seller desire to make certain amendments to the Contract.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignor hereby assigns to Assignee, and Assignee hereby accepts, all right, title, interest and liability under and to the Contract.

2. Assignee shall indemnify and hold Assignor harmless from any and all claims, costs, liabilities and causes of action of any kind pertaining to the Contract which may arise after the date of this Assignment Agreement.

3. The Contract shall be amended as follows:

(a) Section 12(b)(iii) shall be deleted in its entirety; and

(b) Section 28(a) shall be amended by adding the following sentence to the end of the Contract: "Notwithstanding anything herein to the contrary, the parties hereto acknowledge and agree that this Agreement shall be submitted to VHDA (as defined below in Section 32) in connection with Purchaser's submission of a reservation application for low-income housing tax credits ("Tax Credit Application"). Any disclosure of this Agreement in connection with the Tax Credit Application shall not be deemed a violation of this Section 28."

3. The terms of this Amendment shall be interpreted and construed pursuant to the laws of the Commonwealth of Virginia.

4. Except as amended pursuant to the terms hereof, the Contract remains in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have set their hands and seals as of the date first written above.

ASSIGNOR:

MARG RURAL LLC,
a West Virginia limited liability company

By: 
Robert B. Margolis,
Manager

ASSIGNEE:

CECELIA HOUSE I LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Cecelia House GP, LLC,
a Virginia limited liability company,
its General Partner

By: MARG RURAL LLC,
a West Virginia limited liability company
its Manager

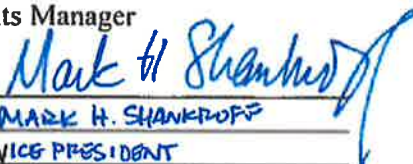
By: 
Robert B. Margolis,
Manager

**CONSENTED TO BY SELLER PURSUANT TO
SECTION 22 OF THE CONTRACT:**

VINT HILL VILLAGE, LLC,
a Virginia limited liability company

By: Vint Hill Development, LLC,
its Sole Member

By: EFO Capital Management, Inc.,
its Manager

By: 
Name: MARK H. SHANKROFF
Title: VICE PRESIDENT

38488052_1



Parcel Detail for PIN 7915-63-8665-000

Street Address: 4221 SIGLER RD

Legal Description: LANDBAY V3 RESIDUE

Current Assessment Summary

Improvements Value	Land Value	Deferment	Total Taxable Value
\$73,500	\$1,394,300	\$0	\$1,467,800

Parcel	Improvements	Land	Transfers
--------	--------------	------	-----------

Owners :	VINT HILL VILLAGE LLC
Subdivision :	
Map Sheet :	7915.04
Landscape :	
Road Type :	PAVED
Topography :	ON GRADE ROLLING
Book/Page	1460/433 WARRANTY DEED
& Instrument :	
Ancestors :	7915-63-8633-000 (/Details/7915638633000)
Mailing Address :	PO BOX 861617 WARRENTON, VA 20187
Neighborhood :	
Neighborhood Group :	0003
Tax District :	SCOTT
Class :	COMMERCIAL AND INDUSTRIAL
Acreage :	18.5914
Utilities :	PUBLIC WATER PUBLIC SEWER
	View 1 more
Zoning :	PLANNED COMMMER INDUSTRIAL DEV
Descendents :	

Transfer Notes : 2018-24.2296AC (LANDBAY V3) IS DIV INTO LANDBAY V3 LOT 1 BEING 3.3233AC; LANDBAY V3 LOT 2 (SWM LOT) BEING 1.8672AC; LANDBAY V3 RESIDUE BEING 18.5914AC & OPEN SPACE 1 BEING .4477AC - PL DB 1555/2143

Land Conservation Easement Summary

Purchase of Development Rights	County of Fauquier	Open Space Easement	Other
---------------------------------------	---------------------------	----------------------------	--------------

Copyright © 2015

Parcel Detail for PIN 7915-73-6955-000

Street Address:

Legal Description: LANDBAY X

Current Assessment Summary

Improvements Value	Land Value	Deferment	Total Taxable Value
\$0	\$493,500	\$0	\$493,500

Parcel	Improvements	Land	Transfers
--------	--------------	------	-----------

Owners : VINT HILL VILLAGE LLC

Subdivision :

Map Sheet : 7915.04

Landscape :

Road Type : PAVED

Topography : ON GRADE
ROLLING

Book/Page & Instrument : 1460/433 WARRANTY DEED

Ancestors : 7915-65-7246-000 (/Details/7915657246000)

Mailing Address : PO BOX 861617
WARRENTON, VA 20187

Neighborhood :

Neighborhood Group : 0003

Tax District : SCOTT

Class : COMMERCIAL AND INDUSTRIAL

Acreage : 6.5779

Utilities : PUBLIC WATER
PUBLIC SEWER View 1 more

Zoning : PLANNED COMMMER INDUSTRIAL DEV

Descendents :

Transfer Notes : 2017-121.5613AC (AC CORR FR 121.5914AC PER PLAT) IS DIV INTO 2.4199AC (LANDBAY L2 - LOT 4); 19.38AC (LANDBAY N); 1.7134AC (LANDBAY P); .6439AC (LANDBAY R); 10.8898AC (LANDBAY U); 4.817AC (LANDBAY V1); 15.4293AC (LANDBAY V2); 24.2296AC (LANDBAY V3); 6.5779AC (LANDBAY X) & 35.4605AC (RESIDUE) - DB 1516/835 PL 844

Land Conservation Easement Summary

Purchase of Development Rights

County of Fauquier

Open Space Easement

Other

Copyright © 2015

F

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



INSTRUCTIONS FOR THE COMPLETION OF APPENDIX F ARCHITECT'S CERTIFICATION

(This form must be included in the Application – Tab F)

NOTE: If the development includes any combination of **New Construction, Rehabilitation** or **Adaptive Reuse**, then **separate Architect Certifications must be provided** for each construction type.

The proper completion of this certification is critical to calculate the average unit square feet and net rentable square feet of each unit type, to document amenity items for which will be awarded, and to calculate certain elements of the efficient use of resources points.

If this certification is not completed correctly there may be loss of points or disqualification of the application to compete for tax credits. If this development receives an allocation of tax credits and items are not provided as indicated on this certification then VHDA may, at its sole option, require the payment by the Owner of an amount up to 10% of the Total Development Cost (as set forth in the Application) of the development as liquidated damages for such violation or the total loss of credits may result. Therefore, it is imperative that this certification reflect the true and accurate intent of what will be provided in return for an allocation of tax credits.

Each section of this certification contains instructions on how the information should be provided. For Unit Size Calculations, the Average Unit Square Feet and Net Rentable Square Feet should be listed to two (2) decimal places. The number of units indicated should be only the units for which rent will be collected. For Average Unit Square Feet calculations, the Total Square Feet should equal the Average Unit Square Feet multiplied by the Number of Units/Type. The total at the bottom of the Total Square Feet column should equal item (D) on the same page of the certification, or be within 1 digit due to rounding.

Accessibility certifications on page 6 are for tax credit point categories only and are not to be confused with minimum code requirements.



Architect's Certification

Name of Development: Cecelia House

Address of Development: Aiken Dive & Farm Station Road, Warrenton, VA 20187

Name of Owner: Cecelia House I Limited Partnership

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:

Alan R. Miner, AIA

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:

78,059.69			(A) Total gross floor area in (sq. ft.) for the entire development
0.00	-		(B) Unheated floor area (breezeways, balconies, storage)
0.00	-		(C) Nonresidential, (commercial income producing) area
78,059.69	=		(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	0.00		0		0.00
1 Bedroom Elderly	959.39		53		50,847.67
2 Bedrooms Elderly	1,236.91		22		27,212.02
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			75	Total	78,059.69 **

* 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**

100.00%

	Unit Type	Floor Plan Square Feet	Number of Units This Floor Plan	Total
Mix 1	1 BR - 1 Bath	629	53	33337
Mix 2	2 BR - 2 Bath	890	22	19580
Mix 3				0
Mix 4				0
Mix 5				0
Mix 6				0
Mix 7				0
Mix 8				0
Mix 9				0
Mix 10				0
Mix 11				0
Mix 12				0
Mix 13				0
Mix 14				0
Mix 15				0
Mix 16				0
Mix 17				0
Mix 18				0
Mix 19				0
Mix 20				0
Mix 21				0
Mix 22				0
Mix 23				0
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		75	52917

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

DEV Name: Cecelia 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.
- 85 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.
- TRUE 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
- TRUE 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
- TRUE k. Fire Prevention - all Ranges equipped with temperature limiting controls
- OR
- FALSE 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
- TRUE n. All development types- Each Unit is equipped with a permanent dehumidification system
- TRUE o. All interior doors within units are solid core
- TRUE 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
- TRUE 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: Cecella 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
- TRUE 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

- X 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)
- 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 "adaptable" standards. Please reference Uniform Federal Accessibility Standards(UFAS) for more particular information.

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

- 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.
- X 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.

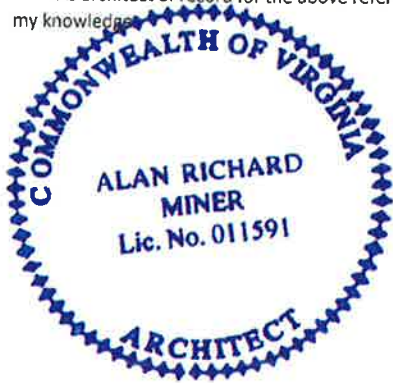
For any accessibility option elected above, all common space must also conform to accessibility requirements of HUD Section 504 regulations.


DEV Name: Cecella House



MINER FEINSTEIN ARCHITECTS

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



Signed:	
Printed Name:	Alan R. Miner, AIA
Title:	Principal
Virginia Registration #:	0401011591
Phone:	301.760.7988
Date:	03.14.2019

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: Cecella 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: 75

The total number of rental units in this development: 75

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 vhma.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: Alan R. Miner, AIA
Architect of Record
(same individual as on page 7)

Date: 03.14.2019

DEV Name: Cecelia House

INITIALS 



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.

TRUE 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: 3/11/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

Provider Contact and Phone/Email

Sean Evensen-Shanley (804)212-1934 / sean.evensen-shanley@viridiant.org

Home Energy Rating Certificate

Projected Report

Rating Date:
 Registry ID: Unregistered
 Ekotrope ID: mvogN3Nv

HERS® Index Score:

73

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

\$454

*Relative to an average U.S. home

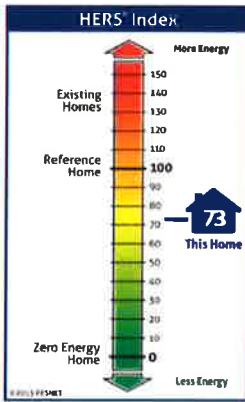
Home:
 Sigler Road, Warrenton, VA 20187

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	4.6
Cooling	0.8
Hot Water	4.7
Lights/Appliances	13.1
Service Charges	
Generation (e.g. Solar)	0.0
Total:	23.2

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type: Apartment, end unit
 Model: N/A
 Community: Cecilia House I
 Conditioned Floor Area: 691 sq. ft.
 Number of Bedrooms: 1
 Primary Heating System: Air Source Heat Pump • Electric • 9.5 HSPF
 Primary Cooling System: Air Source Heat Pump • Electric • 17.5 SEER
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
 House Tightness: 5 ACH50
 Ventilation: 40.0 CFM • 23.0 Watts
 Duct Leakage to Outside: 27.65 CFM25 (4 / 100 s.f.)
 Above Grade Walls: R-20
 Ceiling: Adiabatic, R-13
 Window Type: U-Value: 0.3, SHGC: 0.27
 Foundation Walls: N/A

Rating Completed by:

Energy Rate: Manon Shankle
 RESNET ID: 5201257

Rating Company: Viridian
 1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridian
 1431 W. Main Street, Richmond, VA 23220



Manon Shankle

Manon Shankle, Certified Energy Rater
 Digitally signed: 3/11/19 at 4:30 PM

ekotrope™

Ekotrope RATER - Version: 3.1.1.2128
 The Home Energy Rating Standard Disclosure for this house is available from the rating provider.
 This report does not constitute any warranty or guarantee.



G

Zoning Certification Letter
(MANDATORY)

FAUQUIER COUNTY DEPARTMENT OF COMMUNITY DEVELOPMENT



ADMINISTRATION
Third Floor – Court and Office Building
29 Ashby Street, Suite 310
Warrenton, VA 20186

(540) 422-8200
Fax: (540) 422-8201

ZONING & DEVELOPMENT SERVICES

Third Floor – Court and Office Building
29 Ashby Street, Suite 310
Warrenton, VA 20186

Zoning & Development Plans: (540) 422-8220
Permitting & Building: (540) 422-8230
Fax: (540) 422-8231

PLANNING
10 Hotel Street, Suite 305
Warrenton, VA 20186

(540) 422-8210
Fax: (540) 422-8211

DATE: March 11, 2019

TO: Virginia Housing Development Authority 601
South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: ZONING CERTIFICATION

Name of Development: Cecelia House

Name of Owner/Applicant: Cecelia House I Limited Partnership

Name of Seller/Current Owner: Vint Hill Village, LLC

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:

The Corner of Aiken Drive and Farm Station Road in Vint Hill, Virginia. The development is adjacent to the old Men's

Barrack's Building on the decommissioned Army base. The parcel is located on the south side of Blandau Drive, between 4227 and 4285 Blandau Drive.

Legal Description:

Approximate 3.5 acre portion of an 18.5914 acre parcel identified as Parcel Identification Number ("P.I.N.")

7915-63-8665-000 located in Land Bay V of Vint Hill as created on the Non-Residential Division and Public Use Reservation Plat recorded in Deed Book 1555 Page 2143 and a portion of a 6.5779 acre parcel identified as Parcel Identification Number ("P.I.N.") 7915-73-6955-000 located in Land Bay X recorded in Deed Book 1516 Page 835 in the

Fauquier County Land Records.

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>75</u> # Units	<u>1</u> # Buildings	<u>78,056</u> Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____ # Units	_____ # Buildings	_____ Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	_____ # Units	_____ # Buildings	_____ Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: PCID allowing a density of N/A units per acre, and the following other applicable conditions: _____
125 residential units as part of the approved rezoning proffers.

Other Descriptive Information:

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.



Signature

Amy L. P. Rogers

Printed Name

ZONING ADMINISTRATOR

Title of Local Official or Civil Engineer

540 422-8220

Phone:

3/11/19

Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Attorney's Opinion
(MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6915
adomson@williamsmullen.com

March 14, 2019

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220

RE: 2019 Tax Credit Reservation Request

Name of Development: Cecelia House
Name of Owner: Cecelia House I Limited Partnership

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 March 14, 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 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 appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. 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.

WILLIAMS MULLEN

March 14, 2019

Page 2

5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.

6. 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.

7. 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 compliance by the Owner with the requirements of Code Section 42(h)(1)(E), 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.

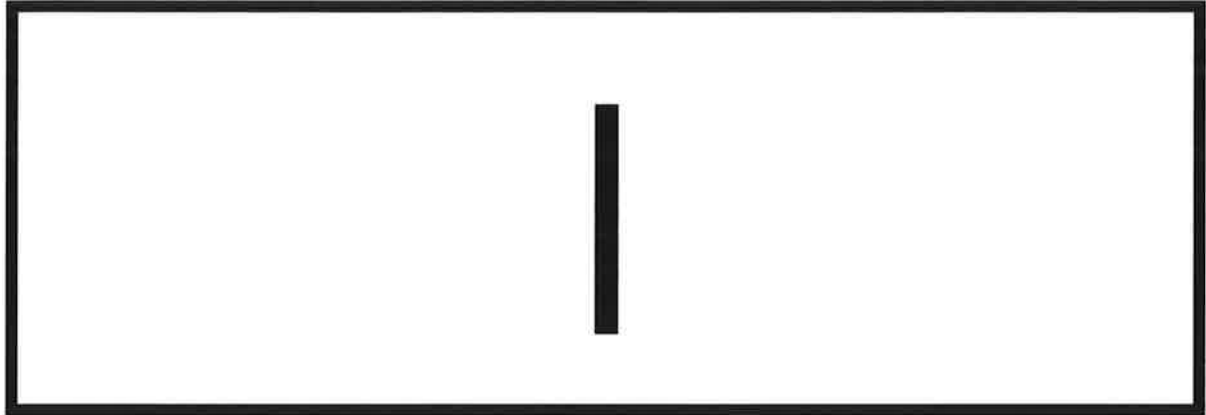
WILLIAMS MULLEN, A Professional Corporation



By: _____

Allison T. Domson

Its: Shareholder



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: Cecelia House
- b. Name of owner/applicant: Cecelia House I Limited Partnership
- c. Name of non-profit entity: Saint Mary's Housing Corporation
- d. Address of principal place of business of non-profit entity:
C/O Quantum Real Estate Management LLC, 5101 River Road #101, Bethesda, MD 20916

Indicate funding sources and amount used to pay for office space:

Non profit is volunteer in nature and does not need daily office space. It utilizes property mgt space when needed.

- 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); _____
evidenced by the following documentation: _____
December 18, 1970. See attached original articles and certificate of incorporation and all subsequent amendments and certificates of amendment.
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):
December 1976. See attached.
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):
See attached- Article C
- i. Expected life (in years) of non-profit:
Perpetual per articles of incorporation.

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
Further development of affordable senior housing coupled with asset management of current 769 units of housing.

- 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.)?
None How many part time, paid staff members? None
- Describe the duties of all staff members:
100% volunteer board with no staff. Has relied on consultants to execute development projects.

- 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: _____

- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?
All five (5) board members are volunteer.

- 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
Receipt of developer fee; payment of interest on loans made to the three St. Mary's LIHTC projects; cash flow from the five projects.

- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:
See attached

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
The non-profit was formed in 1970 by Father Joseph Wingler to develop Evergreen House a 246 unit VHDA-funded HUD Section building in Annandale. Subsequently, Evergreen was refinanced and the proceeds have been used as secondary financing for three 4% LIHTC projects: Madonna House in Fredericksburg and Wingler 1 and II in Ashburn.

Non-profit Questionnaire, cont'd

- 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.):

See Schedule A in this Application for details of housing experience.

- 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.

Not applicable

3. Non-profit Involvement

Non-profit Questionnaire, cont'd

- 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:
40% of the General Partner interest.

- 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?
-
-

- (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 will be referenced in ROFR section of the Amended and Restated Partnership Agreement which will be executed after LIHTC award.

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:

Contribute to and review A&E design and budgets; negotiate property management agreement with Quantum; participate in all discussions of financing.

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or

Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):
Will assist the Project's Resident Services Coordinator with implementation of Resident Services Plan.

- (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:
-
-
-

- 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?

Since the completion of Wingle House II in 2003, St. Mary's has been seeking an opportunity to develop additional senior affordable housing. Through professional contacts, St. Mary's knew principals from TM and when those principals told St. Mary's about the Vint Hill site, a deal was struck to develop it jointly.

- 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:

MARG-Rural: 50%

Good Works: LP: 10%

Saint Mary's Housing Corporation: 40%

- 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.

Yes, it is a joint venture. St Mary's involvement is described above in Section 3d above..

- 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.

This project will be co-developed by REBJ (TM), Good Works and St. Mary's. They will all be providing services to be detailed in a Development Agreement after the award of LIHTC financing is received.

- (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?

St. Mary's reached out to an industry contact to identify a Northern Virginia developer interested in partnering on a senior property.

- i. Will the non-profit or the Owner (as identified in the application) pay a joint venture partner

Non-profit Questionnaire, cont'd

or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.

- 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:

- 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:

None

- 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:

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No
- b. Define the non-profit's geographic target area or population to be served:
The geographic target area is the counties within the Catholic Diocese of Arlington which includes Fauquier County.

- 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:

- 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:

- 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:
Met February 7, 2019 in Vint Hill with two representatives of HOAs which are near the Property. Met March 7 with general memberships of those HOAs in a facility in Vint Hill. Meetings included a Fauquier County Supervisor. Presented the project and responded to questions.

- 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

Non-profit Questionnaire, cont'd

- (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:

- 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).

- 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).
Madonna House, Fredericksburg, 4%, occupeid
Wingler House 1, Ashburn, 4%, occupied
Wingler House 2, Ashburn, 4%, occupied, PIS 2003

- 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:

Non-profit Questionnaire, cont'd

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:

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:

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.

March 11, 2019
Date

Cecelia House I Limited Partnership
Owner/Applicant
By: 
Its: member MARG / LLC
title GP

March 11, 2019
Date

Saint Mary's Housing Corporation
Non-profit
By: 
David Lennon Vice President, Board of Directors
Board Chairman

Non-profit Questionnaire, cont'd

By: **None**

Executive Director

St. Mary's Board of Directors 3.12.19

Reverend Franklyn McAfee, President
Retired
C/o Quantum Real Estate Management LLC
5101 River Road #101
Bethesda, MD 20818
Term: 2018-2019; member for over 20 years

David Lennon, Vice President
Financial Analyst for Affordable Housing Syndicator
3948 Goshen Drive
Harleysville, PA 19438
Term: 2018-2019; elected May 2014

Father Daniel Spychala, Treasurer
Pastor
St. Lawrence Catholic Church
6222 Franconia Road
Alexandria, VA 22310
Term: 2018-2019; elected May 2016

Father Richard Guest, Secretary
Pastor
St. Theresa Catholic Church
12371 St. Teresa Lane
Ashburn, VA 20147
Term: 2018-2019; elected June 2017

Daniel Ehrenberg, Member at Large
Attorney
1325 G Street NW
Washington, DC 20005
Term: 2019-2020; elected March 2019

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
SAINT MARY'S HOUSING CORPORATION

Saint Mary's Housing Corporation (hereinafter referred to as the "Corporation"), a corporation organized and existing under and by virtue of the "Virginia Non-Stock Corporation Act", hereby certifies that:

FIRST: The Articles of Incorporation of the Corporation, as amended, are further amended as follows:

By deleting the last sentence of Article VII, which reads:

"A quorum of Directors of the Corporation shall be six."

SECOND: The amendment of the Articles of Incorporation of the Corporation as hereinabove set forth was approved on December 16, 1992, by written unanimous consent of all of the Directors of the Corporation in office.

THIRD: There are no members of the Corporation.

IN WITNESS WHEREOF, Saint Mary's Housing Corporation has caused these presents to be signed in its name, and on its behalf by its President, and attested by its Secretary with its corporate seal hereunto affixed, on the 12 day of December, 1992.

SAINT MARY'S HOUSING CORPORATION

By Franklyn M. McKee
Franklyn M. McKee, President

ATTEST:

Wanda L. McCaslin
Wanda L. McCaslin, Secretary

(corporate seal)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

December 22, 1992

The State Corporation Commission has found the accompanying articles submitted on behalf of

SAINT MARY'S HOUSING CORPORATION

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective December 22, 1992.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
92-12-21-0050

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
SAINT MARY'S HOUSING CORPORATION

Saint Mary's Housing Corporation (hereinafter referred to as the "Corporation"), a corporation organized and existing under and by virtue of the "Virginia Non-Stock Corporation Act", hereby certifies that:

FIRST: The Articles of Incorporation of the Corporation, as amended, are further amended as follows:

1. By changing Article II of the Articles of Incorporation so that, as further amended, said Article shall read as follows:

The purposes for which the Corporation is organized are:

A. To promote, develop, take title to, own and operate a multi-family rental housing project in Northern Virginia, known as Evergreen House, for the benefit of low and moderate income elderly persons on a non-profit basis with Federal, State, Local and/or other financial subsidization, support, aid, contributions or tax relief granted to the Corporation as an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

B. To provide on a non-profit basis, as part of the operations of Evergreen House, services to the elderly residents specially designed to meet their physical, social and psychological needs, and to promote their health,

security, happiness and usefulness in longer living.

C. To use surplus funds determined not to be required for the support and operation of Evergreen House, which are available for other use or uses, for the following charitable or educational purposes:

1. To make distribution to a non-profit corporation that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, whose purpose is the development and operation of multi-family rental housing for the benefit of low and moderate income elderly persons in the State of Virginia.

2. To make distribution to a non-profit corporation, which is organized and operated exclusively as a private foundation that supports education and qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

2. By changing Article V of the Articles of Incorporation, as amended, so that as further amended, said Article shall read as follows:

Upon the dissolution, liquidation, or other plan of total distribution of assets, the remaining assets of the Corporation after all liabilities have been paid, satisfied and discharged, or adequate provision has been made therefor,

shall be distributed to a non-profit fund, foundation or corporation which qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, where such non-profit fund, foundation or corporation is required to hold assets for non-profit purposes consistent with the charitable and educational purposes of this Corporation, or to the State of Virginia or a local government in Northern Virginia for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the city or county in the State of Virginia in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

3. By adding an Article X to the Articles of Incorporation, which Article shall read as follows:

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, if any, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof. No substantial part of the activities of the Corporation shall be the carrying on of

propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

SECOND: The amendments of the Articles of Incorporation of the Corporation as hereinabove set forth were approved by the Board of Directors of the Corporation at a meeting duly called for said purpose and held on the _ day of October, 1992, by at least two-thirds (2/3rds) of the Directors of the Corporation in office.

THIRD: There are no members of the Corporation.

IN WITNESS WHEREOF, Saint Mary's Housing Corporation
has caused these presents to be signed in its name, and on its
behalf by its President, and attested by its Secretary with
its corporate seal hereunto affixed, on the 5th day of November,
1992.

SAINT MARY'S HOUSING CORPORATION

By Franklyn M. McAfee
Franklyn M. McAfee, President

ATTEST:

Wanda L. McCaslin
Wanda L. McCaslin, Secretary

(corporate seal)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

November 9, 1992

The State Corporation Commission has found the accompanying
articles submitted on behalf of

SAINT MARY'S HOUSING CORPORATION

to comply with the requirements of law, and confirms payment of
all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in
the Office of the Clerk of the Commission, effective November 9,
1992.

The corporation is granted the authority conferred on it by law in
accordance with the articles, subject to the conditions and
restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
92-11-09-0086

BOOK

64 page 200

147

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
SAINT MARY'S HOUSING CORPORATION

Saint Mary's Housing Corporation (hereinafter referred to as the "Corporation"), a corporation organized and existing under and by virtue of the "Virginia Non-Stock Corporation Act", hereby certifies that:

FIRST: The Articles of Incorporation of the Corporation is hereby amended as follows:

1. By changing Article II of the Articles of Incorporation so that, as amended, said Article shall read as follows:

"The purposes for which the Corporation is organized are to promote, develop, take title to, own and operate multi-family housing projects in Northern Virginia for the benefit of elderly persons, on a non-profit basis with Federal, State, Local and/or other financial subsidization, support, aid, contributions or tax relief."

2. By changing Article V of the Articles of Incorporation so that as amended, said Article shall read as follows:

"Upon dissolution, liquidation or other plan of distribution, the remaining assets of the Corporation, after all liabilities have been paid, satisfied and discharged, or adequate provision has been made therefor, shall be transferred to The Most Reverend, Thomas J. Welsh, Bishop of the Diocese of Arlington or his duly qualified successor in title."

SECOND: The amendments of the Article of Incorporation of the Corporation as hereinabove set forth were approved by the Board of Directors of the Corporation at a meeting duly called for said purpose and held on the 22nd day of September 1976, by at least two-thirds (2/3rds) of the Directors of the Corporation in office.

THIRD: There are no members of the Corporation.

IN WITNESS WHEREOF, Saint Mary's Housing Corporation
has caused these presents to be signed in its name, and on its
behalf by its President, and attested by its Secretary with its
corporate seal hereunto affixed, on 27th day of September, 1976.

SAINT MARY'S HOUSING CORPORATION

By Joseph L. Wingler
Joseph L. Wingler, President

ATTEST

Wanda L. McGaslin
Wanda L. McGaslin, Secretary

(corporate seal)

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND,
October 12, 1976

The accompanying articles having been delivered to the State Corporation Commission on behalf of

Saint Mary's Housing Corporation

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF AMENDMENT be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

Upon the completion of such recordation, this order and the articles shall be forwarded for recordation in the office of the clerk of the Circuit Court City of Alexandria

STATE CORPORATION COMMISSION

By

Thomas P. Harwood
Commissioner

VIRGINIA:

In the Clerk's Office of the Circuit Court City of Alexandria

The foregoing certificate (including the accompanying articles) has been duly recorded in my office this 22nd day of October, 1976 and is now returned to the State Corporation Commission by certified mail.

Alvin W. Franks
Clerk
by s. Elbin Brown, Jr.

147

BOOK 48 PAGE 313

ARTICLES OF INCORPORATION
OF
SAINT MARY'S HOUSING CORPORATION

We, the undersigned, hereby associate to form a non-stock, non-profit corporation under the provisions of Chapter 2, Title 13.1, Sections 201 et seq., Code of Virginia, 1950, as amended (1964 Replacement Volume), otherwise known as the "Virginia Non-Stock Corporation Act."

ARTICLE I

The name of the Corporation is Saint Mary's Housing Corporation, hereinafter referred to as the Corporation.

ARTICLE II

The purposes for which the Corporation is organized are to promote, develop, and operate, on a non-profit, subsidized basis, a multi-family housing project in Northern Virginia for the benefit of elderly persons.

ARTICLE III

The Corporation is to have no members.

ARTICLE IV

Directors of the Corporation shall be elected by the Board of Directors of the Corporation by majority vote.

ARTICLE V

Upon dissolution, liquidation or other plan of distribution, the remaining assets of the Corporation, after all liabilities have been paid, satisfied and discharged, or adequate provision has been made therefor, shall be transferred to The Most Reverend, Bishop John J. Russell, Diocese of Richmond, or his duly qualified successor in title.

ARTICLE VI

The post office address of the initial registered office is Saint Mary's Church, 310 Duke Street, Alexandria, Virginia, 22313.

The name of the city in which the initial registered office is located is Alexandria, Virginia.

The name of its initial registered agent is Rev. Joseph L. Wingler who is a resident of Virginia, and whose office is at the same address as the initial registered office, and a Director of the Corporation.

ARTICLE VII

The number of Directors constituting the initial Board of Directors of the Corporation is sixteen and the names and addresses of the persons who are to serve as the initial Directors are:

<u>Name</u>	<u>Address</u>
Mark J. Banfield	1836 Opalocka Drive McLean, Virginia
Adelard L. Brault	P. O. Box 248 Fairfax, Virginia
John T. Crehan	3121 Little Creek Lane Alexandria, Virginia
Anthony Dahmk	3557 N. 36th Street Arlington, Virginia
David R. Gallagher	1707 Duke Street Alexandria, Virginia
Richard L. Haley	2501 Duxbury Place Alexandria, Virginia
Charles Harnett	5902 N. Kings Highway Alexandria, Virginia
John J. Hughes	6824 Pacific Lane Alexandria, Virginia
Joseph J. Mahoney, Jr.	3618 No. Albemarle Street Arlington, Virginia
Frederick A. Marsteller	2200 Belle Haven Road Alexandria, Virginia
Fred C. Morin	6530 Hackberry Street Springfield, Virginia
Roy R. Russo	6528 Bowie Drive Springfield, Virginia

Rt. Rev. Msgr. Thomas P. Scannell 1 St. Michael's Lane
Annandale, Virginia

Jerome N. Sonosky 2617 Stirrup Lane
Alexandria, Virginia

St. Clair J. Tweedie 500 Stephens Circle, SW.
Vienna, Virginia

Rev. Joseph L. Wingler 310 Duke Street
Alexandria, Virginia

A quorum of Directors of the Corporation shall be six.

ARTICLE VIII

The private property of the Officers and Directors shall not be subject to the payment of Corporation debts.

ARTICLE IX

The Corporation shall indemnify and hold harmless each person who shall serve at any time as a Director or Officer of the Corporation from and against any and all claims and liabilities to which such person shall be subject by reason of his having been a Director or Officer of the Corporation, or by reason of any action alleged to have been taken or omitted as such Officer or Director, and shall reimburse each such person for all legal and other expenses reasonable incurred in connection with any such claim or liability; provided however, that no such person shall be indemnified against, or reimbursed for any expenses incurred in connection with any claim or liability arising out of their own negligence or willful misconduct.

Dated 27th day of December, 1970.

Joseph L. Wingler
Joseph L. Wingler

Roy R. Russo
Roy R. Russo

Marjorie L. Baker
Marjorie L. Baker

STATE OF VIRGINIA)
) to-wit:
City of Alexandria)

I, Bernice Huntman, a notary public in and for the City and State aforesaid, do certify that Joseph L. Wingler, Roy R. Russo, and Marjorie L. Baker, whose names are signed to the foregoing articles of incorporation, bearing date on the 27th day of November, 1970, have acknowledged the same before me in my City and State aforesaid.

My term of office expires on the 15th day of May,

1970.

Given under my hand this 27th day of November, 1970.

Bernice Huntman
Notary Public

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND,
December 18, 1970

The accompanying articles having been delivered to the State Corporation Commission on behalf of

Saint Mary's Housing Corporation

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF INCORPORATION

✓ be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

Upon the completion of such recordation, this order and the articles shall be forwarded for recordation in the office of the clerk of the Corporation Court City of Alexandria

STATE CORPORATION COMMISSION

By

[Handwritten Signature]

Chairman

VIRGINIA:

In the Clerk's Office of the Corporation Court City of Alexandria

The foregoing certificate (including the accompanying articles) has been duly recorded in my office this 30th day of December 1970 and is now returned to the State Corporation Commission by certified mail.

[Handwritten Signature]

By: *[Handwritten Signature]* Clerk D.C.

Internal Revenue Service

Department of the Treasury

District
Director

Baltimore District

31 Hopkins Plaza, Baltimore, Md. 21201

P.O. Box 13163, Room 817
Baltimore, MD 21203

Date: October 23, 1996

Employer Identification Number:
51-0210514

St. Mary's Housing Corporation
Evergreen House
310 Duke Street
Alexandria, VA 22314-3734

Person to Contact:
EP/EO Tax Examiner

Telephone Number:
(410) 962-6058

Dear Sir/Madam:

This is in response to your inquiry dated September 20, 1996, requesting verification of your tax-exempt status.

Our records show that your organization was granted exemption from Federal Income Tax under section 501(c)(4) of the Internal Revenue Code effective December 1976.

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

A copy of our letter certifying the status of the organization is not available, however this letter may be used to verify your tax-exempt status.

Because this letter could help resolve any questions about your exempt status, it should be kept in your permanent records.

Sincerely yours,



Paul M. Harrington
District Director

J

Relocation Plan

(MANDATORY, if tenants are displaced)

N/A

K

Documentation of
Development Location:



March 5, 2019

Cecelia House | Limited Partnership
1375 Piccard Drive, Suite 150
Rockville MD, 20850

Re: Cecelia House

As you requested, below you will find the latitude/longitude reference point for the Cecelia House Site in Fauquier County, Virginia. The point is near the intersection of Aiken Drive and Farm Station Road, the below coordinates are taken from Fauquier County Web Gis Online Mapping System.

Latitude: 38.7413
Longitude: -77.6763

Please see below the NAD 83 VA State Plane Coordinates taken from Fauquier County Web Gis Online Mapping System

X: 11,717,854.02
Y: 6,954,192.63

Should you need any additional information or have questions please do not hesitate to contact me.

A handwritten signature in blue ink, appearing to read "Karl T. Lipscomb", is written over a light blue circular stamp.

Karl T. Lipscomb LS

ASK US HOW.

9850 Lori Road, Suite 201 Chesterfield, VA 23832
804-748-9011 Fax 804-748-2590 www.cctownes.com

K.1

Revitalization Area
Certification

N/A

K.2

Location Map

Aiken Drive & Farm Station Road

Cedar Run, VA 20187


Aiken Drive & Farm Station Road

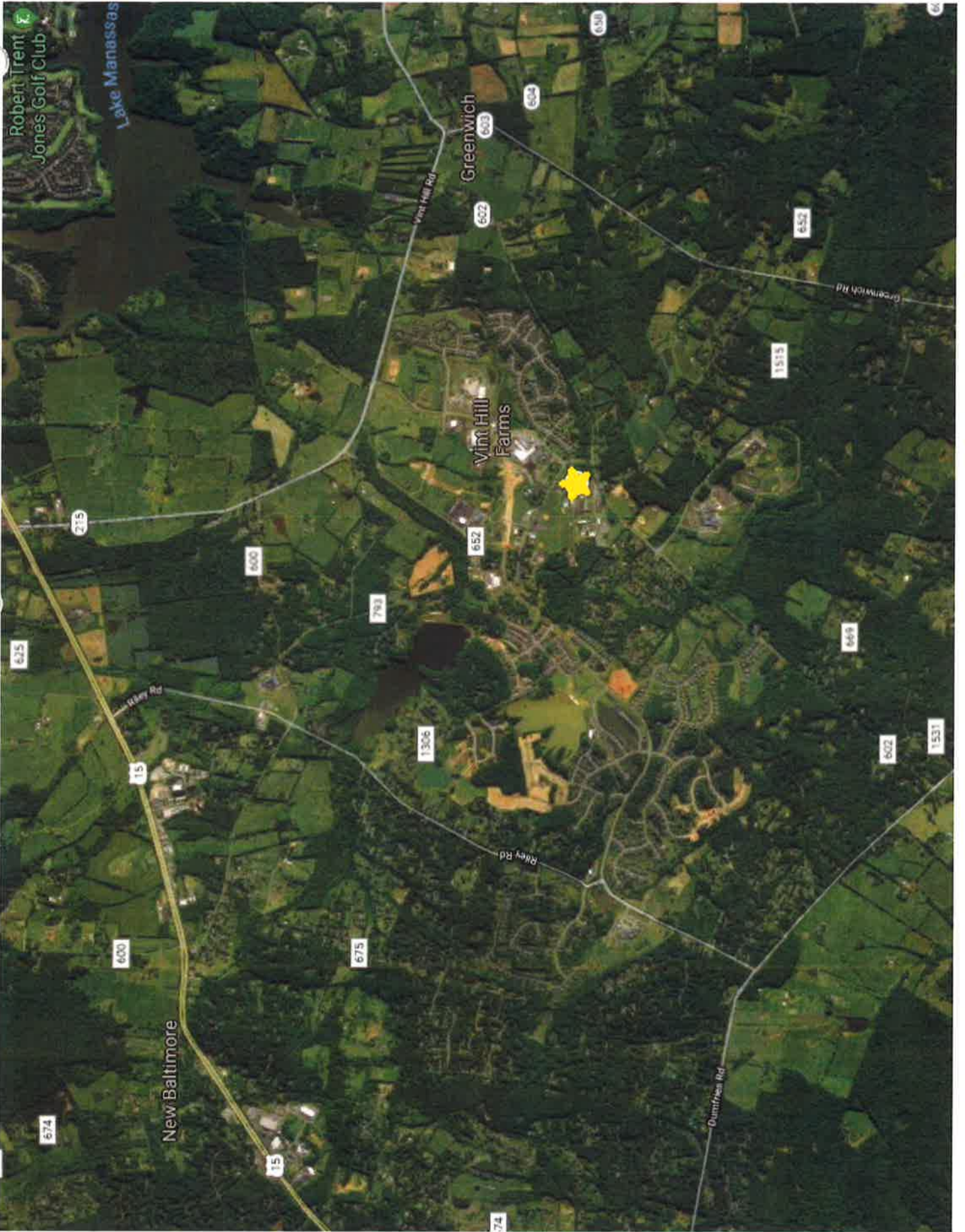
Directions

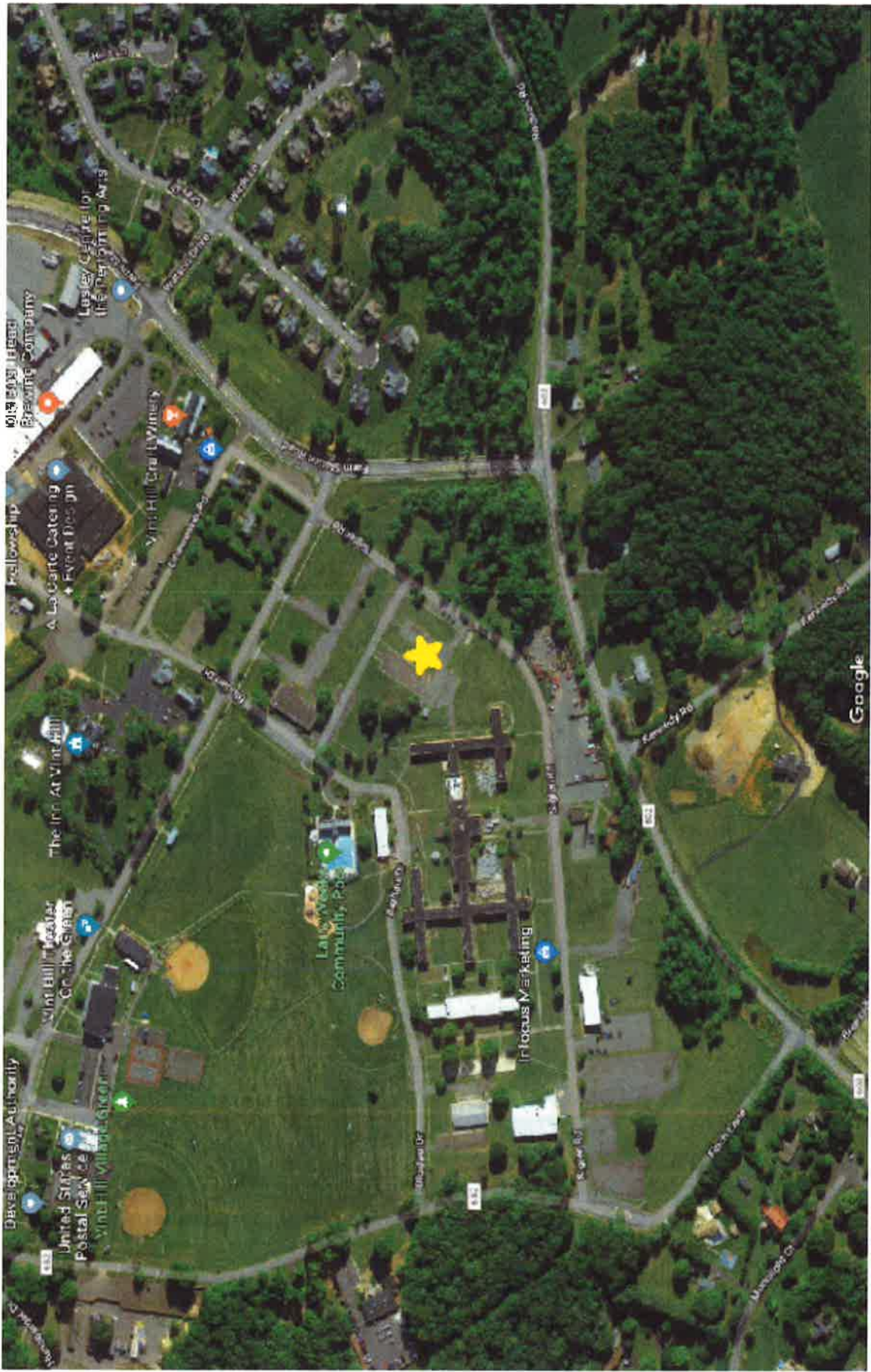
SAVE NEARBY SEND TO YOUR PHONE SHARE

ADD A MISSING PLACE ADD A LABEL

PHOTOS







Cecelia House
Apartments
Development Site

Future Planned
Development Site.
Unrelated to Cecelia
House Development.
Building layout for
illustrative purpose
only.

AIKEN DRIVE

SIGLER ROAD

ROGUES ROAD

EARTH STATION ROAD



CECELIA HOUSE
APARTMENTS
PROJECT CODE: 1282624

This drawing and the design shown is the property of Townes Site Engineering the reproduction, copies, or other use of this drawing without their written consent is prohibited and any infringement will be subject to legal action. © 2015 Townes Site Engineering

K.3

Surveyor's Certification of
Proximity to Public
Transportation

N/A



PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Cecelia House

Tracking #: 2019-C-75

If you have any questions, please call the Tax Credit Department at (804) 343-5518.

General Instructions

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have project based Section 8 or project based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
5. 'Proposed Rents' should correspond with VII.C of the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

NOTE: Any change to this form letter may result in a reduction of points under the scoring system.

PHA or Section 8 Notification Letter

DATE: February 20th, 2019

TO: Dee Smith, Executive Director
Central Virginia Housing Authority

203 JAMES MADISON ST, REMINGTON, VA 22734

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Cecelia House

Name of Owner: Cecelia House I Limited Partnership

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on June 2021 (date).

The following is a brief description of the proposed development:

Development Address:

Approximately 4263 Aiken Road Vint Hill, VA 20187

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>75</u>	# units	<u>1</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# units	<u> </u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u> </u>	# units	<u> </u>	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ <u> </u>	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>754-1,194</u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>905-1,432</u>	/ month
<input type="checkbox"/> 3 Bedroom Units:	\$ <u> </u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u> </u>	/ month

Other Descriptive Information:

Financing of Cecelia House is planned to include 9% Low-Income Tax Credits, Taxable Bonds, and Owner Equity. A spectrum of rents will be offered starting at 40% Area Median Incomes (AMI). Moreover, the project will be subject to an affordable covenant of no less than 30 years with a ROFR to a qualified Non-Profit Partner.

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at
(240) 428-7799.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,



Robert B. Margolis

Name

Authorized Signor

Title

To be completed by the Local Housing Authority or Sec 8 Administrator:


Seen and Acknowledged By:  _____

Printed Name: Dee Smith

Title: Executive Director

Phone: (504) 604-9949

Date: 2/26/2019



M

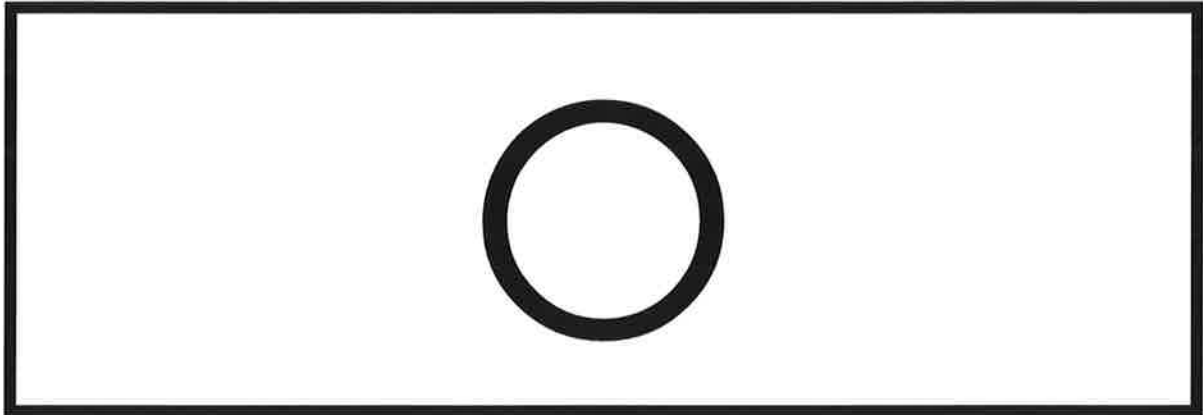
Locality CEO Response
Letter

N/A

N

Homeownership Plan

N/A



Plan of Development
Certification Letter

N/A

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated: 1/30/2019

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I 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.	28 Gardner, Mark E.	55 Park, Richard A.
2 Arista, Roberto	29 Gunderman, Timothy L.	56 Park, William N.
3 Barnhart, Richard K.	30 Haskins, Robert G.	57 Pasquesi, R.J.
4 Baron, Richard	31 Heatwole, F. Andrew	58 Pedigo, Gerald K.
5 Bennett, Vincent R.	32 Honeycutt, Thomas W.	59 Poulin, Brian M.
6 Burns, Laura P.	33 Hunt, Michael C.	60 Queener, Brad
7 Cohen, Howard Earl	34 Jester, M. David	61 Ripley, F. Scott
8 Connelly, T. Kevin	35 Johnston, Thomas M.	62 Ripley, Ronald C.
9 Connors, Cathy	36 Jones Kirkland, Janice	63 Ross, Stephen M.
10 Copeland, M. Scott	37 Kirkland, Milton L.	64 Salazar, Tony
11 Copeland, Robert O.	38 Kittle, Jeffery L.	65 Sari, Lisa A.
12 Copeland, Todd A.	39 Koogler, David M.	66 Sinito, Frank T.
13 Cordingley, Bruce A.	40 Koogler, David Mark	67 Stockmaster, Adam J.
14 Counselman, Richard	41 Lancaster, Dale	68 Stoffregen, Phillip J.
15 Crosland, Jr., John	42 Lawson, Phillip O.	69 Surber, Jen
16 Curtis, Lawrence H.	43 Lawson, Steve	70 Valey, Ernst
17 Daigle, Marc	44 Leon, Miles B.	71 Uram, David
18 Dambly, Mark H.	45 Lewis, David R.	72 Woda, Jeffrey J.
19 Deutch, David O.	46 Margolis, Robert B.	73 Wohl, Michael D.
20 Dischinger, Chris	47 McCormack, Kevin	74 Wolfson, III, Louis
21 Douglas, David D.	48 McNamara, Michael L.	
22 Ellis, Gary D.	49 Melton, Melvin B.	
23 Fekas, William L.	50 Midura, Ronald J.	
24 Fitch, Hollis M.	51 Mirmelstein, George	
25 Fore, Richard L.	52 Nelson, IV, John M.	
26 Franklin, Wendell C.	53 Orth, Kevin	
27 Friedman, Mitchell M.	54 Parent, Brian	

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 Enterprise Homes, Inc
- 10 Fairfax County RHA
- 11 Homes for America, Inc.
- 12 Humanities Foundation, Inc.
- 13 Huntington Housing, Inc.
- 14 Newport News RHA
- 15 NHT Communities
- 16 Norfolk Redevelopment Housing Authority
- 17 People Incorporated
- 18 Piedmont Housing Alliance
- 19 Portsmouth RHA
- 20 RHA/Housing, Inc.
- 21 The Community Builders
- 22 Virginia Supportive Housing
- 23 Virginia United Methodist Housing Development Corporation
- 24 Wesley Housing Development Corporation



Q

Documentation of Rental Assistance

N/A

R

Documentation of
Operating Budget

N/A

S

Supportive Housing
Certification

N/A



T

Funding Documentation

HUDSON

HOUSING CAPITAL

March 12, 2019

Noah Hale
Vice President
T.M. Associates, Inc.
1375 Piccard Drive, Suite 150
Rockville, Maryland 20850

G. Kimball Hart
Good Works
C/O T.M. Associates, Inc.
1375 Piccard Drive, Suite 150
Rockville, Maryland 20850

Re: **Cecelia House, Vint Hill, Virginia**
Cecelia House I Limited Partnership (the "Partnership")

Dear Noah and Kim:

Thank you for providing Hudson Housing Capital LLC ("Hudson") with the opportunity to extend a purchase offer for the limited partner interest in the Partnership that will Cecelia House.

Hudson is a Delaware limited liability company formed to directly acquire limited partnership interests in partnerships and member interests in limited liability companies which own apartment complexes qualifying for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth is our proposal as to the basic business terms under which Hudson or its designee ("Investor") will acquire a 99.99% limited partner interest in the Partnership, which will own a 75-unit complex in Vint Hill, Virginia (the "Property"). You have advised us that Cecelia House GP, LLC. (the "General Partner"), will be the General Partner of the Partnership. A joint venture between MARG Rural, LLC, Good Works LP and Saint Mary's Housing Corporation and Good Works Development LP will be the developer (the "Developer"). Robert Margolis and Good Works LP will guarantee the obligations of the General Partner (collectively the "Guarantor"). An affiliate of the Investor will be admitted to the Partnership as a special limited partner (the "Special Limited Partner", "SLP") with limited supervisory rights.

You have advised us that the Property expects to receive a 2019 Tax Credit allocation of \$875,000 per year and that all 75 units will qualify for Tax Credits.

I. Equity Investment

The Investor will contribute to the Partnership a total of \$8,180,432 (the "Total Equity"), or \$0.935 (the "Tax Credit Ratio") per Tax Credit available to the Investor, payable in the following installments:

<u>Contribution</u>	<u>Contribution %</u>	<u>Timing</u>
First	15%	Closing
Second	65%	Construction Completion
Third	15%	Permanent Financing and Breakeven
Fourth	5%	Issuance of 8609s

- a. ***First Capital Contribution.*** The Investor will fund the First Capital Contribution at initial closing.

- b. ***Second Capital Contribution.*** The Second Capital Contribution will be paid upon the later of October 1, 2021 and the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) lien-free construction completion of the Property substantially in accordance with the Plans and Specifications in a workmanlike manner approved by Hudson; (ii) issuance of Certificates of Occupancy for 100% of the units in the Property; (iii) receipt of draft cost certification for the Property from independent accountants to the Partnership (the "Accountants"), setting forth the eligible basis and the total available Tax Credits; (iv) if not received at the Initial Closing, receipt of a carry-over allocation for the Property; (v) receipt of a pay-off letter from the general contractor or sub-contractors, as applicable; (vi) satisfactory financial condition of the Guarantors (no event of bankruptcy); (vii) receipt of prior year's income tax returns in the event such returns are then due.

- c. ***Third Capital Contribution.*** The Third Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) closing of the permanent first mortgage loan ("Permanent Loan Closing"); (ii) receipt of final Tax Credit cost certification from the Accountants as to the amount of Tax Credits the Partnership will claim for 2022/2023 and the amount allocable to each partner (the "Final Certification"); (iii) receipt of prior year's income tax returns in the event such returns are then due; (iv) qualification of 100% of the set-aside apartment units in the Property for Tax Credits; (v) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred and (vi) achievement of Breakeven level for three consecutive months (the "Breakeven Date").

"Breakeven" shall mean that for each such month, economic occupancy must be at least 93% and Property income (assuming the greater of actual or a 7.0% vacancy rate) ("Income") must equal or exceed expenses (based on the greater of actual and the underwritten expense level) including replacement reserves (as calculated on a stabilized

and accrual basis) (“Expenses”) and attain a debt service coverage ratio of no less than 1.15 on all must pay debt. (Hudson Asset Management Fee is not included in the Breakeven Calculation.)

- d. *Fourth Capital Contribution.*** The Fourth Capital Contribution will be paid upon satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) receipt of Form 8609 with respect to all buildings constituting the Property; and (ii) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred.

In the event such tax return and audited financial statement are not due at such time, \$15,000 of the Fourth Capital Contribution shall be held back and released upon receipt of such items.

Our offer is also contingent on the following financing sources and assumptions:

- a. Construction loan from Capital One in the approximate amount of \$12,000,000;
- b. Permanent financing in the approximate amount of \$6,450,000 with an interest rate of 5.75% and 40-year term and amortization;
- c. St. Mary’s Housing Corporation Loan in the amount of \$3,000,000 with an interest rate of 3.00% (compounded) and 30-year term;
- d. Real property will be placed in service and depreciated over 30 years. Site work and Personal Property shall be depreciated all in the placed in service year.

II. Developer Fee

The Developer shall receive a Developer Fee of \$1,550,000 to be paid as follows: (i) 20% of cash developer fee shall be paid at closing, (ii) 20% of the cash developer fee, as determined at such time, shall be paid at the time of the Second Capital Contribution; (iii) and the balance from the proceeds of the Third and Fourth Capital Contributions to the extent of available funds. You have represented that the amount of the Developer Fee does not exceed the amount permitted to be paid by the applicable tax credit issuing agency. Deferred developer fees shall be paid from available cash flow as detailed in Section V and shall bear interest at the AFR. Principal payments on the deferred developer fees shall commence with the funding of the Second Capital Contribution. The General Partner agrees to make a special capital contribution to the Partnership equal to any unpaid balance of the deferred portion of the Developer Fee if such portion has not been fully paid within 14 years from the date of the payment of the Third Capital Contribution.

III. Property Management Fee

The General Partner may retain one of its affiliates, TM Associates Management, Inc., to be the managing agent for the Property on commercially reasonable terms. The management agreement, to be approved by the Investor, shall have an initial term of 1 year and shall be renewable annually thereafter,

Mr. Noah Hale
Mr. G. Kimball Hart
Letter of Intent – Cecilia House
March 12, 2019, Page 4

shall provide for an annual management fee not to exceed 8% of gross effective income, and shall otherwise be on commercially reasonable terms (including a termination right by the General Partner in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the General Partner, the management agreement shall provide for a deferral of up to 100% of the management fee in the event that the property does not generate positive Cash Flow.

IV. Cash Flow Distributions

Cash flow from the Property, after payment of operating expenses (including the Administrative Expense Reimbursement, current and any deferred property management fees from prior years, debt service), replenishment of required reserves (including any reserve payments which were not made due to insufficient cash flow) and payment of any tax liability incurred by the Limited Partner (not caused by a change in the Code) ("Cash Flow"), shall be distributed annually (subsequent to the Breakeven Date) as follows:

- a. to maintain the Minimum Balance in the Operating Reserve;
- b. to payment of any amounts owed to the Limited Partner;
- c. to the payment of any Operating Deficit Loans, if any;
- d. Payment of Developer Fee until paid in full;
- e. Payment of a Partnership Management Fee of \$5,000 to the General Partner;
- f. 90% of cash flow after IV.e. the General Partner as a preferred return with an equivalent allocation of income; and
- g. the remainder to be split in accordance with Partnership interests.

V. Sale or Refinancing Proceeds

Net sale or refinancing proceeds (i.e., after payment of outstanding debts, liabilities, other than to the General Partner and its affiliates, and expenses of the Partnership and establishment of necessary reserves) shall be distributed as follows:

- a. Repayment of outstanding loans by the limited partners, if any;
- b. Payment of amounts due to the limited partners under the Tax Credit Adjuster;
- c. Repayment of outstanding loans by the General Partner and Operating Deficit loans;
and
- d. 10% to the Investor and 90% to the General Partner

Option

The General Partner shall have a non-assignable option, for a period of six months subsequent to the expiration of the compliance period, to purchase the Property for the greater of (a) the

fair market value of the Property; and (b) the outstanding debt plus all exit taxes to the limited partners.

VI. General Partner Commitments

- a. ***Low Income Housing Tax Credit Adjustment.*** Our offer is based upon the assumption that the Partnership will qualify for and claim \$842,917 in 2022, the full amount of the Partnership's Tax Credit allocation, \$875,000 for each year from 2023 through 2031, and \$32,083 in 2032.

(i) Adjustments during equity payment (construction and leaseup) period

In the event that either the Form 8609's or the Final Certification indicate that the Property will not generate the projected aggregate amount of Tax Credits (other than as specified below), the Partnership Agreement will provide for a return of such capital, an adjustment in the amount of any unpaid Capital Contributions and/or a payment by the General Partner to the Investor, sufficient to restore the Tax Credit Ratio as defined above.

Notwithstanding the preceding paragraph, in the event that the Final Certification specifies that, while the aggregate amount of Tax Credit allocable to the Partnership is unchanged, the amount of Tax Credits allocable to the Partnership in 2022/2023 is less than the amounts to be specified prior to closing for the corresponding years, the Second/Third/Fourth Contributions will be reduced by \$0.65 for each dollar by which such amounts exceed the amount of Tax Credits allocable to the Partnership for such period.

In the event that the amount of Tax Credits allocable to the Partnership in 2022 is more than the amounts specified in the first paragraph of Section VI.a. herein for the corresponding year, the Total Equity shall be increased by an amount equal to \$0.45 for each dollar by which such amounts are more than the amount of actual Tax Credits allocated to the Partnership for such period, but in no event shall the increased equity be in excess of \$100,000.

(ii) Adjustments during compliance period

After the Form 8609's have been issued, in the event that the actual amount of Tax Credits which may be claimed by the Partnership is less than the amount specified in such Forms, the General Partner shall reimburse the Investor on a dollar-for-dollar basis for each lost dollar of Tax Credits plus any resulting penalties or taxes due. Similarly, if there is a recapture of Tax Credits (except from the sale or transfer of the Investor's interest in the Partnership, or due to a change of applicable tax law), the General Partner shall upon demand indemnify the Investor and its partners against any Tax

Credit recapture liability (including interest, penalties and any reasonable related legal or accounting costs) which they may incur during the Compliance Period.

- b. ***Development Deficit Guarantee.*** The General Partner shall be responsible for completion of the Property in a workmanlike manner, in accordance with approved plans and specifications, free and clear of all liens. To the extent that the costs of construction and operations until the Breakeven Date exceed the amount of any funding by approved permanent third party lenders, any unpaid Developer Fees and the amount of the Investor's capital commitment (adjusted as set forth above), the General Partner shall pay all such costs and expenses connected with development and construction of the Property, including all operating expenses of the Property until the Breakeven Date has been achieved. The contractor will be required to provide a payment and performance bond or 15% letter of credit. Additionally, an "owner's" construction contingency in an amount equal to a minimum of 5% of the construction costs will be required.
- c. ***Operating Deficit Guarantee.*** The General Partner shall make interest free loans to the Partnership (repayable from cash flow and/or sale and refinancing proceeds as described above) equal to any Operating Deficits (including the administration fee described in VII below) incurred during the period beginning on the Breakeven Date and ending on the fifth anniversary of Breakeven operations in an amount not to exceed 12 months of underwritten operating expenses in the aggregate.

An Operating Reserve in the amount equal to six months of underwritten expenses and debt service (the "Initial Operating Reserve") shall be funded at the time of the Third Capital Contribution. The General Partner shall be obligated to fund this reserve. Any draws from the Operating Reserve shall be replenished from cash flow (the "Minimum Balance"). Withdrawals will not be allowed prior to the expiration of the Operating Deficit Guaranty.

- d. ***Obligations of General Partner.*** Immediately following the occurrence of any of the following events, (a) the General Partner shall admit the Special Limited Partner or its designee as the General Partner of the Partnership and, at the option of the Investor, withdraw from the Partnership; or, (b) at the option of the Investor with respect to any of the events described in clauses (i) through (vii) below, repurchase the Investor's interest in the Partnership: (i) an IRS Form 8609 is not issued with respect to each of the buildings in the Property in a timely manner after each such building has been placed in service; (ii) the Property is not fully placed in service by December 31, 2021; (iii) if applicable, the permanent loan commitment is canceled or substantially modified, and a suitable replacement loan to be approved by the Investor is not obtained or if the Property qualifies for a permanent loan not sufficient to balance the sources and uses of funds; (iv) if applicable, permanent loan closing has not occurred not later than September 30, 2023; (v) the Partnership fails to meet the minimum set aside test (as

defined in Section 42 of the Code) or fails to execute and record a Tax Credit Extended Use Commitment by the close of the first year of the Credit Period: (vi) the Partnership shall have been declared in default by any mortgage lender or under the tax credit allocation or foreclosure proceedings have been commenced against the Property and such default is not cured or such proceeding is not dismissed within 30 days; or (vii) there is a material violation of the Partnership Agreement by the General Partner or if the property manager is an affiliate of the General Partner, a material violation of the management agreement by the manager which causes material adverse harm to the Investor, the Partnership or the Property.

If the Investor elects to have its interest repurchased by the General Partner, the repurchase price shall be equal to the sum of (i) 105% of the Total Equity, (ii) interest at Prime + 1% on capital contributions made to date, and (iii) any tax liability incurred by the investor as a result of such repurchase, less amounts not contributed by the Investor at such time.

- e. ***Replacement Reserve.*** Commencing with the month following Completion, the Partnership will make a minimum monthly replacement reserve deposit (the "Minimum Deposit") equal to (on an annualized basis) the greater of (i) if applicable, the amount required by the permanent lender and (ii) \$300/unit. The amount of the Minimum Deposit shall be increased annually by a percentage (the "CPI Percentage"). If the sum of all lender-imposed monthly replacement reserve deposits is less than the Minimum Deposit, Investor will establish a separate account into which the General Partner will deposit the difference. Any interest earned on such account shall become a part thereof.
- f. ***Reporting.*** The Partnership will be required to furnish Investor with (a) quarterly unaudited financial statements within 45 days after the end of each quarter of the fiscal year; (b) annual audited financial statements within 90 days after the end of each fiscal year; (c) an annual budget for each fiscal year of the Partnership, not later than November 1 of the preceding year; and (d) the Partnership's tax returns and K-1 forms within 90 days after the end of each fiscal year. The penalty for any failure to deliver Partnership tax returns or K-1 forms prior to the specified deadline shall be (i) \$50 per day for the first seven days after such deadline, (ii) \$100 per day for the next seven days and (iii) \$150 per day thereafter, provided that the amount of such penalty shall not exceed \$5,000 in any year.

VII. Fees to Affiliates of Hudson

Administrative Expense Reimbursement. An affiliate of Hudson shall receive an annual administrative expense reimbursement from the Partnership beginning in 2021 in the amount of \$3,000, which amount shall be increased annually by the CPI Percentage.

Mr. Noah Hale
Mr. G. Kimball Hart
Letter of Intent – Cecilia House
March 12, 2019, Page 8

VIII. Representations, Warranties and Covenants

The General Partner shall make certain representations and warranties as to the Partnership, the General Partner and the Property to be set forth in the Partnership Agreement.

IX. Accountants

The Accountants for the Partnership shall be Tidwell Group or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Partnership Agreement, and the Final Certification referred to in I.c., above.

X. Limited Partner Rights

The Partnership Agreement will provide certain approval rights as to major actions proposed to be taken by the General Partner. The Investor shall have the right to remove the General Partner and the Property Manager for cause.

XI. Insurance

At the closing, the General Partner shall provide for title insurance satisfactory to counsel to the Investor in an amount equal to the sum of all Capital Contributions, all mortgage loans and the amount of any Development Fee Note. Prior to the payment of any additional installment of the Capital Contribution, a "date down" of such policy shall be provided. The General Partner shall provide for (i) liability (general and excess) insurance in an amount of at least \$6,000,000 (increased biennially by the CPI Percentage), (ii) hazard insurance (including boiler and machinery coverage) and flood insurance (to the extent that the property is in a 100 year flood zone) in an amount of not less than the full replacement value of the Property, (iii) rental loss insurance for a period of 12 months after the date of loss and (iv) law and ordinance coverage with no sublimit, including changes in law and ordinances enacted during the course of reconstruction. Builder's risk insurance shall be provided during construction. Architects shall submit evidence of errors and omissions coverage, in amounts reasonably satisfactory to the Investor. Workers compensation insurance shall be provided as to any entity with employees working at the Apartment Complex. All policies shall name the Investor as an additional insured and shall otherwise be subject to Investor approval.

XII. Indemnity Agreement

The General Partner shall indemnify the Investor, Hudson and its affiliates, and their respective officers, directors for any untrue statement of a material fact or omission to state a material fact necessary to make any such statement, in light of the circumstances under which they were made, not misleading, by the General Partner or its agents set forth in any document delivered by the General Partner or its agents in connection with the acquisition of the Property, the investment by the Investor in the Partnership and the execution of the Partnership Agreement.

Mr. Noah Hale
Mr. G. Kimball Hart
Letter of Intent – Cecilia House
March 12, 2019, Page 9

XIII. General Conditions

Payment of the Second, Third and Fourth Capital Contributions shall be conditioned upon completion of an appropriate due diligence review by the Investor to confirm that there have been no changes in material circumstances affecting the Property, including (i) receipt of estoppel letter(s) from all lenders, (ii) review of title (including a "date-down" endorsement), survey, environmental and other legal and regulatory matters, (iii) receipt of a "date-down" legal opinion from counsel to the Partnership and (iv) certification by the General Partner as to the continued accuracy of representations and warranties made in the Partnership Agreement.

XIV. Right of First Refusal

The General Partner and Developers shall grant Hudson a right of first refusal to purchase any Tax Credits generated by any subsequent phase of the Property which may be developed. Any terms and conditions of such purchase (other than the price and timing of equity payments) shall be on substantially the same terms as this letter.

XV. Conditions to Closing

Hudson will perform, and will request the full cooperation of you and your professionals in, customary due diligence in connection with the acquisition of the Property and the Investor interest in the Partnership.

To facilitate the due diligence process, you agree to deliver to Hudson in a timely manner: (i) an appraisal; (ii) a Phase I environmental study of the Property site, prepared in accordance with ASTM standards, and any subsequent additional testing deemed necessary by Investor in its sole discretion; (iii) evidence that none of the buildings are located in the 100 year flood plain; (iv) evidence of the allocation/reservation of Tax Credits; (v) evidence of payment by the General Partner of any taxes imposed on the transfer of the limited partner interest in the Partnership; (vi) representation from a certified public accountant with regard to the tax credit basis being sufficient to support the allocated tax credits and the validity of depreciating real property over 30 years; (vii) evidence of the financial status of the guarantor(s) by way of current financial statements prepared in accordance with A.I.C.P.A. standard; (viii) evidence that the proforma rents are at least at a 10% discount to market rents; and (ix) such other materials as are reasonably required by Investor as part of its customary financial and legal due diligence review. Such items shall be prepared and furnished at your own expense. Your execution of this letter will also be deemed consent to perform background checks on the principal(s) of the General Partner and Developer, as well as any individual guarantors. At closing Hudson shall be reimbursed up to \$40,000 for legal expenses. The General Partners understands that any consultant, engineering, environmental or other, selected for the project shall be acceptable to the lender and to the equity investor and that the Partnership shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis, and monthly inspections.

Mr. Noah Hale
Mr. G. Kimball Hart
Letter of Intent – Cecilia House
March 12, 2019, Page 10

Additionally, approval of this transaction is subject to Investor's satisfactory completion of due diligence and Investment Committee approval in its sole discretion. By executing this proposal and in consideration of the substantial expenses to be incurred by Hudson and its affiliates in legal and accounting fees and for due diligence, you agree that you and your affiliates will not offer any interest in the Property to any other party unless this Letter of Intent is terminated by mutual consent or unless you are notified that, pursuant to its due diligence, the Investor will not complete its investment in the Partnership, which notification shall be given not later than 45 days from our receipt of this letter executed by you, subject to extension in the event of any delay on your part in furnishing the requested due diligence materials.

The terms of this proposal are confidential, and you have agreed not to share this proposal or its terms with any other party (other than your legal counsel, lenders and project funders). If the above proposal is acceptable, please indicate your acceptance by executing two copies of this Letter of Intent and returning one to Hudson at the above address. We look forward to working with you.

Sincerely,

Hudson Housing Capital LLC



By: _____
W. Kimmel Cameron, Jr.
Vice President

ACCEPTED AND AGREED TO
THIS ____ DAY OF _____, 2019

By: _____
Name:
Title:



**SAINT MARY'S HOUSING CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS**

[CECELIA HOUSE]

WHEREAS, Saint Mary's Housing Corporation, a Virginia corporation (the "Corporation") has entered into a certain Memorandum of Understanding ("MOU"), a copy of which is attached hereto as Exhibit A, with MARG Rural LLC, a West Virginia limited liability company ("MARG") and Good Works, LP, a Virginia limited partnership ("Good Works"), related to the acquisition, construction and operation of two (2) low-income housing tax credit projects with a total of 125 units to be developed on approximately 5 acres of land located in Vint Hill, Fauquier County, Virginia, to be financed by 9% and 4% low-income housing tax credits (collectively, the "Project"); and

WHEREAS, pursuant to the terms of the MOU, the Corporation will acquire, either directly or indirectly through wholly-owned subsidiaries, a 40% membership interest in two (2) Virginia limited liability companies (either individually or collective, a "GP") along with MARG, which will acquire a 50% membership interest in GP and Good Works, which will acquire a 10% membership interest in GP; and

WHEREAS, each GP will form a separate Virginia limited partnership, respectively called Cecelia House I Limited Partnership and Cecelia House II Limited Partnership, (each, a "Partnership") and will act as the general partner of the Partnership; and

WHEREAS, the Partnership will acquire, construct and operate the Project; and

WHEREAS, also pursuant to the terms of the MOU, the Corporation has committed to make a \$6,000,000.00 loan to the Partnership in connection with the acquisition, construction and operation of the Project (the "Partnership Loan"), such Partnership Loan to be repaid solely from the Partnership's net cash flow generated by the operation of the Project, as determined in connection with the terms and conditions of the Partnership's agreement of limited partnership, as the same may be amended from time to time; and

WHEREAS, the Corporation's Board of Directors believe it is in the best interests of the Corporation that Kevin White, as Vice President of the Corporation, in the name and in behalf of the Corporation, on its behalf, to execute and deliver any and all documents to which the Corporation is (or will be) a party in connection with the MOU and/or Partnership Loan (collectively, the "Project Documents"); and

NOW, THEREFORE, BE IT RESOLVED, the Corporation's Board of Directors, after due consideration, hereby authorize and approve the form, terms and provisions of the Project Documents are hereby in each and every respect authorized, approved, ratified, and confirmed; and

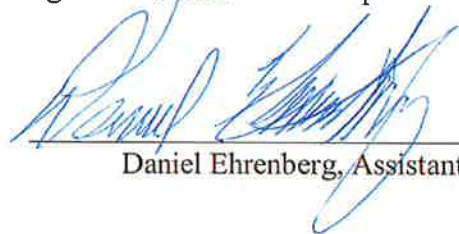
RESOLVED FURTHER, that the Corporation's Board of Directors, after due consideration, hereby authorize and approve the execution and delivery by Kevin White, as Vice President, in the name and in behalf of the Corporation, in its behalf, of any and all Project Documents; and further

RESOLVED, that the Corporation, Kevin White, as Vice President, is hereby authorized to do and to perform, or to cause to be done and performed, such other acts, and to execute and deliver, or to cause to be executed and delivered, such other documents as they, or any of them, shall (upon the advice of counsel) deem to be necessary or advisable in order to carry into effect the transactions contemplated by the foregoing resolutions.

**SAINT MARY'S HOUSING CORPORATION
SECRETARY 'S CERTIFICATE**

The undersigned certifies that he/she is the Assistant Secretary of Saint Mary's Housing Corporation (the "Corporation"), a corporation organized and existing under the laws of the State of Virginia with its principal office located at 6420 Linway Terrace, McLean, Virginia 22101, and that as such he/she is authorized to execute this Certificate on behalf of the Corporation, and further certifies that annexed hereto are true and correct copies of resolutions with respect to (a) the Corporation, and (b) the purchase, development and financing of Cecelia House, located in Fauquier County, Virginia, duly adopted by the Board of Directors of the Corporation in accordance with its by-laws and the laws of the Commonwealth of Virginia, which resolutions have not been modified, repealed or rescinded and are in full force and effect.

WITNESS the signature of the undersigned on behalf of the Corporation as of this 12th day of March, 2019.



Daniel Ehrenberg, Assistant Secretary

37956476_1



SAINT MARY'S HOUSING CORPORATION

Commitment Letter

March 5, 2019

Cecelia House I Limited Partnership
1375 Piccard Drive, Suite 150
Rockville, MD 20850
Attention: Noah Hale

RE: Commitment – \$3,250,000.00 Permanent Financing Cecelia
House Apartments, Vint Hill, Warrenton, Virginia

Dear Mr. Hale:

We are pleased to inform you that Saint Mary's Housing Corporation, a Virginia nonprofit corporation ("St Mary's" or "Lender") has approved the above-captioned project (the "Project") as eligible for financing and has authorized the issuance of this commitment to make a permanent loan (the "Loan") to Cecelia House I Limited Partnership, a Virginia limited partnership (the "Borrower").

Accordingly, this letter will evidence Lender's commitment (the "Commitment") to make the Loan to the Borrower, subject to the terms and conditions stated below.

Lender agrees to make the Loan to Borrower upon and subject to the following terms and conditions:

1. **BORROWER:** Cecelia House I Limited Partnership, a Virginia limited partnership.
2. **LOAN AMOUNT:** The amount of this facility shall be Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000.00) in the form of a subordinated promissory note (the "Note").
3. **TERM OF LOAN:** The Loan shall mature 30-years from the date the Project is Placed In Service, as that term is defined in Section 42 of the Internal Revenue Code (the "Maturity Date").
4. **INTEREST RATE:** Until the Maturity Date and once drawn upon, the Loan shall bear no interest on the unpaid principal balance outstanding from time to time. The interest rate shall be fixed at two and eighty five percent (2.85%) compounded annually or 1 –year LIBOR, whichever is Lower.

5. **REPAYMENT:** This loan will be paid from excess cash flow, not to exceed 75%, only to the extent available and accrue interest on the principle balance.
6. **COLLATERAL:** The Borrower shall grant Lender a security interest in the following collateral and execute and deliver any documents required for perfection of the security interests:

Deed of Trust and Security Agreement subordinate to all others on the Project, including all improvements presently located or subsequently constructed thereon.

A lien subordinate to all others on all personal property relating to the Project or to the use, operation or construction of the improvements located thereupon or to be located thereupon.

And in all events all replacements, substitutions, profits, products, cash and non-cash proceeds of the foregoing in any form and wherever located and all books and records in whatever form maintained. The collateral shall have a value satisfactory to Lender.

Notwithstanding anything herein to the contrary, Lender agrees to subordinate its lien against the collateral described above to a lien from all other lenders determined by the borrower.

7. **LOAN FEE:** Borrower and Lender agree that no fees shall be paid upon funding of the first draw under the Note.
8. **COSTS:** Borrower shall pay any and all costs including but not limited to recording fees, filing fees, legal fees and any documentary or intangible taxes or surtax.
9. **NON-RECOURSE:** The obligation of the Borrower under the Loan is nonrecourse to the partners of the Borrower and no partner of the Borrower shall have any personal liability for amounts owing under the Loan. In an event of default, Lender shall look solely to the assets of the Borrower.

{SIGNATURE PAGE FOLLOWS}

Saint Mary's Housing Corporation,
a Virginia nonprofit corporation

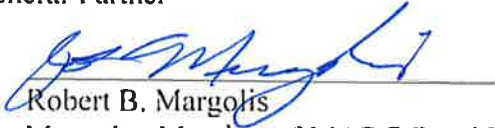
By: 
Print: David Lennon
Title: Vice President

ACKNOWLEDGED AND ACCEPTED THIS 5th DAY
OF March, 2019.

BORROWER:

Cecelia House I Limited Partnership,
a Virginia limited partnership

By: Cecelia House GP LLC,
its General Partner

By: 
Print: Robert B. Margolis
Title: Managing Member of MARG Rural LLC,
its Managing Member



U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

N/A



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

**PURCHASE OPTIONS AND
RIGHT OF FIRST REFUSAL AGREEMENT**

This Purchase Option and Right of First Refusal Agreement (this “Agreement”) is made as of the 4th day of **March 2019**, by and between **CECELIA HOUSE I LIMITED PARTNERSHIP**, a Virginia limited partnership (the “Partnership”) (index as “Grantor”) and **SAINT MARYS HOUSING CORPORATION**, a Virginia nonprofit corporation, as the Grantee (index as “Grantee”).

WHEREAS, MARG Rural LLC, as Managing Member of Cecelia House GP LLC has formed a limited partnership under the Laws of the Commonwealth of Virginia by filing of a Certificate of Limited Partnership on **March 4th, 2019** and the Partnership is operating under a Partnership Agreement dated **March 4th, 2019**; and

WHEREAS, Grantee has been instrumental in the redevelopment of a multi-family real estate apartment development in the town of **Warrenton, Fauquier County, Virginia**, known as **Cecelia House** (hereinafter, the “Property”), and will act as guarantor of certain obligations in the formation and continuation of the Partnership for the further development of the Property; and

WHEREAS, the Property is or will be subject to one of more governmental agency regulatory agreements (collectively, the “Regulatory Agreement”) restricting its use to low-income housing (the “Use Restrictions”); and

WHEREAS, Grantee desires to provide for the continuation of the project as low-income housing upon termination of the Partnership by Grantee purchasing the Property at the applicable price determined under this Agreement and operating the Property in accordance with the Use Restrictions; and

NOW, THEREFORE, in consideration of the execution and delivery of the Partnership Agreement, the performance of the services by the Grantee to the Partnership and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Option. The Partnership hereby grants to Grantee an option to purchase the real estate, fixtures, and personal property comprising the Property or associated with the physical operation thereof, located at the Property and owned by the Partnership at the time of purchase (the “Option”), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Property (the “Compliance Period”) as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the “Code”), on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of such Options specified herein. The Property real estate is described in Exhibit A attached hereto and made a part hereof. The Regulatory Agreement containing the Use Restrictions to which the Property real estate will remain subject is described in Exhibit B attached hereto and made a part hereof.

2. Grant of Refusal Right. In the event that the Partnership receives a bona fide offer to purchase the Property at any time during the period beginning on the date of termination of the Compliance Period, the Partnership will not sell the Property or any portion thereof without first providing the Grantee with a written notice (the “Notice of Refusal Right”) offering to the Grantee a right of first refusal to purchase the Property (the “Refusal Right”) after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Paragraph 8 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall 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 Paragraph 8 hereof meeting the requirements of Section 42(i)(7)(A) of the Code.

3. Purchase Price Under Option. The purchase price under the Option shall be the greater of the following amounts:

- (i) **Debt and Taxes.** The sum of: (a) an amount sufficient to pay all debts (including Member loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, or (b) an amount sufficient to distribute to the Partners pursuant the Partnership Agreement, cash proceeds equal to the state, local and federal taxes projected to be imposed on the Members as a result of the sale of the Property pursuant to the Option; or
- (ii) **Fair Market Value.** The fair market of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser who is a member of the Master Appraiser Institute (“MAI”) and who has experience in the geographic area in which the Property is located. The fair market value of the Project shall be determined by an MAI appraiser selected by and paid for by the Partnership.

4. Purchase Price Under Refusal Right. The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of: (a) an amount sufficient to pay all debts (including Partner loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right and (b) an amount sufficient to distribute to the Partners cash proceeds equal to the state, local, and federal taxes projected to be imposed on the Partners as a result of the sale pursuant to the Refusal Right; provided, however, that in no event shall the purchase price pursuant to the Right of First Refusal be less than the amount of the “minimum purchase price” as defined in Section 42(i)(7)(B) of the Code.

5. Exercise of Option or Refusal Right. The Option and the Refusal Right may each be exercised by Grantee by (a) giving written notice of its intent to exercise the Option or the Refusal Right to

the Partnership and each of its Partners in compliance with the requirements of this Paragraph 5, and (b) complying with the contract and closing requirements of Paragraph 7 hereof. Any such notice of intent to exercise the Option shall be given the last twelve (12) months of the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within ninety (90) days after Grantee has received the Partnership's Notice of Refusal Right pursuant to Paragraph 2 hereof. In either case, the notice of intent shall specify a closing date within one hundred eighty (180) days immediately following the end of the Compliance Period. If the foregoing requirements are not met as when provided herein, the Option or the Refusal Right, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all of the other rights shall be subordinated to the rights then being so exercised unless and until such exercise is withdrawn or discontinued.

6. Determination of Price. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Partnership and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property.

7. Contract and Closing. Upon determination of the purchase price, the Partnership and Grantee shall enter into a written contract for the purchase and sale of the Property, as the case may be, in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Property is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise the Option or the Refusal Right, as applicable, or thirty (30) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of either one of the Options or the Refusal Right, as applicable.

8. Assignment. Grantee may assign all or any of its rights under this Agreement to (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 or the Property (each a "Permitted Assignee") that demonstrates its ability and willingness to maintain the Property as low-income housing in accordance with the Use Restrictions and subject in any event to the conditions precedent to the Refusal Right grant and the Option price set forth in Paragraphs 2 and 3 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Partnership. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall 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 Grantee's rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

9. Miscellaneous. This Agreement shall be liberally construed in accordance with the laws of the Commonwealth of Virginia in order to effectuate the purposes of this Agreement. This Agreement may be executed in counterparts signature pages, which together shall constitute a single agreement.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties have executed this document as of the date first set forth hereinabove.

PARTNERSHIP:

CECELIA HOUSE I LIMITED PARTNERSHIP

By: Cecelia House GP LLC

By: 
Robert B. Margolis, Manager of MARG Rural LLC, its Managing Member

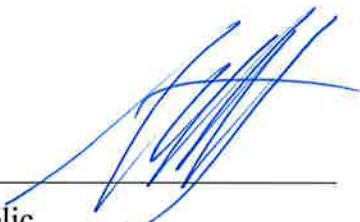
STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me, Anthony E. Calkins, a Notary Public, this 13th day of March, 2019, by Robert B. Margolis, who has presented identification of a Maryland Driver's License. Robert B. Margolis voluntarily acknowledged this instrument under the penalty of perjury as Manager of MARG Rural LLC, the Managing Member of Cecelia House GP LLC, on behalf of the partnership.

My commission Expires: December 16, 2019



Notary Public

NOTARIAL SEAL (Sharp, legible, photographically reproducible)



GRANTEE:

SAINT MARYS HOUSING CORPORATION

By: 
David Lennon, Vice President

STATE OF ~~VIRGINIA~~ Pennsylvania
CITY/COUNTY OF Montgomery

to wit:

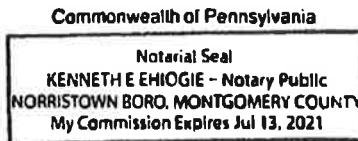
The foregoing instrument was acknowledged before me, KENNETH E. EHILOGIE, a Notary Public, this 12th day of March, 2019, by David Lennon who has presented identification of David Lennon voluntarily acknowledged this instrument under the penalty of perjury as Vice President of Saint Mary's Housing Corporation, a Virginia nonprofit corporation and is duly authorized to act on behalf of said Corporation that said instrument was signed and sealed by him, and being informed of the contents thereof, acknowledged execution of the foregoing instrument on behalf of said Corporation.

Registration # _____

My commission Expires: July 13, 2021



Notary Public



NOTARIAL SEAL (Sharp, legible, photographically reproducible)

EXHIBIT A

**Legal Description of
Project Real Estate**

BEGINNING AT A POINT SITUATED ON THE SOUTHERN LINE OF SIGLAR ROAD, CONTINUE ALONG SAID SOUTHERN LINE S30°25'45"W 325.15' TO A POINT, THENCE ALONG A CURVE TO THE RIGHT WITH A CHORD S40°20'15"W 223.69, R=650.00, L=224.81' AND $\Delta=19^{\circ}48'59''$ TO A POINT, THENCE LEAVE SAID SOUTHERN LINE S42°02'48"E 198.93' TO A POINT, THENCE N08°30'02"W 273.24' TO A POINT, THENCE ALONG A CURVE TO THE LEFT WITH A CHORD N50°34'31"E 290.84', R=645.00, L=293.37' AND $\Delta=26^{\circ}03'35''$ TO A POINT, THENCE S59°34'15"E 299.71' TO THE POINT OF BEGINNING, SAID PARCEL CONTAINING 3.77 ACRES OR 164,226.73 SQ. FT.

EXHIBIT B

**DESCRIPTION OF
REGULATORY AGREEMENT**

Title: Extended Use Regulatory Agreement and Declaration of Restrictive Covenants

Parties: **Cecelia House I Limited Partnership Apartments Limited Partnership** as
Grantor
and Virginia Housing Development Authority, as Grantee

Date: _____

Recording Information: _____

[Attach additional page(s) if there is more than one Regulatory Agreement.]



W

(Reserved)



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

**Cecelia House
Vint Hill, Virginia**

Marketing Plan for Units Meeting Accessibility Requirements of HUD Section 504

This marketing plan has been developed for the units in this apartment development that will be fully renovated to meet the accessibility requirements of HUD Section 504 (the "Marketing Plan"). This Marketing Plan has been designed to convey to current and potential residents with disabilities, that **Cecelia House** will continue to be a unique rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. This plan will address ways in which property management will endeavor to secure and actively market the project to qualified tenants that are mobility impaired and likely will be served well by the features of a HUD Section 504 designed units. In addition, management will ensure quality tenancy, and effective management of the property.

The Management Agent will be responsible for the management of **Cecelia House** as well as the marketing efforts to mobility impaired persons. The Management Agent will be responsible for all of the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications.

All 504 designated units will be continually marketed on an ongoing basis. These units will be held vacant for at least 60 days in accordance to Virginia Housing Development Authorities' guidelines. Any move/relocation that is a result of accommodating a temporary/non-disabled tenant will be paid for by the owner of the Apartment Community.

I. Affirmative Fair Housing Marketing

The Management Agent is pledged to the letter and policy of the achievement of equal housing opportunity throughout the Nation's Low-Income Housing Tax Credit communities and will actively promote fair housing in the development and marketing of this project. Management Agent, it's Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, age, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act.

Any employee who has discriminated in the acceptance of a resident will be subject to disciplinary actions which may include dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income, and conformity with the requirements of the Section 8 and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure. Any resident who has questions not answered by the leasing staff will be referred to the Supervisor of the site staff.

Any unit which is designated as a unit for people with disabilities and that conforms to Section 504 of the Rehabilitation Act will be held vacant as long as it takes to find a qualified tenant.

II. Marketing and Outreach

Locating people with disabilities to occupy the units meeting accessibility requirements of HUD Section 504 will be accomplished as follows:

1. Networking

The Management Agent will contact local centers for independent living and disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

Fauquier County Department of Social Services 540-351-1100

<http://www.fauquiercounty.gov/Government/Departments/socialservices/>

Fauquier County Health Department 540-347-6400

<http://www.vdh.state.va.us/LHD/RappahannockRapidan/fauquier.htm>

Fauquier County Disability Services Board 540-347-6125

<http://www.fauquiercounty.gov/Government/Committees/dissvcsbd/>

2. Print Media

Print media sources will also be identified in the **Vint Hill/Warrenton** area that cater to people with disabilities as well as the public at large. These typically include The Fauquier Times and other local, minority-oriented newspapers. Other sources may include, but are not limited to, rental magazines such as the Apartment Shoppers Guide, Apartments For Rent, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo type, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

3. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property. Flyers will be distributed to residents along with the project newsletter announcing the tenant referral program.

4. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo.

These marketing materials include:

Brochures - A simple, two color brochure can be produced at low cost which will effectively sell the apartments and community. This brochure will include the floor plans, a listing of features and amenities. The floor plans should be printed in as large a format as possible.

Flyers - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic. As such, each flyer should include a special offer with a deadline.

Internet – Listing on www.VirginiaHousingSearch.com and www.affordablehousingonline.com

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. Also posted in the Rental Office are instructions to anyone who feels they have been discriminated against to contact the Supervisor of the site staff at the Management Agent directly. The Management Agent encourages and supports an affirmative fair housing marketing program as required by HUD in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, physical or mental handicap, political affiliation, source of income, or place of residence or business.