
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

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

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

Disclaimer:

A 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

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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 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 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 checked="" 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 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: The Coile
2. Address (line 1): 311 33rd Street and
 Address (line 2): 80 29th Street
 City: Newport News State: VA Zip: 23607
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Newport News City
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: 301.00
7. Development is located in a **Qualified Census Tract**..... TRUE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** TRUE
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)..... TRUE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 23
- State Senate District: 1
- State House District: 95

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

Located at 311 33rd Street, where the first offices for the Daily Press opened in 1899 before becoming the Coca-Cola Bottling Work in 1916, as well as the current upper parking area for the Basic/Noland Building at 80 29th Street. These sites were once an iconic part of the fabric of the local historic community of Newport News and provide a unique opportunity to the design of an urban infill development. Drawing from and speaking to the historic qualities of this era, we propose to redevelop these blank canvases into spacious, high-end living quarters and provide much needed housing at an affordable market advantage for a diverse range of families earning 40%, 50% and 70% or less of the Area's Median Income (AMI).

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: Cynthia D. Rohlf
 Chief Executive Officer's Title: City Manager Phone: 757-926-8411
 Street Address: 2400 Washington Ave.
 City: Newport News State: VA Zip: 23607

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

- 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: Tidewater MSA 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** FALSE

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

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

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

6. Extended Use Restriction

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

Must Select One: 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: 311 33rd Street LLC

Developer Name: REBJ. Inc

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. 83-2247568 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: Limited Liability Company Formation State: VA

Additional Contact: Please Provide Name, Email and Phone number.
Adam J. Stockmaster, astockmaster@tmadevelopment.com, 240-428-7799 ext 102

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

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

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>	
<u>311 33rd Street MM LLC</u>	<u>(240) 428-7799</u>	<u>Managing Member</u>	<u>100.000%</u>	
<u>Margolis Family Investments LLC</u>		<u>Managing Member</u>	<u>90.000%</u>	
<u>Robert Margolis Trust, Trustee</u>	<u>(240) 428-7799</u>	<u>Managing Member</u>		<i>needs</i>
<u>Elizabeth Margolis Trust, Trustee</u>	<u>(240) 428-7799</u>	<u>Manager</u>		<i>needs</i>
<u>The Robert & Elizabeth Margolis Irrevocable Trust</u>		<u>Member</u>		<i>needs</i>
<u>Petersburg Community Development Corporation</u>	<u>(804) 420-6458</u>	<u>Member</u>	<u>10.000%</u>	
<u>James Hendricks</u>		<u>President</u>		<i>needs</i>

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

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

C OWNERSHIP INFORMATION

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

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

Select Type: Option

Expiration Date: 12/31/2019

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

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

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

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

D. SITE CONTROL

1. Seller Information:

Name: Huntington Parking LLC & Newport News Maritime Center, LLC
 Address: 701 Town Center Drive, Suite 800
 City: Newport News St.: VA Zip: 23606
 Contact Person: Allen C. Tanner Jr. Phone: (757) 288-6050

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: Allison T. Domson This is a Related Entity. FALSE
Firm Name: Williams Mullen
Address: 200 South 10th Street, Suite 1600 Richmond VA 23219
Email: adomson@williamsmullen.com Phone: (804) 420-6915
2. Tax Accountant: Todd Fentress This is a Related Entity. FALSE
Firm Name: Tidwell Group
Address: 4249 Easton Way, Suite 210 Columbus OH 43219
Email: todd.fentress@tidwellgroup.com Phone: (614) 528-1441
3. Consultant: _____ This is a Related Entity. FALSE
Firm Name: _____ Role: _____
Address: _____
Email: _____ Phone: _____
4. Management Entity: Matt Melnick This is a Related Entity. TRUE
Firm Name: TM Associates Management Inc.
Address: 1375 Piccard Drive Suite, 150 Rockville MD 20850
Email: mmelnick@tmamgroup.com Phone: (240) 683-0300
5. Contractor: _____ This is a Related Entity. FALSE
Firm Name: _____
Address: _____
Email: _____ Phone: _____
6. Architect: Mikel Griffen This is a Related Entity. FALSE
Firm Name: CJMW Architects
Address: 1030 Main Sreet, Lynchburg, VA 24504
Email: mike.griffin@cjmw.com Phone: (434) 847-6564
7. Real Estate Attorney: Allison T. Domson This is a Related Entity. FALSE
Firm Name: Williams Mullen
Address: 200 South 10th Street, Suite 1600 Richmond VA 23219
Email: adomson@williamsmullen.com Phone: (804) 420-6915
8. Mortgage Banker: _____ This is a Related Entity. FALSE
Firm Name: _____
Address: _____
Email: _____ Phone: _____
9. Other: _____ This is a Related Entity. FALSE
Firm Name: _____ Role: _____
Address: _____
Email: _____ Phone: _____

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...
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: Petersburg Community Development Corporation, Inc. (Please fit NP name within available space)

Contact Person: Alexander C. Graham

Street Address: 700 South 10th Street, Suite 1600

City: Richmond State: VA Zip: 23219-0000

Phone: (804) 420-6458 Extension: Contact Email: sgraham@williamsmullen.

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 10.0%

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: Petersburg Community Development Corporation, Inc.

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	62	bedrooms	154
Total number of rental units in development	62	bedrooms	154
Number of low-income rental units	62	bedrooms	154
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	62	bedrooms	154
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.....			80,892.48 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			9,642.38 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			71,250.10 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	0.730		
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	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	1060.10	SF	32	32
3BR Garden	1244.23	SF	30	30
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
			62	62

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)..... 2
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 4
- d. The development is a scattered site development..... TRUE
- 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. 2
 Elevator Type (if known) Kone Erospace

- | | |
|----------------------------|--------------------|
| i. Roof Type | <u>Flat</u> |
| j. Construction Type | <u>Combination</u> |
| k. Primary Exterior Finish | <u>Brick</u> |

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>Rooftop Recreational Area</u> |

l. Describe Community Facilities: Community room, maintenance shop, leasing office, and rooftop garden

m. Number of Proposed Parking Spaces..... 7
 Parking is shared with another entity FALSE

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

H. STRUCTURE AND UNITS INFORMATION

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.

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	1.20%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	1.20%
Project Wide Absorption Period (Months)	5 mos

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.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

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

- FALSE a. All cooking ranges have front controls.

J. ENHANCEMENTS

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

FALSE 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:

TRUE Earthcraft Gold or higher certification

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

FALSE U.S. Green Building Council LEED certification

FALSE Enterprise Green Communities (EGC) Certification

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.)

FALSE Zero Energy Ready Home Requirements

FALSE Passive House Standards

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

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

62 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

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	0	12	14	0
Air Conditioning	Electric	Tenant	0	0	11	14	0
Cooking	Electric	Tenant	0	0	6	8	0
Lighting	Electric	Tenant	0	0	23	30	0
Hot Water	Electric	Tenant	0	0	13	16	0
Water		Tenant	0	0	44	61	0
Sewer		Tenant	0	0	31	45	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$0	\$140	\$188	\$0

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

- a. TRUE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE 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**)

TRUE

a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

(60 points)

FALSE

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

FALSE

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

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

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

- FALSE 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: Newport News Redevelopment & Housing Authority

Contact person: Karen Wilds

Title: Executive Director

Phone Number (757) 928-2620

Action: Provide required notification documentation (**TAB L**)

b. Leasing preference will be given to individuals and families with children..... TRUE
(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: 30
% of total Low Income Units 48%

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

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

- 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
- TRUE Section 8 Project Based Assistance
- FALSE RD 515 Rental Assistance
- FALSE Section 8 Vouchers
- FALSE State Assistance
- FALSE Other: _____

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

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

d. Number of units receiving assistance: 7
 How many years in rental assistance contract? 15.00
 Expiration date of contract: 12/31/2035
 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
0	0.00%	30% Area Median
7	11.29%	40% Area Median
24	38.71%	50% Area Median
0	0.00%	60% Area Median
31	50.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
62	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
7	11.29%	40% Area Median
24	38.71%	50% Area Median
0	0.00%	60% Area Median
31	50.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
62	100.00%	Total

- b. The development plans to utilize income averaging..... TRUE
 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	2 BR - 1.5 Bath	40% AMI	1	1	833.83	\$955.00	\$955
Mix 2	2 BR - 1.5 Bath	40% AMI	2	2	861.08	\$955.00	\$1,910
Mix 3	2 BR - 1.5 Bath	50% AMI	6		833.83	\$703.00	\$4,218
Mix 4	2 BR - 1.5 Bath	50% AMI	6		861.08	\$703.00	\$4,218
Mix 5	2 BR - 1.5 Bath	70% AMI	9		833.83	\$1,041.00	\$9,369
Mix 6	2 BR - 1.5 Bath	70% AMI	8		861.08	\$1,041.00	\$8,328
Mix 7	3 BR - 2 Bath	40% AMI	1	1	985.57	\$1,345.00	\$1,345
Mix 8	3 BR - 2 Bath	40% AMI	1	1	1068.96	\$1,345.00	\$1,345
Mix 9	3 BR - 2 Bath	40% AMI	1	1	999.78	\$1,345.00	\$1,345
Mix 10	3 BR - 2 Bath	40% AMI	1	1	1083.17	\$1,345.00	\$1,345
Mix 11	3 BR - 2 Bath	50% AMI	3		985.57	\$787.00	\$2,361
Mix 12	3 BR - 2 Bath	50% AMI	3		1068.96	\$787.00	\$2,361
Mix 13	3 BR - 2 Bath	50% AMI	3		999.78	\$787.00	\$2,361
Mix 14	3 BR - 2 Bath	50% AMI	3		1083.17	\$787.00	\$2,361
Mix 15	3 BR - 2 Bath	70% AMI	4		985.57	\$1,177.00	\$4,708
Mix 16	3 BR - 2 Bath	70% AMI	3		1068.96	\$1,177.00	\$3,531
Mix 17	3 BR - 2 Bath	70% AMI	4		999.78	\$1,177.00	\$4,708
Mix 18	3 BR - 2 Bath	70% AMI	3		1083.17	\$1,177.00	\$3,531
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
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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			62	7	17,497.17	\$18,634		\$60,300

Total Units	62	Net Rentable SF:	TC Units	58,066.27
			MKT Units	0.00
			Total NR SF:	58,066.27

Floor Space Fraction (to 7 decimals)	100.00000%
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M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,550
2. Office Salaries			\$0
3. Office Supplies			\$7,750
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$25,460
3.72% of EGI	\$410.65	Per Unit	
6. Manager Salaries			\$58,900
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$310
9. Auditing			\$6,000
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$7,750
12. Tax Credit Monitoring Fee			\$1,500
13. Miscellaneous Administrative			\$7,590
Total Administrative			\$116,810

Utilities

14. Fuel Oil			\$0
15. Electricity			\$13,020
16. Water			\$2,170
17. Gas			\$0
18. Sewer			\$3,100
Total Utility			\$18,290

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$3,224
22. Exterminating			\$1,860
23. Trash Removal			\$6,820
24. Security Payroll/Contract			\$310
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$6,200
28. Maintenance/Repairs Payroll			\$47,056
29. Repairs/Material			\$7,750
30. Repairs Contract			\$1,550
31. Elevator Maintenance/Contract			\$5,270
32. Heating/Cooling Repairs & Maintenance			\$4,340
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$3,100
35. Decorating/Payroll/Contract			\$3,906
36. Decorating Supplies			\$6,200
37. Miscellaneous			\$9,350
Totals Operating & Maintenance			\$106,936

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$36,580
39. Payroll Taxes	\$8,050
40. Miscellaneous Taxes/Licenses/Permits	\$3,720
41. Property & Liability Insurance	\$20,150
42. Fidelity Bond	\$164
43. Workman's Compensation	\$2,046
44. Health Insurance & Employee Benefits	\$8,122
45. Other Insurance	\$0
Total Taxes & Insurance	\$78,832
Total Operating Expense	\$320,868

Total Operating Expenses Per Unit	\$5,175	C.	46.87%	Total Operating Expenses as % of EGI
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Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$18,600
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Total Expenses	\$339,468
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	3/13/2019	Robert B. Margolis
b. Site Acquisition	12/31/2019	Robert B. Margolis
c. Zoning Approval	2/21/2019	Nyoka C. Hall
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	Robert B. Margolis
ii. Conditional Commitment	12/1/2019	Bennett Atwill
iii. Firm Commitment	1/1/2020	Bennett Atwill
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List	FHLB	Noah Hale
ii. Application	6/15/2019	Noah Hale
iii. Award/Commitment	10/1/2019	Noah Hale
2. Formation of Owner	10/18/2018	Robert B. Margolis
3. IRS Approval of Nonprofit Status	8/1/1990	James Hendricks
4. Closing and Transfer of Property to Owner	12/31/2019	Robert B. Margolis
5. Plans and Specifications, Working Drawings	3/1/2019	Mikel Griffin
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	11/1/2021	Matt Melnick
11. Credit Placed in Service Date	11/1/2021	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)	6,726,474	0	0	6,726,474
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	6,726,474	0	0	6,726,474
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	620,000	0	0	620,000
p. Other Site work	0	0	0	0
Total Land Improvements	620,000	0	0	620,000
Total Structure and Land	7,346,474	0	0	7,346,474
q. General Requirements	406,070	0	0	406,070
r. Builder's Overhead (1.8% Contract)	135,357	0	0	135,357
s. Builder's Profit (5.5% Contract)	406,070	0	0	406,070
t. Bonds	61,723	0	0	61,723
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Builders Risk Insurance	38,577	0	0	38,577
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$8,394,271	\$0	\$0	\$8,394,271

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	15,000	0	0	15,000
b. Architecture/Engineering Design Fee \$4,516 /Unit)	280,000	0	0	280,000
c. Architecture Supervision Fee \$1,613 /Unit)	100,000	0	0	100,000
d. Tap Fees	65,100	0	0	65,100
e. Environmental	10,000	0	0	10,000
f. Soil Borings	35,000	0	0	35,000
g. EarthCraft/LEED	31,000	0	0	31,000
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	28,000	0	0	28,000
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	57,865	0	0	57,865
n. Construction Interest (5.0% for 16 months)	215,000	0	0	129,000
o. Taxes During Construction	28,365	0	0	28,365
p. Insurance During Construction	28,365	0	0	28,365
q. Permanent Loan Fee (1.0%)	51,700	0	0	0
r. Other Permanent Loan Fees	25,850	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	70,000	0	0	70,000
w. Legal Fees for Closing	75,000	0	0	75,000
x. Mortgage Banker	25,850	0	0	0
y. Tax Credit Fee	55,250			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	62,000	0	0	62,000
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	323,436	0	0	0
ad. Contingency	82,788	0	0	0
ae. Security	0	0	0	0
af. Utilities	62,000	0	0	0
(1) Other* specify: Syndicator Expenses	50,000	0	0	0
(2) Other* specify: Lease-Up Reserve	90,450	0	0	0
(3) Other* specify:	0	0	0	0
(4) Other* specify:	0	0	0	0
(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))	\$1,920,519	\$0	\$0	\$1,067,195
Subtotal 1 + 2 (Owner + Contractor Costs)	\$10,314,790	\$0	\$0	\$9,461,466
3. Developer's Fees	1,350,000	0	0	1,350,000
4. Owner's Acquisition Costs				
Land	1,600,000			
Existing Improvements	0	0		
Subtotal 4:	\$1,600,000	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$13,264,790	\$0	\$0	\$10,811,466

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:

\$1,383,183

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

\$213,948 **Meets Limits**
\$144 **Meets Limits**
\$259,224

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	13,264,790	0	0	10,811,466

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	10,811,466
---	---	------------

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>		0	3,243,440
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)		0	0
c. For Green Certification (Eligible Basis x 10%)			0
Total Adjusted Eligible basis		0	14,054,906

5. Applicable Fraction

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

6. Total Qualified Basis (Eligible Basis x Applicable Fraction)

0	0	14,054,906
---	---	------------

7. Applicable Percentage

0.00%	0.00%	9.00%
-------	-------	-------

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

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	\$1,264,942
\$1,264,942 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.	VHDA REACH	11/1/2019	12/1/2019	\$1,240,000	\$56,851	2.95%	35.00	35.00
2.	VHDA Taxable Bonds	11/1/2019	12/1/2019	\$3,930,000	\$244,060	5.20%	35.00	35.00
3.	FHLB	6/15/2019	10/1/2019	\$500,000		0.00%	30.00	30.00
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$5,670,000	\$300,911			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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	\$1,240,000
g.	HOME Funds	\$0
h.	Other: FHLB	\$500,000
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$3,930,000
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:	\$0

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

c. FALSE Other _____

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

2019 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit			
Amount of Federal historic credits	\$0	x Equity \$	\$0.000 = \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000 = \$0
b. Equity that Sponsor will Fund:			
i. Cash Investment	\$0		
ii. Contributed Land/Building	\$0		
iii. Deferred Developer Fee	\$464,785	(Note: Deferred Developer Fee cannot be negative.)	
iv. Other:	\$0		
Equity Total	\$464,785		

2. Equity Gap Calculation

a. Total Development Cost	\$13,264,790
b. Total of Permanent Funding, Grants and Equity	- \$6,134,785
c. Equity Gap	\$7,130,005
d. Developer Equity	- \$713
e. Equity gap to be funded with low-income tax credit proceeds	\$7,129,292

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Hudson Housing Capital		
Contact Person:	W. Kimmel Cameron	Phone:	(212) 218-4448
Street Address:	630 Fifth Avenue, Rockefeller Center		
City:	New York	State:	NY
		Zip:	10111
b. Syndication Equity			
i. Anticipated Annual Credits		\$775,000.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.920	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$774,923	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$7,129,292	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$7,129,292

5. Net Equity Factor

Must be equal to or greater than 85% 92.0000645226%

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>\$13,264,790</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$6,134,785</u>
3. Equals Equity Gap		<u>\$7,130,005</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>92.0000645226%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$7,750,000</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$775,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,264,942</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$775,000</u>
Credit per LI Units	<u>\$12,500.0000</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$5,032.4675</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		\$60,300
Plus Other Income Source (list):	Vending, Interest Charges, Tenant Charges	\$1,038
Equals Total Monthly Income:		\$61,338
Twelve Months		x12
Equals Annual Gross Potential Income		\$736,056
Less Vacancy Allowance	7.0%	\$51,524
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$684,532

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):		\$0
Equals Total Monthly Income:		\$0
Twelve Months		x12
Equals Annual Gross Potential Income		\$0
Less Vacancy Allowance	0.0%	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units		\$0

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

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	\$684,532
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$684,532
d.	Total Expenses	\$339,468
e.	Net Operating Income	\$345,064
f.	Total Annual Debt Service	\$300,911
g.	Cash Flow Available for Distribution	\$44,153

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	684,532	698,223	712,187	726,431	740,960
Less Oper. Expenses	339,468	349,652	360,142	370,946	382,074
Net Income	345,064	348,571	352,046	355,485	358,885
Less Debt Service	300,911	300,911	300,911	300,911	300,911
Cash Flow	44,153	47,660	51,135	54,574	57,974
Debt Coverage Ratio	1.15	1.16	1.17	1.18	1.19

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	755,779	770,894	786,312	802,038	818,079
Less Oper. Expenses	393,536	405,343	417,503	430,028	442,929
Net Income	362,242	365,552	368,809	372,011	375,150
Less Debt Service	300,911	300,911	300,911	300,911	300,911
Cash Flow	61,331	64,641	67,898	71,100	74,239
Debt Coverage Ratio	1.20	1.21	1.23	1.24	1.25

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	834,441	851,130	868,152	885,515	903,226
Less Oper. Expenses	456,217	469,903	484,000	498,520	513,476
Net Income	378,224	381,226	384,152	386,995	389,750
Less Debt Service	300,911	300,911	300,911	300,911	300,911
Cash Flow	77,313	80,315	83,241	86,084	88,839
Debt Coverage Ratio	1.26	1.27	1.28	1.29	1.30

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 2

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 Acquisition			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	Actual or Anticipated In-Service Date	Applicable Percentage
1.		31	0	311 33rd Street		Newport News	VA	23607	\$0			\$0				\$7,073,671	11/01/21	9.00%	\$636,630
2.		31	0	180 29th street		Newport News	VA	23607	\$0			\$0				\$6,981,235	11/01/21	9.00%	\$628,311
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
62									\$0			\$0				\$14,054,906			\$1,264,942

Totals from all buildings

Credit Amount should equal Gap Calculation Request.

Number of BINS: 2

V. STATEMENT OF OWNER

undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: 311 33rd Steet LLC
By: 311 33rd Street MM LLC
By: Margolis Family Investments, LLC, Managing Mem

By: 
Its: Robert B. Margolis, Manager
(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	Y	0 or 15	15.00
Total:			<u><u>15.00</u></u>

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	4.44
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	Y	0 or 10	10.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
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>34.44</u></u>

2019 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			66.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y20	0, 10 or 20	20.00
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	15.20
i. Historic Structure	N	0 or 5	0.00
Total:			186.20

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$75,000	\$55,900

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	48.39%	Up to 15	15.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	11.29%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	50.00%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	50.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			90.00

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:			50.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	91.94
b. Cost per unit		Up to 100	32.43
Total:			124.37

7. BONUS POINTS:

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

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

TOTAL SCORE: 560.01

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	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>66.00</u>
 All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
Total amenities:		<u>66.00</u>

X. Development Summary

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

Name:	The Coile
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Cycle Type: 9% Tax Credits **Requested Credit Amount:** \$775,000
Allocation Type: New Construction **Jurisdiction:** Newport News City
Total Units: 62 **Population Target:** General
Total LI Units: 62
Project Gross Sq Ft: 80,892.48 **Owner Contact:** Noah Hale
Green Certified? TRUE

Total Score 560.01

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$5,670,000	\$91,452	\$70	\$300,911

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$7,346,474	\$118,492	\$91	55.38%
General Req/Overhead/Profit	\$947,497	\$15,282	\$12	7.14%
Other Contract Costs	\$100,300	\$1,618	\$1	0.76%
Owner Costs	\$1,920,519	\$30,976	\$24	14.48%
Acquisition	\$1,600,000	\$25,806	\$20	12.06%
Developer Fee	\$1,350,000	\$21,774	\$17	10.18%
Total Uses	\$13,264,790	\$213,948		

Total Development Costs	
Total Improvements	\$10,314,790
Land Acquisition	\$1,600,000
Developer Fee	\$1,350,000
Total Development Costs	\$13,264,790

Proposed Cost Limit/Unit: \$213,948
Applicable Cost Limit/Unit: \$259,224
Proposed Cost Limit/Sq Ft: \$144
Applicable Cost Limit/Sq Ft: \$208

Income		
Gross Potential Income - LI Units		\$736,056
Gross Potential Income - Mkt Units		\$0
Subtotal		\$736,056
Less Vacancy %	7.00%	\$51,524
Effective Gross Income		\$684,532

Rental Assistance? TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	32
# of 3BR	30
# of 4+ BR	0
Total Units	62

Expenses		
Category	Total	Per Unit
Administrative	\$116,810	\$1,884
Utilities	\$18,290	\$295
Operating & Maintenance	\$106,936	\$1,725
Taxes & Insurance	\$78,832	\$1,271
Total Operating Expenses	\$320,868	\$5,175
Replacement Reserves	\$18,600	\$300
Total Expenses	\$339,468	\$5,475

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	7	7
50% AMI	24	24
60% AMI	0	0
>60% AMI	31	31
Market	0	0

Income Averaging? TRUE

Extended Use Restriction? 30

Cash Flow	
EGI	\$684,532
Total Expenses	\$339,468
Net Income	\$345,064
Debt Service	\$300,911
Debt Coverage Ratio (YR1):	1.15

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$158.26** Credits/SF = **10.87718** Const \$/unit = **\$135,391.4677**

TYPE OF PROJECT
 CONSTRUCTION
 CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000
 Inner-NVA=100; Outer-NV=200; NWN=300; Rich=400; Tid=500; Balance=600
 N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(15,000-35,000)=4
 *REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

11000
 500
 1

500
 1

	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	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS>=35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	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	1,060.10	1,244.23	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	32	30	0	0	0	0
PARAMETER-(COSTS>=35,000)	0	0	248,160	291,588	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	0	248,160	291,588	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	248,160	291,588	0	0	0	0
PROJECT COST PER UNIT	0	0	167,775	196,916	0	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	21,330	25,063	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	0	21,330	25,063	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	21,330	25,063	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	11,531	13,534	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	16.72	15.71	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	47.42	44.52	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **32.43**

TOTAL CREDIT PER UNIT POINTS **91.94**

Cost Parameters - Elderly

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

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	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

Credit Parameters - Elderly

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Adjusted Credit Parameter

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	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

Cost Parameters - General

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

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	248,160	291,588	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	248,160	291,588	0	0	0	0

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Adjusted Credit Parameter

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	21,330	25,063	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	21,330	25,063	0	0	0	0

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

Cost Parameters - Elderly

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

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	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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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	248,160	291,588	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	248,160	291,588	0	0	0	0

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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	21,330	25,063	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	21,330	25,063	0	0	0	0

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$158.26** Credits/SF = **10.87718** Const \$/unit = **\$135,391.47**

TYPE OF PROJECT
 LOCATION
 CONSTRUCTION

GENERAL = 11000; ELDERLY = 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

11000
 500
 1

500
 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
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PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
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PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	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	1,060.10	1,244.23	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	32	30	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	248,160	291,588	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	248,160	291,588	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	248,160	291,588	0	0	0	0
PROJECT COST PER UNIT	0	0	167,775	196,916	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	21,330	25,063	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	21,330	25,063	0	0	0	0
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0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

Credit Parameters - Elderly

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Adjusted Credit Parameter

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0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

Cost Parameters - General

Standard Parameter - low rise
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Adjusted Cost Parameter

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	248,160	291,588	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	248,160	291,588	0	0	0	0

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0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
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Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

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0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

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0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	248,160	291,588	0	0	0	0

Credit Parameters - General

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0	0	21,330	25,063	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	21,330	25,063	0	0	0	0

A

Partnership or Operating Agreement

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

MEMBERSHIP INTEREST ASSIGNMENT AND ASSUMPTION AGREEMENT

This Membership Interest Assignment and Assumption Agreement (this "Agreement") is made and entered into effective as of March 11, 2019 (the "Effective Date"), by and among Richard H. Doummar, an individual, William C. Overman, an individual and Tonya Haddock, an individual (each an "Assignor" and collectively, the "Assignors"), 311 33rd Street MM LLC, a Virginia limited liability company (the "Assignee"), and 311 33rd Street, LLC, a Virginia limited liability company (the "Company" and together with the Assignors and the Assignee, collectively, the "Parties" and each individually, a "Party").

WITNESSETH:

WHEREAS, the Assignors collectively hold all of the membership interests in the Company (the "Membership Interests"), in the amounts shown in Article XI of that certain Operating Agreement of the Company dated February 19, 2019 (the "Operating Agreement").

WHEREAS, each Assignor desires to assign the Membership Interests owned by such Assignor to the Assignee so that, following the consummation of the assignment, the Assignee shall be the sole owner of the Membership Interests and the sole Member of the Company. Assignee desires to assume from each Assignor all such Assignor's right, title and interest in, to and such Assignor's portion of the Membership Interests, subject to the terms and conditions of this Agreement.

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

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings provided in the Operating Agreement.

2. Assignment and Assumption. Each Assignor hereby assigns, transfers and delivers to the Assignee, and the Assignee hereby accepts and assumes any and all right, title and interest of each Assignor in, to and under such Assignor's portion of the Membership Interests. Pursuant to Article VII of the Operating Agreement, the Assignors and the Company hereby waive any and all restrictions, obligations or conditions with respect to the transfer of the Membership Interests by the Assignors to the Assignee. The Parties acknowledge and agree that contemporaneously with this assignment and assumption, the Assignee shall become the sole Member of the Company. Upon the consummation of the transaction contemplated hereby, Assignors will have no further ownership or other interest in the Company.

3. Assignors' Representations and Warranties. Each Assignor hereby represents and warrants to the Assignee and the Company that: (i) each Assignor has full power and authority to enter into this Agreement and has obtained any required consents to enter into this Agreement, (ii) each Assignor is the sole record and beneficial owner of, and has good and marketable title to and the right to convey, such Assignor's portion of the Membership Interests, free and clear of all liens, security interests, encumbrances, restrictions or any other claim, (iii) each Assignor shall warrant and defend title to the Membership Interests to Assignee against the claims and

demands of all persons and (iv) no further action will be required to effect this assignment after execution of this Agreement by Assignors and Assignee.

4. Assignee's Representations and Warranties. The Assignee represents to the Company and the Assignor that it has full power and authority to enter into this Agreement.

5. Company's Representations and Warranties. The Company represents to the Assignee and the Assignors that, upon the execution of this Agreement, the Assignee shall be the sole record and beneficial owner of, and shall have good and marketable title to, the Membership Interests, free and clear of all liens, encumbrances and restrictions.

6. Indemnification. Assignors hereby, jointly and severally, indemnify and hold Assignee harmless against any and all losses, costs, and expenses (including reasonable attorneys' fees) arising out of any obligations of Assignor relating to the Membership Interests which occur on or before, or arise from events occurring on or before, the Effective Date. Assignee hereby indemnifies and holds Assignors, harmless against any and all losses, costs, and expenses (including reasonable attorneys' fees) arising out of any obligations of Assignee relating to the Membership Interests which occur on or after, or arise from events occurring on or after, the Effective Date.

7. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respective heirs, legatees, successors and assigns.

8. Further Assurances. The Parties agree to (a) execute and deliver to each other such other documents, and (b) to do such other acts and things, all as any other Party may reasonably request for the purpose of carrying out the intent and purposes of this Agreement.

9. Amendment. This Agreement shall not be amended or modified except with the express written consent of all of the Parties.

10. Counterparts. This Agreement may be executed in two or more counterparts all of which together shall constitute one and the same instrument.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to any conflict of laws principles.

12. Entire Agreement. This Agreement contains the entire understanding of the Parties with regard to the subject matter contained herein and supercede all prior agreements, understandings and letters of intent between or among any of the Parties hereto.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the Effective Date.

ASSIGNORS:



Richard H. Doummar



William C. Overman



Tonya Haddock

[Signature Pages Continue]

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the Effective Date.

ASSIGNEE:

311 33rd Street MM LLC,
a Virginia limited liability company

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Managing Member

By: 
Name: Robert B. Margolis
Title: Manager

[Signature Pages Continue]

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the Effective Date.

COMPANY:

311 33rd Street, LLC,
a Virginia limited liability company

By: 

Name: Robert B. Margolis

Title: Manager

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**AMENDED AND RESTATED
OPERATING AGREEMENT**

OF

311 33RD STREET LLC

MARCH 12, 2019

Amended and Restated Operating Agreement

This Amended and Restated Operating Agreement, dated effective as of March 12, 2019 (the "Operating Agreement") is made by 311 33rd Street MM LLC, a Virginia limited liability company (the "Member") as the sole member of **311 33RD STREET LLC**, a Virginia limited liability company (the "Company"), to set forth the terms and conditions on which the management, business and financial affairs of the Company shall be conducted.

RECITALS

WHEREAS, the Company was formed pursuant to Articles of Organization filed with the Virginia State Corporation Commission on October 18, 2018;

WHEREAS, the Company was originally constituted pursuant to an Operating Agreement dated February 19, 2019 ("Original Operating Agreement"), by and among Richard H. Doummar, William C. Overman, III and Tonya Haddock, as the sole members (the "Original Members");

WHEREAS, the Original Members assigned all of their right, title and interest in the Company to the Member pursuant to a Membership Interest Assignment and Assumption Agreement dated as of March 11, 2019;

WHEREAS, the Member desires to continue the Company pursuant to the Act and amend and restate the Original Operating Agreement in its entirety pursuant to the terms hereof; and

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

Section 1 Organization and Purpose

1.01 *Formation of Company.* The Original Members have caused the Company to be organized as a limited liability company under the Virginia Limited Liability Company Act, Virginia Code §13.1-1000, *et seq.* (the "Act"). The Articles of Organization of the Company (the "Articles") were filed with the Virginia State Corporation Commission and a Certificate of Organization was issued on October 18, 2018.

1.02 *Capital Contributions; Sole Member.* The Member has agreed to make the contributions to the capital of the Company set forth on Exhibit A. In exchange for such capital contributions, the Members shall receive membership interests in the Company set forth on Exhibit A.

1.03 *Purpose.* The Company shall engage in any and all lawful activities as may be necessary, incidental or convenient to carrying out the business of the Company as contemplated in this Operating Agreement. The Company may also pursue any other lawful activity that is approved by the Member.

1.04 *Registered Agent.* The name and address of the registered agent of the Company for the purposes of the Act is Cogency Global, Inc. whose address is 250 Browns Hill Court, Midlothian, Virginia 23114. The sole duty of the registered agent shall be to forward to the Company at its principal office and place of business any notice that is served on it.

1.05 *Continuation.* The Member desires to continue the Company pursuant to the terms of the Act.

Section 2 Management

2.01 *Manager.* The business and affairs of the Company shall be managed under the direction of one or more Managers. The initial Manager shall be sole Member. Any Manager may be removed at any time, with or without cause, and a new Manager may be appointed, at the sole discretion of the Manager.

2.02 *Management of the Company.*

(a) The Manager shall have the right to manage the business of the Company and to make decisions regarding the business of the Company. The Manager may delegate prescribed functions to any employee, agent, or consultant.

(b) The Manager is granted the right, power, and authority to do in the name of, and on behalf of, the Company all things that, in the Manager's 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 enter into any kind of contract or activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of the Company, so long as those activities and contracts may be lawfully carried on or performed by a limited liability company under applicable laws and regulations.

(c) All actions taken by the Manager on behalf of the Company from the date of its organization to the date of this Operating Agreement are ratified and confirmed.

2.03 *Compensation and Reimbursements.*

(a) The compensation, if any, of the Manager shall be fixed from time to time by the Member, and no Manager shall be prevented from receiving such compensation by reason of the fact that he or she is also the Member of the Company. The amount of any such management fee, or other compensation, shall be determined in accordance with the services provided by the Manager and the duties performed for the Company.

(b) The Manager shall receive reimbursement for expenses reasonably incurred in the performance of his duties. No Manager shall be prevented from receiving such reimbursement by reason of the fact that he or she is also the Member of the Company.

Section 3 Member Meetings

3.01 *Annual Meetings.* An annual meeting shall be held once per year at a location and on a date selected by the Manager for the purpose of the transaction of such business as may come properly before the meeting.

3.02 *Special Meetings.* A meeting of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Manager or Members at any time.

3.03 *Notice of Meetings.* Written notice stating the place, day and hour of any meeting and, if a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 2 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the Manager calling the meeting, to the Members.

Section 4 Capital Contributions and Distributions

4.01 *Member's Capital Contributions.*

(a) *Initial Capital Contributions.* The initial capital contributions to the Company by the Member shall be as set forth on Exhibit A.

(b) *Additional Capital Contributions.* Additional Capital Contributions shall be made at such times and in such amounts as the Member shall determine in his sole discretion.

4.02 *Distributions.* Distributions shall be made by the Company to the Members at such times as the Members shall determine in his sole discretion.

4.03 *Loans to Company.* Nothing in this Operating Agreement shall prevent the Members from making secured or unsecured loans to the Company by agreement with the Company.

Section 5 Tax Matters

Tax Status. It is intended that the Company be treated as a single member entity within the meaning of Section 301.7701-2(c)(2) of the Treasury Regulations and, accordingly, disregarded as a separate entity for tax purposes.

Section 6 Dissolution and Termination

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

- (a) The determination in writing of the Member;
- (b) As otherwise required by Virginia law.

6.02 *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 Manager (or if there is no Manager such person as determined by the Member) shall, in its sole discretion, determine:

(a) Selling the Company's assets and, after the payment of Company liabilities, distributing the net proceeds therefrom to the Member in satisfaction of his interest in the Company; and/or,

(b) Distributing the Company's assets to the Members in kind, subject to his liabilities, in satisfaction of his interest in the Company.

6.03 *Orderly Liquidation.* A reasonable time as determined by the Manager (or the person or persons carrying out the liquidation) not to exceed 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.

6.04 *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 Member) 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 Manager (or the person or persons carrying out the liquidation) deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. At the expiration of such period as the Manager (or the person or persons carrying out the liquidation) shall deem advisable, but in no event to exceed 18 months, the Manager shall distribute the balance thereof in the manner provided in the following subparagraph; then

(c) Third, to the Member.

6.05 *Certificate of Cancellation.*

(a) Within a reasonable time following the completion of the liquidation of the Company, there shall be supplied to the Member a statement which shall set forth the assets and the liabilities of the Company as of the date of complete liquidation. 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.

Section 7
Notices

7.01 *Form; Delivery.* Whenever, under the provisions of the Act or other law, the Articles or this Operating Agreement, notice is required hereunder to be given to any person or entity, it shall not be construed to mean exclusively personal notice unless otherwise specifically provided, but such notice may be given in writing, by mail, addressed to the Company at its principal office from time to time and to any other person or entity, at his address as it appears on the records of the Company, with postage thereon prepaid. Any such notice shall be deemed to have been given at the time it is deposited, postage prepaid, in the United States mail. Notice to a person may also be given personally or by telegram or telecopy sent to his address as it appears on the records of the Company.

7.02 *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 said 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.

Section 8
Miscellaneous Provisions

8.01 *Bank Accounts.* The Company shall maintain such bank accounts as the Manager may determine to be appropriate from time to time.

8.02 *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 Manager in which shall be entered fully and accurately all transactions and other matters relating to the Company's business 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 and shall

be open to inspection and examination of the Member or his duly authorized representatives during reasonable business hours.

8.03 *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.

8.04 *Amendments.* Any amendment to this Operating Agreement may be adopted by the Members. An amendment shall become effective at such time as it has been adopted by the Members.

8.05 *Construction.* Whenever the singular number is used in this Operating 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.

8.06 *Headings.* The headings in this Operating 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.

8.07 *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.

8.08 *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. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

8.09 *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.

8.10 *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.

8.11 *Creditors and Third-Party Beneficiaries.* 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 Operating Agreement.

8.12 *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.

8.13 *Amendment and Restatement.* The Original Operating Agreement is hereby amended and restated in its entirety.

The undersigned, being the sole Member of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement, including any schedules and exhibits hereto, constitutes the sole and entire Operating Agreement of 311 33RD STREET LLC, adopted as of the date first written above.

MEMBER:

311 33RD STREET MM LLC,
a Virginia limited liability company

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Manager

By: 

Name: Robert B. Margolis

Title: Manager

EXHIBIT A

TO AMENDED AND RESTATED
OPERATING AGREEMENT OF 311 33RD STREET LLC

**Member's Name, Address, Membership Interests
and Initial Capital Contributions**

<u>Name</u>	<u>Address</u>	<u>Membership Interest</u>	<u>Initial Capital Contributions</u>
311 33 rd Street LLC	1375 Piccard Drive Suite 150 Rockville, MD 20850	100.0%	\$100.00
Total		100.0%	\$100.00

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OPERATING AGREEMENT

OF

311 33RD STREET MM LLC

February 26, 2019

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**OPERATING AGREEMENT
OF
311 33RD STREET MM LLC**

THIS OPERATING AGREEMENT, is made and entered into effective as of February 26, 2019, by and between Margolis Family Investments, LLC, a Maryland limited liability company, and Petersburg Community Development Corporation, Inc., 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 February 26, 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 311 33rd Street MM 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 primary purpose of the Company is to obtain a membership interest in 311 33rd Street LLC, a Virginia limited liability company (the "Owner"), which will acquire, construct, develop, rehabilitate, redevelop, improve, invest in, hold, lease, maintain, operate, and otherwise deal with certain parcels of land located in the City of Newport News, Virginia (the "Property"). The Company may engage in any and all other lawful activities as may be necessary, incidental or convenient to carrying out the business of the Company as contemplated by this Agreement. The Company may also pursue any other lawful activity that is approved by the Members.

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, VA 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 February 26, 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.

“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.

“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 311 33rd Street MM LLC, a Virginia limited liability company, as set forth in the Certificate of Organization issued by the Virginia State Corporation Commission on February 26, 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.

“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.

“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.

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

“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.

“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 all of the rights, privileges and obligations of the Member relating to his status as a Member (or Successor in Interest in the Company).

“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.

“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.

"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).

"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.

"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 Managers shall be elected by the Members as provided in Section 4.04. The initial Manager of the Company shall be Margolis Family Investments, LLC.

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) 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.

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, arbitral 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 consent of Members holding more than two-thirds of the Voting Units. 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 at least a majority 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, 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 Distribution

Percentage, 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 Members holding more than two-thirds 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 Distribution Percentage 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 effect 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 more than two-thirds 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 more than two-thirds 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 a majority 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 more than two-thirds 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

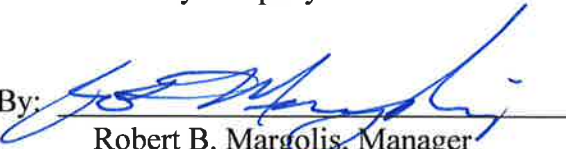
WITH COUNSEL AND CHOSE NOT TO DO SO, AND, THEREFORE, IN EITHER CASE,
FREELY AND VOLUNTARILY WAIVE SUCH RIGHT TO TRIAL BY JURY.

[Signatures on following page]

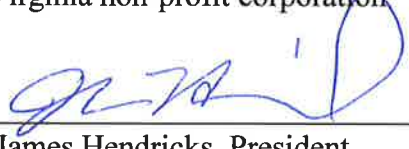
The undersigned, being all of the initial Members of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement, including the schedules and exhibits hereto, constitutes the sole and entire Operating Agreement of 311 33rd Street MM LLC, adopted as of the date first written above.

MEMBERS:

Margolis Family Investments, LLC, a Maryland limited liability company

By: 
Robert B. Margolis, Manager

Petersburg Community Development Corporation, Inc., a Virginia non-profit corporation

By: 
James Hendricks, President

LIST OF SCHEDULES AND EXHIBITS:

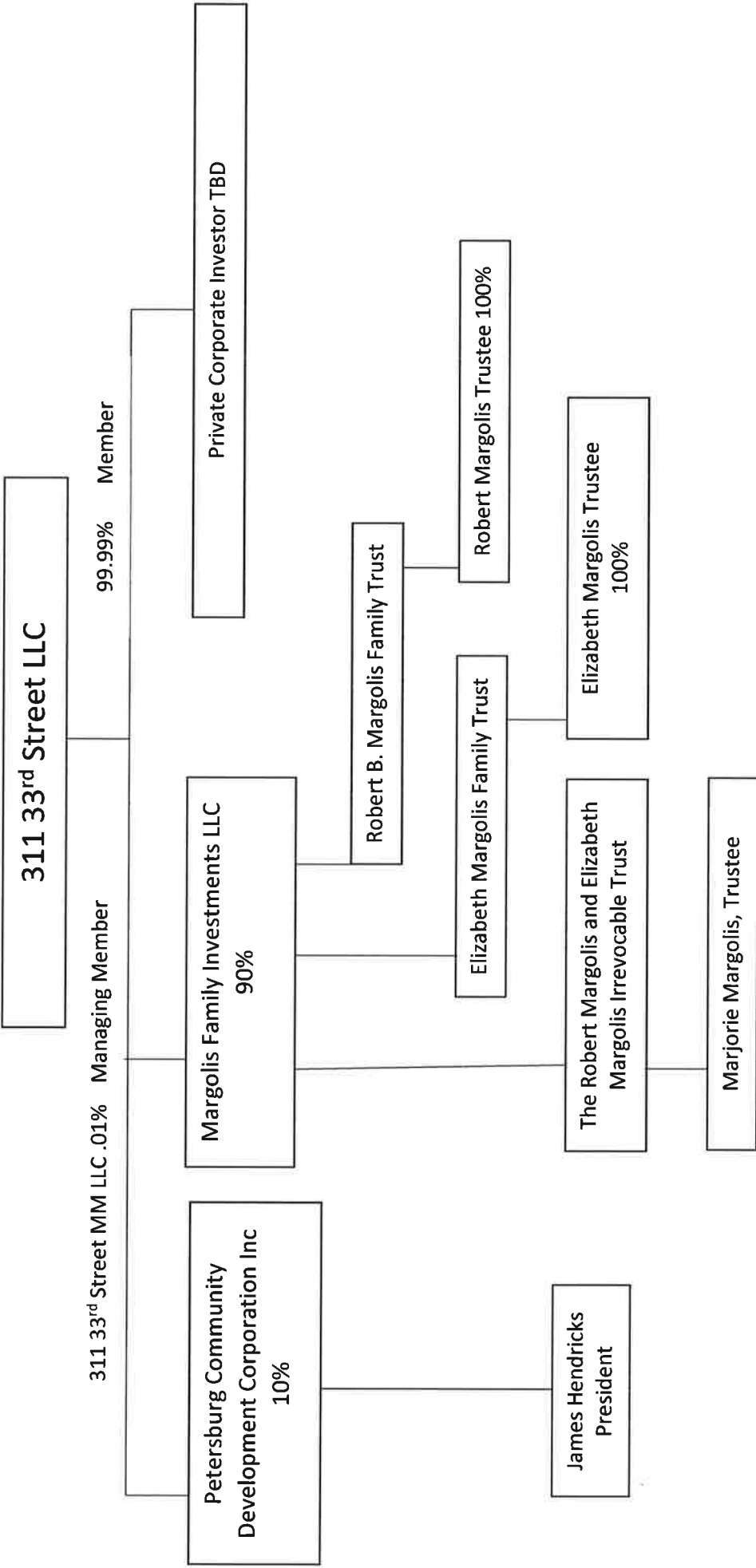
Schedule 1 - Members' Names, Addresses, Membership Interests, Voting Units, Distribution Percentages, and Initial Capital Contributions

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SCHEDULE 1

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

Name and Address	Membership Interest	Voting Units	Distribution Percentage	Initial Capital Contributions
Margolis Family Investments, LLC 1375 Piccard Drive, Suite 150 Rockville, MD 20850	90.00%	90	99.99%	\$99.99
Petersburg Community Development Corporation, Inc. 511 Spring Street Vienna, Virginia 22180	10%	10	0.01%	\$0.01
TOTAL	100%	100	100%	\$100





311 33rd Street LLC

Development Services Agreement

This Development Services Agreement is made on February 26, 2019 by and between 311 33rd Street LLC, a Virginia limited company (the "Company") and REBJ, Inc., a Maryland corporation ("REBJ") and TRB LLC, a Virginia limited company ("TRB") (together, the "Developer").

Recitals

1. The Company was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project consisting of 62 dwelling units to be located in Newport News, Virginia (the "Project").
2. The Project, following the Completion of Construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Internal Revenue Code of 1986, as amended).
3. The Developer has provided and is obligated hereunder to continue to provide certain services with respect to the acquisition, development and construction of the Project.
4. In consideration for such services, the Company has agreed to pay to the Developer a fee in the amount set forth herein.

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

Section 1. Defined Terms

Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings specified below:

"Completion of Construction" means the date upon which (i) the Project shall have been completed, as evidenced by the issuance by the inspecting architect and by each governmental agency having jurisdiction, of certificates of substantial completion or occupancy (or local equivalents), if applicable, with respect to all dwelling units in the Project, and (ii) each such dwelling unit shall have been placed in service.

"State" means the Commonwealth of Virginia.

Section 2. Development Services

(a) The Developer has performed certain services related to the acquisition of the Project and shall supervise and be responsible for the development and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and

responsibilities and are designated from time to time by the Managing Members of the Company (the "Managing Members").

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in the following subparagraphs of this Section 2(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

- (i) Negotiate and assist in the structuring of the acquisition of the site by the Company;
- (ii) Negotiate and cause to be executed in the name and on behalf of the Operating Agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Company;
- (iii) Assist the Company in dealing with neighborhood groups, local organizations, abutters and other parties interested in the development of the Project;
- (iv) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;
- (v) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:
 - (A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design of the Project;
 - (B) administration of any construction contracts on behalf of the Company;
 - (C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;
 - (D) the rendering of advice and recommendations as to the selection procedures for, and selection of, subcontractors and suppliers;
 - (E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements with any lending institutions providing funds for the benefit of the Company for the design or construction of any improvements;
 - (F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the construction and development of the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company;

(K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Company's expense, filing on behalf of, and as the attorney-in-fact for, the Company, any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of dwelling units and other space in the Project, if applicable.

(vi) Assist the Company in obtaining access to utilities and required zoning approvals;

(vii) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design and construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event that the same is not being so carried out, to promptly so notify the Company;

(viii) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design and construction of the Project contained in any loan agreement or security agreement entered into in connection with any financing for the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

(ix) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project;

(x) Assist the Company in obtaining and maintaining insurance coverage for the Project, the Company during the development phase of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(xi) During the construction and development period of the Project, comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter called "laws") of all Federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors to comply with all such applicable laws;

(xii) Prepare, accumulate and furnish to the Managing Members and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

(xiii) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xiv) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;

(xv) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and

(xvi) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 3. Limitations and Restrictions

Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respects to any of the following matters unless and until the same has been approved by the Managing Members:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements

contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the Managing Members;

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Managing Members, or in the cost thereof, or any change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Managing Members; or

(c) Expending an amount greater than the amount which the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

Section 4. Accounts and Records.

(a) The Developer, on behalf of the Company, shall keep such books of account and other records as may be required and approved by the Managing Members, including, but not limited to, records relating to the costs for which construction advances have been requested and/or received. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Managing Members, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of construction. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Company upon demand without charge therefor.

(b) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Managing Members, and shall be available for and subject to audit, inspection and copying by the management agent for the Project, the Managing Members or any representative or auditor therefor or supervisory or regulatory authority, at the times and in the manner set forth in the Amended and Restated Agreement of Operating Agreement of the Company dated as of the date hereof (the "Operating Agreement").

Section 5. Accrual of Development Fee

For its services in connection with the development of the Project and the supervision of the construction of the Project, the Developer shall earn and become entitled to a fee as set forth below (the "Development Fee").

The Development Fee shall be in the amount equal to the stated Developer Fee in the Application for Low-Income Housing Tax Credits to The Virginia Housing Development Authority ("VHDA") submitted March 14th, 2019 in the aggregate and shall be deemed to have been earned (i) twenty percent (20%) as of the date hereof for its services rendered to date in connection with the development of the Project and the supervision of the construction of the Project and (ii) eighty percent (80%) pro rata as and when the dwelling units in the Project shall have been completed and are placed in service as evidenced by the issuance of an architect's certificate. This term shall be subject to final investor equity payment schedule and as such will pay to these terms as funds are allowable.

Section 6. Payment of Development Fee

The Development Fee shall be paid between REBJ at 60% and TRB at 40% as nearly as practicable to the date earned utilizing the proceeds of the Installments payable under the Operating Agreement, Company cash flow and sale or refinancing proceeds, and any other sources available to the Company. Any deferred fee shall be deferred equally by each of TRB and REBJ. In no event shall any portion of TRB share

of the Development Fee be paid later than December 31, 2022, at which date the Developer shall have the right to payment as a fully recourse obligation of the Company and the Managing Member. \$500,000 of Federal Home Loan Bank funds are planned for the project as well, which maybe substituted with another source (VA-HTF, VA-DHCD HOME funds, etc.), and until these sources have been committed to the project no fee shall be paid to either party unless all good faith efforts to obtain additional funding are unsuccessful.

Section 7. Applicable Law

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State.

Section 8. Binding Agreement

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns and supersedes any prior agreement for the development of the Project between the parties.

Section 9. Assignment

Developer shall not assign its obligations hereunder, in whole or in part, without the prior written consent of the Company. Developer may, in its discretion, enter into agreements with third parties with respect to the performance of the services to be provided by the Developer hereunder so long as Developer remains primarily liable for the performance of such services. No such agreement nor any permitted assignment hereunder shall relieve Developer of any of its obligations hereunder or under applicable law.

Section 10. Headings

All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 11. Terminology

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 12. Benefit of Agreement

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Company and its members and shall not inure to the benefit of any creditor of the Company other than a Member, notwithstanding any pledge or assignment by the Company of this Agreement or any rights hereunder.

[end of page]

IN WITNESS WHEREOF, the parties have caused this Development Services Agreement to be duly executed on the date first written above.

COMPANY

311 33RD STREET LLC

By: 311 33rd street MM LLC

By: _____
Robert B. Margolis, Manager of MFI
LLC its Managing Member

DEVELOPER

REBJ, INC.

By: _____
Robert B. Margolis, President

TRB LLC

By: 
Tonya Haddock, Managing Member

IN WITNESS WHEREOF, the parties have caused this Development Services Agreement to be duly executed on the date first written above.

COMPANY

DEVELOPER

311 33RD STREET LLC

REBJ, INC.

By: 311 33rd street MM LLC

By: 
Robert B. Margolis, President

By: 
Robert B. Margolis, Manager of MFI
LLC its Managing Member

TRB LLC

By: _____
Tonya Haddock, Manger

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, October 18, 2018

This is to certify that the certificate of organization of

311 33rd Street 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: October 18, 2018



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Office of the Clerk

October 18, 2018

RICHARD H. DOUMMAR
1397 LASKIN ROAD
VIRGINIA BEACH, VA 23451

RECEIPT

RE: 311 33rd Street LLC

ID: S7826805

DCN: 18-10-18-5864

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 October 18, 2018.

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, OCTOBER 18, 2018

The State Corporation Commission has found the accompanying articles submitted on behalf of
311 33rd Street 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 October 18, 2018.

STATE CORPORATION COMMISSION

By

Mark C. Christie
Commissioner

DLLCACPT
CISECOM
18-10-18-5864

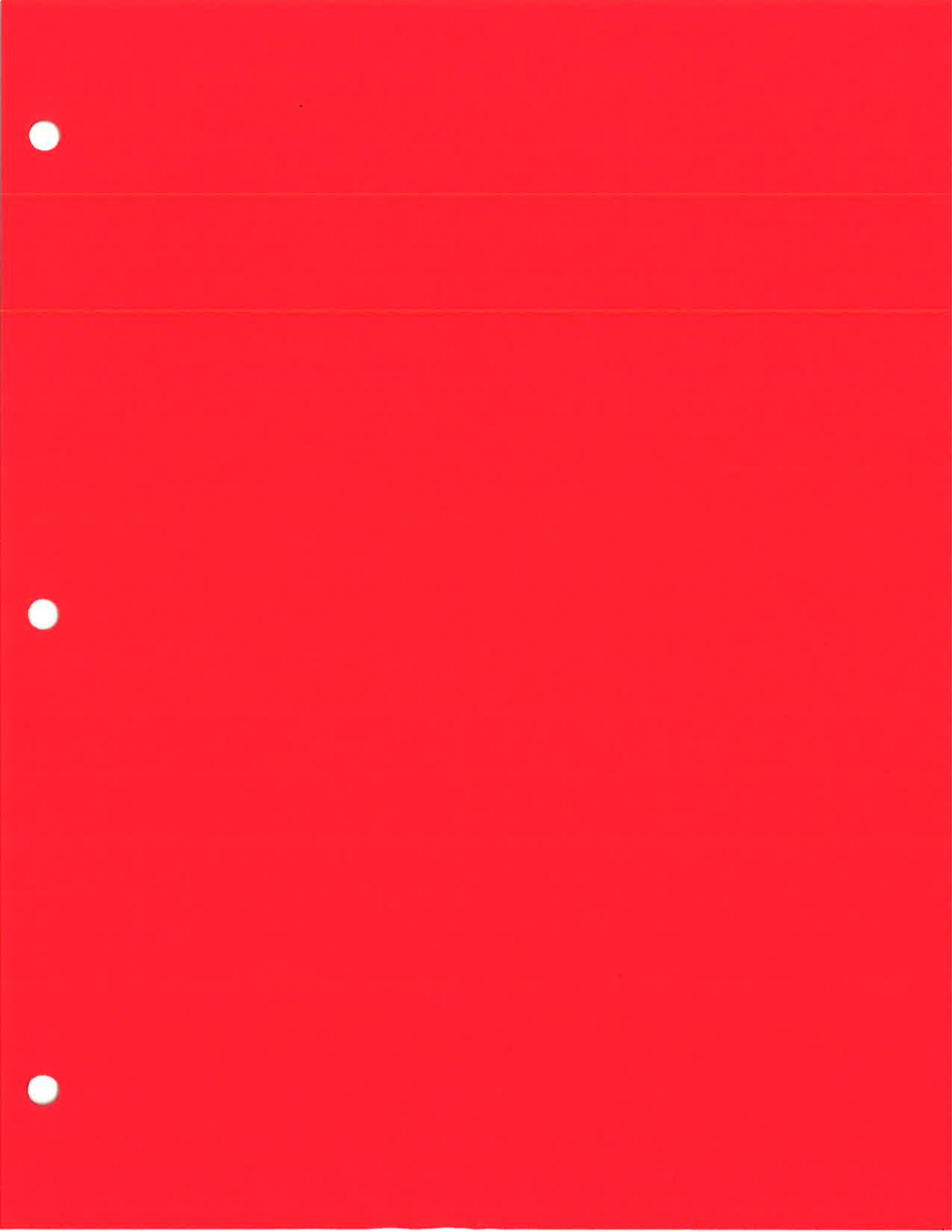
**ARTICLES OF ORGANIZATION
OF
311 33RD STREET LLC**

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 311 33rd Street 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 Richard H. Doummar. The initial registered agent is an individual who is a resident of Virginia and a member of the Virginia State Bar.
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 1397 Laskin Road, Virginia Beach, VA 23451. The initial registered office is located in Virginia Beach City, 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 1397 Laskin Road, Virginia Beach, VA 23451.

ORGANIZER:

/s/ Richard H. Doummar Date: October 18, 2018
Richard H. Doummar



Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, February 26, 2019

This is to certify that the certificate of organization of

311 33rd Street MM 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: February 26, 2019



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

February 26, 2019

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

RECEIPT

RE: 311 33rd Street MM LLC

ID: S8091318

DCN: 19-02-26-6638

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 February 26, 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, FEBRUARY 26, 2019

The State Corporation Commission has found the accompanying articles submitted on behalf of
311 33rd Street MM 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 February 26, 2019.

STATE CORPORATION COMMISSION

By

Judith Williams Jagdmann
Commissioner

DLLCACPT
CISECOM
19-02-26-6638

**ARTICLES OF ORGANIZATION
OF
311 33RD STREET MM 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 311 33rd Street MM 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: February 26, 2019
Allison T. Domson

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: The Coile Apartments
Name of Applicant (entity): 311 33rd Street LLC
311 33rd Street MM 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 B. Margolis

Printed Name

3/1/2019

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: The Coile

Name of Applicant: 311 33rd Street LLC

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, Margolis Family Investments 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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

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	Low Gardens Shepherdstown, WV	Low 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	Chestertown Cove Chestertown, MD	Chestertown 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%

List of LIHTC Developments (Schedule A)



Development Name: The Coile

Name of Applicant: 311 33rd Street LLC

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 Family Trust

Controlling GP (CGP) or 'Named' Managing Member of Proposed Property? Y

Principal's Name:

Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	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	Marshell, 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	Marshell, LLC Y	46	46	2015	2017	N
33	Royal Hills Apartments Phase I Front Royal, VA	Royal Hills Apartments I LP 240-428-7799	Marshell, LLC Y	46	46	2015	2017	N
34	Malvern Hills Apartments Portsmouth, VA	Malvern Hills Apartments LP 240-428-7799	Marshell, 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	Chesterlown Cove Chestertown, MD	Chesterlown 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%

List of LIHTC Developments (Schedule A)



Development Name: The Coile

Name of Applicant: 311 33rd Street LLC

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: Robert Margolis, Trustee

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	Marshell, LLC Y	46	46	2015	2017	N
33	Royal Hills Apartments Phase I Front Royal, VA	Royal Hills Apartments I LP 240-428-7799	Marshell, LLC Y	46	46	2015	2017	N
34	Malvern Hills Apartments Portsmouth, VA	Malvern Hills Apartments LP 240-428-7799	Marshell, 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	Chestertown Cove Chestertown, MD	Chestertown 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

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1st PAGE
TOTAL: 2,294 2,294

LIHTC as % of
100% Total Units



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: The Coile

Name of Applicant: 311 33rd Street LLC

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.

Elizabeth Margolis, Margolis Family Investments 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	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	Low Gardens Shepherdstown, WV	Low 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	Marshall, LLC Y	46	46	2015	2017	N
32	Royal Hills Apartments Phase I Front Royal, VA	Royal Hills Apartments I LP 240-428-7799	Marshall, LLC Y	46	46	2015	2017	N
33	Malvern Hills Apartments Portsmouth, VA	Malvern Hills Apartments LP 240-428-7799	Marshall, 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

List of LIHTC Developments (Schedule A)



Development Name: The Coile

Name of Applicant: 311 33rd Street LLC

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 Family Trust

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	Marshell, 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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)

30	Low Gardens Shepherdstown, WV	Low 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								

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**1st PAGE
TOTAL:**

2,259 2,259

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

List of LIHTC Developments (Schedule A)



Development Name: The Coile

Name of Applicant: 311 33rd Street LLC

INSTRUCTIONS:

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- 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.

Elizabeth Margolis, Trustee

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

Principal's Name:

	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	Low Gardens Shepherdstown, WV	Low 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: The Coile
 Name of Applicant: 311 33rd Street LLC

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.

The Robert Margolis and Elizabeth Margolis Irrevocable Trust
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"
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List of LIHTC Developments (Schedule A)

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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8602 (per entity/development) for a total of 6.

**1st PAGE
TOTAL:**

0 0

#DIV/0!

**LIHTC as % of
Total Units**

List of LIHTC Developments (Schedule A)



Development Name: The Coile
 Name of Applicant: 311 33rd Street LLC

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: Marjorie Margolis, Trustee

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"
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List of LIHTC Developments (Schedule A)

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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

**1st PAGE
TOTAL:**

0

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#DIV/0!

**LIHTC as % of
Total Units**

List of LIHTC Developments (Schedule A)



Development Name: The Coile
 Name of Applicant: 311 33rd Street LLC

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: Petersburg Community Development Corporation Inc 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 Surry Village	Surry Village I LP 804-420-6458	Y (100% GP)	48	48	2007	2008	N
2 Henry Williams Townhomes	Owens Court LP 804-420-6458	N (99% GP)	42	42	2012	2013	N
3 American Tobacco Lofts	American Tobacco Holdings LLC 804-420-6458	N (10% GP)	134	134	2018	2018	N
4 Petersburg Artist Space	110 South Perry LLC 804-420-6458	N (10% GP)	226	226	TBD	TBD	N
5 School House/Springford	Spring School Preservation LP 804-420-6458	N (40% GP)	69	69	TBD	TBD	N
6 Pinecrest Apartments	Pinecrest Preservation LLC 804-420-6458	N (10% GP)	64	64	TBD	TBD	N
7							
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
 TOTAL: 583 583 LIHTC as % of
 100% Total Units

**HISTORY
OF
PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, INC. ("PCDC")**

PCDC is a Virginia non-profit corporation organized in November, 1989. Historically, its purposes included developing and owning housing that is affordable to low and moderate income individuals residing anywhere in the United States. PCDC is designated as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. PCDC's primary sources of funding since 2008 have been CDBG grants from the City of Petersburg (the "City" or "Petersburg"), The Cameron Foundation ("Cameron"), the Virginia Department of Housing and Community Development ("DHCD"), contract work performed for the City, and private donations.

In its early years, PCDC acquired single family residences through donation to PCDC and then proceeded to renovate the buildings using home improvement loans from local banks; the homes were sold to low and moderate-income persons. Most purchasers of the homes were first-time homeowners. In all, 19 single family houses were purchased and renovated by PCDC by 2004.

The second phase of PCDC's history began when PCDC was approached by the Petersburg Redevelopment and Housing Authority ("PRHA") in 2005 about having PCDC apply for certification as a CHDO through DHCD. PRHA was interested in sponsoring a non-profit corporation that could become certified as a CHDO for the purpose of developing affordable housing in the Petersburg, Virginia metropolitan area, and using HOME funds for staffing expenses and project-specific "hard costs." In order to be certified as a CHDO, PCDC had to reorganize as a non-member organization and restructure its Board of Directors. PCDC received that certification in September, 2007. The administration of the City of Petersburg has supported the activities of PCDC since its organization, and PCDC has received positive news coverage of its successes.

PRHA desired for PCDC to assume a leadership role in the Petersburg community by making affordable housing available to persons in need and who had been underserved by State, Federal and local agencies. Among the goals of PCDC has been to work with the City administration to map out a strategy for filling the void left by HUD's inability to fund the development of new housing and rehab aging housing stock.

The first major initiative in the "new era" was the development of single-family detached homes on Van Buren Street in Petersburg, across from the Cedar Lawn Townhouses. This development, known as "Van Buren Estates," was begun by constructing two model homes, both of which were sold in 2009. Due to differences between PCDC and PRHA regarding the target costs of affordable housing, PCDC assigned its development rights in Van Buren Estates to PRHA, and thereafter focused its efforts on other projects more in keeping with its mission.

PCDC's second major project was the Henry Williams Townhomes (formerly known as "Owens Court"), 42 townhomes for rent constructed on a Gillfield redevelopment site at the intersection of Lee Avenue and South South Street in Petersburg. The project development costs were over \$10 million. With funding by Cameron and with assistance by PCDC's co-development partner, T.M. Associates, PCDC was able to purchase the site from the City, obtain rezoning, the project was designed, a market study completed, a low-income housing tax credit ("LIHTC") application submitted to the Virginia Housing Development Authority ("VHDA"), and an Affordable Housing Production Program ("AHPP") application was submitted to DHCD. The Henry Williams project received a reservation of LIHTC from VHDA worth over \$6,836,000 when syndicated. Boston Capital purchased the LIHTC. The LIHTC application to VHDA for the Henry Williams Townhomes was ranked first in the Richmond region pool by VHDA in the 2010 round. This project also received an AHPP grant from DHCD in the amount of \$417,000 for a portion of the permanent mortgage and a \$50,000 grant for PCDC operating funds. Groundbreaking occurred in June, 2011 and the townhomes were completed in November, 2012. Today, occupancy remains near 100%.

PCDC has participated in the revitalization of the Halifax-Harding Revitalization Area containing approximately 900 homes, vacant lots and businesses generally in the vicinity of Halifax and Harding Streets in Petersburg (the "Halifax Project"). Non-profit organizations such as Better Housing Coalition, Restoration of Petersburg CDC, Virginia LISC and Triangle Center for Development, Inc. have collaborated with PCDC under the name of the "Halifax Partnership" to effect substantial changes in this targeted neighborhood.

PCDC's redevelopment activities in this targeted area are aligned with the City's Comprehensive Plan which states that "a complete redevelopment plan should be created" in the Halifax community. The Halifax Project was supported by City Council in 2010-2011 with a planning grant of \$25,000 for a study, and again in 2011-2012 with a grant of \$75,000 for preparation of a redevelopment plan. A draft Redevelopment Plan was presented to the City Planning Department and the PRHA Board in August, 2013, but no action was ever taken by City Council. While the Halifax Project has been declared to be one of the City's priorities for redevelopment, the lack of City capital improvement funds to upgrade infrastructure in that area has halted that Project.

During the summer of 2013, Petersburg City Councilman W. Howard Myers contacted PCDC about renovating the abandoned Virginia Avenue Elementary School as a community health and wellness center for the City. The City Administration supported the idea and issued an RFP for a feasibility study for the project. PCDC was selected in December, 2013 by a committee appointed by the City to perform this engagement, and work on the study began in January, 2014. The study was presented to City Council on June 17, 2014 and adopted on July 1, 2014. Subsequently, the City issued an RFP for a developer for this project, with a deadline for submission of proposals of November 12, 2014. PCDC submitted its proposal and was selected as the developer on November 24, 2014.

The redevelopment costs were to be covered largely by federal and state historic tax credits and grants from organizations supporting healthcare and wellness initiatives. The City

committed to lease approximately 40% of the space in the renovated building for its parks and recreation operations, and PCDC received expressions of interest from Bon Secours for a medical clinic and FeedMore for a food pantry in the renovated space. Community Health Alliance, a 501(c)(3) organization active in Richmond and Petersburg, was PCDC's administrative partner responsible for handling all funds and grant administration. Construction was to begin in late spring 2015 with a 12-month construction period, but the City reneged on its obligation to lease space as the anchor tenant and Community Health Alliance subsequently went out of business. As a result, PCDC had to abandon this project.

In the Summer of 2017, the PCDC Board decided to "reinvent" PCDC. The plan going forward would be for PCDC to hold (i) rights of first refusal and purchase options on LIHTC projects that would be exercisable after the end of the LIHTC tax credit compliance period, and (ii) minority equity interests in certain LIHTC projects. The entire PCDC Board resigned in January, 2018 and was replaced by James Hendricks, Scott Rabin and Eric Whisenhunt. Mr. Hendricks has served as the President of PCDC since that time. Today, PCDC owns equity interests in 15 affordable apartment projects and rights of first refusal in 5 such projects.

Alexander C. Graham, Jr.
Williams Mullen
January 1, 2019

PCDC Ownership List

Property	Property Info	Ownership	ROFR
Woodstock Village Phase I	46 Unit RD in Woodstock, VA	10% of GP Interest (0.5%)	No
110 South Perry LLC	226 Unit LIHTC in Petersburg, VA	10% of GP Interest (0.001%)	Yes
Surry Village Phase I	48 Unit RD/LIHTC, in Spring Grove, VA	100% of GP Interest (0.01%)	Yes
Brandy Spring	40 Unit RD in Mercer, PA, Conifer	80.228% LP Interest	No
Creekside	30 Unit RD in Leechburg, PA, Conifer	84% LP Interest	No
Wright Village	24 Unit RD in Sandy Lake, PA, Conifer	84% LP Interest	No
Independence Apartments	28 Unit RD in Mt. Pleasant, PA, Conifer	74.1% LP Interest	No
Lake Street	32 Unit RD/LIHTC in Girard, PA, Conifer	84% LP Interest	No
Parkview Apartments	24 Unit RD in Brockway, PA, Conifer	74.1% LP Interest	No
Scottdale Plaza	22 Unit RD in Scottdale, PA, Conifer	84% LP Interest	No
Washington Street	30 Unit RD in Conneautville, PA, Conifer	80.339% LP Interest	No
Henry Williams	42 Unit LIHTC in Petersburg, VA	51% of GP Interest (0.0051%)	Yes
School House/Springford	69 Unit RD/LIHTC in Port Deposit & Elkton, MD	40% of GP Interest (0.004%)	No
Pinecrest Apartments	64 Unit RD/LIHTC in Bedford, VA	10% of GP Interest (0.001%)	Yes
American Tobacco Lofts	134 Unit LIHTC in Richmond, VA	10% of GP Interest (0.001%)	Yes

E

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

ASSIGNMENT OF OPTION TO PURCHASE AGREEMENT

THIS ASSIGNMENT OF OPTION TO PURCHASE AGREEMENTS (the "Assignment") is made as of the **19th** day of **October, 2018**, by and between **311 33rd Street LLC** ("Assignee") and **Tonya Haddock** ("Assignor").

BACKGROUND

- A. Assignor entered into that certain Option to Purchase Agreement dated **October 12, 2018**, a copy of which is attached hereto as **Exhibit A** (the "Agreement");
- B. Assignor desires to assign to Assignee all of its right, title and interest in and to the Agreement; and
- C. Assignee wishes to assume Assignor's rights and obligations under the Agreement.

ASSIGNMENT

In consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Assignment and Assumption.** Assignor does hereby assign, transfer and convey unto Assignee and Assignee's successors and assigns, all rights, title, duties, obligations, and interests of Assignor in and to the Agreement. Assignee accepts the assignment of the Agreement and does hereby assume and undertake to abide by the same according to the terms and conditions thereof.

2. **Indemnification.** Assignee further agrees to hold Assignor harmless and to fully indemnify Assignor from and against any and all liability under the Agreement, and any and all claims, suits, payments, settlements, awards, damages, judgments, losses, expenses, court costs and attorneys' fees incurred by or assessed against Assignor in connection with the Agreements.

3. **Default.** In the event either party to this Assignment breaches its obligations hereunder, it shall pay all costs and expenses of enforcement, including court costs and reasonable attorneys' fees, occasioned by such breach.

4. **Counterparts.** The parties hereto agree that this Assignment may be executed in counterparts, and such counterparts shall be deemed to be effective for all purposes.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the day and date first above written.

Assignee:

311 33rd Street LLC

By: 

Managing Member

Assignor:


Tonya Haddock

STATE OF VIRGINIA

OPTION TO PURCHASE AGREEMENT

CITY OF NEWPORT NEWS

THIS OPTION TO PURCHASE AGREEMENT ("Option"), made this 12th day of October, 2018, by and between, Newport News Maritime Center, LLC, (hereinafter referred to collectively as "Seller") and Tonya Haddock, her successors and/or assigns (hereinafter referred to as "Purchaser"). Purchaser and Seller shall be referred to collectively herein as "the Parties";

For and in consideration of the sum of \$5,000.00 in cash paid by PURCHASER to SELLER (the "Original Option Deposit"), payable within five (5) business days, upon receipt shall be hereby acknowledged, of the covenants hereinafter contained, and of other good and valuable considerations, it is agreed as follows:

1. **GRANT OF OPTION.** Seller does hereby grant to Purchaser the exclusive option to purchase upon terms and conditions hereinafter set forth approximately .33+/- acres (est. 15,000 Sq Ft) located in Newport News, Virginia, (hereinafter referred to as the "Property"), which is more particularly described on **Exhibit A** attached hereto and incorporated herein by reference. The actual acreage of the Property shall be determined from a survey which shall be made by December 31, 2018 by a Registered Land Surveyor selected by Purchaser (the "Survey"). The legal description in the Deed (as defined herein) shall be prepared from the Survey.
2. **TERM AND EXERCISE OF OPTION.** The term of this option shall commence from the date of execution of this document by both Parties and shall terminate at 5:00 pm EST June 28, 2019 (the "Original Option Term") and shall be exercisable by delivery of written notice to the Seller. Purchaser may terminate this Option and receive a return of the Original Option Deposit upon providing written notice to Seller prior to the expiration of the Original Option Term, otherwise the Original Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default, and shall be deliverable to the Seller upon written notice to Escrow Agent as defined in paragraph 5. The Original Option Deposit shall be credited against the Purchase Price in the event of Closing.
3. **EXTENSIONS OF OPTION.**
 - (a) **Second Option Term.** Purchaser shall have the right to extend the Original Option Term for one period of 3 months beyond the expiration of the Original Option Term Period, down to and including September 30, 2019 (the "Second Option Term") by Purchaser providing written notice of such extension to Seller prior to the expiration of the Original Option Term and the payment therewith of an additional \$10,000.00 (the "Second Option Deposit) to the Seller. Purchaser may terminate this Option and receive a return of the Second Option Deposit upon providing written notice to

Seller prior to the expiration of the Second Option Term, otherwise the Second Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default, and shall be deliverable to the Seller upon written notice to Escrow Agent as defined in paragraph 5. Both the Original Option Deposit and the Second Option Deposit shall be credited against the Purchase Price in the event of Closing.

- (b) **Third Option Term.** Purchaser shall have the right to extend the Third Option Term until December 31, 2019 (the "Third Option Term") by Purchaser providing written notice of such extension to Seller prior to the expiration of the Third Option Term and the payment therewith of an additional \$10,000.00 (the "Third Option Deposit") to the Seller. Upon the Purchaser's exercise of the Third Option Term, the Third Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default, and shall be deliverable to the Seller upon written notice to Escrow Agent as defined in paragraph 5. The Original Option Deposit, the Second Option Deposit, and the Third Option Deposit shall be credited towards the Purchase Price in the event of Closing.

4. **PURCHASE PRICE.** The purchase price for the Property shall be \$800,000.00 (exclusive of any acreage for road rights-of-way and wetlands, which acreage shall not be included in the Purchase Price calculation) as shown on the Survey, to be paid by the Purchaser to the Seller at the Closing (the "Purchase Price").

Notwithstanding anything herein to the contrary, the Purchase Price and Purchaser's obligation to perform under this Option shall be conditioned on Purchaser's receipt of an appraisal from an independent state-certified appraiser selected by Purchaser that identifies the market value of the Property as no less than \$800,000.00. If such appraisal is not met, Purchaser shall have the right to terminate this Option and receive a refund of all Deposits. The appraisal must be completed prior to March 31, 2019 whereafter the appraisal contingency is removed.

5. **OPTION DEPOSITS.** The Original Option Deposit, the Second Option Deposit, and the Third Option Deposit (collectively, the "Deposits") shall be deposited in escrow with Jones Blechman Woltz & Kelly attention: Allen C. Tanner, Jr., Attorney at Law (the "Escrow Agent"). The Escrow Agent shall hold the Deposits in an escrow account to be applied as part of the Purchase Price at Closing or disbursed as agreed upon herein.
6. **TITLE.** Seller shall convey title by SPECIAL WARRANTY DEED, and warrants that the title to the Property is marketable and free from encumbrances, and that the Property has access to a public roadway for purposes of ingress and egress and installation of utilities. Within ten (10) days following the exercise of this option Seller will deliver a copy of Seller's current ALTA/ASCM survey and title insurance policy insuring Seller's fee simple title to the property. Purchaser shall within the first ninety (90) days after the date of the exercise of this option to

examine the title to the Property. If Purchaser identifies any unacceptable title exceptions, it shall give Seller written notice thereof within ten (10) days after the expiration of the ninety-day title examination period. Seller shall then have a period of thirty (30) days to cure or correct such title objection(s). If Seller cannot, or elects not to, correct such defect(s), Purchaser shall have the right to terminate this Option and receive a refund of all sums paid by Purchaser to Seller.

7. **ACCESS.** During the term of this Option and any extension hereof, Purchaser, or Purchaser's representative, shall have the right to enter said property at any time, and shall have the right to make such inspections and tests as are reasonable in Purchaser's sole discretion to determine the suitability of the Property for the Purchaser's intended use, including, but not limited to a Phase I environmental site assessment, surveying, engineering assessments, soil bearing tests and other reasonable inspections and tests. If Purchaser's tests and inspections reveal that the Property is not suitable due to environmental issues, the soil (to include the presence of excessive rock or stone), then Purchaser may terminate this Option within 180 days. The Seller agrees to cooperate with the Purchaser, or Purchaser's representative, to complete any and all tests and studies referenced herein. In the event Purchaser elects not to purchase the Property, Purchaser shall return the Property to its prior state. Purchaser shall indemnify and hold Seller harmless from any claims, damages or expenses incurred by Seller relating to Purchaser's inspections.

8. **TAX CREDIT ALLOCATION.** The Purchaser's obligation to close on the Property is contingent upon Purchaser's receipt of an allocation of tax credits from the Virginia Housing Development Authority (the "Allocation"). If the Allocation is not received by the Virginia Housing Development Authority, Purchaser shall be entitled to terminate this Option and all Deposits (to the extent deposited) shall be returned to the Purchaser, following which neither party shall have any further obligation or liability under this Option.

9. **ZONING AND SUBDIVISION APPROVAL.** Seller agrees to cooperate during the term of this Option and any extension thereof with regard to proposed zoning for the Property provided, however, that Seller shall not be responsible for any costs relating to such rezoning request. The Purchaser's obligation to close on the Property is contingent upon adequate zoning or conditional use for Purchaser's intended use of the Property provided, however, Purchaser shall use commercially reasonable efforts to obtain such rezoning. If said zoning is not adequate and rezoning cannot be accomplished, Purchaser shall be entitled to terminate this Option and all Deposits shall be refunded to Purchaser. If the approval and recording of a subdivision plat (the "Plat") is required, Purchaser shall have its surveyor prepare the Plat and deliver it to Seller for signatures. Purchaser shall be responsible for obtaining governmental approvals for the Plat. Purchaser shall be responsible for recording the Plat, which shall not be recorded prior to Closing. Seller shall be present at such zoning and approval meetings

with the City and/or city officials, and select the attorney hired to obtain city approvals. Seller agrees to cooperate in facilitating the approval of any subdivision by providing signatures as required from the current owner of the Property by the governmental authority responsible for approval of the subdivision and/or plat.

10. **DAMAGE, DESTRUCTION, OR CONDEMNATION.**

- (a) Risk of Loss. Risk of loss to the Property occurring prior to the Closing will be borne by Seller.
- (b) Casualty Loss. In the event of any loss, damage or destruction to the Property prior to Closing, Purchaser may elect either (i) to proceed with Closing, without adjustment of the Purchase Price, and Seller will assign to Purchaser all insurance proceeds received as a result of the loss, damage or destruction, or (ii) to terminate this Option, in which event the Deposit will be returned to Purchaser. Seller will promptly notify Purchaser in writing of any casualty to the Property. Purchaser will make such election within ten (10) business days following Seller's written notice to Purchaser of the casualty event, and if such election is not timely made, Purchaser will be deemed to have elected to terminate this Option.
- (c) Condemnation. In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to all or any portion of the Property, Seller will promptly notify Purchaser in writing thereof, in which event Purchaser will have the option either to terminate this Option and receive a refund of the Deposit, or to consummate the purchase of the Property without reduction of the Purchase Price and the right to collect any condemnation award or compensation for such condemnation will be assigned by Seller to Purchaser at Closing. Purchaser must make such election within ten (10) business days following Seller's written notice to Purchaser of the condemnation proceedings, and if such election is not timely made, Purchaser will be deemed to have elected to terminate this Option.

The provisions of this section will survive the Closing.

11. **COVENANTS OF SELLER; OPERATION OF THE PROPERTY:** Seller hereby covenants and agrees that from and after the exercise of the option:

- (a) Seller will not, without the Purchaser's prior written consent, create any encumbrances on the Property. For purposes of this provision the term "encumbrances" includes, but is not limited to, any liens, claims, options, or other encumbrances, encroachments, rights-of-way, easements, covenants, conditions or restrictions.

- (b) Seller will not enter into or record any document or instrument, or enter into any new lease or other option, affecting or burdening the Property, unless Purchaser has consented in writing to the execution or recordation of such document, instrument, lease or agreement, subject to the current parking leases with Huntington Ingalls which will remain in effect.
- (c) Seller will pay all assessments and taxes prior to becoming delinquent.
- (d) Seller will not create or consent to the creation of any special taxing districts or associations with the authority to impose taxes, liens or assessments on the Property.
- (e) Seller will not remove any fill or cause any change to be made to the condition of the Property without the prior written consent of Purchaser.
- (f) Seller will take no action with respect to the Property that would alter or affect any of the representations or warranties of Seller under this Option or which would in any manner affect Purchaser's future use and development of the Property.
- (g) Seller will cause all mortgage debt applicable to the Property to remain in good standing through and until the Closing.
- (h) If applicable, Seller will provide Purchaser with any and all approvals from any lenders to sell the Property for less than the balance owed to such lender.

10. **ENVIRONMENTAL.** To the best of Seller's knowledge neither Seller, nor any agent, employee or representative of Seller, has caused or permitted materials to be disposed of on, under or at Property, which materials, if known to be present, would be considered hazardous or require cleanup, removal or some other remedial action under any Federal or State environmental law. Seller has not received notice of and knows of no violation of any Federal or State environmental law on the Property, which may directly, or indirectly, affect the Property. To the best of Seller's knowledge, there does not exist on the Property any condition or circumstance which requires or may, in the future, require cleanup, removal or other remedial action or other response under any Federal or State environmental law. The Property is not subject to any judgement, decree, order or citation related to or arising out of any Federal or State environmental law.

11. **WATER AND SEWER.** Purchaser's obligation to close on the Property is contingent upon Purchaser obtaining connections at the boundary line of the Property to all utilities including water and sewer and the Purchaser being able to secure permission from the City of Newport News or any other applicable local government, public agency or authority to connect to the water and sewer services. Purchaser's obligation to close shall be further conditioned on Purchaser

receiving approval from the City of Newport News and any other applicable agency that the utilities serving the Property provide adequate flow and capacity for any fire sprinkler system required to be installed for multi-family sites under applicable state or local laws or regulations. If said utility connections cannot be accomplished, Purchaser shall be entitled to terminate this Option but all Deposits (to the extent deposited) shall be retained by Seller. In the event Seller owns or retains any parcels contiguous to the Property, Seller agrees to grant Purchaser such easements across such contiguous parcels that are reasonably necessary for Purchaser to establish such utility connections and such other easements that are reasonably necessary for the development and construction of the Property within 180 days.

12. **CLOSING.** The closing of the purchase of the Property (the "Closing") under this Option shall take place at Jones, Blechman, Woltz & Kelly, P.C. and Closing shall occur within thirty (30) days following the exercise of the Option. At Closing, the Purchase Price (as shall be adjusted by taxes and closing costs provided herein) shall be paid to Seller, the Deed delivered to Purchaser and other closing documents reasonably required by either party shall be executed and delivered by the Parties.
13. **DEED.** At the Closing, Seller shall execute and deliver to Purchaser a special warranty deed (the "Deed") to the Property. The Deed shall convey good and marketable fee simple title to the Purchaser, its successors and assigns, free and clear of all liens, restrictions, easements, rights-of-way and undisclosed encumbrances not acceptable to Purchaser, and such other documents reasonably required by Purchaser's title insurer. Upon Closing, Seller shall deliver physical possession of the Property to the Purchaser free and clear of any tenancies or other parties in possession.
14. **CLOSING COST.** Ad valorem taxes shall be prorated as of the date of Closing on a calendar year basis. Seller shall be responsible for payment of all deferred or rollback taxes assessed against the Property applicable to any time before the date of the Closing. Seller shall pay for preparation of the Deed and the state excise tax on the transfer. Purchaser shall pay for all other closing costs incurred by Purchaser, including the Survey, preparation of the Plat, the title examination and any title insurance premiums and recording fees. Each party shall pay its own attorneys' fees.
15. **DEFAULT.** In the event the Purchaser defaults under any of its obligations under this Option, then this Option shall terminate and the Escrow Agent shall promptly disburse all Deposits paid by Purchaser to Seller as Seller's sole and exclusive remedy, following which neither party shall have any further obligation or liability under this Option except for Surviving Obligations. If Seller defaults on any of its obligations or breaches any of its representations made under this Option, then Purchaser may either elect to a) terminate this Option and receive a

refund of all Deposits paid by Purchaser or seek any and all available remedies at law or in equity.

16. **NOTICE.** All notices required or permitted herein shall be sent (i) to the address of the party by personal delivery or overnight courier against written receipt, or (ii) by registered or certified U.S. mail, return receipt requested, with postage prepaid, addressed to the following:

If intended for Seller Allen C. Tanner, Jr.
701 Town Center Drive, Suite 800
Newport News, VA 23606

If intended for Purchaser:
Tonya Haddock
700 Oak Lantern Ct
Garner, NC 27529
Attention: Tonya Haddock
Telephone: (919) 661-7722
Email: tonya.haddock@cadencedevelop.com

BENEFIT; ASSIGNMENT. This Option shall be binding upon and inure to the benefit of the representatives, successors and assigns of the respective parties hereto. Purchaser will be entitled to assign Purchaser's rights and obligations under this Option, in whole or in part, to any other related entity owned by, controlled by, under common control, or affiliated with, Purchaser, it being understood that while such partial assignment may result in another Purchaser purchasing a portion of the Property, Closing on any portion of the Property is contingent upon the Closing of the entire Property.

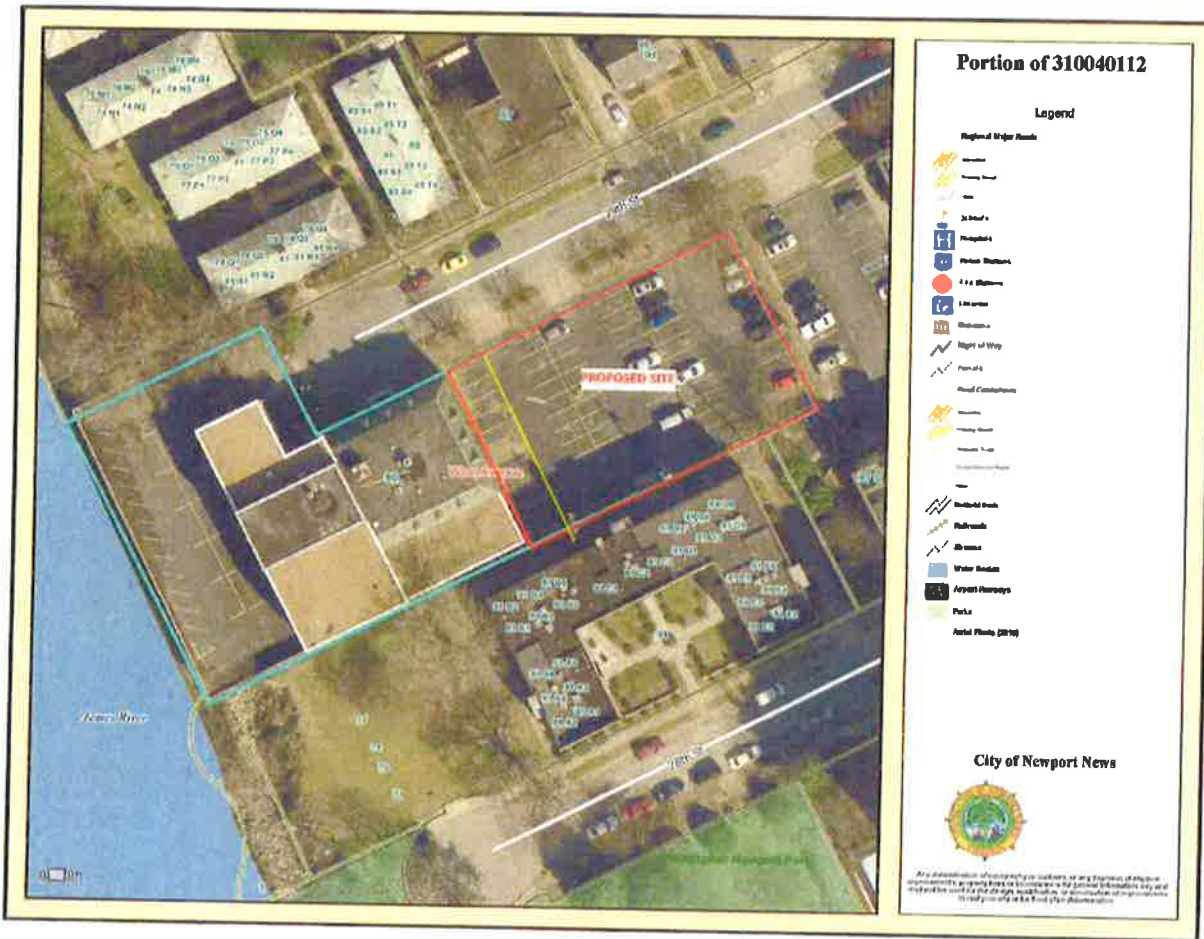
17. **LITIGATION, ATTORNEY'S FEES, AND JURY TRIAL WAIVER.** In the event of litigation, the prevailing party shall be entitled to recover all costs resulting therefrom, including court costs and attorney fees. IN THE EVENT THAT IT BECOMES NECESSARY FOR EITHER PARTY TO BRING SUIT TO ENFORCE THE TERMS OF THIS OPTION, THEN EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. THIS WAIVER IS MADE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY.

18. **CHOICE OF LAW.** THIS OPTION SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF VIRGINIA AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF VIRGINIA. VENUE AND JURISDICTION FOR ANY ACTION BROUGHT HEREUNDER IS HEREBY AGREED TO BE PROPER AND LIE EXCLUSIVELY WITH THE APPROPRIATE COURT LOCATED IN NEWPORT NEWS, VIRGINIA.
19. **ENTIRE AGREEMENT; CONSTRUCTION; SEVERABILITY.** This Option integrates and supersedes all other agreements and understandings of every character of the parties and comprises the entire agreement between them. This Option may not be changed, except in writing signed by the parties. No waiver of any rights or obligations hereunder will be deemed to have occurred unless in writing signed by the party against whom such waiver is asserted and no waiver will be deemed a waiver of any other or subsequent right or obligations. The parties acknowledge that the parties and their respective counsel have reviewed and revised this Option and, therefore, the normal rule of construction of contracts that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Option and any exhibits or amendments thereto. If any portion of this Option is held to be invalid or inoperative, the remainder of it will be deemed valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative to the extent possible.
20. **COUNTERPART SIGNATURES.** This Option may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. This Option may be executed in multiple copies, and by telecopy or email PDF transmission, each of which shall be deemed to be an original for all purposes.
21. **EXCLUSIVE RIGHT.** From and after the date of this Option, Seller shall cease marketing the Property to prospective Purchasers.
22. **MEMORANDUM.** Upon request by Seller or Purchaser, the Parties agree to execute a memorandum of this Option in a form reasonably satisfactory to both Parties. The Parties agree to promptly record a termination of the memorandum of Option in the event this Option terminates.
23. **CONTINGENCY:** This Agreement is subject to Seller obtaining from the City of Newport News Economic Development Authority certain parcels of land for parking located at the corner of West Avenue and 29th Street by December 31, 2018.

EXHIBIT "A"
Legal Description

Certain real property comprised of approximately .33 +/- acres (estimated 15,000 sq ft) located in Newport News, Virginia, which is a portion of parcel identification number 310040112 in the City of Newport News Virginia Tax Records, as designated on a plat and subject to a Twenty-Foot (20') wide easement along the southwesterly boundary of the property to be conveyed for ingress and egress to and from 29th Street.

See image below for reference.



FIRST AMENDMENT TO OPTION TO PURCHASE AGREEMENT

This First Amendment to Option to Purchase Agreement (this "Amendment") is made and entered into effective as of March 13, 2019 (the "Effective Date"), by and among Newport News Maritime Center, LLC, a Virginia limited liability company ("Seller"), and 311 33rd Street LLC, a Virginia limited liability company ("Purchaser").

WITNESSETH:

WHEREAS, Seller and Tonya Haddock ("Haddock") entered into a certain Option to Purchase Agreement dated as of October 12, 2018, related to certain real property located in the City of Newport News, Virginia, and described more particularly therein (the "Option"); and

WHEREAS, Haddock assigned all her rights, title and interest in the Option to Purchase Agreement pursuant to an Assignment of Option to Purchase Agreement dated as of October 19, 2018 (the "Assignment"); and

WHEREAS, as of the date of the Assignment, Purchaser was affiliated with Haddock and Seller's consent was not required for the Assignment pursuant to the "Benefit; Assignment" provision of the Option; and

WHEREAS, as of the date hereof, the Purchaser has assigned all its membership interest to 311 33rd Street MM LLC, a Virginia limited liability company ("Purchaser Member"), and is no longer affiliated with Cadence; and

WHEREAS, the Seller desires to consent to the assignment of the Purchaser's membership interest to an unrelated party and both parties desire to make certain amendments to the Option; and

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

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings provided in the Option.
2. Consent to Assignment. Seller acknowledges and consents to the Purchaser's assignment of all its membership interests to Purchaser Member and agrees that the Option continues to be effective pursuant to its terms and conditions, as modified hereby.
3. Amendments to the Option. The parties hereto desire to amend the Option as follows:
 - 3.1 Section 2 of the Option is amended to replace "June 28, 2019" with "July 31, 2019."

3.2 Section 3(a) of the Option is amended to replace “September 30, 2019” with “October 31, 2019.”

3.3 Section 3(b) of the Option is amended to replace “December 31, 2019” with “January 31, 2020.”

3.4 Section 23 of the Option is deleted in its entirety.

4. Successors and Assigns. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, legatees, successors and assigns.

5. Further Assurances. The parties agree to (a) execute and deliver to each other such other documents, and (b) to do such other acts and things, all as any other party may reasonably request for the purpose of carrying out the intent and purposes of this Amendment.

6. Entire Agreement. Except as amended hereby, the Option is hereby ratified and confirmed and shall remain unmodified and in full force and effect.

7. Counterparts. This Amendment may be executed in two or more counterparts all of which together shall constitute one and the same instrument. This Amendment may be executed as facsimile or PDF originals and each copy of this Amendment bearing the facsimile/PDF transmitted signature of any party’s authorized representative shall be deemed to be an original.


8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to any conflict of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

SELLER:

NEWPORT NEWS MARITIME CENTER, LLC,
a Virginia limited liability company

By: 
Name: Allen C. Tanne Jr.
Title: Managing Member

PURCHASER:

311 33RD STREET LLC,
a Virginia limited liability company

By: 311 33rd Street MM LLC,
a Virginia limited liability company,
its Manager

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Manager

By: _____
Name: Robert B. Margolis
Title: Manager

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

SELLER:

NEWPORT NEWS MARITIME CENTER, LLC,
a Virginia limited liability company

By: _____
Name: _____
Title: _____

PURCHASER:

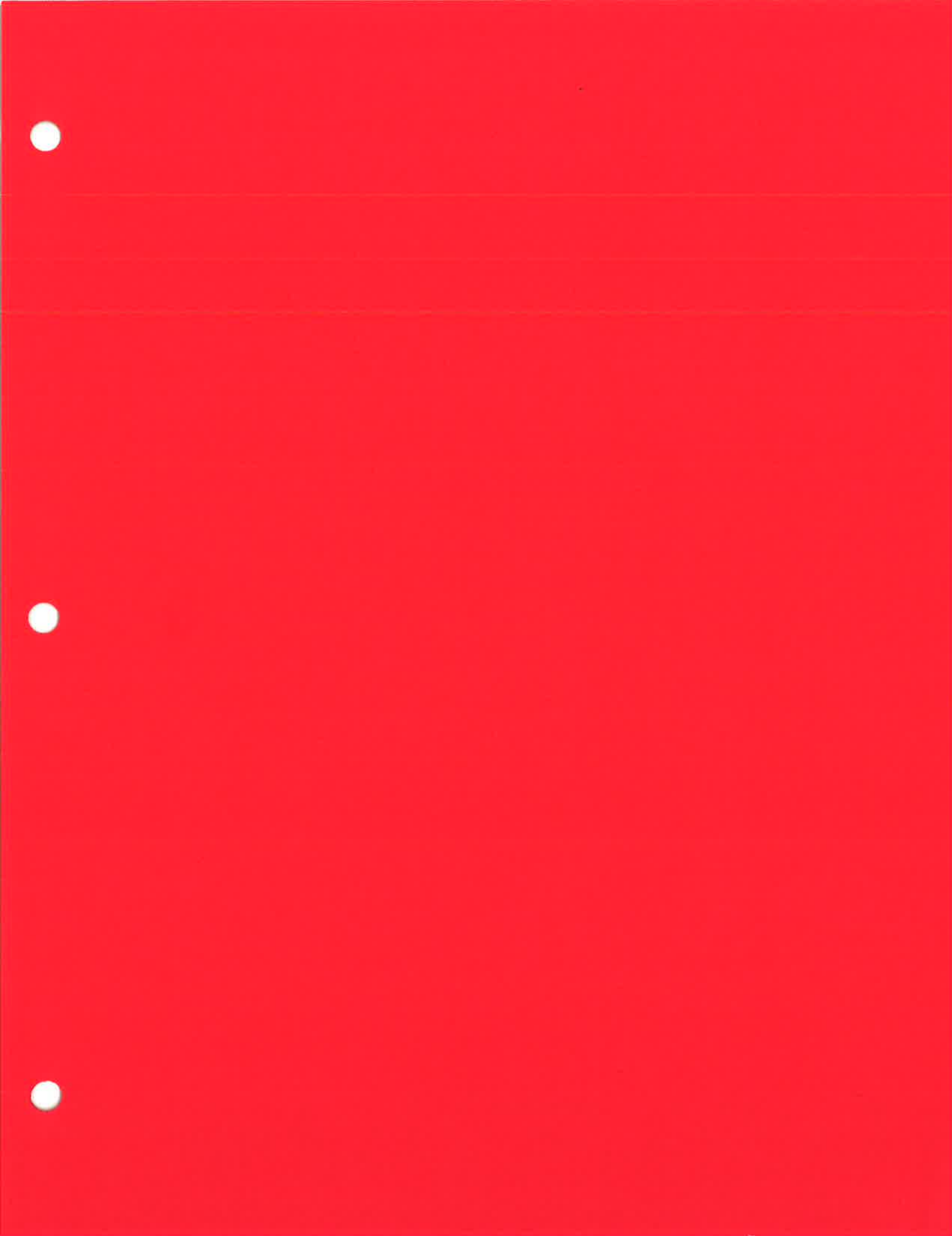
311 33RD STREET LLC,
a Virginia limited liability company

By: 311 33rd Street MM LLC,
a Virginia limited liability company,
its Manager

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Manager

By: 
Name: Robert B. Margolis
Title: Manager

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ASSIGNMENT OF OPTION TO PURCHASE AGREEMENT

THIS ASSIGNMENT OF OPTION TO PURCHASE AGREEMENTS (the "Assignment") is made as of the 19th day of October, 2018, by and between 311 33rd Street LLC ("Assignee") and Cadence Development, LLC ("Assignor").

BACKGROUND

- A. Assignor entered into that certain Option to Purchase Agreement dated July 19, 2018, a copy of which is attached hereto as Exhibit A (the "Agreement");
- B. Assignor desires to assign to Assignee all of its right, title and interest in and to the Agreement; and
- C. Assignee wishes to assume Assignor's rights and obligations under the Agreement.

ASSIGNMENT

In consideration of the foregoing premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor does hereby assign, transfer and convey unto Assignee and Assignee's successors and assigns, all rights, title, duties, obligations, and interests of Assignor in and to the Agreement. Assignee accepts the assignment of the Agreement and does hereby assume and undertake to abide by the same according to the terms and conditions thereof.

2. Indemnification. Assignee further agrees to hold Assignor harmless and to fully indemnify Assignor from and against any and all liability under the Agreement, and any and all claims, suits, payments, settlements, awards, damages, judgments, losses, expenses, court costs and attorneys' fees incurred by or assessed against Assignor in connection with the Agreements.

3. Default. In the event either party to this Assignment breaches its obligations hereunder, it shall pay all costs and expenses of enforcement, including court costs and reasonable attorneys' fees, occasioned by such breach.

4. Counterparts. The parties hereto agree that this Assignment may be executed in counterparts, and such counterparts shall be deemed to be effective for all purposes.

{Signatures appear on following page.}

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the day and date first above written.

Assignee:

311 33rd Street LLC

By: 

Managing member

Assignor:

Cadence Development, LLC, a North Carolina
Limited Liability company

By: 
Tonya Haddock, Managing Partner

STATE OF NORTH CAROLINA

OPTION TO PURCHASE AGREEMENT

COUNTY OF WAKE

THIS OPTION TO PURCHASE AGREEMENT ("Option"), made this 19th day of July, 2018, by and between, Huntington Parking, LLC., (hereinafter referred to collectively as "Seller") and Cadence Development, LLC, its successors and/or assigns (hereinafter referred to as "Purchaser"). Purchaser and Seller shall be referred to collectively herein as "the Parties";

For and in consideration of the sum of \$10,000.00 in cash paid by PURCHASER to SELLER (the "Original Option Deposit"), payable within five (5) business days, upon receipt shall be hereby acknowledged, of the covenants hereinafter contained, and of other good and valuable considerations, it is agreed as follows:

1. **GRANT OF OPTION.** Seller does hereby grant to Purchaser the exclusive option to purchase upon terms and conditions hereinafter set forth approximately .4 +/- acres located in Newport News, Virginia, (hereinafter referred to as the "Property"), which is more particularly described on **Exhibit A** attached hereto and incorporated herein by reference. The actual acreage of the Property shall be determined from a survey which shall be made before Closing (as defined herein) by a Registered Land Surveyor selected by Purchaser (the "Survey"). The legal description in the Deed (as defined herein) shall be prepared from the Survey.
2. **TERM AND EXERCISE OF OPTION.** The term of this option shall commence from the date of execution of this document by both Parties and shall terminate at 5:00 pm EST June 28, 2019 (the "Original Option Term") and shall be exercisable by delivery of written notice to the Seller. Purchaser may terminate this Option and receive a return of the Original Option Deposit upon providing written notice to Seller prior to the expiration of the Original Option Term, otherwise the Original Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default, and shall be deliverable to the Seller upon written notice to Escrow Agent as defined in paragraph 5. The Original Option Deposit shall be credited against the Purchase Price in the event of Closing. Either party may terminate this contract on or before October 15, 2018 for any reason. Purchaser's deposit will be refunded if this contract is terminated before this date.
3. **EXTENSIONS OF OPTION.**
 - (a) **Second Option Term.** Purchaser shall have the right to extend the Original Option Term for one period of 3 months beyond the expiration of the Original Option Term Period, down to and including September 30, 2019 (the "Second Option Term") by Purchaser providing written notice of such extension to Seller prior to the expiration of the Original Option Term and the payment therewith of an additional \$20,000.00 (the "Second Option

Deposit) to the Seller. Purchaser may terminate this Option and receive a return of the Second Option Deposit upon providing written notice to Seller prior to the expiration of the Second Option Term, otherwise the Second Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default. Both the Original Option Deposit and the Second Option Deposit shall be credited against the Purchase Price in the event of Closing.

(b) Third Option Term. Purchaser shall have the right to extend the Third Option Term until December 31, 2019 (the "Third Option Term") by Purchaser providing written notice of such extension to Seller prior to the expiration of the Third Option Term and the payment therewith of an additional \$20,000.00 (the "Third Option Deposit") to the Seller. Upon the Purchaser's exercise of the Third Option Term, the Third Option Deposit shall be nonrefundable to Purchaser, except in the event of Seller's default. The Original Option Deposit, the Second Option Deposit, and the Third Option Deposit shall be credited towards the Purchase Price in the event of Closing.

4. PURCHASE PRICE. The purchase price for the Property shall be \$800,000.00 (exclusive of any acreage for road rights-of-way and wetlands, which acreage shall not be included in the Purchase Price calculation) as shown on the Survey, to be paid by the Purchaser to the Seller at the Closing (the "Purchase Price").

Notwithstanding anything herein to the contrary, the Purchase Price and Purchaser's obligation to perform under this Option shall be conditioned on Purchaser's receipt of an appraisal from an independent state-certified appraiser selected by Purchaser that identifies the market value of the Property as no less than \$800,000.00. If such appraisal is not met, Purchaser or Seller shall have the right to terminate this Option and receive a refund of all Deposits. Appraisal shall be obtained on or before August 30, 2019.

5. OPTION DEPOSITS. The Original Option Deposit, the Second Option Deposit, and the Third Option Deposit (collectively, the "Deposits") shall be deposited in escrow with Jones Blechman Woltz & Kelly attention: Allen C. Tanner, Jr., Attorney at Law (the "Escrow Agent"). The Escrow Agent shall hold the Deposits in an escrow account to be applied as part of the Purchase Price at Closing or disbursed as agreed upon herein.

6. TITLE. Seller warrants that the title to the Property is marketable and free from unsuitable restrictions or encumbrances, and that the Property has access to a public roadway for purposes of ingress and egress and installation of utilities. Within ten (10) days following the exercise of this option Seller will deliver a copy of Seller's current ALTA/ASCM survey and title insurance policy insuring Seller's fee simple title to the property. Purchaser shall have ninety (90) days after the date of the exercise of this option to examine the title to the Property. If Purchaser identifies any unacceptable title exceptions, it shall give Seller written

notice thereof within ten (10) days after the expiration of the ninety-day title examination period. Seller shall then have a period of thirty (30) days to cure or correct such title objection(s). If Seller cannot, or elects not to, correct such defect(s), Purchaser shall have the right to terminate this Option and receive a refund of all sums paid by Purchaser to Seller.

7. **ACCESS.** During the term of this Option and any extension hereof, Purchaser, or Purchaser's representative, shall have the right to enter said property at any time, and shall have the right to make such inspections and tests as are reasonable in Purchaser's sole discretion to determine the suitability of the Property for the Purchaser's intended use, including, but not limited to a Phase I environmental site assessment, surveying, engineering assessments, soil bearing tests and other reasonable inspections and tests. If Purchaser's tests and inspections reveal that the Property is not suitable due to environmental issues, the soil (to include the presence of excessive rock or stone), then Purchaser may terminate this Option. The Seller agrees to cooperate with the Purchaser, or Purchaser's representative, to complete any and all tests and studies referenced herein. In the event Purchaser elects not to purchase the Property, Purchaser shall return the Property to its prior state. Purchaser shall indemnify and hold Seller harmless from any claims, damages or expenses incurred by Seller relating to Purchaser's inspections.
8. **TAX CREDIT ALLOCATION.** The Purchaser's obligation to close on the Property is contingent upon Purchaser's receipt of an allocation of tax credits from the Virginia Housing Development Authority (the "Allocation"). If the Allocation is not received by the Virginia Housing Development Authority, Purchaser shall be entitled to terminate this Option and all Deposits (to the extent deposited) shall be returned to the Purchaser, following which neither party shall have any further obligation or liability under this Option.
9. **ZONING AND SUBDIVISION APPROVAL.** Seller agrees to cooperate during the term of this Option and any extension thereof with regard to proposed zoning for the Property provided, however, that Seller shall not be responsible for any costs relating to such rezoning request. The Purchaser's obligation to close on the Property is contingent upon adequate zoning or conditional use for Purchaser's intended use of the Property provided, however, Purchaser shall use commercially reasonable efforts to obtain such rezoning. If said zoning is not adequate and rezoning cannot be accomplished, Purchaser shall be entitled to terminate this Option and all Deposits shall be refunded to Purchaser. If the approval and recording of a subdivision plat (the "Plat") is required, Purchaser shall have its surveyor prepare the Plat and deliver it to Seller for signatures. Purchaser shall be responsible for obtaining governmental approvals for the Plat. Purchaser shall be responsible for recording the Plat, which shall not be recorded prior to Closing. Seller agrees to cooperate in facilitating the approval of any subdivision by providing signatures as required from the current owner of the

Property by the governmental authority responsible for approval of the subdivision and/or plat.

10. **DAMAGE, DESTRUCTION, OR CONDEMNATION.**

- (a) **Risk of Loss.** Risk of loss to the Property occurring prior to the Purchaser will be borne by Seller.
- (b) **Casualty Loss.** In the event of any loss, damage or destruction to the Property prior to Closing, Purchaser may elect either (i) to proceed with Closing, without adjustment of the Purchase Price, and Seller will assign to Purchaser all insurance proceeds received as a result of the loss, damage or destruction, or (ii) to terminate this Option, in which event the Deposit will be returned to Purchaser. Seller will promptly notify Purchaser in writing of any casualty to the Property. Purchaser will make such election within ten (10) business days following Seller's written notice to Purchaser of the casualty event, and if such election is not timely made, Purchaser will be deemed to have elected to terminate this Option.
- (c) **Condemnation.** In the event that any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to all or any portion of the Property, Seller will promptly notify Purchaser in writing thereof, in which event Purchaser will have the option either to terminate this Option and receive a refund of the Deposit, or to consummate the purchase of the Property without reduction of the Purchase Price and the right to collect any condemnation award or compensation for such condemnation will be assigned by Seller to Purchaser at Closing. Purchaser must make such election within ten (10) business days following Seller's written notice to Purchaser of the condemnation proceedings, and if such election is not timely made, Purchaser will be deemed to have elected to terminate this Option.

The provisions of this section will survive the Closing.

11. **COVENANTS OF SELLER; OPERATION OF THE PROPERTY:** Seller hereby covenants and agrees that from and after the exercise of the option:

- (a) Seller will not, without the Purchaser's prior written consent, create any encumbrances on the Property. For purposes of this provision the term "encumbrances" includes, but is not limited to, any liens, claims, options, or other encumbrances, encroachments, rights-of-way, easements, covenants, conditions or restrictions, except for parking leases with the Newport News Shipbuilding which shall terminate on or before January 14, 2020.
- (b) Seller will not enter into or record any document or instrument, or enter into any lease or other option, affecting or burdening the Property, unless

Purchaser has consented in writing to the execution or recordation of such document, instrument, lease or agreement.

- (c) Seller will pay all assessments and taxes prior to becoming delinquent.
- (d) Seller will not create or consent to the creation of any special taxing districts or associations with the authority to impose taxes, liens or assessments on the Property.
- (e) Seller will not remove any fill or cause any change to be made to the condition of the Property without the prior written consent of Purchaser.
- (f) Seller will take no action with respect to the Property that would alter or affect any of the representations or warranties of Seller under this Option or which would in any manner affect Purchaser's future use and development of the Property.
- (g) Seller will cause all mortgage debt applicable to the Property to remain in good standing through and until the Closing.
- (h) If applicable, Seller will provide Purchaser with any and all approvals from any lenders to sell the Property for less than the balance owed to such lender.

10. **ENVIRONMENTAL.** To the best of Seller's knowledge neither Seller, nor any agent, employee or representative of Seller, has caused or permitted materials to be disposed of on, under or at Property, which materials, if known to be present, would be considered hazardous or require cleanup, removal or some other remedial action under any Federal or State environmental law. Seller has not received notice of and knows of no violation of any Federal or State environmental law on the Property, which may directly, or indirectly, affect the Property. To the best of Seller's knowledge, there does not exist on the Property any condition or circumstance which requires or may, in the future, require cleanup, removal or other remedial action or other response under any Federal or State environmental law. The Property is not subject to any judgement, decree, order or citation related to or arising out of any Federal or State environmental law.

11. **WATER AND SEWER.** Purchaser's obligation to close on the Property is contingent upon Purchaser obtaining connections at the boundary line of the Property to all utilities including water and sewer and the Purchaser being able to secure permission from the City of Newport News or any other applicable local government, public agency or authority to connect to the water and sewer services. Purchaser's obligation to close shall be further conditioned on Purchaser receiving approval from the City of Newport News and any other applicable agency that the utilities serving the Property provide adequate flow and capacity for any fire sprinkler system required to be installed for multi-family sites under

applicable state or local laws or regulations. If said utility connections cannot be accomplished, Purchaser shall be entitled to terminate this Option but all Deposits (to the extent deposited) shall be retained by Seller. In the event Seller owns or retains any parcels contiguous to the Property, Seller agrees to grant Purchaser such easements across such contiguous parcels that are reasonably necessary for Purchaser to establish such utility connections and such other easements that are reasonably necessary for the development and construction of the Property.

12. **CLOSING.** The closing of the purchase of the Property (the "Closing") under this Option shall take place at Peninsula Title Company, Inc., a place mutually agreed upon by the Seller and Purchaser and Closing shall occur within thirty (30) days following the exercise of the Option. At Closing, the Purchase Price (as shall be adjusted by taxes and closing costs provided herein) shall be paid to Seller, the Deed delivered to Purchaser and other closing documents reasonably required by either party shall be executed and delivered by the Parties.
13. **DEED.** At the Closing, Seller shall execute and deliver to Purchaser a special warranty deed (the "Deed") to the Property. The Deed shall convey good and marketable fee simple title to the Purchaser, its successors and assigns, free and clear of all liens, restrictions, easements, rights-of-way and undisclosed encumbrances not acceptable to Purchaser, and such other documents reasonably required by Purchaser's title insurer. Upon Closing, Seller shall deliver physical possession of the Property to the Purchaser free and clear of any tenancies or other parties in possession.
14. **CLOSING COST.** Ad valorem taxes shall be prorated as of the date of Closing on a calendar year basis. Seller shall be responsible for payment of all deferred or rollback taxes assessed against the Property applicable to any time before the date of the Closing. Seller shall pay for preparation of the Deed and the state excise tax on the transfer. Purchaser shall pay for all other closing costs incurred by Purchaser, including the Survey, preparation of the Plat, the title examination and any title insurance premiums and recording fees. Each party shall pay its own attorneys' fees.
15. **DEFAULT.** In the event the Purchaser defaults under any of its obligations under this Option, then this Option shall terminate and the Escrow Agent shall promptly disburse all Deposits paid by Purchaser to Seller as Seller's sole and exclusive remedy, following which neither party shall have any further obligation or liability under this Option except for Surviving Obligations. If Seller defaults on any of its obligations or breaches any of its representations made under this Option, then Purchaser may either elect to a) terminate this Option and receive a refund of all Deposits paid by Purchaser or seek any and all available remedies at law or in equity.
16. **NOTICE.** All notices required or permitted herein shall be sent (i) to the address of the party by personal delivery or overnight courier against written receipt, or

(ii) by registered or certified U.S. mail, return receipt requested, with postage prepaid, addressed to the following:

If intended for Seller: Huntington Parking, LLC
 c/o Allen C. Tanner, Jr.
 701 Town Center Drive, Suite 800
 Newport News, VA 23606

If intended for Purchaser: Cadence Development, LLC
 700 Oak Lantern Ct
 Garner, NC 27529
 Attention: Tonya Haddock
 Telephone: (919) 661-7722
 Email: tonya.haddock@cadencedevelop.com

With copies to: Hill Tide Partners, LLC
 3414 Peachtree Rd, Suite 825
 Atlanta, GA 30326
 Attention: Dan Winters
 Telephone: (727) 244-2440
 Email: dan.winters@hilltidepartners.com

BENEFIT; ASSIGNMENT. This Option shall be binding upon and inure to the benefit of the representatives, successors and assigns of the respective parties hereto. Purchaser will be entitled to assign Purchaser's rights and obligations under this Option, in whole or in part, to any other related entity owned by, controlled by, under common control, or affiliated with, Purchaser, it being understood that while such partial assignment may result in another Purchaser purchasing a portion of the Property, Closing on any portion of the Property is contingent upon the Closing of the entire Property.

17. **LITIGATION, ATTORNEY'S FEES, AND JURY TRIAL WAIVER.** In the event of litigation, the prevailing party shall be entitled to recover all costs resulting therefrom, including court costs and attorney fees. IN THE EVENT THAT IT BECOMES NECESSARY FOR EITHER PARTY TO BRING SUIT TO ENFORCE THE TERMS OF THIS OPTION, THEN EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. THIS WAIVER IS MADE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY.

18. **CHOICE OF LAW.** THIS OPTION SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NORTH CAROLINA AND THE LAWS OF THE UNITED STATES OF

AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF NORTH CAROLINA. VENUE AND JURISDICTION FOR ANY ACTION BROUGHT HEREUNDER IS HEREBY AGREED TO BE PROPER AND LIE EXCLUSIVELY WITH THE APPROPRIATE COURT LOCATED IN CATAWBA COUNTY, NORTH CAROLINA.

19. **ENTIRE AGREEMENT; CONSTRUCTION; SEVERABILITY.** This Option integrates and supersedes all other agreements and understandings of every character of the parties and comprises the entire agreement between them. This Option may not be changed, except in writing signed by the parties. No waiver of any rights or obligations hereunder will be deemed to have occurred unless in writing signed by the party against whom such waiver is asserted and no waiver will be deemed a waiver of any other or subsequent right or obligations. The parties acknowledge that the parties and their respective counsel have reviewed and revised this Option and, therefore, the normal rule of construction of contracts that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Option and any exhibits or amendments thereto. If any portion of this Option is held to be invalid or inoperative, the remainder of it will be deemed valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative to the extent possible.
20. **COUNTERPART SIGNATURES.** This Option may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. This Option may be executed in multiple copies, and by telecopy or email PDF transmission, each of which shall be deemed to be an original for all purposes.
21. **EXCLUSIVE RIGHT.** From and after the date of this Option, Seller shall cease marketing the Property to prospective Purchasers.
22. **MEMORANDUM.** Upon request by Seller or Purchaser, the Parties agree to execute a memorandum of this Option in a form reasonably satisfactory to both Parties. The Parties agree to promptly record a termination of the memorandum of Option in the event this Option terminates.
23. The Parties agree that the Seller will pay a TEN PERCENT (10%) fee to Victory Parking Management, LLC from the gross sales price.
24. Upon request by Seller or Purchaser, the Parties agree to cooperate with one another to effect on behalf of Seller or Purchaser an IRS Code 1031 exchange.

WITNESS the hands and seals of the respective parties hereto the day and year first above written.

SELLER:

Huntington Parking, LLC

By: W E Haddock (MANAGER)

Date: 6/28/2018

PURCHASER:

Cadence Development, LLC

By: Cadence Managing Member, LLC
Managing Member

By: Tonya Haddock
Tonya Haddock, Managing Member

Date: June 19, 2018

EXHIBIT "A"
Legal Description

Certain real property comprised of approximately .4 +/- acres located Newport News, Virginia, which is parcel identification number 305030325 in the City of Newport News Virginia Tax Records.

FIRST AMENDMENT TO OPTION TO PURCHASE AGREEMENT

This First Amendment to Option to Purchase Agreement (this "Amendment") is made and entered into effective as of March 13, 2019 (the "Effective Date"), by and among Huntington Parking, LLC, a Virginia limited liability company ("Seller"), and 311 33rd Street LLC, a Virginia limited liability company ("Purchaser").

WITNESSETH:

WHEREAS, Seller and Cadence Development, LLC, a North Carolina limited liability company ("Cadence") entered into a certain Option to Purchase Agreement dated as of July 19, 2018, related to certain real property located in the City of Newport News, Virginia, and described more particularly therein (the "Option"); and

WHEREAS, Cadence assigned all its rights, title and interest in the Option to Purchase Agreement pursuant to an Assignment of Option to Purchase Agreement dated as of October 19, 2018 (the "Assignment"); and

WHEREAS, as of the date of the Assignment, Purchaser was affiliated with Cadence and Seller's consent was not required for the Assignment pursuant to the "Benefit; Assignment" provision of the Option; and

WHEREAS, as of the date hereof, the Purchaser has assigned all its membership interest to 311 33rd Street MM LLC, a Virginia limited liability company ("Purchaser Member"), and is no longer affiliated with Cadence; and

WHEREAS, the Seller desires to consent to the assignment of the Purchaser's membership interest to an unrelated party and both parties desire to make certain amendments to the Option; and

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

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings provided in the Option.

2. Consent to Assignment. Seller acknowledges and consents to the Purchaser's assignment of all its membership interests to Purchaser Member and agrees that the Option continues to be effective pursuant to its terms and conditions, as modified hereby.

3. Amendments to the Option. The parties hereto desire to amend the Option as follows:

3.1 Section 2 of the Option is amended to (i) replace "June 28, 2019" with "July 31, 2019," and (ii) delete the last two sentences.

3.2 Section 3(a) of the Option is amended to replace “September 30, 2019” with “October 31, 2019.”

3.3 Section 3(b) of the Option is amended to replace “December 31, 2019” with “January 31, 2020.”

4. Successors and Assigns. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, legatees, successors and assigns.

5. Further Assurances. The parties agree to (a) execute and deliver to each other such other documents, and (b) to do such other acts and things, all as any other party may reasonably request for the purpose of carrying out the intent and purposes of this Amendment.

6. Entire Agreement. Except as amended hereby, the Option is hereby ratified and confirmed and shall remain unmodified and in full force and effect.

7. Counterparts. This Amendment may be executed in two or more counterparts all of which together shall constitute one and the same instrument. This Amendment may be executed as facsimile or PDF originals and each copy of this Amendment bearing the facsimile/PDF transmitted signature of any party’s authorized representative shall be deemed to be an original.


8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to any conflict of laws principles.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

SELLER:

HUNTINGTON PARKING, LLC,
a Virginia limited liability company

By: 
Name: Allen C. Tanner Jr.
Title: Managing Member

PURCHASER:

311 33RD STREET LLC,
a Virginia limited liability company

By: 311 33rd Street MM LLC,
a Virginia limited liability company,
its Manager

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Manager

By: _____
Name: Robert B. Margolis
Title: Manager

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

SELLER:

HUNTINGTON PARKING, LLC,
a Virginia limited liability company

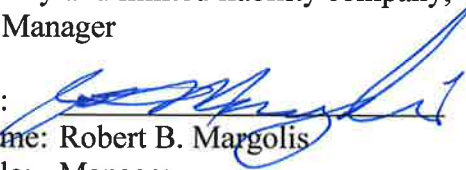
By: _____
Name: _____
Title: _____

PURCHASER:

311 33RD STREET LLC,
a Virginia limited liability company

By: 311 33rd Street MM LLC,
a Virginia limited liability company,
its Manager

By: Margolis Family Investments LLC,
a Maryland limited liability company,
its Manager

By: 
Name: Robert B. Margolis
Title: Manager



PARID: 305030325

311 33RD ST

Owner

me

HUNTINGTON PARKING LLC,

Parcel

Property Location	311 33RD ST
Parcel ID	305030325
Tax Status	Taxable
Neighborhood	C12OT022 - WARD 1
Land Area (acreage)	.4
Land Use and Zoning Details	Click here for additional details. Click here for City of Newport News Assessor's Web Page

Legal Description

Parcel/Lot:	24-A
Block:	223
Subdivision	WARD 1
Section:	
Lot Dimensions	121 X 125 X VAR

Values

Current Land	185,200
Current Improvements	0
Current Total Assessment	185,200

Values History

Tax Year	Land	Improvements	Total Assessment
2019	185,200	0	185,200
2018	185,200	0	185,200
2017	185,200	0	185,200
2016	161,000	0	161,000
2015	140,000	0	140,000
2014	52,900	0	52,900
2013	52,900	0	52,900
2012	52,900	0	52,900
2011	59,500	0	59,500

Click button below to see expanded Values History

[Generate Report](#)**Sales History**

Date	Amount	Buyer	Instrument Number
02/14/2014	\$0	HUNTINGTON PARKING LLC	D140002035
02/13/2014	\$0	HILLVIEW ASSOCIATES LLC	D140002034
02/12/2014	\$177,897	DOWNTOWN PARKING LC	D140002033
3/15/2012	\$177,897	BAY EXCHANGE ACQUISITION COMPANY	D120004434
06/22/2011	\$0	YOUTH CHALLENGE OF HAMPTON ROADS	D110008889
10/20/1998	\$0	HUNTINGTON & THIRTY-THIRD LTD	0015241457
04/01/1998	\$15,600	FITZGERALD PATRICIA A	0014980955
02/01/1980	\$10,826	BROWN EVELYN M ET ALS	0010242415

Assessment History

Assessment Date	Total Tax	Tax Rate	Land	Improvements	Total Assessment
07/01/2018	\$2,259.44	\$1.22	185,200	0	185,200
07/01/2017	\$2,259.44	\$1.22	185,200	0	185,200
07/01/2016	\$2,259.44	\$1.22	185,200	0	185,200
07/01/2015	\$1,964.20	\$1.22	161,000	0	161,000
07/01/2014	\$1,708.00	\$1.22	140,000	0	140,000
07/01/2013	\$645.38	\$1.22	52,900	0	52,900
07/01/2012	\$581.90	\$1.10	52,900	0	52,900
07/01/2011	\$581.90	\$1.10	52,900	0	52,900
07/01/2010	\$654.50	\$1.10	59,500	0	59,500

The City of Newport News Treasurer's Office makes every effort to produce and publish the most current and accurate property tax information possible. No warranties, expressed or implied, are provided for the data herein, for its use, or its interpretation. Neither the City of Newport News nor the Treasurer's office assumes any liability associated with use or misuse of this data.

If you believe any data provided is inaccurate, please inform the Treasurer's office by telephone at (757) 926-8731 or by email to the Treasurer by clicking here treasurer@nnva.gov.

The tax balances on the online search system are maintained on the City's database. The balances may not reflect adjustments or payments that are in transit. Payment made online may not be reflected in online searches for 6-7 business days.

Associated Parcel Numbers From Subdivided or Merged Property

Predecessor Parcel	Outstanding
305030333	\$31,673.21

WARNING: Any parcels that have been divided or combined should be investigated by the purchaser to ensure that all taxes and levies are paid on associated parcels.

The below summary reflects Real Estate Taxes, Stormwater Fees, and Liens recorded in the City Treasurer's records. It does not reflect any liens recorded against the property in the Clerk of Courts records.

Note- City code requires that all Deferred tax years and/or the current fiscal year of Elderly Tax Exemption be reinstated if the property is being sold or there is a change in ownership. Please contact the Real Estate Assessor's Office (757) 926-1926 for further instructions.

Summary of Taxes and Fees Due

Tax Year	Type	Cycle	Due Date	Taxes	Fees	Penalty	Interest	Deferred Taxes	Elderly Tax Exemption	Balance Due
2019	RE	02	06/05/2019	\$1,129.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,129.72
2019	SW	02	06/05/2019	\$0.00	\$661.20	\$0.00	\$0.00	\$0.00	\$0.00	\$661.20
Total:				\$1,129.72	\$661.20	\$0.00	\$0.00	\$0.00	\$0.00	\$1,790.92

Calculate Payoff Amount for PAST Due Balances

Select Future Payoff Date: 02/27/2019

[Generate Report](#)

Taxes/Fees Paid (Last 5 Years)

[Generate Report](#)

PARID: 310040112

80 29TH ST

Owner

Name NEWPORT NEWS MARITIME CENTER LLC,

Parcel

Property Location 80 29TH ST
 Parcel ID 310040112
 Tax Status Taxable
 Neighborhood C12OT022 - WARD 1
 Land Area (acreage) .9
 Land Use and Zoning Details [Click here for additional details.](#)
[Click here for City of Newport News Assessor's Web Page](#)

Legal Description

Parcel/Lot: A16 THRU A19
 Block:
 Subdivision WARD 1
 Section:
 Lot Dimensions

Values

Current Land	293,700
Current Improvements	406,300
Current Total Assessment	700,000

Values History

Tax Year	Land	Improvements	Total Assessment
2019	293,700	406,300	700,000
2018	293,700	451,800	745,500
2017	528,800	451,800	980,600
2016	352,500	686,800	1,039,300
2015	235,000	804,300	1,039,300
2014	235,000	804,300	1,039,300
2013	235,000	804,300	1,039,300
2012	235,000	813,600	1,048,600
2011	235,000	829,800	1,064,800

[Click button below to see expanded Values History](#)

[Generate Report](#)

Sales History

Date	Amount	Buyer	Instrument Number
11/05/2014	\$500,000	NEWPORT NEWS MARITIME CENTER LLC	140014937
01/09/2008	\$0	80 29TH STREET L L C	D080000626

Commercial

Structure Code COMMERCIAL
 Year Built 1930
 Square Footage 37,180
 Units (if applicable) 0

Stories

4

Detached Accessory Structures

Structure	Area
PAVING CONCRETE	13000 SQ. FT.
PAVING ASPHALT	15400 SQ. FT.

Assessment History

Assessment Date	Total Tax	Tax Rate	Land	Improvements	Total Assessment
07/01/2018	\$8,540.00	\$1.22	293,700	406,300	700,000
07/01/2017	\$9,095.10	\$1.22	293,700	451,800	745,500
07/01/2016	\$11,963.32	\$1.22	528,800	451,800	980,600
07/01/2015	\$12,679.46	\$1.22	352,500	686,800	1,039,300
07/01/2014	\$12,679.46	\$1.22	235,000	804,300	1,039,300
07/01/2013	\$12,679.46	\$1.22	235,000	804,300	1,039,300
07/01/2012	\$11,432.30	\$1.10	235,000	804,300	1,039,300
07/01/2011	\$11,534.60	\$1.10	235,000	813,600	1,048,600
07/01/2010	\$11,712.80	\$1.10	235,000	829,800	1,064,800

ADMIN FEES

ADDITIONAL LEGAL FEES APPLY TO THIS ACCOUNT. PLEASE CONTACT THE TREASURER'S OFFICE AT (757) 926-8731 FOR DETAILS TO OBTAIN THE CURRENT AMOUNT DUE

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The below summary reflects Real Estate Taxes, Stormwater Fees, and Liens recorded in the City Treasurer's records. It does not reflect any liens recorded against the property in the Clerk of Courts records.

Note- City code requires that all Deferred tax years and/or the current fiscal year of Elderly Tax Exemption be reinstated if the property is being sold or there is a change in ownership. Please contact the Real Estate Assessor's Office (757) 926-1926 for further instructions.

Summary of Taxes and Fees Due

Tax Year	Type	Cycle	Due Date	Taxes	Fees	Penalty	Interest	Deferred Taxes	Elderly Tax Exemption	Balance Due
2019	RE	02	06/05/2019	\$4,270.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,270.00
2019	SW	02	06/05/2019	\$0.00	\$1,538.16	\$0.00	\$0.00	\$0.00	\$0.00	\$1,538.16
Total:				\$4,270.00	\$1,538.16	\$0.00	\$0.00	\$0.00	\$0.00	\$5,808.16

Calculate Payoff Amount for PAST Due Balances

Select Future Payoff Date: 02/27/2019

Generate Report

Taxes/Fees Paid (Last 5 Years)

Generate Report

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: The Coile

Address of Development: 311 33rd Street and 80 29th Street, Newport News, VA 23607

Name of Owner: 311 33rd Street LLC

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: Mikel Griffin

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:

80,892.48		(A) Total gross floor area in (sq. ft.) for the entire development
9,642.38	-	(B) Unheated floor area (breezeways, balconies, storage)
0.00	-	(C) Nonresidential, (commercial income producing) area
71,250.10	=	(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	0.00		0		0.00
2 Bedrooms Elderly	0.00		0		0.00
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	0.00		0		0.00
2 Bedrooms Garden	1,060.10		32		33,923.20
3 Bedrooms Garden	1,244.23		30		37,326.90
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			62	Total	71,250.10 **

* 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%

	Floor Plan Square Feet	Number of Units This Floor Plan	Total
Mix 1	2 BR - 1.5 Bath	16	13341.28
Mix 2	2 BR - 1.5 Bath	16	13777.28
Mix 3	3 BR - 2 Bath	8	7884.56
Mix 4	3 BR - 2 Bath	7	7482.72
Mix 5	3 BR - 2 Bath	8	7998.24
Mix 6	3 BR - 2 Bath	7	7582.19
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		62	58066.27

*This information should match Unit Details page of the excel application
 1630 Main Street Lynchburg, VA 24504 • cjmw.com • 434.847.6564 DEV Name: The Coile
 Winston-Salem, NC • Raleigh, NC • Lynchburg, VA • Roanoke, VA

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
- FALSE r. Shelf or ledge outside each primary apartment entry door located in an interior hallway
- FALSE s. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building.
Minimum 30 square feet.

DEV Name: The Coile

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

- FALSE a. All cooking ranges will have front controls
- FALSE b. All full bathrooms will have an independent or supplemental heat source
- FALSE 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

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

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

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

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

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



Signed: 

Printed Name: Mike Griffin

Title: Principal

Virginia Registration #: 009449

Phone: 434-847-6564

Date: 3/12/19

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: The Coile



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: 62

The total number of rental units in this development: 62

NOTE: For Elderly Developments, 100% of the units in the development must meet the
Universal Design standards in order to qualify for points.

For Family Developments, points are awarded based on a percentage of the
number of units meeting the Universal Design standards.

For the tax credit applicant to qualify for points associated with Universal Design,
the architect of record must be on VHDA's list of Universal Design certified architects.
VHDA Universal Design Certifications are only valid for 2019 applications if
certification date is after January 1, 2014

All tax credit applications which include amenity points for providing VHDA Universally Designed
dwelling units must include plans that clearly identify the following items in the format found on vhda.com
or no points will be awarded:

- Overall building plans identifying the location of Universal Design dwelling units, and the means
of vertical transportation (if applicable), along the accessible route(Minimum scale 1/8"=1'-0").
Include a legend and Universal Design General Notes section. Anything other than a fully handicap accessible elevator
must have been presented to and approved by VHDA for this project at least two weeks prior to submission of
reservation application.
- Site plan and building plans identifying accessible pedestrian routes from all Universal Design units to accessible parking, leasing office, community
room, laundry facility, mailboxes, garbage collection areas and public transportation pick up areas. Architect must identify running slope and cross
slope of route, and consider any obstructions. Include required number of accessible parking spaces, a legend for the accessible route, and a
Universal Design general notes section.
- Enlarged Universal Design unit plans (Minimum scale 1/4"=1'-0") identifying clearances and all Essential Elements

Signed: [Handwritten Signature]

Printed Name: Mikel Griffin
Architect of Record
(same individual as on page 7)

Date: 3/12/19



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

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 Viridian'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: Matt Waring

Date: 3/10/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridian

Signature [Signature]

Home Energy Rating Certificate Projected Report

Rating Date:
Registry ID: Unregistered
Ekotrope ID: kLZeXK82

HERS® Index Score:

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

63

Annual Savings

\$666

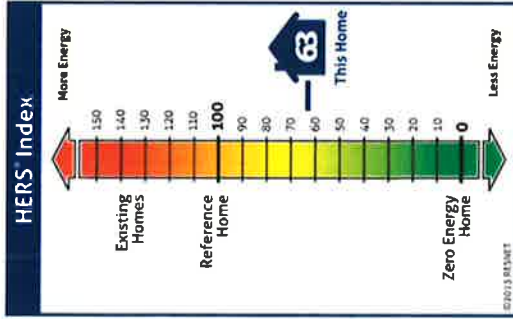
*Relative to an average U.S. home

Home:
311 33rd Street and 80 29th Street,
Newport News, VA 23607
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	4.6
Cooling	2.7
Hot Water	7.1
Lights/Appliances	15.4
Service Charges	
Generation (e.g. Solar)	0.0
Total:	29.7

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,072 sq. ft.
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 9.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 17 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	40.0 CFM • 23.0 Watts
Duct Leakage to Outside:	42.86 CFM25 (4 / 100 s.f.)
Above Grade Walls:	R-20
Ceiling:	Vaulted Roof, R-21
Window Type:	U-Value: 0.3, SHGC: 0.27
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: 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: 3/10/19 at 11:18 AM

ekotrope™

Ekotrope RATER - Version: 3.1.1.2125
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)



Administrator

Harold L. Roach, Jr
Director

Nyoka C. Hall
Zoning Administrator

Michael P. Nall
Assistant Director

Michael Redifer
Code Enforcement

Zoning Certification

DATE: February 21st, 2019

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

RE: ZONING CERTIFICATION

Name of Development: The Coile
Name of Owner/Applicant: 311 33rd Street LLC
Name of Seller/Current Owner: Huntington Parking, LLC & Newport News Maritime Center, 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 Addresses: Site 1) 311 33rd Street, Newport News, VA 23607 AND Site 2) 80 29th Street, Newport News, VA 23607

Legal Description: Site 1) .4 +/- acres located at 311 33rd Street which is parcel identification number 305030325 in the City of Newport News Tax Records; AND Site 2) .33 +/- acres (estimated 15,000 sq. ft.) located at 80 29th Street which is a portion of parcel identification number 310040112 in the City of Newport News Tax Records, as designated on a plat and subject to a Twenty-Foot (20') wide easement along the southwesterly boundary of the property to be conveyed for ingress and egress to and from 29th Street.

Proposed Improvements:

- New Construction: 62 #Units 2 #Buildings 73,000 Total Floor Area Sq. Ft.
- Adaptive Reuse: #Units #Buildings Total Floor Area Sq. Ft.
- Rehabilitation: #Units #Buildings Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: C-3 Regional Business District allowing a density of
See Below units per acre, and the following other applicable conditions: Section 45-
2203.a.2 of the Newport News Zoning Ordinance.

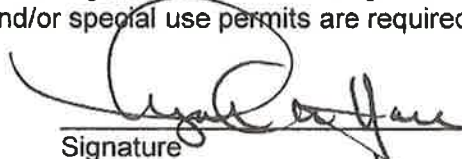
Other Descriptive Information:

The Building of four (4) or more stories for residential use shall have a minimum lot area of ten thousand (10,000) square feet which shall have a dimension of not less than fifty (50) feet at the front property line. There shall be provided on the lot or parcel containing a four (4) or more story residential building one (1) or more areas used for recreational and/or landscaped area equal to not less than fifteen (15) percent of the total floor area used for dwelling purposes.

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

Nupka C. Hall
Printed Name

Zoning Administrator
Title of Local Official or Civil Engineer

(757) 924-8689
Phone:

2.21.19
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 application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

H

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: The Coile
Name of Owner: 311 33rd Street LLC

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.

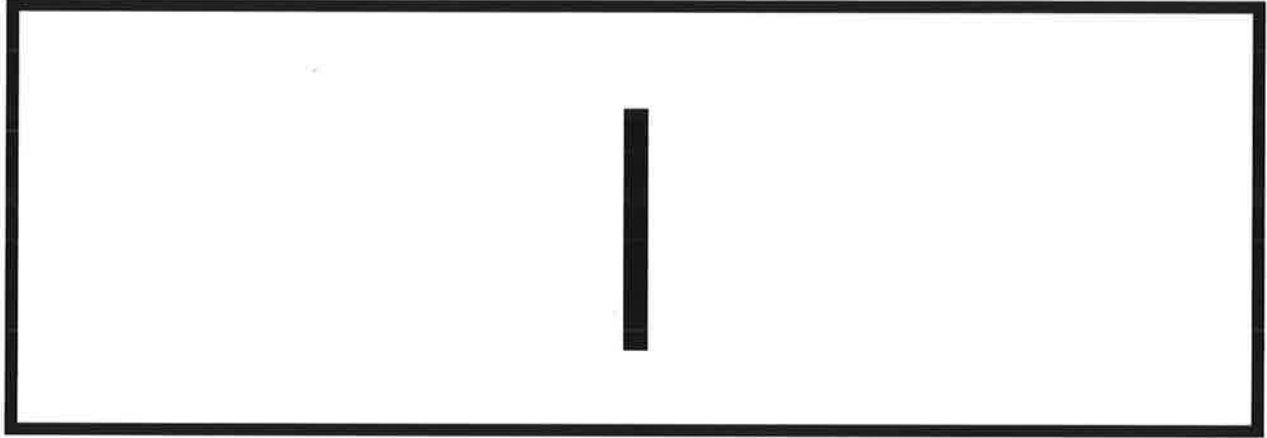
WILLIAMS MULLEN, A Professional Corporation



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: The Coile
- b. Name of owner/applicant: 311 33rd Street LLC
- c. Name of non-profit entity: Petersburg Community Development Corporation
- d. Address of principal place of business of non-profit entity:
200 South 10th Street, Suite 1600, Richmond, VA 23219
- Indicate funding sources and amount used to pay for office space:
Office in personal residence of president
- 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: _____
November 21 1989; evidence by certificate of incorporation issued by VA state corporation commission

- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application
deadline and copy must be attached):
August 1990
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles
of incorporation):
development, acquisition, and rehab of real property to be sold or otherwise transferred to low and moderate income individuals

- i. Expected life (in years) of non-profit:
in perpetuity

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
Hold general partner interest in low/moderate income apartment communities and hold options to purchase such projects at the end of the tax credit compliance period to ensure continued affordability.
- 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.)?
0 _____ How many part time, paid staff members? 1 _____
- Describe the duties of all staff members:
Part-time executive director works on specific projects as funding is available; borad members volunteer their services
- 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?
less than 25
- 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
private donations, grants, cash distributions from properties where PCDC serves as general partner
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:
see attached list

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
Organized in 1989 to own, rehab and sell single family homes to first time hoe buyers, subsequently worked on redevelopment plans and co-developed a LIHTC property in Petersburg, VA "Henry Williams Townhomes" and Surry Village in Surry, VA.

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:

PCDC was rescued in 2004 by Petersburg Redevelopment and Housing Authority when it was defunct; PCDC and the Housing Authority pursued projects jointly until they "divorced" in 2009 over their differences about what constitutes affordable housing; PCDC elects it's own board.

- 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.):

Originally bought and sold rehabbed single family homes to first time home buyers; developed Van Buren Estates subdivision in Petersburg; co-developed Henry Williams Townhomes in Petersburg (2012). Currently PCDC is general partner in Pinecrest Apartments in Bedford, VA which received a 9% allocation of Tax-Credits by VHDA in 2018

- 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.

N/A

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:

Non-Profit owns 10% of 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?

The ROFR will be referenced in the tax credit investors Amended and Restated Agreement of Limited Partnership.

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:

(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):

- (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?

The development of the property was identified by a 3rd party which had been working on the site redevelopment plan for several months prior to PCDC's involvement. PCDC was contacted through another non-profit that was unable to participate, since PCDC's mission is to further the development of affordable housing in the state of VA and the location of the planned development fit within PCDC footprint. PCDC is very excited to participate in this opportunity as Newport news sadly was unsuccessful in getting the area designated as a HUD choice neighborhood and thus LIHTC is one of the only remaining vehicle to attract outside investment into the area.

- 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:

Owner of the property is 311 33rd street MM LLC. Managing Members are PCDC (10%) and Margolis Family Investments LLC (90%)

- 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.

see answer to "f" above. Margolis Family Investments LLC and its affiliate development arm, REBJ Inc. will manage the construction of the proposed development and will solely be making all required guarantees

- 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.

REBJ Inc., a Virginia corporation and affiliate of Margolis Family Investments LLC and has been selected by PCDC to provide real estate development services to the project. As will be outlined in the development services agreement REBJ Inc. will provide financial guarantees as needed by the investment limited partner and construction lender. Moreover, REBJ selected TRB LLC as a co-developer to assist with area specific development services.

- (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?

REBJ Inc. was the co-developer of Henry Williams Townhomes and an affiliate of REBJ Inc., TM Associates Inc. is the property manager of the majority of PCDC communities. PCDC was introduced to TRB through a mutual acquaintance

- 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.

No consultant was used in this development. Under the development services agreement REBJ

will be paid 60% and TRB will be paid 40% of the Total Developer Fee

j. Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.

k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow? Yes No If yes, explain:

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:

REBJ Inc. has previously worked with PCDC on a LIHTC development in VA. TM Associates Management, an affiliate of Margolis Family Investments LLC currently manage several communities which PCDC is the General partner of. No prior work has been done with TRB LLC, however PCDC is familiar with the development work in the industry of its principals

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:
low and moderate income individuals in the united states. Currently owns properties in PA and VA. Currently pursuing opportunities in OH, NC, and SC.
-
- 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:
PCDC has participated in local activism to increase affordable housing in the Newport News region. PCDC is the General Partner of two low-income communities in nearby areas of Surry and Spring Grove.
-
- 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:
No, but PCDC has conducted focus groups and feasibility studies in the affected communities to solicit input from prospective tenants and users of the facilities being proposed.
-
- 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:
PCDC was succesful in being awarded 7 project based vouchers from the local housing authority to be utilized at the community
-
- 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:
-
- 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:
Annual Meetings to elect board and officers and special meetings when needed

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
Yes, however CHDO status has since expired

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:
PCDC was successful through a competitive RFP in Newport News City for PBV's to assist in the operating of the community

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:
However, when its focus was on the Petersburg area, PCDC received grants from the city of Petersburg in competitive proposal solicitations where other non-profits also submitted proposals

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).
Henry Williams Townhomes 2010 & 2011 LIHTC applications; recieved award in 2011 for 42 units. TM Associates and MARG Rural were 49% GP and PCDC was 51% GP.
Pinecrest Apartments in 2018 LIHTC application; recieved award same year for 64 units. Green Street Housing is 90% GP and PCDC is 10% GP Surry Village, 2007 LIHTC award, PCDC is 100% GP.

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).
Surry Village, 2007 LIHTC award, PCDC is 100% GP.

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:
Awarded in 2001 for acquisition / rehabilitation.

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:
VHDA loans on Henry Williams and Surry Village and planned for Pinecrest.

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.

3/1/2019
Date



Owner/Applicant

By: Robert B. Margolis

Its: Authorized representative, 311 33rd street LLC

Title

3/1/2019
Date

Petersburg Community Development Corporation Inc

Non-profit

By: 

Board Chairman

Non-profit Questionnaire, cont'd

By: 

President

PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, INC.

Board of Directors

Eric Whisenhunt
8120 Woodmont Ave.
Suite 810
Bethesda, MD 20814
ewhisenhunt@computershowcase.com

Scott Rabin
7900 Westpark Dr.
Suite A340
Tysons, VA 22102
srabin63@gmail.com

James Hendricks
511 Spring St. SE
Vienna, VA 22180
jrhendricks@gmail.com

PCDC Ownership List

Property	Property Info	Ownership	ROFR
Woodstock Village Phase I	46 Unit RD in Woodstock, VA	10% of GP Interest (0.5%)	No
110 South Perry LLC	226 Unit LIHTC in Petersburg, VA	10% of GP Interest (0.001%)	Yes
Surry Village Phase I	48 Unit RD/LIHTC, in Spring Grove, VA	100% of GP Interest (0.01%)	Yes
Brandy Spring	40 Unit RD in Mercer, PA, Conifer	80.228% LP Interest	No
Creekside	30 Unit RD in Leechburg, PA, Conifer	84% LP Interest	No
Wright Village	24 Unit RD in Sandy Lake, PA, Conifer	84% LP Interest	No
Independence Apartments	28 Unit RD in Mt. Pleasant, PA, Conifer	74.1% LP Interest	No
Lake Street	32 Unit RD/LIHTC in Girard, PA, Conifer	84% LP Interest	No
Parkview Apartments	24 Unit RD in Brockway, PA, Conifer	74.1% LP Interest	No
Scottdale Plaza	22 Unit RD in Scottdale, PA, Conifer	84% LP Interest	No
Washington Street	30 Unit RD in Conneautville, PA, Conifer	80.339% LP Interest	No
Henry Williams	42 Unit LIHTC in Petersburg, VA	51% of GP Interest (0.0051%)	Yes
School House/Springford	69 Unit RD/LIHTC in Port Deposit & Elkton, MD	40% of GP Interest (0.004%)	No
Recrest Apartments	64 Unit RD/LIHTC in Bedford, VA	10% of GP Interest (0.001%)	Yes
American Tobacco Lofts	134 Unit LIHTC in Richmond, VA	10% of GP Interest (0.001%)	Yes

J

Relocation Plan

(MANDATORY, if tenants are displaced)

N/A

K

Documentation of
Development Location:

K.1

Revitalization Area
Certification

Re: Letter of Intent – Opportunity Zone Equity

Dear 311 33rd Street LLC,

We are pleased that you have requested MAC Realty to be an equity investor for The Coile in Newport News, Virginia. We are certainly excited to be a partner in the development of this community with a total development cost estimated at almost \$13,270,000.

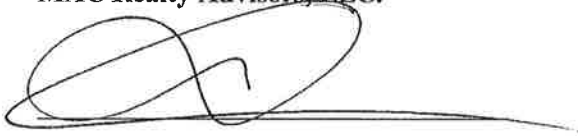
I am pleased to notify you that MAC Realty Advisors LLC has reviewed your initial request for providing Equity for The Coile through one of our Qualified Opportunity Funds (QOF). Based on the information provided, financial review, and your reputation in the industry we offer this letter as evidence of our intent to move forward towards final approval for an equity investment subject to final underwriting and final committee approval.

As you know, MAC Realty has been very active in equity investments leveraging Opportunity Zones. We are excited to partner with you to pair our investments with the potential LIHTC development.

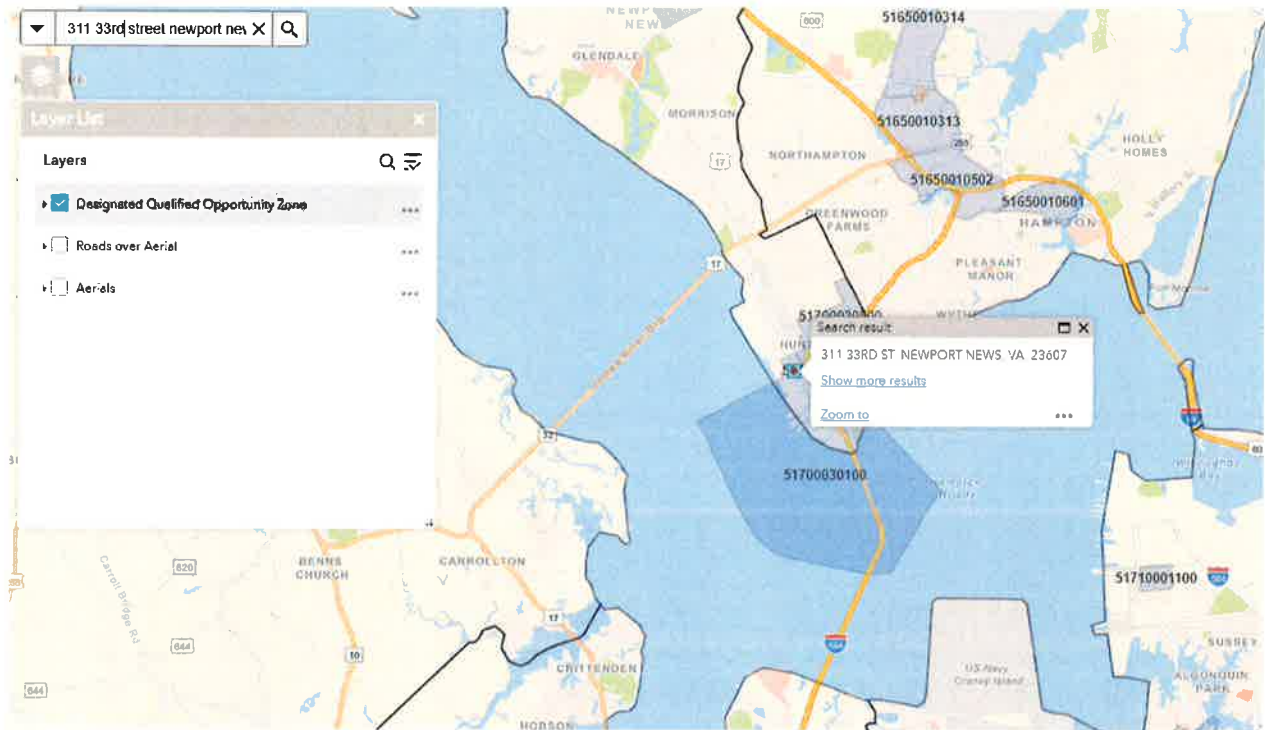
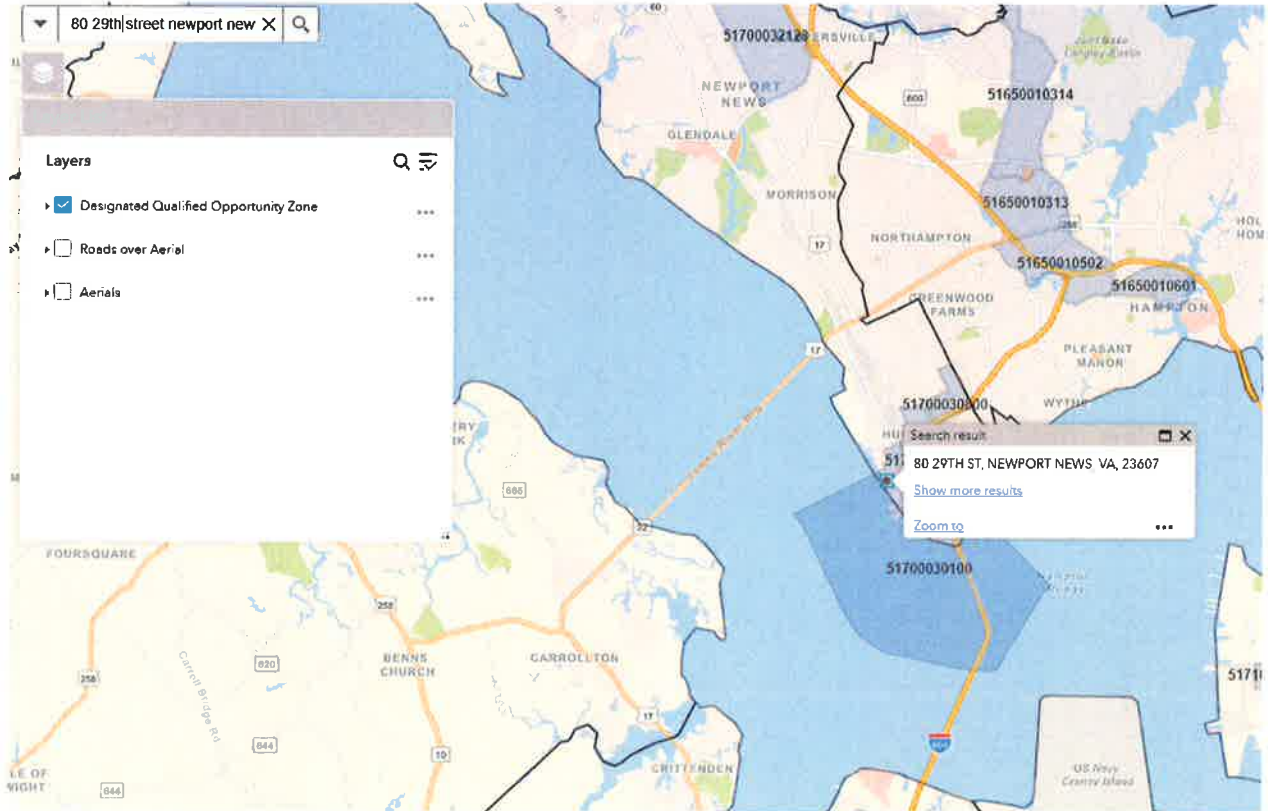
MAC Realty understands that it will take some time to finalize several items to get to initial closing which includes your award of LIHTC financing, but we are committed to continue to work with you as a valued client to provide this loan. Please let us know if we can be of further assistance.

Very Truly Yours,

MAC Realty Advisors, LLC.



OPPORTUNITY ZONE EVIDENCE







80 29th street newport news

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline

LIHTC Project

2019 Qualified Census Tracts

SADDA Legend (%):

FMR Boundary

SADDA Boundary

2019 Small DDA

Hide the overview

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

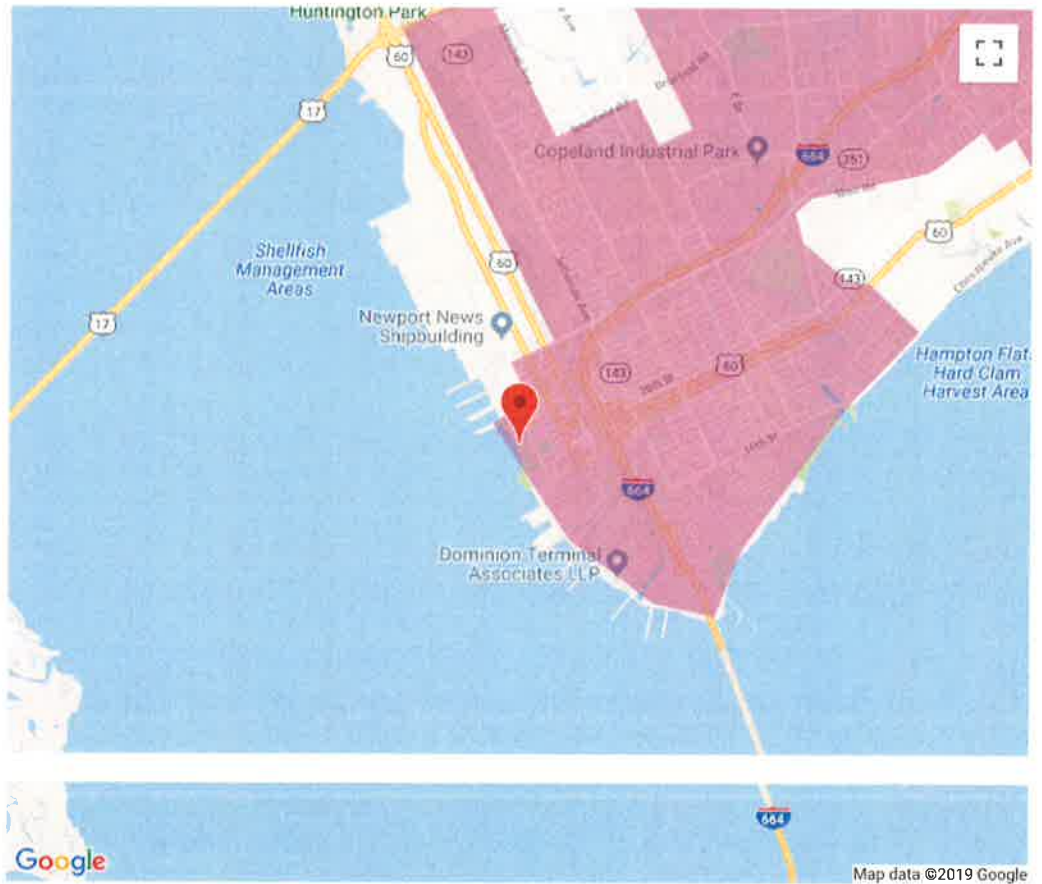
13 Current Zoom Level

- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year

- 2019
- 2018



About PD&R

- Delegations of Authority and Order of Succession
- Events
- HUD at 50

Initiatives

- Aging Research and Resources
- Aligning Affordable Rental Housing
- Interagency Physical Inspection Alignment

Research

- Case Studies
- Data Sets
- Periodicals
- Regulatory Barriers Clearinghouse



2018 and 2019 Small DDAs & QCTs

311 33rd street newport news

Select a State Select a County

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

- QCT Legend:**
- Tract Outline
 - LIHTC Project
 - 2019 Qualified Census Tracts
- SADDA Legend (%):**
- FMR Boundary
 - SADDA Boundary
 - 2019 Small DDA

[Hide the overview](#)

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

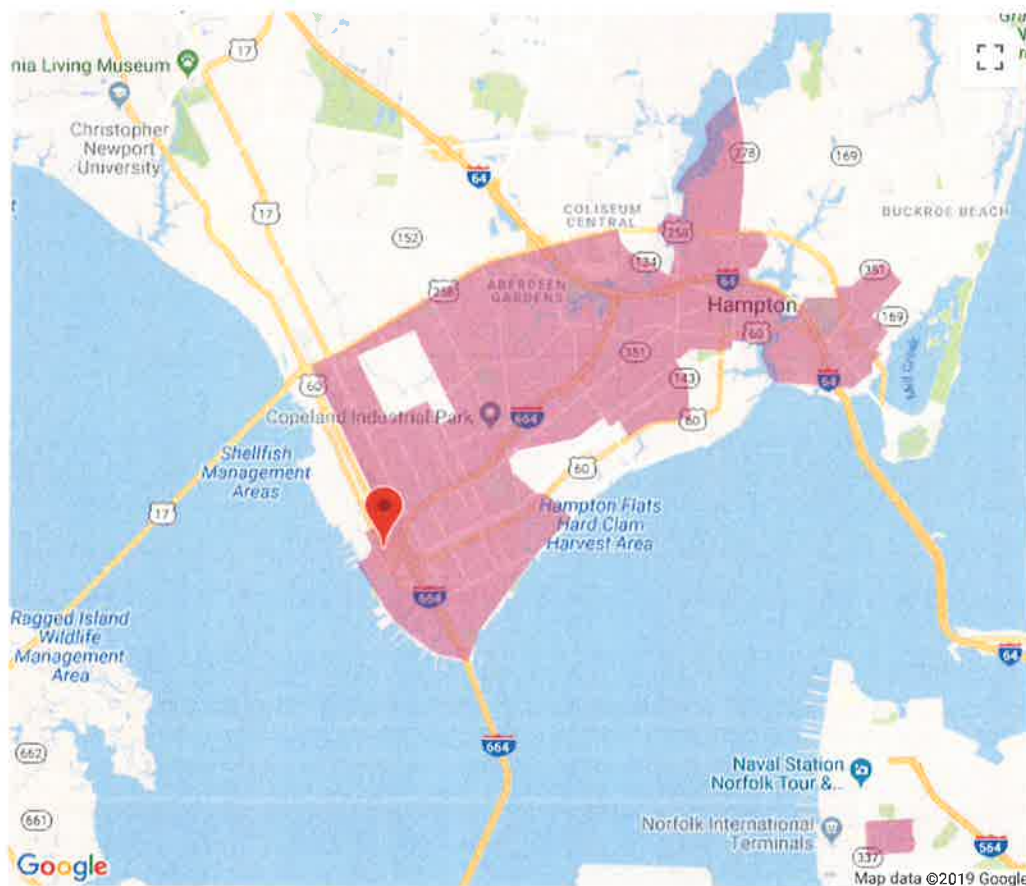
Map Options

- 12 Current Zoom Level
- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

- 2019
- 2018



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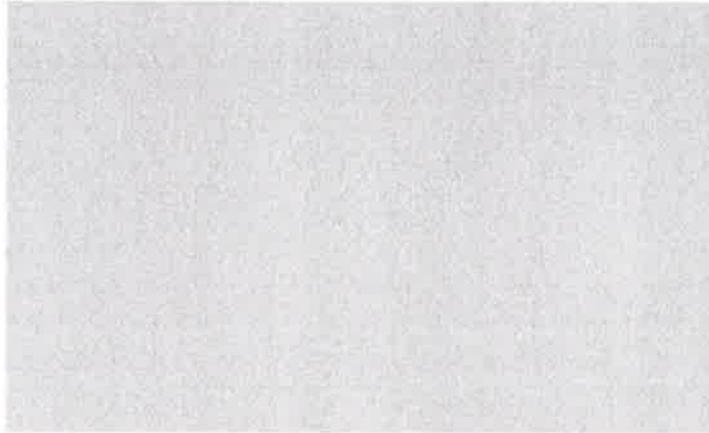
Research

- Case Studies
- Data Sets
- Periodicals
- Regulatory Barriers Clearinghouse

K.2

Location Map

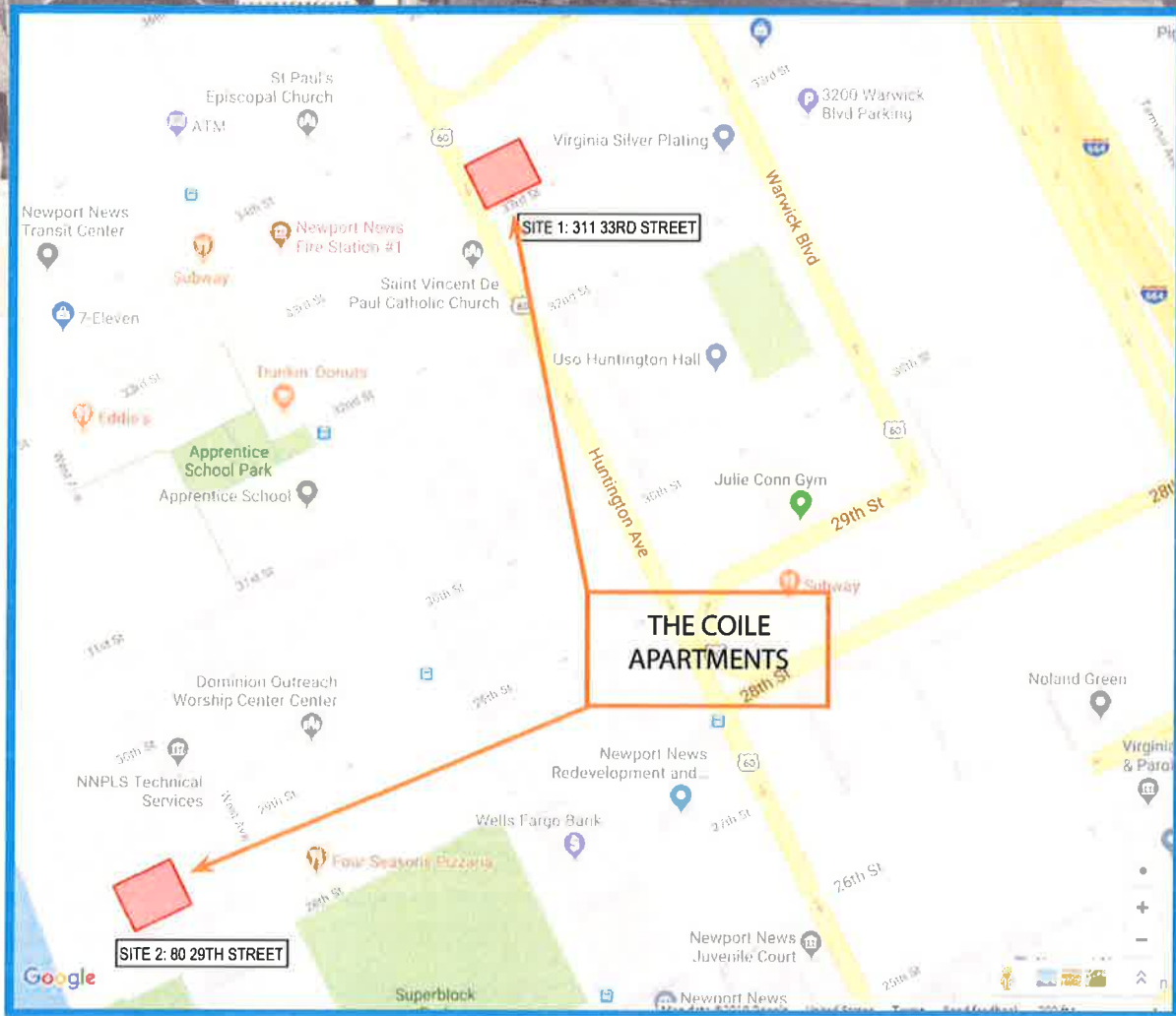
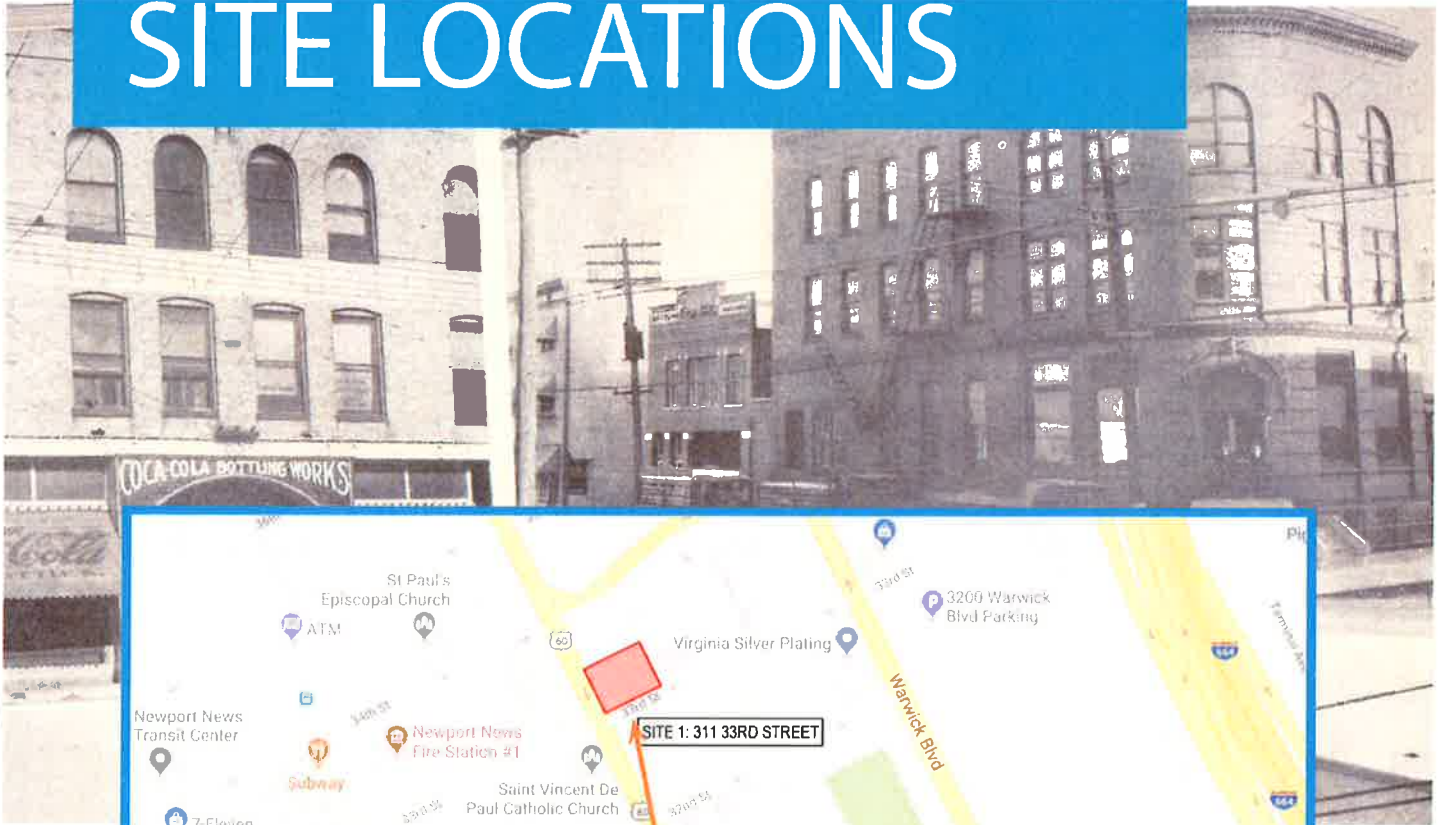
311 33rd Street



80 29th Street



SITE LOCATIONS



K.3

Surveyor's Certification of
Proximity to Public
Transportation



Surveyor's Certification of Proximity to Transportation

DATE: March 5, 2019

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

RE: 2019 Tax Credit Reservation Request
Name of Development: The Coile
Name of Owner: 311 33rd Street LLC

Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

[Handwritten signature]
3/5/19

Townes Site Engineering

Firm Name

By: KARL T. Lipscomb

Its: LAND SURVEYOR
Title

ASK US HOW.

9850 Lori Road, Suite 201 Chesterfield, VA 23832
804-748-9011 Fax 804-748-2590 www.cctownes.com

L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: The Coile

Tracking #: 2019-C-46

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 2nd, 2019

TO: Karen Wilds, Executive Director
NN Redev. & Housing Authority
227 27th St., Newport News VA

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: The Coile
Name of Owner: 311 33rd Street LLC

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:

Site 1) 311 33rd Street Newport News, VA 23607 AND Site 2) 80 29th Street Newport News, VA 23607

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>62</u>	# units	<u>2</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 type="checkbox"/> 1 Bedroom Units:	\$ <u> </u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>535 - 1,041</u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>592 - 1,177</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u> </u>	/ month

Other Descriptive Information:

Financing of the The Coile 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.

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

Manager

Title

To be completed by the Local Housing Authority or Sec 8 Administrator:

Seen and Acknowledged By: Karen Wilds

Printed Name: Karen Wilds

Title: Executive Director

Phone: (757) 928-2620

Date: 2-11-2019

M

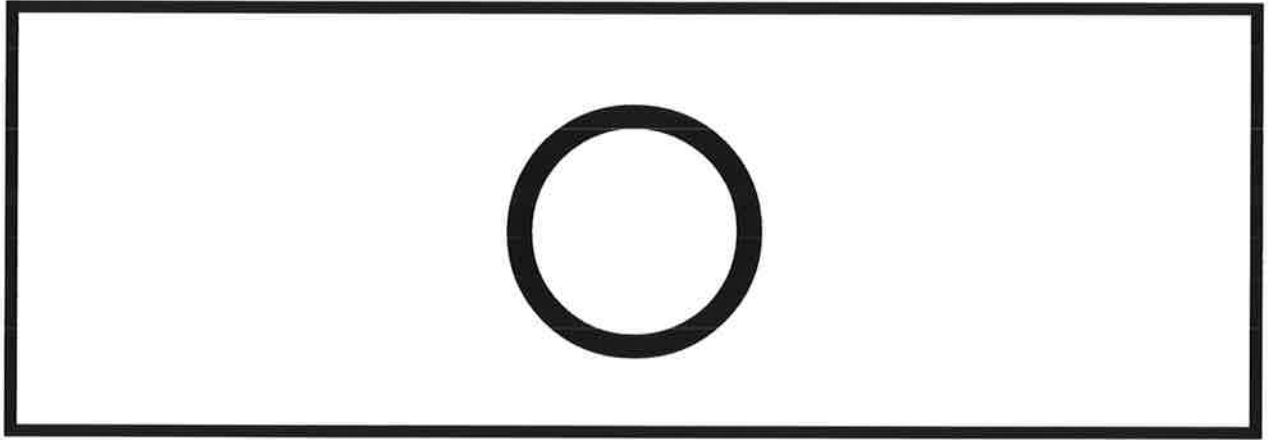
Locality CEO Response
Letter

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



Karen R. Wilds
Executive Director

BOARD OF
COMMISSIONERS

M. Lou Call
Chairman
Gary B. Hunter
Vice Chairman

Mark Hager
Josephine W. Clark
Kenneth D. Penrose, Jr.
Lisa Wallace-Davis
William C. Black

February 20, 2019

Mr. Robert B. Margolis
311 33rd Street, LLC
1375 Picard Drive, Suite 150
Rockville, MD 20850


Dear Mr. Margolis:

Re: Request for Proposals
Project Based Voucher Program

I am pleased to inform you that the Newport News Redevelopment and Housing Authority Board of Commissioners approved the award of 7 project based vouchers to be used at The Coile Apartments. Enclosed is a copy of the resolution passed by the Board.

Please contact Carl Williamson, Director of Housing at 757-928-2659 or cwilliamson@nnrha.org to discuss the next steps.

Sincerely,


Karen R. Wilds
Executive Director

Enclosure



A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY APPROVING PROJECT BASED VOUCHERS FOR MARGOLIS FAMILY INVESTMENTS, LLC/PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, INC. FOR THE COILE APARTMENTS

WHEREAS, Margolis Family Investment, LLC/Petersburg Community Development Corporation, Inc. plans to construct a 62 units at 311 33rd Street and 80 – 29th Street, Newport News, VA; and

WHEREAS, Margolis Family Investments, LLC/Petersburg Community Development Corporation, Inc. has responded to a Request for Proposals issued by the Newport News Redevelopment and Housing Authority (NNRHA) in a timely manner that meets the Authority's review criteria; and

WHEREAS, The Coile Apartments will have an on-site manager who will schedule educational and counseling programs and establish partnerships with local service providers; and

WHEREAS, Margolis Family Investments, LLC/Petersburg Community Development Corporation, Inc. will provide information for a subsidy layering analysis and environmental review which must be approved by the U. S. Department of Housing and Urban Development (HUD); and

WHEREAS, the project is applying for Low Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA) in the 2019 application round.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the NNRHA does hereby award 7 project based vouchers to Margolis Family Investments, LLC/Petersburg Community Development Corporation, Inc. to be used at The Coile Apartments contingent upon their compliance with all requirements set forth in its application to the Authority for project based vouchers. This commitment is for a 15

year period, subject to continued funding of NNRHA by HUD for housing choice voucher assistance. Such assistance may be extended for an additional period deemed mutually acceptable to NNRHA and Margolis Family Investment, LLC/Petersburg Community Development Corporation, Inc. at any time deemed appropriate by both parties. This approval is subject to and contingent upon the successful review by HUD of the subsidy layering analysis and environmental review documents and the award of Low Income Housing Tax Credits by the VHDA in 2019.

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

Re: **The Coile Apartments, Newport News, Virginia**
311 33rd Street LLC (the "Company")

Dear Noah:

Thank you for providing Hudson Housing Capital LLC ("Hudson") with the opportunity to extend a purchase offer for the limited member interest in the Company that will The Coile Apartments.

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 member interest in the Company, which will own a 62-unit complex in Newport News, Virginia (the "Property"). You have advised us that 311 33rd Street MM LLC. (the "Managing Member"), will be the managing member of the Company. A joint venture between REBJ, Inc. and Petersburg Community Development Corporation Inc. ("PCDC") will be the developer (the "Developer"). Robert Margolis and PCDC will guarantee the obligations of the Managing Member (collectively the "Guarantor"). An affiliate of the Investor will be admitted to the Company as a special limited member (the "Special Limited Member", "SLP") with limited supervisory rights.

You have advised us that the Property expects to receive a 2019 Tax Credit allocation of \$775,000 per year and that all units will qualify for Tax Credits.

I. Equity Investment

The Investor will contribute to the Company a total of \$7,129,287 (the "Total Equity"), or \$0.92 (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 July 1, 2021 and the satisfaction of the conditions set forth in the Operating 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 Company (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 Operating 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 Company will claim for 2021/2022 and the amount allocable to each member (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 Operating 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 in the approximate amount of \$10,500,000;
- b. VHDA Permanent financing totaling \$5,170,000 with two tranches; Taxable tranche in the amount of \$3,930,000 with an interest rate of 5.20% and 3-year term and amortization, and a REACH tranche in the amount of \$1,240,000 with an interest rate of 2.95% and 35-year term and amortization;
- c. FHLB in the amount of \$500,000 with an interest rate of 3.00% and 30-year term; and
- d. Real property will be placed in service and depreciated over 30. 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 \$1,400,000 to be paid as follows: (i) 20% of 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 Managing Member agrees to make a special capital contribution to the Company 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 Managing Member 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, 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 Managing Member in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the Managing Member, 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 MemberPartner (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 Member;
- 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 Managing Member;
- f. 90% of cash flow after IV.f. the Managing Member as a preferred return with an equivalent allocation of income; and
- g. the remainder to be split in accordance with Company interests.

V. Sale or Refinancing Proceeds

Net sale or refinancing proceeds (i.e., after payment of outstanding debts, liabilities, other than to the Managing Member and its affiliates, and expenses of the Company and establishment of necessary reserves) shall be distributed as follows:

- a. Repayment of outstanding loans by the limited members, if any;
- b. Payment of amounts due to the limited members under the Tax Credit Adjuster;
- c. Repayment of outstanding loans by the Managing Member and Operating Deficit loans; and
- d. 10% to the Investor and 90% to the Managing Member

Option

The Managing Member 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 members.

VI. Managing Member Commitments

- a. ***Low Income Housing Tax Credit Adjustment.*** Our offer is based upon the assumption that the Company will qualify for and claim \$326,042 in 2021, the full amount of the Company's Tax Credit allocation, \$775,000 for each year from 2022 through 2030, and \$448,958 in 2031.

(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 Operating 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 Managing Member 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 Company is unchanged, the amount of Tax Credits allocable to the Company in 2021/2022 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 Company for such period.

In the event that the amount of Tax Credits allocable to the Company in 2021 is more than the amounts specified in the first paragraph of Section VII.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 less than the amount of actual Tax Credits allocated to the Company for such period but in no event shall the increased equity price be in excess of an increase 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 Company is less than the amount specified in such Forms, the Managing Member 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 Company, or due to a change of applicable tax law), the Managing Member shall upon demand indemnify the Investor and its members 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 Managing Member 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 Managing Member 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 Managing Member shall make interest free loans to the Company (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 Managing Member 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 Managing Member.*** Immediately following the occurrence of any of the following events, (a) the Managing Member shall admit the Special Limited Partner or its designee as the managing member of the Company and, at the option of the Investor, withdraw from the Company; 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 Company: (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, 2022; (v) the Company 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 Company 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 Operating Agreement by the Managing Member or if the property manager is an affiliate of the Managing Member, a material violation of the

management agreement by the manager which causes material adverse harm to the Investor, the Company or the Property.

If the Investor elects to have its interest repurchased by the Managing Member, 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 Company 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 Managing Member will deposit the difference. Any interest earned on such account shall become a part thereof.
- f. ***Reporting.*** The Company 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 Company, not later than November 1 of the preceding year; and (d) the Company's tax returns and K-1 forms within 90 days after the end of each fiscal year. The penalty for any failure to deliver Company 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 Company beginning in 2021 in the amount of \$3,000, which amount shall be increased annually by the CPI Percentage.

VIII. Representations, Warranties and Covenants

The Managing Member shall make certain representations and warranties as to the Company, the Managing Member and the Property to be set forth in the Operating Agreement.

IX. Accountants

The Accountants for the Company shall be Tidwell Group or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Operating Agreement, and the Final Certification referred to in I.c., above.

X. Investment Member Rights

The Operating Agreement will provide certain approval rights as to major actions proposed to be taken by the Managing Member. The Investor shall have the right to remove the Managing Member and the Property Manager for cause.

XI. Insurance

At the closing, the Managing Member 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 Managing Member 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 Managing Member 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 Managing Member or its agents set forth in any document delivered by the Managing Member or its agents in connection with the acquisition of the Property, the investment by the Investor in the Company and the execution of the Operating Agreement.

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 Company

and (iv) certification by the Managing Member as to the continued accuracy of representations and warranties made in the Operating Agreement.

XIV. Right of First Refusal

The Managing Member and Developer 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 Company.

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 Managing Member of any taxes imposed on the transfer of the limited member interest in the Company; (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 Managing Member and Developer, as well as any individual guarantors. At closing Hudson shall be reimbursed up to \$40,000 for legal expenses. The Managing Members 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 Company shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis, and monthly inspections.

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 Company, 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.

Mr. Noah Hale
Letter of Intent – The Coile Apartments
March 12, 2019, Page 10

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:

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 **12th** day of **March** 2019, by and between **311 33rd Street LLC**, a Virginia Limited Liability Company (the “Company”) (index as “Grantor”) and **PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, INC.**, a Virginia nonprofit corporation, as the Grantee (index as “Grantee”).

WHEREAS, Margolis Family Investments LLC, as Managing Member took over the membership interests in an entity formed as a Limited Liability Company under the Laws of the Commonwealth of Virginia by filing of a Certificate of limited Company on 10/18/2018 and the Company is operating under an Amended and Restated Operating Agreement dated 3/12/2019; and

WHEREAS, Grantee has been instrumental in the redevelopment of a multi-family real estate apartment development in the town of **Newport News City, Virginia**, known as **The Coile** (hereinafter, the “Property”), and will act as guarantor of certain obligations in the formation and continuation of the Company 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 Company 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 Operating Agreement, the performance of the services by the Grantee to the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company'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 Company 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 Company 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 Company. 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.

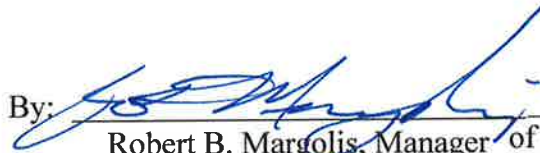
(Signatures on Next Page)

IN WITNESS WHEREOF, the parties have executed this document as of the date first set forth hereinabove.

COMPANY:

311 3rd Street LLC

By: 311 33rd Street MM LLC, its Managing Member

By:  _____
Robert B. Margolis, Manager of Margolis Family Investments LLC, its Managing Member

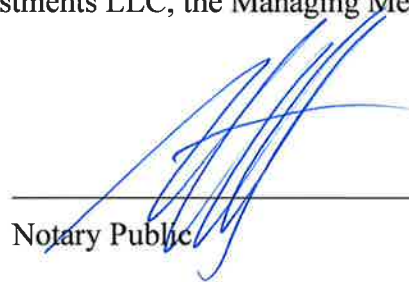
STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me, Anthony E. Calkins, a Notary Public, this 26th February of 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 Margolis Family Investments LLC, the Managing Member of 311 33rd Street MM LLC, on behalf of the Company.

My commission Expires: December 16, 2019




Notary Public

NOTARIAL SEAL (Sharp, legible, photographically reproducible)



GRANTEE:

PETERSBURG COMMUNITY DEVELOPMENT CORPORATION INC

By: 
James Hendricks, President


STATE OF ~~VIRGINIA~~ Maryland

to wit:

~~CITY~~COUNTY OF Montgomery

The foregoing instrument was acknowledged before me, Anthony E. Calkins, a Notary Public, this 7 day of April, 2017, by _____ who has presented identification of James Hendricks voluntarily acknowledged this instrument under the penalty of perjury as President of Petersburg Community Development 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: 12/16/19


Notary Public

NOTARIAL SEAL (Sharp, legible, photographically reproducible)

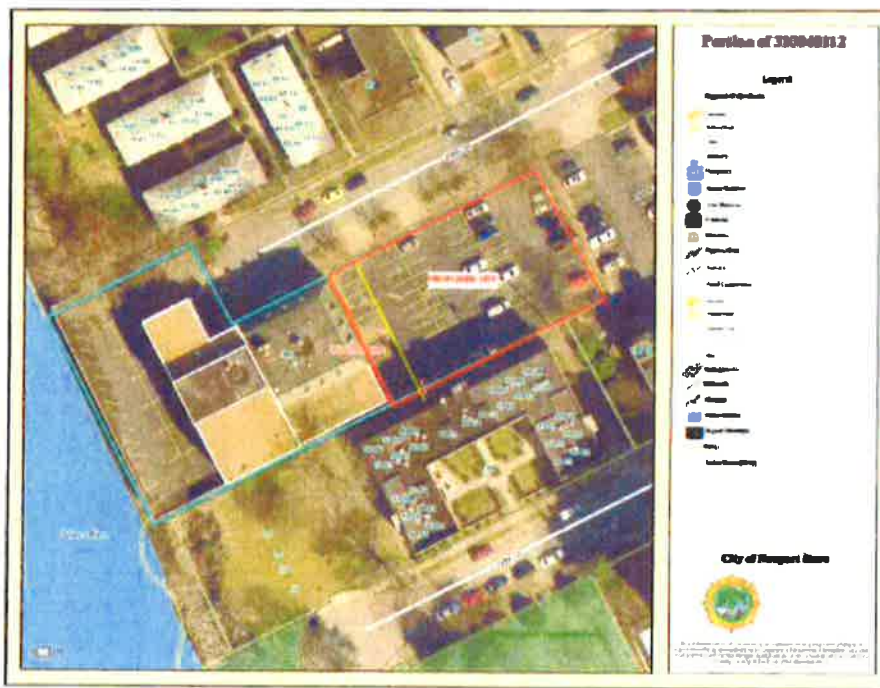


EXHIBIT A

Legal Description of Project Real Estate

Certain real property comprised of approximately .33 +/- acres (estimated 15,000 sq ft) located in Newport News, Virginia, which is a portion of parcel identification number 310040112 in the City of Newport News Virginia Tax Records, as designated on a plat and subject to a Twenty-Foot (20') wide easement along the southwesterly boundary of the property to be conveyed for ingress and egress to and from 29th Street.

See image below for reference.



Certain real property comprised of approximately .4 +/- acres located Newport News, Virginia, which is parcel identification number 305030325 in the City of Newport News Virginia Tax Records.

EXHIBIT B

**DESCRIPTION OF
REGULATORY AGREEMENT**

Title: Extended Use Regulatory Agreement and Declaration of Restrictive Covenants

Parties: **311 33rd Street Limited Liability Company** 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

**The Coile Apartments
Newport News City, 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 **The Coile Apartments** 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 **The Coile Apartments** 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, its 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:

Newport News Department of Human Services 757-926-6300

<https://www.nnva.gov/human-services>

Newport News Department of Adult Services 757-369-3160

<https://www.nngov.com/246/Adult-Services>

Peninsula Agency on Aging 757-873-0541

<http://www.paainc.org/programs-and-services/care-services/>

2. Print Media

Print media sources will also be identified in the **Newport News** area that cater to people with disabilities as well as the public at large. These typically include The Daily Press 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.