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# 2019 Federal Low Income Housing Tax Credit Program

## Application For Reservation **MIXED CONSTRUCTION**

### **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 2018 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2010. 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 on DVD, CD, flash/thumb drives, via our work center site Procorem.**

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

### Disclaimer:

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

### Entering Data:

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

### **Please Note:**

▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.

▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.

▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.

▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

### Assistance:

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

### VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	<a href="mailto:johndavid.bondurant@vhda.com">johndavid.bondurant@vhda.com</a>	(804) 343-5725
Hope Rutter	<a href="mailto:hope.rutter@vhda.com">hope.rutter@vhda.com</a>	(804) 343-5574
Sheila Stone	<a href="mailto:sheila.stone@vhda.com">sheila.stone@vhda.com</a>	(804) 343-5582
Stephanie Flanders	<a href="mailto:stephanie.flanders@vhda.com">stephanie.flanders@vhda.com</a>	(804) 343-5939
Pamela Freeth	<a href="mailto:pamela.freeth@vhda.com">pamela.freeth@vhda.com</a>	(804) 343-5518
Jovan Burton	<a href="mailto:Jovan.burton@vhda.com">Jovan.burton@vhda.com</a>	(804) 343-5518

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## 2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

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

- \$1,000 Application Fee **(MANDATORY)**
- Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
- Scanned Copy of the **Signed** Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
- Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
- Electronic Copy of the Plans **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY if rehab)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: Architect's Certification and RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**  
 The following documents need not be submitted unless requested by VHDA:  
 -Nonprofit Articles of Incorporation      -IRS Documentation of Nonprofit Status  
 -Joint Venture Agreement (if applicable)      -For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan **(MANDATORY, if tenants are displaced)**
- Tab K: Documentation of Development Location:
  - K.1 Revitalization Area Certification
  - K.2 Location Map
  - K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
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- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: (Reserved)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

VHDA TRACKING NUMBER 2019-C-67

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/13/2019

1. Development Name: Groom School Apartments
2. Address (line 1): 1050 Plank Road  
 Address (line 2):   
 City: South Hill State: VA Zip: 23970
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 property is or will be recorded:  
 City/County of Mecklenburg County
5. The site overlaps one or more jurisdictional boundaries..... FALSE  
 If true, what other City/County is the site located in besides reponse to #4?.....
6. Development is located in the census tract: 9302.00
7. Development is located in a **Qualified Census Tract**..... FALSE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT**..... FALSE
10. Development is located in a **Revitalization Area designated by resolution**..... TRUE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE  
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 5
- Planning District: 13
- State Senate District: 15
- State House District: 61

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

[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

Groom School Apartments consists of both the adaptive reuse of the historic John Groom School as well as the addition of two new construction buildings on a open site. The proposed apartments were designed with amenities and accesibility features in mind, with the goal of providing a variety of housing options for those with different tastes and needs. Groom School Apartments was previously awarded a 2017 allocation of 9% Low Income Housing Tax Credits, and this application is being submitted to request up to 10% more credits in order to offset rapidly rising construction and development costs since the initial application.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/13/2019

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: Kim Callis  
 Chief Executive Officer's Title: Town Manager Phone: (434) 774-4363  
 Street Address: 211 S. Mecklenburg avenue  
 City: South Hill State: VA Zip: 23970

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Mr. David Hash, Code Compliance Official. (434) 447-5041

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

Chief Executive Officer's Name: Wayne H. Carter  
 Chief Executive Officer's Title: County Administrator Phone: (434) 738-6191  
 Street Address: 350 Washington Street / P.O. Box 307  
 City: Boydton State: VA Zip: 23917

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Russell O. Slayton, Jr. - County Attorney. (434) 848-3632

**B. RESERVATION REQUEST INFORMATION**

1. **Requesting Credits From:**

- a. If requesting 9% Credits, select credit pool: Balance of State 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:** Mixed 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?..... TRUE  
If True, additional Credit Request cannot exceed 10% of the prior credit award.

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. The developer has met with VHDA regarding the 4% tax exempt bond deal..... FALSE

b. Listed below are the units planned for each allocation request (which cannot be changed or 9% Credits will be lost):

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:** 50

**Definition of selection:**

Development will be subject to an extended use agreement in which the owner's right to any early termination of the extended use provision is waived for 35 additional years after the 15-year compliance period for a total of 50 years.

**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.*

Name: Groom School Apartments, LLC

Developer Name: Lisa A. Sari, Manager of Archetypes, LLC and 100% owner of Landmark Asset Services, Inc.

Contact: M/M  Ms. First: Lisa MI: A Last: Sari

Address: 406 E 4th Street

City: Winston-Salem St.  NC Zip: 27101

Phone: (336) 972-4192 Ext.  Fax:

Email address: devadmin@landmarkdevelopment.biz

Federal I.D. No. 82-2372068 (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.  
Samuel J. Sari, sam@landmarkdevelopment.biz, (336) 714-8910

- 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>Lisa A. Sari (100% Owner of Landmark Asset Services, Inc)</u>	<u>(336) 972-4192</u>	<u>Managing Member</u>	<u>90.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u>James D. Sari (Managing Member of Sari Investments, LLC)</u>	<u>(419) 575-5165</u>	<u>Member</u>	<u>10.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>

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**

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- 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 and partnership agreements (**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 of it, 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 this year.

Contact us before you submit this application if you have 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:  Deed

Expiration Date: \_\_\_\_\_

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

FALSE ..... 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..... .

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

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

**D. SITE CONTROL**

**3. Seller Information:**

Name: N/A - Property Already Owned by Groom School Apartments, LLC

Address: \_\_\_\_\_

City: \_\_\_\_\_ St.: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

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 - Mixed Construction**

**E. DEVELOPMENT TEAM INFORMATION**

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

- 1. Tax Attorney: Todd Brockmann This is a Related Entity. FALSE  
Firm Name: Brockmann Law  
Address: 17250 Lancaster Highway, Suite 608, Charlotte, NC, 28277  
Email: tbrockmann@brockmannlawfirm.com Phone: (980) 247-3015
  
- 2. Tax Accountant: Wade Pack This is a Related Entity. FALSE  
Firm Name: Bernard Robinson & Company  
Address: 1501 Highwood Blvd, Greensboro, NC, 27419  
Email: wpack@brccopa.com Phone: (336) 294-4494
  
- 3. Consultant:  This is a Related Entity. FALSE  
Firm Name:  Role:   
Address:   
Email:  Phone:
  
- 4. Management Entity: Blair Maas, Chief Operating Officer This is a Related Entity. TRUE  
Firm Name: Landmark Property Management Company  
Address: 406 E 4th Street, Winston Salem, NC, 27101  
Email: blair@landmarkdevelopment.biz Phone: (336) 972-3589
  
- 5. Contractor: Carl Carney This is a Related Entity. FALSE  
Firm Name: Davie Construction Co.  
Address: 152 E Kinderton Way Suite 200, Advance, NC, 27006  
Email: ccarney@davieconstruction.com Phone: (336) 940-6610
  
- 6. Architect: Emmett Lifsey This is a Related Entity. FALSE  
Firm Name: CJMW Architecture  
Address: 1030 Main Street, Lynchburg, VA, 24504  
Email: emmett.lifsey@cjmw.com Phone: (434) 847-6564
  
- 7. Real Estate Attorney: Todd Brockmann This is a Related Entity. FALSE  
Firm Name: Brockmann Law  
Address: 17250 Lancaster Highway, Suite 608, Charlotte, NC, 28277  
Email: tbrockmann@brockmannlawfirm.com Phone: (980) 247-3015
  
- 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:



**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

a. Credits are being requested for existing buildings being acquired for development..... **FALSE**

If no credits are being requested for existing buildings being 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 and/or rehabilitation, 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 associated with acquisition and/or rehab..... **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 A)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... FALSE  
If no credits are being requested for rehabilitation expenditures, go on to Part 4
- b. Minimum Expenditure Requirements
  - i. All buildings in the development satisfy the rehab costs per unit requirement of IRC 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 A)

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..... TRUE
- 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..... TRUE
  - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE
  - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... FALSE (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..... FALSE

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: [Yellow Box]

Name: [Yellow Box] (Please fit NP name within available space)

Contact Person: [Yellow Box]

Street Address: [Yellow Box]

City: [Yellow Box] State: [Yellow Box] Zip: [Yellow Box]

Phone: [Yellow Box] Extension: [Yellow Box] Contact Email: [Yellow Box]

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

**G. NONPROFIT INVOLVEMENT**

---

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

- A. **FALSE** 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:** \_\_\_\_\_

**or indicate true if Local Housing Authority** **FALSE**  
**Name of Local Housing Authority** \_\_\_\_\_

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

**Do not select if extended compliance is selected on Request Info Tab**

**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 <b>all</b> units in development	55	bedrooms	115
Total number of <b>rental</b> units in development	55	bedrooms	115
Number of low-income rental units	55	bedrooms	115
Percentage of rental units designated low-income	100.00000%		

b. Number of new units:.....	36	bedrooms	88
Number of adaptive reuse units: .....	19	bedrooms	27
Number of rehab units:.....	0	bedrooms	0

c. If any, indicate number of planned exempt units (included in total rental units)..... **0**

d. Total Floor Area For The Entire Development..... **69,232.17** (Sq. ft.)

e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... **0.00** (Sq. ft.)

f. Nonresidential Commercial Floor Area (Not eligible for funding)..... **0.00**

g. Total Usable Residential Heated Area..... **69,232.17** (Sq. ft.)

New Construction	44,257.99
Adaptive Reuse	24,974.18
Rehab	0.00
<b>Total</b>	<b>69,232.17</b>

h. Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**..... **100.00%**

i. Exact area of site in acres **10.580**

j. Locality has approved a final site plan or plan of development..... **FALSE**  
 If **True**, Provide required documentation (**TAB O**).

k. Requirement as of 2016: Site must be properly zoned for proposed development.  
**ACTION:** Provide required zoning documentation (**MANDATORY TAB G**)

	New Construction	Adaptive Reuse	Rehab
l. Property is eligible for Historic Rehab credits.....	<b>FALSE</b>	<b>TRUE</b>	<b>FALSE</b>

**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 for the entire property (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	1184.02	SF	11	11
2BR Garden	1239.07	SF	28	28
3BR Garden	1344.62	SF	16	16
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
			55	55

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

b. **New Construction:** Specify the average size and number per unit type for the New Construction Units.

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	1137.21	SF	20	20
3BR Garden	1344.62	SF	16	16
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
			36	36

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

Total LI Avg Sq Feet: 44,257.99

c. **Adaptive Reuse:** Specify the average size and number per unit type for the Adaptive Reuse Units.

			Total Rental

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H. STRUCTURE AND UNITS INFORMATION

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

Unit Type	Average Sq Foot		# of LIHTC Units	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	1184.02	SF	11	11
2BR Garden	1493.74	SF	8	8
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

19

19

Total LI Avg Sq Feet:

24,974.18

d. Rehab: Specify the average size and number per unit type for the Rehab Units.

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	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

0

0

Total LI Avg Sq Feet:

-

**H. STRUCTURE AND UNITS INFORMATION**

**3. Structures**

- a. Number of Buildings (containing rental units)..... 3
- b. Age of Structure:..... 71 years
- c. Number of stories:..... 3
  
- d. The development is a scattered site development..... FALSE
  
- e. Commercial Area Intended Use: N/A
  
- f. Development consists primarily of : **(Only One Option Below Can Be True)**
  - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
  - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
  - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE
  
- 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>TRUE</u>
iv. Crawl space	<u>TRUE</u>		
  
- h. Development contains an elevator(s). TRUE
  - If true, # of Elevators. 1
  - Elevator Type (if known) Hydraulic
  
- i. Roof Type ▶ Combination
- j. Construction Type ▶ Combination
- k. Primary Exterior Finish ▶ Brick

**4. Site Amenities (indicate all proposed)**

- |                         |              |                          |              |
|-------------------------|--------------|--------------------------|--------------|
| a. Business Center      | <u>TRUE</u>  | f. Limited Access        | <u>FALSE</u> |
| b. Covered Parking      | <u>FALSE</u> | g. Playground            | <u>TRUE</u>  |
| c. Exercise Room        | <u>TRUE</u>  | h. Pool                  | <u>FALSE</u> |
| d. Gated access to Site | <u>FALSE</u> | i. Rental Office         | <u>TRUE</u>  |
| e. Laundry facilities   | <u>TRUE</u>  | j. Sports Activity Court | <u>FALSE</u> |
|                         |              | k. Other:                | <u></u>      |
- 
- h. Describe Community Facilities: Community Room with at least 749 Square Feet.
  
  - i. Number of Proposed Parking Spaces..... 115  
 Parking is shared with another entity ..... FALSE
  
  - j. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. .... TRUE

If **True**, Provide required documentation (**TAB K3**).



**H. STRUCTURE AND UNITS INFORMATION**

---

**5. Plans and Specifications**

**a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**

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

**b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.**

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

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

**6. Market Study Data:**

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

Project Wide Capture Rate - LIHTC Units	16.20%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.20%
Project Wide Absorption Period (Months)	10

**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 project, upon completion of construction/rehabilitation:**

- a. A community/meeting room with a minimum of 749 square feet is provided. TRUE
- 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. 60.00%

**Indicate which area of construction will contain these enhancements:**

	New Construction	Adaptive Reuse	Rehab
c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).	FALSE	FALSE	FALSE
d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.	TRUE	TRUE	FALSE
e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.	TRUE	TRUE	FALSE
f. Free WiFi access will be provided in community room for resident only usage.	FALSE	FALSE	FALSE
g. Each unit is provided free individual high speed internet access.	FALSE	FALSE	FALSE
or h. Each unit is provided free individual WiFi access.	FALSE	FALSE	FALSE
i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.	FALSE	FALSE	FALSE
or j. Full bath fans are equipped with a humidistat.	FALSE	FALSE	FALSE
k. Cooking surfaces are equipped with fire prevention features	FALSE	FALSE	FALSE
or l. Cooking surfaces are equipped with fire suppression features.	TRUE	TRUE	FALSE
m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.			FALSE
or n. All Construction types: each unit is equipped with a permanent dehumidification system.	FALSE	FALSE	FALSE
o. All interior doors within units are solid core.	FALSE	FALSE	FALSE
p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.	FALSE	FALSE	FALSE
q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.	TRUE	TRUE	FALSE
r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.	FALSE	FALSE	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.	FALSE		

**J. ENHANCEMENTS**

	New Construction	Adaptive Reuse	Rehab
<b>2. For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:</b>			
t. All cooking ranges will have front controls.	FALSE	FALSE	FALSE
u. All full bathrooms will have an independent or supplemental heat source.	FALSE	FALSE	FALSE
v. All entrance doors have two eye viewers, one at 42" and the other at standard height.	FALSE	FALSE	FALSE
<b>2. For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:</b>			
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:			
Earthcraft Gold or higher certification	TRUE	National Green Building Standard (NGBS) certification of Silver or higher.	FALSE
U.S. Green Building Council LEED certification	FALSE	Enterprise Green Communities (EGC) Certification	FALSE
<b>Action:</b> If seeking any points associated Green certification, provide appropriate documentation at <b>TAB F</b> .			
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.)			
Zero Energy Ready Home Requirements	FALSE	Passive House Standards	FALSE
<b>Action:</b> If seeking any points associated with LEED or Earthcraft certification, provide appropriate documentation at <b>TAB F</b> .			
<b>4. Universal Design - Units Meeting Universal Design Standards</b>			
a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.	TRUE		
b. Number of Rental Units constructed to meet VHDA's Universal Design standards:	55		
% of Total Rental Units	100%		
5. Market-rate units' amenities are substantially equivalent to those of the low income units.	FALSE		
If not, please explain:	There are no market rate units, and therefore this is not applicable.		

I. UTILITIES

1. Describe the Heating/AC System: Combination of Ducted and Ductless Minisplits

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	26	34	41	0
Air Conditioning	Electric	Tenant	0	7	9	12	0
Cooking	Electric	Tenant	0	4	5	6	0
Lighting	Electric - Other Electric	Tenant	0	14	18	22	0
Hot Water	Combination, see Tab R	Tenant	0	0	16	20	0
Water		Owner	0	0	0	0	0
Sewer		Owner	0	0	0	0	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$51	\$82	\$101	\$0

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

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: VHDA HCV 2 Wall UA

**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**

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

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

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

**FALSE**

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

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

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

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

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

(60 points)

**TRUE**

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

**FALSE**

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

**For items a,b or c, all common space must also conform to HUD regulations interpreting the 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:

Contact person:

Title:

Phone Number

**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:

% of total Low Income Units

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

**K. SPECIAL HOUSING NEEDS**

---

**4. Rental Assistance**

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

b. Indicate True if rental assistance will be available:

FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

FALSE Other: \_\_\_\_\_

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

FALSE

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

0

d. Number of units receiving assistance:

0

How many years in rental assistance contract?

0.00

Expiration date of contract:

\_\_\_\_\_

There is an Option to Renew.....

FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (referred to as 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 (referred to as 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.

Units Provided Per Household Type:

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
6	10.91%	40% Area Median
0	0.00%	50% Area Median
49	89.09%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
55	10.91%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
6	10.91%	40% Area Median
22	40.00%	50% Area Median
27	49.09%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
55	50.91%	<b>Total</b>

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

2. Unit Detail

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	6	1	703.85	\$348.00	\$2,088
Mix 2	1 BR - 1 Bath	50% AMI	1	1	739.95	\$448.00	\$448
Mix 3	1 BR - 1 Bath	50% AMI	1		558.58	\$448.00	\$448
Mix 4	1 BR - 1 Bath	50% AMI	2		682.25	\$448.00	\$896
Mix 5	1 BR - 1 Bath	50% AMI	1		714.77	\$448.00	\$448
Mix 6	2 BR - 2 Bath	50% AMI	2	1	988.56	\$534.00	\$1,068
Mix 7	2 BR - 2 Bath	60% AMI	6		1004.75	\$654.00	\$3,924
Mix 8	2 BR - 2 Bath	60% AMI	17	2	901.05	\$638.00	\$10,846
Mix 9	2 BR - 2 Bath	50% AMI	3		1004.90	\$518.00	\$1,554
Mix 10	3 BR - 2 Bath	60% AMI	4		1161.93	\$730.00	\$2,920
Mix 11	3 BR - 2 Bath	50% AMI	12	1	1111.41	\$592.00	\$7,104
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



L. UNIT DETAILS

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
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Mix 56								\$0
Mix 57								\$0
Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0
Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0

L. UNIT DETAILS

Mix 78								\$0
Mix 79								\$0
Mix 80								\$0
Mix 81								\$0
Mix 82								\$0
Mix 83								\$0
Mix 84								\$0
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
<b>TOTALS</b>			55	6	9572.00	\$5,806		\$31,744

<b>Total Units</b>	55	<b>Net Rentable SF:</b>	<b>TC Units</b>	51,923.71
			<b>MKT Units</b>	0.00
			<b>Total NR SF:</b>	51,923.71

<b>Floor Space Fraction (to 7 decimals)</b>	100.00000%
---	------------

**OPERATING EXPENSES**

Use Whole Numbers Only!

<b>Administrative:</b>				
1. Advertising/Marketing				\$1,500
2. Office Salaries				\$0
3. Office Supplies				\$5,300
4. Office/Model Apartment		(type _____)		\$0
5. Management Fee				\$21,256
	6.00% of EGI	\$386.47	Per Unit	
6. Manager Salaries				\$23,400
7. Staff Unit (s)			(type _____)	\$0
8. Legal				\$308
9. Auditing				\$4,510
10. Bookkeeping/Accounting Fees				\$3,600
11. Telephone & Answering Service				\$5,400
12. Tax Credit Monitoring Fee				\$1,925
13. Miscellaneous Administrative				\$3,400
	<b>Total Administrative</b>			<u>\$70,599</u>
<b>Utilities</b>				
14. Fuel Oil				\$0
15. Electricity				\$18,000
16. Water				\$10,986
17. Gas				\$5,885
18. Sewer				\$12,085
	<b>Total Utility</b>			<u>\$46,956</u>
<b>Operating:</b>				
19. Janitor/Cleaning Payroll				\$0
20. Janitor/Cleaning Supplies				\$1,500
21. Janitor/Cleaning Contract				\$0
22. Exterminating				\$1,360
23. Trash Removal				\$4,200
24. Security Payroll/Contract				\$0
25. Grounds Payroll				\$0
26. Grounds Supplies				\$3,000
27. Grounds Contract				\$7,000
28. Maintenance/Repairs Payroll				\$21,060
29. Repairs/Material				\$2,200
30. Repairs Contract				\$3,850
31. Elevator Maintenance/Contract				\$4,279
32. Heating/Cooling Repairs & Maintenance				\$2,800
33. Pool Maintenance/Contract/Staff				\$0
34. Snow Removal				\$700
35. Decorating/Payroll/Contract				\$4,675
36. Decorating Supplies				\$2,338
37. Miscellaneous				\$4,780
	<b>Totals Operating &amp; Maintenance</b>			<u>\$63,742</u>

**OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$27,800
39. Payroll Taxes	\$6,127
40. Miscellaneous Taxes/Licenses/Permits	\$300
41. Property & Liability Insurance	\$14,652
42. Fidelity Bond	\$75
43. Workman's Compensation	\$977
44. Health Insurance & Employee Benefits	\$3,192
45. Other Insurance	\$0

**Total Taxes & Insurance** \$53,123

**Total Operating Expense** \$234,420

**Total Operating Expenses Per Unit** \$4,262    **C. Total Operating Expenses as % of EGI** 66.17%

**Replacement Reserves** (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$16,500

<b>Total Expenses</b>	<b>\$250,920</b>
-----------------------	------------------

**ERROR - OPERATING EXPENSE AMOUNT IS LESS THAN \$4,500 PER UNIT**

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	Complete	Landmark Development
b. Site Acquisition	Complete	Landmark Development
c. Zoning Approval	Complete	Landmark Development
d. Site Plan Approval	Complete	Landmark Development
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	Complete	Landmark Development
ii. Application	Complete	Landmark Development
iii. Award/Commitment	Complete	Landmark Development
<b>2. Formation of Owner</b>	Complete	Landmark Development
<b>3. IRS Approval of Nonprofit Status</b>	N/A	N/A
<b>4. Closing and Transfer of Property to Owner</b>	Complete	Landmark Development
<b>5. Plans and Specifications, Working Drawings</b>	Complete	Landmark Development
<b>6. Building Permit Issued by Local Government</b>	Complete	Landmark Development
<b>7. Start Construction</b>	10/15/2018	Landmark Development
<b>8. Begin Lease-up</b>	3/1/2019	Landmark Development
<b>9. Complete Construction</b>	11/1/2019	Landmark Development
<b>10. Complete Lease-Up</b>	1/31/2020	Landmark Development
<b>11. Credit Placed in Service Date</b>	12/1/2019	Landmark Development

**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 of this Part VIII.

<b>Must Use Whole Numbers Only!</b>	(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"
Item				
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	4,622,900	0	0	4,622,900
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
<b>Total Structure</b>	4,622,900	0	0	4,622,900
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	70,000	0	0	70,000
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	221,601	0	0	221,601
n. Demolition	0	0	0	0
o. Site Work	745,968	0	0	600,000
p. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	1,037,569	0	0	891,601
<b>Total Structure and Land</b>	5,660,469	0	0	5,514,501
q. General Requirements	320,732	0	0	320,732
r. Builder's Overhead ( 1.9% Contract)	107,371	0	0	107,371
s. Builder's Profit ( 5.7% Contract)	322,114	0	0	322,114
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: _____	0	0	0	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
<b>Contractor Costs</b>	\$6,410,686	\$0	\$0	\$6,264,718

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"
<b>2. Owner Costs</b>				
a. Building Permit	0	0	0	0
b. Architecture/Engineering Design Fee 3,273 /Unit)	180,000	0	0	180,000
c. Architecture Supervision Fee 773 /Unit)	42,500	0	0	42,500
d. Tap Fees	0	0	0	0
e. Environmental	0	0	0	0
f. Soil Borings	9,400	0	0	9,400
g. EarthCraft/LEED	25,500	0	0	25,500
h. Appraisal	4,000	0	0	4,000
i. Market Study	6,750	0	0	6,750
j. Site Engineering / Survey	15,000	0	0	15,000
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	37,500	0	0	37,500
n. Construction Interest ( 5.0% for 24 months)	180,000	0	0	135,000
o. Taxes During Construction	12,000	0	0	12,000
p. Insurance During Construction	35,000	0	0	35,000
q. Permanent Loan Fee ( 1.0% )	12,000	0	0	0
r. Other Permanent Loan Fees	0	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	60,000	0	0	0
w. Legal Fees for Closing	26,600	0	0	15,000
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	47,200			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	60,000	0	0	60,000
ab. Organization Costs	6,000	0	0	0
ac. Operating Reserve	162,371	0	0	0
ad. Contingency	350,033	0	0	350,033
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(1) Other* specify:	Other Design Fee	10,000	0	0	10,000
(2) Other* specify:	Real Estate Attorney	60,000	0	0	45,000
(3) Other* specify:	Lender Inspections	13,325	0	0	13,325
(4) Other* specify:	SWP Nitrogen Offset Credit	35,575	0	0	35,575
(5) Other* specify:	Lender Due Diligence	20,000	0	0	0
(6) Other* specify:	Rent Up Expenses	15,000	0	0	0
(7) Other* specify:	Historic Fees	25,000	0	0	25,000
(8) Other* specify:	Rent Up Reserves	16,500	0	0	
(9) Other* specify:		0	0	0	0
(10) Other* specify:	2017 Application Fee	1,000	0	0	
Owner Costs Subtotal:		\$1,483,254	\$0	\$0	\$1,071,583
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)		\$7,893,940	\$0	\$0	\$7,336,301
<b>3. Developer's Fees</b>		818,205	0	0	818,205
<b>4. Owner's Acquisition Costs</b>					
	Land	100,000			
	Existing Improvements	50,000	0		
	Subtotal 4:	\$150,000	\$0		
<b>5. Total Development Costs</b>					
Subtotal 1+2+3+4:		\$8,862,145	\$0	\$0	\$8,154,506

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 K**)

\$0	Land
\$0	Building

**Maximum Developer Fee:**

**\$995,273**



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

O.1 Distribution of Costs by Construction Type

1. Provide details of costs broken out by construction type:

Cost Type	Actual Costs	New Construction	Adaptive Reuse	Rehab
a. Contractor Costs	\$6,410,686	\$3,968,215	\$2,442,471	\$0
Separate Commercial Space Costs		\$0	\$0	\$0
% of Contractor Costs		61.90%	38.10%	0.00%
b. Owner Costs				
Tap Fees	\$0	\$0	\$0	\$0
Operating Reserves	\$162,371	\$100,508	\$61,863	\$0
All Other Owner Costs (exclude Developer Fee)	\$1,320,883	\$817,627	\$503,256	\$0
c. Land Cost	\$100,000	\$61,900	\$38,100	\$0
d. Building Acquisition Costs (see note for previously owned buildings)	\$50,000		\$50,000	\$0
f. Developer's Fee	\$818,205	\$506,469	\$311,736	\$0
<b>Total</b>	<b>\$8,862,145</b>	<b>\$5,454,718</b>	<b>\$3,407,427</b>	<b>\$0</b>
Less: Tap Fees, Operating Reserves, Commercial Space and Land		\$162,408	\$99,963	\$0
<b>Net</b>		<b>\$5,292,310</b>	<b>\$3,307,464</b>	<b>\$0</b>
Number of Units from Structure:	55	36	19	0
% of Overall Units:		65%	35%	0%
Proposed Development's Cost per Unit:		\$151,520	\$179,338	\$0
Proposed Development's Cost per Sq Foot:		\$122	\$133	\$0
Applicable Cost Limits per Unit:		\$259,224	\$259,224	\$199,972
Applicable Cost Limits per Sq Foot:		\$156	\$156	\$120

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
<b>1. Total Development Costs</b>	8,862,145	0	0	8,154,506
<b>2. Reductions in Eligible Basis</b>				
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	619,672
<b>3. Total Eligible Basis (1 - 2 above)</b>		0	0	7,534,834
<b>4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)</b>				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	2,260,450
c. For Green Certification (Eligible Basis x 10%)				0
<b>Total Adjusted Eligible basis</b>			0	9,795,284
<b>5. Applicable Fraction</b>		100.00000%	100.00000%	100.00000%
<b>6. Total Qualified Basis</b> (Eligible Basis x Applicable Fraction)		0	0	9,795,284
<b>7. Applicable Percentage</b> <i>(Beginning with 2016 Allocations, use the standard 9% rate.)</i> <i>(For tax exempt bonds, use the most recently published rates.)</i>		0.00%	0.00%	9.00%
<b>8. Maximum Allowable Credit under IRC §42</b> (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$0	\$881,576
		\$881,576 Combined 30% & 70% P. V. Credit		

**2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction**

**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. First Citizens Bank	11/05/17	12/14/18	\$5,000,000	Doug Byrom, Senior Vice President, (919) 716-7634
2.				
3.				
Total Construction Funding:			\$5,000,000	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. VHDA REACH	6/11/2018	12/14/2018	\$1,200,000	\$60,323	2.95%	30.00	30.00
2. DHCD HOME	11/30/2017	11/13/2018	\$450,000	\$13,500	3.00%	30.00	30.00
3. Town of South Hill	11/15/2017	12/14/2018	\$197,500	\$0	0.00%	18.00	18.00
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$1,847,500	\$73,823			

**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.	Town of South Hill Loan	12/14/2018	\$197,500
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$197,500

**5. Recap of Federal, State, and Local Funds**

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$1,200,000
g.	HOME Funds	\$450,000
h.	Other: Town of Sout	\$197,500
i.	Other:	\$0

Market-Rate Loans

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

**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**

**Q. SOURCES OF FUNDS**

---

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

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

c. FALSE Other  

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

**2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction**

**R. EQUITY**

**1. Equity**

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$619,672	x Equity %	80%	= <u>\$495,638</u>
Amount of Virginia historic credits	\$774,590	x Equity %	70%	= <u>\$542,213</u>
b. Equity that Sponsor will Fund:				
i. Cash Investment	\$0			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$234,792	(Note: Deferred Developer Fee cannot be negative.)		
iv. Other:	\$0			
<b>Equity Total</b>	<u>\$234,792</u>			

**2. Equity Gap Calculation**

a. Total Development Cost	\$8,862,145	
b. Total of Permanent Funding, Grants and Equity	-	<u>\$3,120,143</u>
c. Equity Gap		\$5,742,002
d. Developer Equity	-	<u>\$1,150</u>
e. Equity gap to be funded with low-income tax credit proceeds		\$5,740,852

**3. Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator:	<u>Redstone Equity Partners</u>		
Contact Person:	<u>Rob Vest</u>	Phone:	<u>(704) 200-9500</u>
Street Address:	<u>6000 Fariview Road, Suite 550</u>		
City:	<u>Charlotte</u>	State:	<u>NC</u>
		Zip:	<u>28210</u>

b. Syndication Equity			
Breakdown of Credits by Type	New Construction	<u>\$408,540.00</u>	
	Adaptive Reuse	<u>\$251,460.00</u>	
	Rehab	<u>\$0.00</u>	
i. Total Anticipated Annual Credits		<u>\$660,000.00</u>	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		<u>\$0.870</u>	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		<u>99.98000%</u>	
iv. Syndication costs not included in VIII-A5 (e.g., advisory fees)		<u>\$0</u>	
v. Net credit amount anticipated by user of credits		<u>\$659,868</u>	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$5,740,852</u>	
c. Syndication: <u>Private</u>			
d. Investors: <u>Corporate</u>			

<b>4. Net Syndication Amount</b>	<u>\$5,740,852</u>
Which will be used to pay for Total Development Costs	

<b>5. Net Equity Factor</b>	<u>87.0000060618%</u>
Must be equal to or greater than 85%	

**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>\$8,862,145</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$3,120,143</u>
3. Equals Equity Gap		<u>\$5,742,002</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.0000060618%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$6,600,002</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$660,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$881,576</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$660,000</u>
Credit per LI Units	<u>\$12,000.0000</u>	
Credit per LI Bedroom	<u>\$5,739.1304</u>	
	<b>Combined 30% &amp; 70% PV Credit Requested</b>	<b>\$660,000</b>

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

**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	\$31,744
Plus Other Income Source (list):	\$0
Equals Total Monthly Income:	<u>\$31,744</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$380,928</u>
Less Vacancy Allowance	<u>\$26,665</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<u><u>\$354,263</u></u>

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

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

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

**3. Cash Flow (First Year)**

a. Annual EGI Low-Income Units	<u>\$354,263</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$354,263</u>
d. Total Expenses	<u>\$250,920</u>
e. Net Operating Income	<u>\$103,343</u>
f. Total Annual Debt Service	<u>\$73,823</u>
g. Cash Flow Available for Distribution	<u>\$29,520</u>



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	354,263	361,348	368,575	375,947	383,466
Less Oper. Expenses	250,920	258,448	266,201	274,187	282,413
Net Income	103,343	102,901	102,374	101,760	101,053
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	29,520	29,078	28,551	27,937	27,230
Debt Coverage Ratio	1.40	1.39	1.39	1.38	1.37

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	391,135	398,958	406,937	415,076	423,377
Less Oper. Expenses	290,885	299,612	308,600	317,858	327,394
Net Income	100,250	99,346	98,337	97,218	95,983
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	26,427	25,523	24,514	23,395	22,160
Debt Coverage Ratio	1.36	1.35	1.33	1.32	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	431,845	440,482	449,291	458,277	467,443
Less Oper. Expenses	337,215	347,332	357,752	368,484	379,539
Net Income	94,629	93,150	91,539	89,793	87,904
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	20,806	19,327	17,716	15,970	14,081
Debt Coverage Ratio	1.28	1.26	1.24	1.22	1.19

Estimated Annual Percentage Increase in Revenue 2.00% (Must be  $\leq$  2%)  
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be  $\geq$  3%)

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

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: 3

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

Bldg #	BIN if known	NUMBER OF		Street Address 1 Street Address 2 City State Zip				30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit					
		TAX CREDIT UNITS	MARKET RATE UNITS					Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount		
								30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit					
1.	19			1050 Plank Road		South Hill	VA	23970				\$0				\$0	\$3,526,302	12/01/19	9.00%	\$317,367	
2.	9			1050 Plank Road		South Hill	VA	23970				\$0				\$0	\$1,379,176	12/01/19	9.00%	\$124,126	
3.	27			1050 Plank Road		South Hill	VA	23970				\$0				\$0	\$4,889,806	12/01/19	9.00%	\$440,083	
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	
		55	0																		
				Totals from all buildings				\$0				\$0				\$9,795,284				\$881,576	
				Number of BINS:				3				\$0			\$0						

**V. STATEMENT OF OWNER**

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The undersigned hereby acknowledges the following:

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

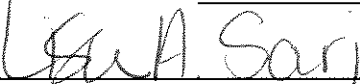
V. STATEMENT OF OWNER

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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: Groom School Apartments, LLC by  
Groom School Managing Member by  
Landmark Asset Services, Inc., Managing Member

By:   
Its: Lisa A. Sari, President  
(Title)

## LIHTC SELF SCORE SHEET

### Self Scoring Process

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

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

**MANDATORY ITEMS:**

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

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

**1. READINESS:**

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

	Y	0 or -50	0.00
	N	0 or -25	0.00
	N	0 or 40	0.00
	N	0 or 10	0.00
	Y	0 or 15	15.00
	N	0 or 15	0.00
<b>Total:</b>			15.00

**2. HOUSING NEEDS CHARACTERISTICS:**

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

Total:

	Y	0 or up to 5	5.00
	N	0 or 20	0.00
	2.23%	Up to 40	4.46
	Y	0 or 5	5.00
	N	0 or 10	0.00
	10%	0, 20, 25 or 30	25.00
	N	0 or 15	0.00
	N	Up to -20	0.00
	N	Up to 20	0.00
<b>Total:</b>			39.46

**2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction**

**3. DEVELOPMENT CHARACTERISTICS:**

a. Amenities (See calculations below)			31.75
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	Y	0 or 30	30.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 to 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	18.00
i. Historic Structure (based on % of units qualifying)	Y	up to 5	1.73
Total:			<u>116.48</u>

**4. TENANT POPULATION CHARACTERISTICS:**

Locality AMI	State AMI
\$51,900	\$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	29.09%	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)	10.91%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	10.91%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	50.91%	Up to 50	50.00
Total:			<u>90.00</u>

**5. SPONSOR CHARACTERISTICS:**

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

**6. EFFICIENT USE OF RESOURCES:**

a. Credit per unit		Up to 200	63.99
b. Cost per unit		Up to 100	29.71
Total:			<u>93.70</u>

**7. BONUS POINTS:**

a. Extended compliance	35 Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
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	Up to 10	0.00
Total:			<u>50.00</u>

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

**TOTAL SCORE:** 454.64

**2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction**

<b>Amenities:</b>	<b>Type:</b>	<b>New Con.</b>	<b>Adapt Reuse</b>	<b>Acq/Rehab</b>	<b>Total pts</b>
	<b>% of Units:</b>	<b>65%</b>	<b>35%</b>	<b>0%</b>	<b>Awarded</b>
					<b>Score</b>
All units have:					
a. Community Room					5.00
b. Exterior walls constructed with brick and other low maintenance materials					18.75
c. Sub metered water expense		0	0	0	0.00
d. Watersense labeled faucets, toilets and showerheads		1.96	1.04	0	3.00
e. Infrastructure for high speed internet/broadband		0.65	0.35	0	1.00
f. Free WiFi Access in community room		0	0	0	0.00
g. Each unit provided free individual high speed internet access		0	0	0	0.00
or h. Each unit provided free individual WiFi		0	0	0	0.00
i. Bath Fan - Delayed timer or continuous exhaust		0	0	0	0.00
or j. Baths equipped with humidistat		0	0	0	0.00
k. Cooking Surfaces equipped with fire prevention features		0	0	0	0.00
or l. Cooking surfaces equipped with fire suppression features		1.31	0.69	0	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system				0	0.00
n. Provides Permanently installed dehumidification system		0	0	0	0.00
o. All interior doors within units are solid core		0	0	0	0.00
p. USB in kitchen, living room and all bedrooms		0	0	0	0.00
q. LED Kitchen Light Fixtures		1.31	0.69	0	2.00
r. Shelf or Ledge at entrance within interior hallway		0	0	0	0.00
s. New Construction: Balcony or patio				0	0.00
					<u>31.75</u>
All elderly units have:					
t. Front-control ranges		0	0	0	0.00
u. Independent/suppl. heat source		0	0	0	0.00
v. Two eye viewers		0	0	0	0.00
					<u>0.00</u>
					<b>Total amenities: <u>31.75</u></b>

X.

## Development Summary

### 2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

<b>Deal Name:</b>	<b>Groom School Apartments</b>
-------------------	--------------------------------

<b>Cycle Type:</b> 9% Tax Credits	<b>Requested Credit Amount:</b> \$660,000
<b>Allocation Type:</b> Mixed Construction	<b>Jurisdiction:</b> Mecklenburg County
<b>Total Units:</b> 55	<b>Population Target:</b> General
<b>Total LI Units:</b> 55	
<b>Project Gross Sq Ft:</b> 69,232.17	<b>Owner Contact:</b> Lisa Sari
<b>Green Certified?</b> TRUE	<b>Extended Use Restriction?</b> 50

<b>Total Score</b>
<b>454.64</b>

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$1,847,500	\$33,591	\$27	\$73,823

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$5,660,469	\$102,918	\$82	63.87%
General Req/Overhead/Profit	\$750,217	\$13,640	\$11	8.47%
Other Contract Costs	\$0	\$0	\$0	0.00%
Owner Costs	\$1,483,254	\$26,968	\$21	16.74%
Acquisition	\$150,000	\$2,727	\$2	1.69%
Developer Fee	\$818,205	\$14,876	\$12	9.23%
<b>Total Uses</b>	<b>\$8,862,145</b>	<b>\$161,130</b>		

Total Development Costs	
Total Improvements	\$7,893,940
Land Acquisition	\$150,000
Developer Fee	\$818,205
<b>Total Development Costs</b>	<b>\$8,862,145</b>

Income		
Gross Potential Income - LI Units		\$380,928
Gross Potential Income - Mkt Units		\$0
Subtotal		\$380,928
Less Vacancy %	7.00%	\$26,665
<b>Effective Gross Income</b>		<b>\$354,263</b>

Split of Construction	
New Constr.	65.45%
Adapt. Reuse	34.55%
Rehab	0.00%

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	11
# of 2BR	28
# of 3BR	16
# of 4+ BR	0
<b>Total Units</b>	<b>55</b>

**Rental Assistance?** FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$70,599	\$1,284
Utilities	\$46,956	\$854
Operating & Maintenance	\$63,742	\$1,159
Taxes & Insurance	\$53,123	\$966
<b>Total Operating Expenses</b>	<b>\$234,420</b>	<b>\$4,262</b>
Replacement Reserves	\$16,500	\$300
<b>Total Expenses</b>	<b>\$250,920</b>	<b>\$4,562</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	6	6
50% AMI	0	22
60% AMI	49	27
>60% AMI	0	0
Market	0	0

**Income Averaging?** FALSE

Cash Flow	
EGI	\$354,263
Total Expenses	\$250,920
<b>Net Income</b>	<b>\$103,343</b>
Debt Service	\$73,823
<b>Debt Coverage Ratio (YR1):</b>	<b>1.40</b>

**Proposed Cost Limit/Unit:**  
**Applicable Cost Limit/Unit:**  
**Proposed Cost Limit/Sq Ft:**  
**Applicable Cost Limit/Sq Ft:**

New Constr.	Adaptive Reuse	Rehab
\$151,520	\$179,338	\$0
\$259,224	\$259,224	\$199,972
\$122	\$133	\$0
\$156	\$156	\$120



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

New Constr. Portion

\$/SF =  Credits/SF =  Const \$/unit =

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

NOVA

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	1,137.21	1,344.62	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	20	16	0	0	0	0
PARAMETER-(COSTS>=35,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	245,775	288,786	0	0	0	0
PROJECT COST PER UNIT	0	0	135,985	160,788	0	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,900	22,208	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,497	12,412	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	24.82	19.70	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	49.40	39.21	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 44.52 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 88.61 Prorated Credit

% of Total Units: New Construction 65%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

**Adaptive Reuse Portion**

\$/SF = **\$132.44**

Credits/SF = **10.0688**

Const \$/unit = **\$128,551**

TYPE OF PROJECT  
LOCATION  
TYPE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000  
Inner-NVA=100; Outer-NV=200; NWNVC=300; Rich=400; Tid=500; Balance=600  
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(15,000-35,000)=4

**11000**  
**600**  
**2**

NOVA  
**600**  
**2**

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	1,184.02	1,493.74	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	11	8	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	155,813	207,750	0	0	0	0	0
PROJECT COST PER UNIT	0	156,806	197,825	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	12,758	17,010	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	11,922	15,040	0	0	0	0	0
COST PER UNIT POINTS	0.00	-0.37	2.01	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	7.59	9.75	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 1.64 Prorated Cost **0.57**

TOTAL CREDIT PER UNIT POINTS 17.34 Prorated Credit **5.99**

% of Total Units: Adaptive Reuse 35%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	12,758	17,010	0	0	0	0	0

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	12,758	17,010	0	0	0	0	0

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

REHAB Portion

\$/SF =  Credits/SF =  Const \$/unit =

TYPE OF PROJECT  
LOCATION  
TYPE OF 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\*(15,000-35,000)=4

NOVA

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 0.00 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 0.00 Prorated Credit

% of Total Units: Rehab 0%

**Cost Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Cost Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

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

**Cost Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Cost Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

New Constr. Portion

\$/SF = **\$119.58**

Credits/SF = **9.230876**

Const \$/unit = **\$110,228**

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

**11000**

LOCATION

Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600

**600**

TYPE OF CONSTRUCTION

N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4

**1**

NOVA

**600**

**1**

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	1,137.21	1,344.62	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	20	16	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	245,775	288,786	0	0	0	0
PROJECT COST PER UNIT	0	0	135,985	160,788	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,900	22,208	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,497	12,412	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	24.82	19.70	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	49.40	39.21	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 44.52 Prorated Cost **29.14**

TOTAL CREDIT PER UNIT POINTS 88.61 Prorated Credit **58**

% of Total Units: New Construction 65%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

Adaptive Reuse Portion

\$/SF = **\$132.44**

Credits/SF = **10.0688**

Const \$/unit = **\$128,551**

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

**11000**

LOCATION

Inner-NVA=100; Outer-NV=200; NWNVC=300; Rich=400; Tid=500; Balance=600

**600**

NOVA

TYPE OF CONSTRUCTION

N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4

**2**

**600**  
**2**

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	1,184.02	1,493.74	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	11	8	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	155,813	207,750	0	0	0	0	0
PROJECT COST PER UNIT	0	156,806	197,825	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	12,758	17,010	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	11,922	15,040	0	0	0	0	0
COST PER UNIT POINTS	0.00	-0.37	2.01	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	7.59	9.75	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 1.64 Prorated Cost **0.57**

TOTAL CREDIT PER UNIT POINTS 17.34 Prorated Credit **5.99**

% of Total Units: Adaptive Reuse 35%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	12,758	17,010	0	0	0	0	0

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	12,758	17,010	0	0	0	0	0

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

REHAB Portion

\$/SF =  Credits/SF =  Const \$/unit =

TYPE OF PROJECT  
LOCATION  
TYPE OF 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

NOVA

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 0.00 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 0.00 Prorated Credit

% of Total Units: Rehab 0%

**Cost Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Cost Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

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

**Cost Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - Elderly**

Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Cost Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Credit Parameters - General**

EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

---

# 2019 Federal Low Income Housing Tax Credit Program

## Application For Reservation MIXED CONSTRUCTION

### 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 2018 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2010. 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 on DVD, CD, flash/thumb drives, via our work center site Procorem.

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

#### Disclaimer:

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

#### Entering Data:

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

#### Please Note:

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

#### Assistance:

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

#### VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	john david.bondurant@vhda.com	(804) 343-5725
Hope 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) 343-5518
Jovan Burton	Jovan.burton@vhda.com	(804) 343-5518

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3. <a href="#"><u>Request Info</u></a>	Credit Request Type
4. <a href="#"><u>Owner Information</u></a>	Owner Information and Developer Experience
5. <a href="#"><u>Site and Seller Information</u></a>	Site Control, Identity of Interest and Seller info
6. <a href="#"><u>Team Information</u></a>	Development Team Contact information
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## 2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

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 <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Scanned Copy of the <u>Signed</u> Tax Credit Application with Attachments (excluding market study and plans & specifications) <b>(MANDATORY)</b> |
| <input checked="" type="checkbox"/> | Electronic Copy of the Market Study <b>(MANDATORY - Application will be disqualified if study is not submitted with application)</b>             |
| <input checked="" type="checkbox"/> | Electronic Copy of the Plans <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Electronic Copy of the Specifications <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Electronic Copy of the Physical Needs Assessment <b>(MANDATORY if rehab)</b>   |
| <input type="checkbox"/>            | Electronic Copy of Appraisal <b>(MANDATORY if acquisition credits requested)</b>   |
| <input type="checkbox"/>            | Electronic Copy of Environmental Site Assessment (Phase I) <b>(MANDATORY if 4% credits requested)</b>  |
| <input checked="" type="checkbox"/> | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests <b>(MANDATORY)</b>                |
| <input checked="" type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab C: Principal's Previous Participation Certification <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab F: Architect's Certification and RESNET Rater Certification <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Tab G: Zoning Certification Letter <b>(MANDATORY)</b>  |
| <input checked="" type="checkbox"/> | Tab H: Attorney's Opinion <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Tab I: Nonprofit Questionnaire <b>(MANDATORY for points or pool)</b>   |
|                                     | 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 <b>(MANDATORY, if tenants are displaced)</b>  |
|                                     | 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 checked="" type="checkbox"/> | Tab M: Locality CEO Response Letter  |
| <input type="checkbox"/>            | Tab N: Homeownership Plan  |
| <input type="checkbox"/>            | Tab O: Plan of Development Certification Letter  |
| <input checked="" type="checkbox"/> | Tab P: Developer Experience documentation and Partnership agreements   |
| <input checked="" type="checkbox"/> | Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property  |
| <input checked="" type="checkbox"/> | Tab R: Documentation of Operating Budget and Utility Allowances  |
| <input type="checkbox"/>            | Tab S: Supportive Housing Certification  |
| <input checked="" type="checkbox"/> | Tab T: Funding Documentation   |
| <input checked="" type="checkbox"/> | Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population                               |
| <input 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: 3/13/2019

1. Development Name: Groom School Apartments

2. Address (line 1): 1050 Plank Road  
 Address (line 2): \_\_\_\_\_  
 City: South Hill State: VA Zip: 23970

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 property is or will be recorded:  
 City/County of Mecklenburg County

5. The site overlaps one or more jurisdictional boundaries..... FALSE  
 If true, what other City/County is the site located in besides response to #4?.....

6. Development is located in the census tract: 9302.00

7. Development is located in a **Qualified Census Tract**..... FALSE

8. Development is located in a **Difficult Development Area**..... FALSE

9. Development is located in a **Revitalization Area based on QCT**..... FALSE

10. Development is located in a **Revitalization Area designated by resolution**..... TRUE

11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE  
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)

12. Development is located in a census tract with a poverty rate of?

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 5  
 Planning District: 13  
 State Senate District: 15  
 State House District: 61

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

[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

Groom School Apartments consists of both the adaptive reuse of the historic John Groom School as well as the addition of two new construction buildings on a open site. The proposed apartments were designed with amenities and accesibility features in mind, with the goal of providing a variety of housing options for those with different tastes and needs. Groom School Apartments was previously awarded a 2017 allocation of 9% Low Income Housing Tax Credits, and this application is being submitted to request up to 10% more credits in order to offset rapidly rising construction and development costs since the initial application.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/13/2019

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: Kim Callis
Chief Executive Officer's Title: Town Manager Phone: (434) 774-4363
Street Address: 211 S. Mecklenburg avenue
City: South Hill State: VA Zip: 23970

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Mr. David Hash, Code Compliance Official. (434) 447-5041

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

Chief Executive Officer's Name: Wayne H. Carter
Chief Executive Officer's Title: County Administrator Phone: (434) 738-6191
Street Address: 350 Washington Street / P.O. Box 307
City: Boydton State: VA Zip: 23917

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Russell O. Slayton, Jr. - County Attorney. (434) 848-3632

**B. RESERVATION REQUEST INFORMATION**

1. Requesting Credits From:

- a. If requesting 9% Credits, select credit pool: Balance of State 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:

Mixed Construction

**Note** regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purposes 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?..... TRUE  
 If True, additional Credit Request cannot exceed 10% of the prior credit award.

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. The developer has met with VHDA regarding the 4% tax exempt bond deal..... FALSE

- b. Listed below are the units planned for each allocation request (which cannot be changed or 9% Credits will be lost):

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: 50

Definition of selection:

Development will be subject to an extended use agreement in which the owner's right to any early termination of the extended use provision is waived for 35 additional years after the 15-year compliance period for a total of 50 years.

**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.*

Name: Groom School Apartments, LLC

Developer Name: Lisa A. Sari, Manager of Archetypes, LLC and 100% owner of Landmark Asset Services, Inc.

Contact: M/M  Ms. First: Lisa MI: A Last: Sari

Address: 406 E 4th Street

City: Winston-Salem St.  NC Zip: 27101

Phone: (336) 972-4192 Ext. \_\_\_\_\_ Fax: \_\_\_\_\_

Email address: devadmin@landmarkdevelopment.biz

Federal I.D. No. 82-2372068 (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.  
Samuel J. Sari, sam@landmarkdevelopment.biz, (336) 714-8910

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

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

Names **	Phone	Type Ownership	% Ownership
<u>Lisa A. Sari (100% Owner of Landmark Asset Services, In</u>	<u>(336) 972-4192</u>	<u>Managing Member</u>	<u>90.000%</u>
			<u>0.000%</u>
<u>James D. Sari (Managing Member of Sari Investments, L</u>	<u>(419) 575-5165</u>	<u>Member</u>	<u>10.000%</u>
			<u>0.000%</u>
			<u>0.000%</u>
			<u>0.000%</u>
			<u>0.000%</u>

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 and partnership agreements **(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 of it, 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 this year.

Contact us before you submit this application if you have 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:      ▶ Deed

Expiration Date:      \_\_\_\_\_

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

FALSE ..... 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..... 00/00/0000 .

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

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

**D. SITE CONTROL**

---

**3. Seller Information:**

Name: N/A - Property Already Owned by Groom School Apartments, LLC

Address: \_\_\_\_\_

City: \_\_\_\_\_ St.: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

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 - Mixed Construction

E. DEVELOPMENT TEAM INFORMATION

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

- 1. Tax Attorney: Todd Brockmann This is a Related Entity. FALSE  
Firm Name: Brockmann Law  
Address: 17250 Lancaster Highway, Suite 608, Charlotte, NC, 28277  
Email: tbrockmann@brockmannlawfirm.com Phone: (980) 247-3015
  
- 2. Tax Accountant: Wade Pack This is a Related Entity. FALSE  
Firm Name: Bernard Robinson & Company  
Address: 1501 Highwood Blvd, Greensboro, NC, 27419  
Email: wpack@brccopa.com Phone: (336) 294-4494
  
- 3. Consultant: \_\_\_\_\_ This is a Related Entity. FALSE  
Firm Name: \_\_\_\_\_ Role: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email: \_\_\_\_\_ Phone: \_\_\_\_\_
  
- 4. Management Entity: Blair Maas, Chief Operating Officer This is a Related Entity. TRUE  
Firm Name: Landmark Property Management Company  
Address: 406 E 4th Street, Winston Salem, NC, 27101  
Email: blair@landmarkdevelopment.biz Phone: (336) 972-3589
  
- 5. Contractor: Carl Carney This is a Related Entity. FALSE  
Firm Name: Davie Construction Co.  
Address: 152 E Kinderton Way Suite 200, Advance, NC, 27006  
Email: ccarney@davieconstruction.com Phone: (336) 940-6610
  
- 6. Architect: Emmett Lifsey This is a Related Entity. FALSE  
Firm Name: CJMW Architecture  
Address: 1030 Main Street, Lynchburg, VA, 24504  
Email: emmett.lifsey@cjmw.com Phone: (434) 847-6564
  
- 7. Real Estate Attorney: Todd Brockmann This is a Related Entity. FALSE  
Firm Name: Brockmann Law  
Address: 17250 Lancaster Highway, Suite 608, Charlotte, NC, 28277  
Email: tbrockmann@brockmannlawfirm.com Phone: (980) 247-3015
  
- 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: \_\_\_\_\_



**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

a. Credits are being requested for existing buildings being acquired for development..... FALSE

If no credits are being requested for existing buildings being 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 and/or rehabilitation, 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 associated with acquisition and/or rehab..... 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 A)

**F. REHAB INFORMATION**

---

**3. Rehabilitation Credit Information**

a. Credits are being requested for rehabilitation expenditures..... FALSE  
If no credits are being requested for rehabilitation expenditures, go on to Part 4

**b. Minimum Expenditure Requirements**

i. All buildings in the development satisfy the rehab costs per unit requirement of IRC 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 A)

**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..... TRUE

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..... TRUE

ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE

iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... FALSE (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..... FALSE

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: >

Name: \_\_\_\_\_ (Please fit NP name within available space)

Contact Person: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: > \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Extension: \_\_\_\_\_ Contact Email: \_\_\_\_\_

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: \_\_\_\_\_ 0.0%

**G. NONPROFIT INVOLVEMENT**

---

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

A. FALSE 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:** \_\_\_\_\_

**or indicate true if Local Housing Authority** FALSE  
**Name of Local Housing Authority** \_\_\_\_\_

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

Do not select if extended compliance is selected on Request Info Tab  
**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	55	bedrooms	115
Total number of rental units in development	55	bedrooms	115
Number of low-income rental units	55	bedrooms	115
Percentage of rental units designated low-income	100.00000%		

b. Number of new units:.....	36	bedrooms	88
Number of adaptive reuse units: .....	19	bedrooms	27
Number of rehab units:.....	0	bedrooms	0

c. If any, indicate number of planned exempt units (included in total rental units)..... 0

d. Total Floor Area For The Entire Development..... 69,232.17 (Sq. ft.)

e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... 0.00 (Sq. ft.)

f. Nonresidential Commercial Floor Area (Not eligible for funding)..... 0.00

g. Total Usable Residential Heated Area..... 69,232.17 (Sq. ft.)

New Construction	44,257.99
Adaptive Reuse	24,974.18
Rehab	0.00
Total	69,232.17

h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space..... 100.00%

i. Exact area of site in acres 10.580

j. Locality has approved a final site plan or plan of development..... FALSE  
If True, Provide required documentation (TAB O).

k. Requirement as of 2016: Site must be properly zoned for proposed development.  
**ACTION:** Provide required zoning documentation (MANDATORY TAB G )

l. Property is eligible for Historic Rehab credits.....	New Construction	Adaptive Reuse	Rehab
	FALSE	TRUE	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 for the entire property (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	1184.02	SF	11	11
2BR Garden	1239.07	SF	28	28
3BR Garden	1344.62	SF	16	16
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
			55	55

**Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.**

b. **New Construction:** Specify the average size and number per unit type for the New Construction Units.

*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	1137.21	SF	20	20
3BR Garden	1344.62	SF	16	16
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

**Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.**

36  
36  
Total LI Avg Sq Feet: 44,257.99

c. **Adaptive Reuse:** Specify the average size and number per unit type for the Adaptive Reuse Units.

			Total Rental

**H. STRUCTURE AND UNITS INFORMATION**

<i>Note: Average sq foot should include the prorata of common space.</i>	Unit Type	Average Sq Foot		# of LIHTC Units	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	1184.02	SF	11	11
	2BR Garden	1493.74	SF	8	8
	3BR Garden	0.00	SF	0	0
	4BR Garden	0.00	SF	0	0
	2+ Story 2BR Townhouse	0.00	SF	0	0
	2+ Story 3BR Townhouse	0.00	SF	0	0
	2+ Story 4BR Townhouse	0.00	SF	0	0

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

19  
19  
Total LI Avg Sq Feet: 24,974.18

d. **Rehab:** Specify the average size and number per unit type for the Rehab Units.

<i>Note: Average sq foot should include the prorata of common space.</i>	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	0.00	SF	0	0
	3BR Garden	0.00	SF	0	0
	4BR Garden	0.00	SF	0	0
	2+ Story 2BR Townhouse	0.00	SF	0	0
	2+ Story 3BR Townhouse	0.00	SF	0	0
	2+ Story 4BR Townhouse	0.00	SF	0	0

Note: Please be sure to enter the number of units in the appropriate unit category. If not, you will find errors on the self scoresheet.

0  
0  
Total LI Avg Sq Feet: -

**H. STRUCTURE AND UNITS INFORMATION**

**3. Structures**

- a. Number of Buildings (containing rental units)..... 3
- b. Age of Structure:..... 71 years
- c. Number of stories:..... 3
  
- d. The development is a scattered site development..... FALSE
  
- e. Commercial Area Intended Use: N/A
  
- f. Development consists primarily of : (Only One Option Below Can Be True)
  - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
  - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
  - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE
  
- g. Indicate **True** for all development's structural features that apply:
  - i. Row House/Townhouse FALSE      v. Detached Single-family FALSE
  - ii. Garden Apartments TRUE      vi. Detached Two-family FALSE
  - iii. Slab on Grade TRUE      vii. Basement TRUE
  - iv. Crawl space TRUE
  
- h. Development contains an elevator(s). TRUE
  - If true, # of Elevators. 1
  - Elevator Type (if known) Hydraulic
  
- i. Roof Type ▶ Combination
- j. Construction Type ▶ Combination
- k. Primary Exterior Finish ▶ Brick

**4. Site Amenities (indicate all proposed)**

- a. Business Center TRUE      f. Limited Access FALSE
- b. Covered Parking FALSE      g. Playground TRUE
- c. Exercise Room TRUE      h. Pool FALSE
- d. Gated access to Site FALSE      i. Rental Office TRUE
- e. Laundry facilities TRUE      j. Sports Activity Court FALSE
- k. Other: \_\_\_\_\_
  
- h. Describe Community Facilities: Community Room with at least 749 Square Feet.
  
- i. Number of Proposed Parking Spaces..... 115  
 Parking is shared with another entity ..... FALSE
  
- j. 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

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5. Plans and Specifications

a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
  - a. Typical floor plan(s) showing apartment types and placement
  - b. Ground floor plan(s) showing common areas
  - c. Sketch floor plan(s) of typical dwelling unit(s)
  - d. Typical wall section(s) showing footing, foundation, wall and floor 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.

6. Market Study Data:

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

Project Wide Capture Rate - LIHTC Units	<u>16.20%</u>
Project Wide Capture Rate - Market Units	<u>N/A</u>
Project Wide Capture Rate - All Units	<u>16.20%</u>
Project Wide Absorption Period (Months)	<u>10</u>

**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 project, upon completion of construction/rehabilitation:**

- a. A community/meeting room with a minimum of 749 square feet is provided. TRUE
- 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. 60.00%

Indicate which area of construction will contain these enhancements:

	New Construction	Adaptive Reuse	Rehab
c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).	FALSE	FALSE	FALSE
d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.	TRUE	TRUE	FALSE
e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.	TRUE	TRUE	FALSE
f. Free WiFi access will be provided in community room for resident only usage.	FALSE	FALSE	FALSE
g. Each unit is provided free individual high speed internet access.	FALSE	FALSE	FALSE
or h. Each unit is provided free individual WiFi access.	FALSE	FALSE	FALSE
i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.	FALSE	TRUE	FALSE
or j. Full bath fans are equipped with a humidistat.	FALSE	FALSE	FALSE
k. Cooking surfaces are equipped with fire prevention features	FALSE	FALSE	FALSE
or l. Cooking surfaces are equipped with fire suppression features.	TRUE	TRUE	FALSE
m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.			FALSE
or n. All Construction types: each unit is equipped with a permanent dehumidification system.	FALSE	FALSE	FALSE
o. All interior doors within units are solid core.	FALSE	FALSE	FALSE
p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.	FALSE	FALSE	FALSE
q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.	TRUE	TRUE	FALSE
r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.	FALSE	FALSE	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.	FALSE		

**J. ENHANCEMENTS**

	New Construction	Adaptive Reuse	Rehab
<b>2. For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:</b>			
t. All cooking ranges will have front controls.	FALSE	FALSE	FALSE
u. All full bathrooms will have an independent or supplemental heat source.	FALSE	FALSE	FALSE
v. All entrance doors have two eye viewers, one at 42" and the other at standard height.	FALSE	FALSE	FALSE
<b>2. For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:</b>			
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:			
Earthcraft Gold or higher certification	<u>TRUE</u>	National Green Building Standard (NGBS) certification of Silver or higher.	<u>FALSE</u>
U.S. Green Building Council LEED certification	<u>FALSE</u>	Enterprise Green Communities (EGC) Certification	<u>FALSE</u>
<b>Action:</b> If seeking any points associated Green certification, provide appropriate documentation at <b>TAB F</b> .			
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.)			
Zero Energy Ready Home Requirements	<u>FALSE</u>	Passive House Standards	<u>FALSE</u>
<b>Action:</b> If seeking any points associated with LEED or Earthcraft certification, provide appropriate documentation at <b>TAB F</b> .			
<b>4. Universal Design - Units Meeting Universal Design Standards</b>			
a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.	<u>TRUE</u>		
b. Number of Rental Units constructed to meet VHDA's Universal Design standards:	<u>55</u>		
% of Total Rental Units	<u>100%</u>		
<b>5. Market-rate units' amenities are substantially equivalent to those of the low income units.</b>			
If not, please explain:	<u>There are no market rate units, and therefore this is not applicable.</u>		

I. UTILITIES

1. Describe the Heating/AC System: Combination of Ducted and Ductless Minisplits
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	26	34	41	0
Air Conditioning	Electric	Tenant	0	7	9	12	0
Cooking	Electric	Tenant	0	4	5	6	0
Lighting	Electric - Other Electric	Tenant	0	14	18	22	0
Hot Water	Combination, see Tab R	Tenant	0	0	16	20	0
Water		Owner	0	0	0	0	0
Sewer		Owner	0	0	0	0	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$51	\$82	\$101	\$0

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB Q**).
- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: VHDA HCV 2 Wall UA

**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**

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

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

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

FALSE

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

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

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

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

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

(60 points)

TRUE

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

FALSE

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

**For items a,b or c, all common space must also conform to HUD regulations interpreting the 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: Pittsylvania Community Action Agency

Contact person: Everlena Ross

Title: Executive Director

Phone Number (434) 432-8250

**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: 16

% of total Low Income Units 29%

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

**K. SPECIAL HOUSING NEEDS**

**4. Rental Assistance**

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

b. Indicate True if rental assistance will be available:

FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

FALSE Other: \_\_\_\_\_

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

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

d. Number of units receiving assistance: 0

How many years in rental assistance contract? 0.00

Expiration date of contract: \_\_\_\_\_

There is an Option to Renew..... FALSE

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

**L. UNIT DETAILS**

**1. Set-Aside Election: UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY**

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (referred to as 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 (referred to as 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.

**Units Provided Per Household Type:**

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
6	10.91%	40% Area Median
0	0.00%	50% Area Median
49	89.09%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
55	10.91%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
6	10.91%	40% Area Median
22	40.00%	50% Area Median
27	49.09%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
55	50.91%	<b>Total</b>

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

**2. Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID**

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	6	1	703.85	\$348.00	\$2,088
Mix 2	1 BR - 1 Bath	50% AMI	1	1	739.95	\$448.00	\$448
Mix 3	1 BR - 1 Bath	50% AMI	1		558.58	\$448.00	\$448
Mix 4	1 BR - 1 Bath	50% AMI	2		682.25	\$448.00	\$896
Mix 5	1 BR - 1 Bath	50% AMI	1		714.77	\$448.00	\$448
Mix 6	2 BR - 2 Bath	50% AMI	2	1	988.56	\$534.00	\$1,068
Mix 7	2 BR - 2 Bath	60% AMI	6		1004.75	\$654.00	\$3,924
Mix 8	2 BR - 2 Bath	60% AMI	17	2	901.05	\$638.00	\$10,846
Mix 9	2 BR - 2 Bath	50% AMI	3		1004.90	\$518.00	\$1,554
Mix 10	3 BR - 2 Bath	60% AMI	4		1161.93	\$730.00	\$2,920
Mix 11	3 BR - 2 Bath	50% AMI	12	1	1111.41	\$592.00	\$7,104
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



L. UNIT DETAILS

Mix 21										\$0
Mix 22										\$0
Mix 23										\$0
Mix 24										\$0
Mix 25										\$0
Mix 26										\$0
Mix 27										\$0
Mix 28										\$0
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Mix 77										\$0
Mix 78										\$0

L. UNIT DETAILS

Mix 79									\$0
Mix 80									\$0
Mix 81									\$0
Mix 82									\$0
Mix 83									\$0
Mix 84									\$0
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
<b>TOTALS</b>			55	6	9572.00		\$5,806		\$31,744

<b>Total Units</b>	<b>55</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>51,923.71</b>
			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>51,923.71</b>

<b>Floor Space Fraction (to 7 decimals)</b>	<b>100.00000%</b>
---	-------------------

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

**OPERATING EXPENSES**

Use Whole Numbers Only!

<b>Administrative:</b>			
1. Advertising/Marketing			\$1,500
2. Office Salaries			\$0
3. Office Supplies			\$5,300
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$21,256
6.00% of EGI	\$386.47	Per Unit	
6. Manager Salaries			\$23,400
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$308
9. Auditing			\$4,510
10. Bookkeeping/Accounting Fees			\$3,600
11. Telephone & Answering Service			\$5,400
12. Tax Credit Monitoring Fee			\$1,925
13. Miscellaneous Administrative			\$3,400
<b>Total Administrative</b>			<b>\$70,599</b>
<b>Utilities</b>			
14. Fuel Oil			\$0
15. Electricity			\$18,000
16. Water			\$10,986
17. Gas			\$5,885
18. Sewer			\$12,085
<b>Total Utility</b>			<b>\$46,956</b>
<b>Operating:</b>			
19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$1,500
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$1,360
23. Trash Removal			\$4,200
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$3,000
27. Grounds Contract			\$7,000
28. Maintenance/Repairs Payroll			\$21,060
29. Repairs/Material			\$2,200
30. Repairs Contract			\$3,850
31. Elevator Maintenance/Contract			\$4,279
32. Heating/Cooling Repairs & Maintenance			\$2,800
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$700
35. Decorating/Payroll/Contract			\$4,675
36. Decorating Supplies			\$2,338
37. Miscellaneous			\$4,780
<b>Totals Operating &amp; Maintenance</b>			<b>\$63,742</b>

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

**OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	<u>\$27,800</u>
39. Payroll Taxes	<u>\$6,127</u>
40. Miscellaneous Taxes/Licenses/Permits	<u>\$300</u>
41. Property & Liability Insurance	<u>\$14,652</u>
42. Fidelity Bond	<u>\$75</u>
43. Workman's Compensation	<u>\$977</u>
44. Health Insurance & Employee Benefits	<u>\$3,192</u>
45. Other Insurance	<u>\$0</u>
<b>Total Taxes &amp; Insurance</b>	<u><u>\$53,123</u></u>
<b>Total Operating Expense</b>	<u><u>\$234,420</u></u>

**Total Operating Expenses Per Unit**      \$4,262      **C. Total Operating Expenses as % of EGI**      66.17%

**Replacement Reserves** (Total # Units X \$300 or \$250 New Const. Elderly Minimum)      \$16,500

<b>Total Expenses</b>	<u>\$250,920</u>
-----------------------	------------------

**ERROR - OPERATING EXPENSE AMOUNT IS LESS THAN \$4,500 PER UNIT**

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	Complete	Landmark Development
b. Site Acquisition	Complete	Landmark Development
c. Zoning Approval	Complete	Landmark Development
d. Site Plan Approval	Complete	Landmark Development
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	Complete	Landmark Development
ii. Conditional Commitment	Complete	Landmark Development
iii. Firm Commitment	Complete	Landmark Development
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	Complete	Landmark Development
ii. Application	Complete	Landmark Development
iii. Award/Commitment	Complete	Landmark Development
<b>2. Formation of Owner</b>	Complete	Landmark Development
<b>3. IRS Approval of Nonprofit Status</b>	N/A	N/A
<b>4. Closing and Transfer of Property to Owner</b>	Complete	Landmark Development
<b>5. Plans and Specifications, Working Drawings</b>	Complete	Landmark Development
<b>6. Building Permit Issued by Local Government</b>	Complete	Landmark Development
<b>7. Start Construction</b>	10/15/2018	Landmark Development
<b>8. Begin Lease-up</b>	3/1/2019	Landmark Development
<b>9. Complete Construction</b>	11/1/2019	Landmark Development
<b>10. Complete Lease-Up</b>	1/31/2020	Landmark Development
<b>11. Credit Placed in Service Date</b>	12/1/2019	Landmark Development

**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 of this Part VIII.

<b>Must Use Whole Numbers Only!</b>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	4,622,900	0	0	4,622,900
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
<b>Total Structure</b>	4,622,900	0	0	4,622,900
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	70,000	0	0	70,000
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	221,601	0	0	221,601
n. Demolition	0	0	0	0
o. Site Work	745,968	0	0	600,000
p. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	1,037,569	0	0	891,601
<b>Total Structure and Land</b>	5,660,469	0	0	5,514,501
q. General Requirements	320,732	0	0	320,732
r. Builder's Overhead ( 1.9% Contract)	107,371	0	0	107,371
s. Builder's Profit ( 5.7% Contract)	322,114	0	0	322,114
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: _____	0	0	0	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
<b>Contractor Costs</b>	<b>\$6,410,686</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,264,718</b>

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"
<b>2. Owner Costs</b>				
a. Building Permit	0	0	0	0
b. Architecture/Engineering Design Fee 3,273 /Unit)	180,000	0	0	180,000
c. Architecture Supervision Fee 773 /Unit)	42,500	0	0	42,500
d. Tap Fees	0	0	0	0
e. Environmental	0	0	0	0
f. Soil Borings	9,400	0	0	9,400
g. EarthCraft/LEED	25,500	0	0	25,500
h. Appraisal	4,000	0	0	4,000
i. Market Study	6,750	0	0	6,750
j. Site Engineering / Survey	15,000	0	0	15,000
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	37,500	0	0	37,500
n. Construction Interest ( 5.0% for 24 months)	180,000	0	0	135,000
o. Taxes During Construction	12,000	0	0	12,000
p. Insurance During Construction	35,000	0	0	35,000
q. Permanent Loan Fee ( 1.0% )	12,000	0	0	0
r. Other Permanent Loan Fees	0	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	60,000	0	0	0
w. Legal Fees for Closing	26,600	0	0	15,000
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	47,200			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	60,000	0	0	60,000
ab. Organization Costs	6,000	0	0	0
ac. Operating Reserve	162,371	0	0	0
ad. Contingency	350,033	0	0	350,033
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(1) Other* specify: Other Design Fee	10,000	0	0	10,000
(2) Other* specify: Real Estate Attorney	60,000	0	0	45,000
(3) Other* specify: Lender Inspections	13,325	0	0	13,325
(4) Other* specify: SWP Nitrogen Offset Credit	35,575	0	0	35,575
(5) Other* specify: Lender Due Diligence	20,000	0	0	0
(6) Other* specify: Rent Up Expenses	15,000	0	0	0
(7) Other* specify: Historic Fees	25,000	0	0	25,000
(8) Other* specify: Rent Up Reserves	16,500	0	0	
(9) Other* specify:	0	0	0	0
(10) Other* specify: 2017 Application Fee	1,000	0	0	
<b>Owner Costs Subtotal:</b>	<b>\$1,483,254</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,071,583</b>
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	<b>\$7,893,940</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,336,301</b>
<b>3. Developer's Fees</b>	<b>818,205</b>	<b>0</b>	<b>0</b>	<b>818,205</b>
<b>4. Owner's Acquisition Costs</b>				
Land	100,000			
Existing Improvements	50,000	0		
Subtotal 4:	\$150,000	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$8,862,145	\$0	\$0	\$8,154,506

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 K)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$995,273



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

O.1 Distribution of Costs by Construction Type

1. Provide details of costs broken out by construction type:

Cost Type	Actual Costs	New Construction	Adaptive Reuse	Rehab
a. Contractor Costs	\$6,410,686	\$3,968,215	\$2,442,471	\$0
Separate Commercial Space Costs		\$0	\$0	\$0
% of Contractor Costs		61.90%	38.10%	0.00%
b. Owner Costs				
Tap Fees	\$0	\$0	\$0	\$0
Operating Reserves	\$162,371	\$100,508	\$61,863	\$0
All Other Owner Costs (exclude Developer Fee)	\$1,320,883	\$817,627	\$503,256	\$0
c. Land Cost	\$100,000	\$61,900	\$38,100	\$0
d. Building Acquisition Costs (see note for previously owned buildings)	\$50,000		\$50,000	\$0
f. Developer's Fee	\$818,205	\$506,469	\$311,736	\$0
<b>Total</b>	<b>\$8,862,145</b>	<b>\$5,454,718</b>	<b>\$3,407,427</b>	<b>\$0</b>
Less: Tap Fees, Operating Reserves, Commercial Space and Land		\$162,408	\$99,963	\$0
<b>Net</b>		<b>\$5,292,310</b>	<b>\$3,307,464</b>	<b>\$0</b>
Number of Units from Structure:	55	36	19	0
% of Overall Units:		65%	35%	0%
Proposed Development's Cost per Unit:		\$151,520	\$179,338	\$0
Proposed Development's Cost per Sq Foot:		\$122	\$133	\$0
Applicable Cost Limits per Unit:		\$259,224	\$259,224	\$199,972
Applicable Cost Limits per Sq Foot:		\$156	\$156	\$120

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

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	
<b>1. Total Development Costs</b>	8,862,145	0	0	8,154,506
<b>2. Reductions in Eligible Basis</b>				
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	619,672
<b>3. Total Eligible Basis (1 - 2 above)</b>		0	0	7,534,834
<b>4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)</b>				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	2,260,450
c. For Green Certification (Eligible Basis x 10%)				0
<b>Total Adjusted Eligible basis</b>			0	9,795,284
<b>5. Applicable Fraction</b>		100.00000%	100.00000%	100.00000%
<b>6. Total Qualified Basis</b> (Eligible Basis x Applicable Fraction)		0	0	9,795,284
<b>7. Applicable Percentage</b> (Beginning with 2016 Allocations, use the standard 9% rate.) (For tax exempt bonds, use the most recently published rates.)		0.00%	0.00%	9.00%
<b>8. Maximum Allowable Credit under IRC §42</b> (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$0	\$881,576
		\$881,576 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. First Citizens Bank	11/05/17	12/14/18	\$5,000,000	Doug Byrom, Senior Vice President, (919) 716-7634
2.				
3.				
Total Construction Funding:			\$5,000,000	

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

	Source of Funds	Date of Application	Date of Commitment	<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	6/11/2018	12/14/2018	\$1,200,000	\$60,323	2.95%	30.00	30.00
2.	DHCD HOME	11/30/2017	11/13/2018	\$450,000	\$13,500	3.00%	30.00	30.00
3.	Town of South Hill	11/15/2017	12/14/2018	\$197,500	\$0	0.00%	18.00	18.00
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$1,847,500	\$73,823			

**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.	Town of South Hill Loan	12/14/2018	\$197,500
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$197,500

**5. Recap of Federal, State, and Local Funds**

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$1,200,000
g.	HOME Funds	\$450,000
h.	Other: Town of South Hill	\$197,500
i.	Other:	\$0

Market-Rate Loans

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

**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

**Q. SOURCES OF FUNDS**

---

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

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

c. FALSE Other \_\_\_\_\_

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

**R. EQUITY**

**1. Equity**

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit			
Amount of Federal historic credits	\$619,672	x Equity %	80% = \$495,638
Amount of Virginia historic credits	\$774,590	x Equity %	70% = \$542,213
b. Equity that Sponsor will Fund:			
i. Cash Investment	\$0		
ii. Contributed Land/Building	\$0		
iii. Deferred Developer Fee	\$234,792	(Note: Deferred Developer Fee cannot be negative.)	
iv. Other: _____	\$0		
<b>Equity Total</b>	<b>\$234,792</b>		

**2. Equity Gap Calculation**

a. Total Development Cost	\$8,862,145
b. Total of Permanent Funding, Grants and Equity	- \$3,120,143
c. Equity Gap	\$5,742,002
d. Developer Equity	- \$1,150
e. Equity gap to be funded with low-income tax credit proceeds	\$5,740,852

**3. Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator:	<u>Redstone Equity Partners</u>		
Contact Person:	<u>Rob Vest</u>	Phone:	<u>(704) 200-9500</u>
Street Address:	<u>6000 Fariview Road, Suite 550</u>		
City: <u>Charlotte</u>	State: <u>NC</u>	Zip:	<u>28210</u>

b. Syndication Equity			
Breakdown of Credits by Type		New Construction	\$408,540.00
		Adaptive Reuse	\$251,460.00
		Rehab	\$0.00
i. Total Anticipated Annual Credits			\$660,000.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)			\$0.870
iii. Percent of ownership entity (e.g., 99% or 99.9%)			99.98000%
iv. Syndication costs not included in VIII-A5 (e.g., advisory fees)			\$0
v. Net credit amount anticipated by user of credits			\$659,868
vi. Total to be paid by anticipated users of credit (e.g., limited partners)			\$5,740,852

c. Syndication:	<u>Private</u>
d. Investors:	<u>Corporate</u>

<b>4. Net Syndication Amount</b>	<u>\$5,740,852</u>
Which will be used to pay for Total Development Costs	

<b>5. Net Equity Factor</b>	<u>87.0000060618%</u>
Must be equal to or greater than 85%	

**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>\$8,862,145</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$3,120,143</u>
3. Equals Equity Gap		<u>\$5,742,002</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.0000060618%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$6,600,002</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$660,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$881,576</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$660,000</u>
Credit per LI Units	<u>\$12,000.0000</u>	<b>Combined 30% &amp; 70% PV Credit Requested</b>
Credit per LI Bedroom	<u>\$5,739.1304</u>	

9. **Action:** Provide Attorney's Opinion (Mandatory Tab W)

**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	\$31,744
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	<u>\$31,744</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$380,928</u>
Less Vacancy Allowance _____ 7.0%	<u>\$26,665</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<u><u>\$354,263</u></u>

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

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

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

**3. Cash Flow (First Year)**

a. Annual EGI Low-Income Units	<u>\$354,263</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$354,263</u>
d. Total Expenses	<u>\$250,920</u>
e. Net Operating Income	<u>\$103,343</u>
f. Total Annual Debt Service	<u>\$73,823</u>
g. Cash Flow Available for Distribution	<u>\$29,520</u>



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	354,263	361,348	368,575	375,947	383,466
Less Oper. Expenses	250,920	258,448	266,201	274,187	282,413
Net Income	103,343	102,901	102,374	101,760	101,053
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	29,520	29,078	28,551	27,937	27,230
Debt Coverage Ratio	1.40	1.39	1.39	1.38	1.37

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	391,135	398,958	406,937	415,076	423,377
Less Oper. Expenses	290,885	299,612	308,600	317,858	327,394
Net Income	100,250	99,346	98,337	97,218	95,983
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	26,427	25,523	24,514	23,395	22,160
Debt Coverage Ratio	1.36	1.35	1.33	1.32	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	431,845	440,482	449,291	458,277	467,443
Less Oper. Expenses	337,215	347,332	357,752	368,484	379,539
Net Income	94,629	93,150	91,539	89,793	87,904
Less Debt Service	73,823	73,823	73,823	73,823	73,823
Cash Flow	20,806	19,327	17,716	15,970	14,081
Debt Coverage Ratio	1.28	1.26	1.24	1.22	1.19

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

2019 Low-income Housing Tax Credit Application For Reservation - Mixed Construction  
 Building-by-Building Information

Must Complete

Number of BINS: 3

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).

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

Blg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	30% Present Value Credit for Acquisition			30% Present Value Credit for Rehab / New Construction			70% Present Value Credit						
				Street Address 1	City	State	Zip	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	
1.	19			1050 Plank Road	South Hill	VA	23970	\$0				\$0	\$9,526,302	12/01/19	9.00%	\$317,367
2.	9			1050 Plank Road	South Hill	VA	23970	\$0				\$0	\$1,379,176	12/01/19	9.00%	\$124,126
3.	27			1050 Plank Road	South Hill	VA	23970	\$0				\$0	\$4,889,805	12/01/19	9.00%	\$440,083
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

Totals from all buildings: \$0 \$0 \$0 \$0 \$9,795,284 \$881,576

Number of BINS: 3

Number of BINS: 3

**V. STATEMENT OF OWNER**

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The undersigned hereby acknowledges the following:

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

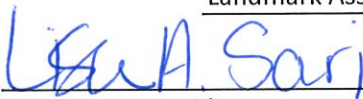
V. STATEMENT OF OWNER

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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: Groom School Apartments, LLC by  
Groom School Managing Member by  
Landmark Asset Services, Inc., Managing Member

By:   
Its: Lisa A. Sari, President  
(Title)

## 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
<b>Total:</b>			<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	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
<b>Total:</b>			<u><u>15.00</u></u>

**2. HOUSING NEEDS CHARACTERISTICS:**

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized Funding Commitments	2.23%	Up to 40	4.46
d. Tax Abatement on increase of property's value	Y	0 or 5	5.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
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	N	Up to 20	0.00
<b>Total:</b>			<u><u>39.46</u></u>

**2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction**

**3. DEVELOPMENT CHARACTERISTICS:**

a. Amenities (See calculations below)			32.79
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	Y	0 or 30	30.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 to 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	18.00
i. Historic Structure (based on % of units qualifying)	Y	up to 5	1.73
Total:			<u>117.52</u>

**4. TENANT POPULATION CHARACTERISTICS:**

Locality AMI	State AMI
\$51,900	\$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	29.09%	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)	10.91%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	10.91%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	50.91%	Up to 50	50.00
Total:			<u>90.00</u>

**5. SPONSOR CHARACTERISTICS:**

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

**6. EFFICIENT USE OF RESOURCES:**

a. Credit per unit		Up to 200	63.99
b. Cost per unit		Up to 100	29.71
Total:			<u>93.70</u>

**7. BONUS POINTS:**

a. Extended compliance	35 Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
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	Up to 10	0.00
Total:			<u>50.00</u>

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

**TOTAL SCORE: 455.68**

Type:	New Con.	Adapt Reuse	Acq/Rehab	Total pts
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2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

Amenities:	% of Units:	65%	35%	0%	Awarded Score
All units have:					
a. Community Room					5.00
b. Exterior walls constructed with brick and other low maintenance materials					18.75
c. Sub metered water expense		0	0	0	0.00
d. Watersense labeled faucets, toilets and showerheads		1.96	1.04	0	3.00
e. Infrastructure for high speed internet/broadband		0.65	0.35	0	1.00
f. Free WiFi Access in community room		0	0	0	0.00
g. Each unit provided free individual high speed internet access		0	0	0	0.00
or h. Each unit provided free individual WiFi		0	0	0	0.00
i. Bath Fan - Delayed timer or continuous exhaust		0	1.04	0	1.04
or j. Baths equipped with humidistat		0	0	0	0.00
k. Cooking Surfaces equipped with fire prevention features		0	0	0	0.00
or l. Cooking surfaces equipped with fire suppression features		1.31	0.69	0	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system				0	0.00
n. Provides Permanently installed dehumidification system		0	0	0	0.00
o. All interior doors within units are solid core		0	0	0	0.00
p. USB in kitchen, living room and all bedrooms		0	0	0	0.00
q. LED Kitchen Light Fixtures		1.31	0.69	0	2.00
r. Shelf or Ledge at entrance within interior hallway		0	0	0	0.00
s. New Construction: Balcony or patio				0	0.00
					<u>32.79</u>
All elderly units have:					
t. Front-control ranges		0	0	0	0.00
u. Independent/suppl. heat source		0	0	0	0.00
v. Two eye viewers		0	0	0	0.00
					<u>0.00</u>
				<b>Total amenities:</b>	<b><u>32.79</u></b>

X.

## Development Summary

### 2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

**Deal Name:** Groom School Apartments

**Cycle Type:** 9% Tax Credits      **Requested Credit Amount:** \$660,000  
**Allocation Type:** Mixed Construction      **Jurisdiction:** Mecklenburg County  
**Total Units:** 55      **Population Target:** General  
**Total LI Units:** 55  
**Project Gross Sq Ft:** 69,232.17      **Owner Contact:** Lisa Sari  
**Green Certified?** TRUE      **Extended Use Restriction?** 50

<b>Total Score</b>
<b>455.68</b>

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$1,847,500	\$33,591	\$27	\$73,823

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$5,660,469	\$102,918	\$82	63.87%
General Req/Overhead/Profit	\$750,217	\$13,640	\$11	8.47%
Other Contract Costs	\$0	\$0	\$0	0.00%
Owner Costs	\$1,483,254	\$26,968	\$21	16.74%
Acquisition	\$150,000	\$2,727	\$2	1.69%
Developer Fee	\$818,205	\$14,876	\$12	9.23%
<b>Total Uses</b>	<b>\$8,862,145</b>	<b>\$161,130</b>		

Total Development Costs	
Total Improvements	\$7,893,940
Land Acquisition	\$150,000
Developer Fee	\$818,205
<b>Total Development Costs</b>	<b>\$8,862,145</b>

Income		
Gross Potential Income - LI Units		\$380,928
Gross Potential Income - Mkt Units		\$0
Subtotal		\$380,928
Less Vacancy %	7.00%	\$26,665
<b>Effective Gross Income</b>		<b>\$354,263</b>

Split of Construction	
New Constr.	65.45%
Adapt. Reuse	34.55%
Rehab	0.00%

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	11
# of 2BR	28
# of 3BR	16
# of 4+ BR	0
<b>Total Units</b>	<b>55</b>

**Rental Assistance?** FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$70,599	\$1,284
Utilities	\$46,956	\$854
Operating & Maintenance	\$63,742	\$1,159
Taxes & Insurance	\$53,123	\$966
<b>Total Operating Expenses</b>	<b>\$234,420</b>	<b>\$4,262</b>
Replacement Reserves	\$16,500	\$300
<b>Total Expenses</b>	<b>\$250,920</b>	<b>\$4,562</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	6	6
50% AMI	0	22
60% AMI	49	27
>60% AMI	0	0
Market	0	0

**Income Averaging?** FALSE

Cash Flow	
EGI	\$354,263
Total Expenses	\$250,920
<b>Net Income</b>	<b>\$103,343</b>
Debt Service	\$73,823
<b>Debt Coverage Ratio (YR1):</b>	<b>1.40</b>

**Proposed Cost Limit/Unit:**  
**Applicable Cost Limit/Unit:**  
**Proposed Cost Limit/Sq Ft:**  
**Applicable Cost Limit/Sq Ft:**

New Constr.	Adaptive Reuse	Rehab
\$151,520	\$179,338	\$0
\$259,224	\$259,224	\$199,972
\$122	\$133	\$0
\$156	\$156	\$120



2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

New Constr. Portion

\$/SF =  Credits/SF =  Const \$/unit =

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

LOCATION

Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600

NOVA

TYPE OF CONSTRUCTION

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

	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	1,137.21	1,344.62	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	20	16	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	245,775	288,786	0	0	0	0
PROJECT COST PER UNIT	0	0	135,985	160,788	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,900	22,208	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,497	12,412	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	24.82	19.70	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	49.40	39.21	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 44.52 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 88.61 Prorated Credit

% of Total Units: New Construction 65%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>245,775</b>	<b>288,786</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>18,900</b>	<b>22,208</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

Adaptive Reuse Portion

\$/SF =

Credits/SF =

Const \$/unit =

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

LOCATION

Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600

TYPE OF CONSTRUCTION

N C=1; ADPT=2; REHAB(35,000)=3; REHAB\*(15,000-35,000)=4

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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
AVG UNIT SIZE	0.00	1,184.02	1,493.74	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	11	8	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	155,813	207,750	0	0	0	0	0
PROJECT COST PER UNIT	0	156,806	197,825	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	12,758	17,010	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	11,922	15,040	0	0	0	0	0
COST PER UNIT POINTS	0.00	-0.37	2.01	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	7.59	9.75	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 1.64 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 17.34 Prorated Credit

% of Total Units: Adaptive Reuse 35%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>155,813</b>	<b>207,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>12,758</b>	<b>17,010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>155,813</b>	<b>207,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>12,758</b>	<b>17,010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



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2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

REHAB Portion

\$/SF =  Credits/SF =  Const \$/unit =

TYPE OF PROJECT  
LOCATION  
TYPE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000  
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tld=500; Balance=600  
N C=3; ADPT=2; REHAB(35,000+)=3; REHAB\*(15,000-35,000)=4

NOVA

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 0.00 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 0.00 Prorated Credit

% of Total Units: Rehab 0%

**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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - Elderly**

Standard Credit Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - General**

Standard Credit Parameter - low rise  
 Parameter Adjustment - mid rise  
 Parameter Adjustment - high rise  
 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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit 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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0
0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Cost Parameters - General**

Standard Cost 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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - General**

Standard Cost 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
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

New Constr. Portion

\$/SF =

\$119.58

Credits/SF =

9.230876

Const \$/unit =

\$110,228

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

LOCATION

Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600

TYPE OF CONSTRUCTION

N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4

11000

600

1

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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
AVG UNIT SIZE	0.00	0.00	1,137.21	1,344.62	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	20	16	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	245,775	288,786	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	245,775	288,786	0	0	0	0
PROJECT COST PER UNIT	0	0	135,985	160,788	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	18,900	22,208	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	18,900	22,208	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	10,497	12,412	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	24.82	19.70	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	49.40	39.21	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 44.52 Prorated Cost 29.14

TOTAL CREDIT PER UNIT POINTS 88.61 Prorated Credit 58

% of Total Units: New Construction 65%

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	245,775	288,786	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	18,900	22,208	0	0	0	0

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

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	245,775	288,786	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	245,775	288,786	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	18,900	22,208	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	18,900	22,208	0	0	0	0





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2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

Adaptive Reuse Portion

\$/SF =

Credits/SF =

Const \$/unit =

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

LOCATION

Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600

TYPE OF CONSTRUCTION

N C=1; ADPT=2;REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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
AVG UNIT SIZE	0.00	1,184.02	1,493.74	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	11	8	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	155,813	207,750	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	155,813	207,750	0	0	0	0	0
PROJECT COST PER UNIT	0	156,806	197,825	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	12,758	17,010	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	12,758	17,010	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	11,922	15,040	0	0	0	0	0
COST PER UNIT POINTS	0.00	-0.37	2.01	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	7.59	9.75	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 1.64 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 17.34 Prorated Credit

% of Total Units: Adaptive Reuse 35%



**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	12,758	17,010	0	0	0	0	0

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	155,813	207,750	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	155,813	207,750	0	0	0	0	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	12,758	17,010	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	12,758	17,010	0	0	0	0	0



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2019 Low-Income Housing Tax Credit Application For Reservation - Mixed Construction

REHAB Portion

\$/SF =  Credits/SF =  Const \$/unit =

TYPE OF PROJECT

GENERAL = 11000; ELDERLY = 12000

LOCATION

Inner-NVA=100; Outer-NV=200; NWNc=300; Rich=400; Tid=500; Balance=600

TYPE OF CONSTRUCTION

N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(10,000-35,000)=4

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	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	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/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	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT COST PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<35,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS=>50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PARAMETER-(CREDITS<50,000)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CREDIT PARAMETER	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
PROJECT CREDIT PER UNIT	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS 0.00 Prorated Cost

TOTAL CREDIT PER UNIT POINTS 0.00 Prorated Credit

% of Total Units: Rehab 0%

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

**Cost Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - Elderly**

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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# Partnership or Operating Agreement

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



**GROOM SCHOOL APARTMENTS, LLC,  
A VIRGINIA LIMITED LIABILITY COMPANY**

**AMENDED AND RESTATED OPERATING AGREEMENT**

As of December 14, 2018

THE MEMBERSHIP INTERESTS EVIDENCED BY THIS AMENDED AND RESTATED OPERATING AGREEMENT (THE "AGREEMENT") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE MEMBERSHIP INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE SECURITIES ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH. IN ADDITION, THE SALE OR TRANSFER OF SUCH MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS SET FORTH IN ARTICLE 9 HEREOF.

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**GROOM SCHOOL APARTMENTS, LLC**  
**A VIRGINIA LIMITED LIABILITY COMPANY**

**AMENDED AND RESTATED OPERATING AGREEMENT**

THIS AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of December 14, 2018, by and among Groom School Managing Member, LLC, a Virginia limited liability company (the "Managing Member"), Landmark Asset Services, Inc., a North Carolina corporation ("Landmark"), Sari Investments, LLC, a North Carolina limited liability company ("Sari" and collectively with Landmark the "Withdrawing Members"), Red Stone Equity-2017 National Fund, L.P., a Delaware limited partnership (the "Investor Member"), Red Stone Equity Manager, LLC, a Delaware limited liability company (the "Special Investor Member"), and Groom State Investor 2018 LLC, a Virginia limited liability company (the "State Investor Member").

WHEREAS, Landmark, as both the manager and a member, executed Certificate of Organization (the "Certificate") for the formation of Groom School Apartments, LLC (the "Company") pursuant to the terms of the Virginia Limited Liability Company Act (the "Act"), which Certificate was subsequently filed with the Secretary of the Commonwealth of Virginia (the "State") on February 22, 2017;

WHEREAS, the Withdrawing Members previously executed an Operating Agreement (the "Original Agreement") of the Company dated as of February 22, 2017;

WHEREAS, the Withdrawing members wish to withdraw as members and Landmark wishes to withdraw as manager;

WHEREAS, the Managing Member, the Special Investor Member, the Investor Member, and the State Investor Member wish to continue the Company pursuant to the Act;

WHEREAS, the Company has been formed to develop, rehabilitate, own, maintain and operate a 55-unit multifamily apartment complex, known as Groom School Apartments, located in South Hill, Virginia;

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Operating Agreement to (i) continue the Company under the Act; (ii) withdraw the Withdrawing Members as members and Landmark as manager; (iii) admit the Investor Member, the Special Investor Member, and the State Investor Member to the Company as members; (iv) set forth all of the provisions governing the Company; and (v) amend and restate the Original Agreement in its entirety.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set forth in this Amended and Restated Operating Agreement, which reads in its entirety as follows:

ARTICLE 1.  
CONTINUATION OF COMPANY

1.01 Continuation. The undersigned hereby continue the Company as a limited liability company under the Act.

1.02 Name. The name of the Company is Groom School Apartments, LLC.

1.03 Principal Place of Business; Agent for Service of Process.

(a) Principal Place of Business. The principal place of business of the Company shall be 406 E Fourth Street, Winston Salem, NC 27101. The Company may change the location of its principal place of business to such other place or places within the State as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal place of business. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

(b) Agent for Service of Process. The name and address of the agent for service of process is Cogency Global Inc., located at 250 Browns Hill Court, Midlothian, VA 23114. The Company may change the agent for service of process to such other agent as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the agent for service of process.

1.04 Withdrawal of Withdrawing Members and Admission of the State Investor Member, Special Investor Member and Investor Member. The Withdrawing Members hereby withdraw as a Members of the Company, and represent and warrant that (a) they have no claims or causes of action against the Company or any asset thereof, (b) they have no interest in the Company or any property or asset thereof, and (c) they are not entitled to any fees, distributions, compensation or payments from the Company. Landmark hereby withdraws as manager. The State Investor Member, Special Investor Member and Investor Member are hereby admitted to the Company as the sole investor members thereof.

1.05 Term. The term of the Company commenced as of the date of the filing of the Certificate with the Secretary of State of the State, and shall continue in perpetuity, unless the Company is sooner dissolved in accordance with the provisions of this Agreement.

1.06 Filing of Certificate. Upon the execution of this Amended and Restated Operating Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt recording of an amendment to the Certificate if and as required by the Act, including filing with the Secretary of State of the State. All fees for filing shall be paid out of the Company's assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State, and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the State.

1.07 Assignment to the Company. The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Apartment Complex, including the following:



- (a) any and all contracts with architects, contractors and supervising architects with respect to the development of the Apartment Complex;
- (b) any and all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Apartment Complex and all governmental approvals obtained, including planning, zoning and building permits;
- (c) any and all commitments with respect to the Project Loans and the Tax Credits;
- (d) any and all rights under and pursuant to the Project Documents; and
- (e) any other work product related to the Apartment Complex.

ARTICLE 2.  
DEFINED TERMS

In addition to the terms defined in the preamble to this Agreement, the following terms used in this Agreement shall have the meanings specified below:

“Accountants” means Bernard Robinson & Company, LLP or such other firm of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Special Investor Member, to prepare the Company income tax returns and audited financial statements and provide other services to the Company.

“Act” means the Limited Liability Company Act of the State, as may be amended from time to time during the term of the Company.

“Actual Credits” means the sum of the Actual Historic Tax Credits and the Actual Section 42 Credits.

“Actual Historic Tax Credits” means as of any point in time, the total amount of the Historic Tax Credits allocated by the Company to the Investor Member representing in the aggregate ninety-nine and ninety-eight one hundredths percent (99.98%) of the aggregate Historic Tax Credits reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

“Actual Section 42 Credits” means as of any point in time, the total amount of the Section 42 Tax Credits allocated by the Company to the Investor Member representing in the aggregate ninety-nine and ninety-eight one hundredths percent (99.98%) of the aggregate Section 42 Tax Credits reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

“Actual State Historic Tax Credits” means as of any point in time, the total amount of the State Historic Tax Credits allocated by the Company to the State Investor Member representing one hundred percent (100%) of the aggregate State Historic Tax Credits issued to the Company and not disallowed by any taxing authority, as such shall be evidenced by the cost certification prepared by the Accountants and the Virginia Department of Historic Resource’s certification provided to the State Investor Member.

“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 period after giving effect to the following adjustments: (a) the credit to such Capital Account of any amounts which such Member is obligated to restore under this Agreement or is deemed to be obligated to restore pursuant to either (i) the penultimate sentences of Treas. Reg. §1.704-2(g)(1) and Treas. Reg. §1.704-2(i)(5), or (ii) amounts that the Member is treated as obligated to restore under Treas. Reg. §1.704-1(b)(2)(ii)(c); and (b) the debit to such Capital Account of the amounts described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling more than ten percent (10%) or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any executive officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an executive officer, director, general partner or trustee, any corporation, partnership or trust for which that Person acts in that capacity, or (v) any Person who is an executive officer, director, partner, member, trustee or holder of ten percent (10%) or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv), provided that, Person, as defined by this subsection (v), is not meant to include the Investor Member, Special Investor Member, and, if admitted, the State Investor Member. The term “control” (including the term “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agency” means the Virginia Housing Development Authority, or any successor thereof, in its capacity as the agency of the State designated to allocate Tax Credits, acting through any authorized representative.

“Agreement” means this Amended and Restated Operating Agreement, as amended from time to time.

“Anti-Corruption Laws” means all laws, rules, statutes, codes and regulations of any governmental entity, applicable to the Managing Member, its Affiliates or the Company, concerning or relating to corruption or bribery, including laws prohibiting an offer, payment, promise to pay, or authorization of the payment or giving of money or anything else of value, to anyone, while knowing or believing that all or some portion of the money or thing of value will be offered, given, promised to, or retained by a Government Official, or any other person, for the purpose of obtaining or retaining business, securing any improper advantage or the improper performance of that person's or Government Official's function, or misuse of that person's or Government Official's position.

“Apartment Complex” means the Land and the rehabilitated 55-unit multifamily rental housing development (which includes 3 buildings with 55 Low-Income Units) and other improvements to be rehabilitated, owned and operated thereon by the Company, and to be known as Groom School Apartments.

“Archetypes” means Archetypes, LLC, a North Carolina limited liability company.

“Architect” means CJMW Architecture, PA, the architect who prepared the Plans and Specifications and who will inspect the progress of rehabilitation of the Apartment Complex.

“As-Built Plans and Specifications” means the plans and specifications for the Apartment Complex stamped with the seal of the Architect and issued upon Substantial Completion.

“Asset Management Fee” shall have the meaning set forth in Section 14.04.

“Assignment” means the form of Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit K pursuant to which the Investor Member may hereafter transfer its interest in the Company to a Fund.

“Assumed Investor Member Tax Liability” means for any given year the product of (i) the taxable income of the Investor Member for federal income tax purposes, if any, resulting from allocations made to the Investor Member pursuant to Article 11 but not including any taxable income resulting from a Capital Transaction, times (ii) a percentage equal to the sum of (A) the highest federal corporate tax rate for such year, plus (B) the highest state corporate tax rate for such year for the State.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means:

(i) The entry of a decree or order for relief by a court having jurisdiction in respect of such Person in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days;

(ii) The commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such person or for any substantial part of his or its property, or the making by such Person of any assignment for the benefit of creditors, or the taking of action by such Person in furtherance of any of the foregoing;

(iii) The commencement against such Person of an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy insolvency or similar laws which has not been vacated or discharged within sixty (60) consecutive days;

(iv) The admission by such Person of his or its inability to pay his or its debts as they become due; or

(v) Such Person becoming “insolvent” by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the federal bankruptcy laws, the Uniform Fraudulent Conveyances Act, any state or federal act or law, or the ruling of any court.

“Breakeven Operations” means the date upon which the gross operating revenues from the normal operation of the Apartment Complex received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Company and not more than 60 days in arrears, but excluding capital advances, tenant security deposits and insurance proceeds) for a period of three (3) consecutive calendar months after Final Closing equals or exceeds the greater of all projected (as set forth in the Projections) or actual accrued operating costs of the Apartment Complex, including, but not limited to, taxes, assessments, Replacement Reserve deposits and debt service payments and a ratable portion of the annual amount (as reasonably estimated by the Managing Member) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities, maintenance expenses and real estate taxes or service charges in lieu of real estate taxes) which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, for such period of three (3) consecutive calendar months on an annualized basis (based on projections of the Company), as evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet of the Company indicating that all trade payables have been satisfied (or with respect to trade payables within sixty (60) days of the date the services were performed or goods were delivered, the trade payables shall not be past due and the Company shall have an adequate cash reserve for the payment of such trade payables), all as shall be subject to the approval of the Special Investor Member, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, lower actual expenses may be used in lieu of higher projected expenses in the calculation of Breakeven Operations in instances where there is a true cost savings (i.e. cost savings that do not result from a change in goods or services provided to the Apartment Complex, such as a reduction in taxes or insurance premiums without any change in insurance coverage, unless such goods and services are deemed unnecessary by the Managing Member and consented to by Special Investor Member, which consent shall not be unreasonably withheld) or for any particular line item in the budget where there is a cost savings that is approved by the Special Investor Member, which approval shall not be unreasonably withheld. For purposes of this definition of “Breakeven Operations”, non project-based public subsidy payments for any unit shall only be counted to the extent that the monthly public subsidy payment for that unit, when combined with the monthly tenant-paid rent, does not exceed the monthly maximum Tax Credit rent for such unit based on the applicable area median income limit for such unit, which shall not exceed the sixty percent (60%) area median income limit for 23 two-bedroom units and 4 three-bedroom units, the fifty percent (50%) area median income limit for 5 one-bedroom units, 5 two-bedroom units, and 12 three-bedroom units, and the forty percent (40%) area median income limit for 6 one-bedroom units. For the purpose of calculating Breakeven Operations only, the following costs shall not be considered operating costs of the Apartment Complex: (i) payments on the Incentive Management Fee; (ii) payments to be made under the Development Agreement; (iii) the Asset Management Fee; and (iv) the Company Management Fee.

Such calculation shall be subject to the Consent of the Special Investor Member and shall be evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet and operating statement of the Company. The Special Investor Member shall be provided with all documents and records which it may reasonably require in order to verify the achievement of Breakeven Operations and shall have the right to examine and copy all books and records of the Company, Managing Member (relating to the Company and/or the Apartment

Complex) and Management Agent (relating to the Company and/or the Apartment Complex) in connection therewith.

“Business Day” means any day other than a Saturday, Sunday or a legal holiday on which banks are authorized or required to be closed for the conduct of commercial banking business in Winston Salem, North Carolina or Cleveland, Ohio.

“Capital Account” means the capital account of a Member as described in Section 11.06.

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Company by each Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

“Capital Transaction” means any transaction out of the ordinary course of the Company's business which is capital in nature, including without limitation, the disposition, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Members), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part or all of the Apartment Complex.

“Carveouts” means usual and customary recourse liabilities associated with fraud, misrepresentation, misuse of insurance proceeds or other liabilities specified in the Project Loan documents for which the Special Investor Member has provided its Consent.

“Certificate” means the Company's Articles of Organization or any articles of organization or any other instrument or document which is required under the laws of the State to be signed and sworn to by the Managing Member and filed in the appropriate public offices within the State to perfect or maintain the Company as a limited liability company under the laws of the State, to effect the admission, withdrawal or substitution of any Member of the Company (if required), or to protect the limited liability of the Investor Members as members under the laws of the State and all amendments thereto.

“Certified Credits” means the sum of the Certified Historic Tax Credits and the Certified Section 42 Credits.

“Certified Credit Capital Adjustment” has the meaning set forth in Section 5.03(b)(i).

“Certified Credit Capital Decrease” has the meaning set forth in Section 5.03(b)(ii).

“Certified Credit Capital Increase” has the meaning set forth in Section 5.03(b)(iii).

“Certified Historic Tax Credits” ninety-nine and ninety-eight one hundredths percent (99.98%) of the Historic Tax Credits that the Accountants certify in writing to the Company that the Company will be able to claim during the Historic Compliance Period assuming full compliance with the limitations relating to the Historic Tax Credits. The calculation of the Certified Historic Tax Credits shall be based upon and determined promptly following issuance of the Part III Historic Certification issued by the National Park Service for the Apartment Complex. If there is a delay in issuance of the Part III Historic Certification with Consent of the Special Investor Member, the calculation of the Certified Historic Tax Credits shall initially be based on the cost certification prepared in connection with the application by the Company for the Part III Historic Certification, provided that such determination shall be subject to further

adjustment upon issuance of the Part III Historic Certification. Once the Certified Historic Tax Credits are determined, they shall not be adjusted during the term of this Agreement except as provided in the previous sentence.

“Certified Section 42 Credits” means ninety-nine and ninety-eight one hundredths percent (99.98%) of the annual Section 42 Tax Credits that the Accountants certify in writing to the Company that the Company will be able to claim during each full fiscal year during the Credit Period for all buildings in the Apartment Complex assuming full compliance with the rent restrictions and income limitations of Section 42 of the Code. The calculation of the Certified Section 42 Credits shall be based upon and determined promptly following issuance of the Form(s) 8609 issued by the Agency for all the buildings comprising the Apartment Complex. If there is a delay in issuance of the Form(s) 8609, with Consent of the Special Investor Member, the calculation of the Certified Section 42 Credits shall initially be based on the cost certification prepared in connection with the application by the Company for Form(s) 8609, provided that such determination shall be subject to further adjustment upon issuance of the Form(s) 8609. Once the Certified Section 42 Credits are determined, they shall not be adjusted during the term of this Agreement, except if, pursuant to the previous sentence the Certified Section 42 Credits are determined based on a cost certification, in which case they may be adjusted following issuance of the Form(s) 8609; provided, however, if with respect to a Tax Credit Recapture Event the Managing Member makes a payment under Section 8.09 (c), then the Certified Section 42 Credits shall be reduced prospectively by the annual reduction in Tax Credits attributable to such Tax Credit Recapture Event.

“Certified State Historic Tax Credits” means one hundred percent (100.00%) of the State Historic Tax Credits that the Accountants certify in writing to the Company that the Company will be able to claim for the year in which the Apartment Complex is placed in service assuming full compliance with the limitations relating to the State Historic Tax Credits. The calculation of the Certified State Historic Tax Credits shall be based upon and determined promptly following issuance of the Part III Historic Certification issued by the National Park Service for the Apartment Complex. If there is a delay in issuance of the Part III Historic Certification, the calculation of the Certified State Historic Tax Credits shall initially be based on the cost certification prepared in connection with the application by the Company for the Part III Historic Certification, provided that such determination shall be subject to further adjustment upon issuance of the Part III Historic Certification. Once the Certified State Historic Tax Credits are determined, they shall not be adjusted during the term of this Agreement except as provided in the previous sentence.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“Company” means this Groom School Apartments, LLC, a Virginia limited liability company.

“Company Management Fee” means the fee payable by the Company to the Managing Member pursuant to Section 14.06 of this Agreement.

“Compliance Period” means the fifteen-year “compliance period” as defined in and determined in accordance with Section 42(i) of the Code.

“Consent” means the prior written consent or approval of the Investor Member, Special Investor Member, the State Investor Member, and/or any other Person, as the context may

require, to do the act or thing for which the consent is solicited, provided that in such circumstances where the Investor Member's Consent is required hereunder, the Investor Member may designate the Special Investor Member as the party to determine if any Consent is to be given or withheld. Except as otherwise specified in this Agreement, such Consent shall not be unreasonably withheld, conditioned or delayed.

"Construction Completion Loan" has the meaning set forth in Section 8.09(a)(ii).

"Construction Contract" means, collectively, the construction contracts (and any amendments thereto and inclusive of a description of the Plans and Specifications) in the guaranteed maximum amount/for a stipulated sum of \$5,909,843 and \$195,500 (including all exhibits and attachments thereto) to be entered into between the Company and the Contractor, pursuant to which the Apartment Complex is to be rehabilitated. Such Construction Contract, and any amendments thereto, shall be subject to the Consent of the Special Investor Member.

"Construction Inspector" shall mean Newbanks, Inc.

"Construction Lender" shall mean First Citizens Bank & Trust Company.

"Construction Loan" shall mean that certain construction loan made to the Company by the Construction Lender in the principal amount of \$5,000,000 as more particularly described in Exhibit H attached hereto.

"Construction Loan Security Agreement" has the meaning set forth in Section 6.02.

"Continued Compliance Sale" has the meaning set forth in Section 8.03(a).

"Contractor" means Davie Construction Company, a North Carolina corporation, which is the general construction contractor for the Apartment Complex.

"Contribution Certificate" means a certificate in the form attached hereto as Exhibit B-1 to be delivered to the Investor Members concurrently with the making of each Investor Member Capital Contribution (other than the initial Investor Member Capital Contribution) acceptable to the Investor Member.

"Counsel" or "Counsel for the Company" means Brockmann Law, or such other attorney or law firm upon which the Special Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

"Credit Period" means the ten (10) year credit period as to each of the buildings comprising the Apartment Complex, as defined in and determined in accordance with Section 42(f) of the Code. The Credit Period shall be extended one additional year, to eleven (11) years, if Tax Credits are delivered pursuant to Section 42(f)(2)(B), i.e. first year Tax Credits being delivered in an 11th year.

"Debt Service Coverage Ratio" means for the applicable period of calculation, a fraction, the numerator of which is the difference between all cash actually received by the Company on a cash basis from normal operations (including public subsidy, if any), determined utilizing the

greater of 7% or the actual vacancy of the Apartment Complex for the prior month's operations, less the greater of (i) the Company's projected operational costs for such period, which shall be the portion (pro rated for such period) of the initial projected annual expenses of \$245,143, or (ii) all the accrued actual operational costs of the Apartment Complex (including reserve requirements), and the denominator of which is all required debt service, mortgage insurance premium and/or other cash requirements imposed by the Project Loan documents properly allocable to a particular period on an annualized basis, as approved by the Special Investor Member. For purposes hereof, all cash actually received from normal operations shall exclude capital advances, insurance (other than rental loss insurance proceeds) and condemnation proceeds, loan proceeds, security deposits (except to the extent such deposits are applied against rent or other amounts then payable by a tenant under the applicable lease) and similar items of a nonrecurring nature. Notwithstanding the foregoing, lower actual expenses may be used in lieu of higher projected expenses in instances where there is a true cost savings (i.e. cost savings that do not result from a change in goods or services provided to the Apartment Complex, such as a reduction in taxes or insurance premiums without any change in insurance coverage) or for any particular line item in the budget where there is a cost savings that is approved by the Special Investor Member. For purposes of calculating Debt Service Coverage Ratio, the following costs shall not be considered operating costs of the Apartment Complex: (i) payments on the Incentive Management Fee; (ii) payments to be made under the Development Agreement; (iii) the Asset Management Fee and (iv) the Company Management Fee. For purposes of this definition of "Debt Service Coverage Ratio", non project-based public subsidy payments for any unit shall only be counted to the extent that the monthly public subsidy payment for that unit, when combined with the monthly tenant-paid rent, does not exceed the monthly maximum Tax Credit rent for such unit based on the applicable area median income limit for such units, which shall not exceed the sixty percent (60%) area median income limit for 23 two-bedroom units and 4 three-bedroom units, the fifty percent (50%) area median income limit for 5 one-bedroom units, 5 two-bedroom units, and 12 three-bedroom units, and the forty percent (40%) area median income limit for 6 one-bedroom units.

"Default Rate" shall mean the greater of (i) 8% per annum or (ii) the Prime Rate, plus two percent (2%).

"Designated Individual" means the person appointed by the Company Representative to be the "designated individual" with the sole authority to bind the Company Representative pursuant to the Code and Treasury Regulations.

"Developer" means, Archetypes.

"Development Agreement" means the Amended and Restated Development Agreement between the Company and the Developer as of even date herewith relating to the development of the Apartment Complex and providing for the payment of the Development Fee, attached as Exhibit D and made a part hereof.

"Development Budget" means the development budget prepared by the Managing Member and approved by the Special Investor Member with respect to the costs and sources of financing for the development and rehabilitation of the Apartment Complex, and included in the Projections, attached hereto as Exhibit I.

"Development Costs" means all of the following: (i) all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land and the development or rehabilitation of the Apartment Complex, including payment of the Development Fee, amounts



due under the Construction Contract, any rehabilitation cost overruns, the cost of any change orders and all costs necessary to achieve Substantial Completion; (ii) all costs to achieve Initial Closing and Final Closing, and satisfy any escrow deposit requirements which are conditions to the Final Closing, including any amounts necessary for local taxes, utilities, casualty and liability insurance premiums, and any applicable loan fees, discounts or other expenses; (iii) for the period prior to Stabilized Operations, all costs, payments and deposits needed to avoid a default under any Project Loan, including without limitation, all required deposits to satisfy any requirements of a Project Lender to keep a Project Loan "in balance"; (iv) the funding of all reserves required to be established on or prior to Final Closing pursuant to Article 7 of this Agreement (including without limitation, the Operating Reserve and the Replacement Reserve) or pursuant to the terms of any Project Loan; (v) all costs and expenses relating to remedying any environmental problem or condition or Hazardous Materials that existed on or prior to Final Closing; (vi) all Operating Deficits incurred by the Company prior to Stabilized Operations and (vii) any and all costs related to any relocation of tenants in accordance with a tenant relocation plan for the Apartment Complex prepared for the Agency, as amended from time to time.

"Development Fee" means the fee payable by the Company to the Developer pursuant to Section 14.01 of this Agreement and the Development Agreement.

"Downward Capital Adjustment." has the meaning set forth in Section 5.03(b)(iv).

"Early Delivery Capital Adjustment" has the meaning set forth in Section 5.03(b)(vi).

"Economic Risk of Loss" has the meaning specified in Treas. Reg. §1.752-2.

"Eligible Basis" has the meaning set forth in Section 4.01(n).

"Environmental Consultant" has the meaning set forth in Section 4.03(d).

"Environmental Reports" means, collectively, the following environmental reports and studies relating to the Land and any improvements: Phase I Environmental Site Assessment (ESA), John Groom Primary School, 1050 Plank Road, South Hill, Virginia, prepared for Landmark Asset Services, by Swift Creek Environmental, Inc. (Swift Creek) and dated April 25, 2018; Phase I Environmental Site Assessment (ESA) Update, John Groom Primary School, 1050 Plank Road, South Hill, Virginia, prepared for Landmark Asset Services, by Swift Creek Environmental, Inc. (Swift Creek) and dated December 14, 2018; Limited Phase II Investigation, Former School, 1050 Plank Road, South Hill, Virginia, conducted by Swift Creek in August 2017; Lead-Based Paint (LBP) Survey, Former School, 1050 Plank Road, South Hill, Virginia, conducted by Swift Creek in June 2017; and, Asbestos-Containing Material (ACM) Survey, Former School, 1050 Plank Road, South Hill, Virginia, conducted by Swift Creek in June 2017. The results of the ACM survey were discussed in Section 8.3 (pdf page 27) of the April 2018 Phase I ESA report.

"Excess Development Costs" means all Development Costs in excess of the proceeds of the Project Loans and all Capital Contributions that each of the Investor Member and State Investor Member is required to make hereunder.

"Extended Use Agreement" means the instrument required pursuant to Section 42(h)(6)(B) of the Code, to be executed by the Company and delivered to the Agency at or subsequent to the Initial Closing, setting forth certain terms and conditions under which the Apartment Complex is to be operated.

“Final Closing” means the occurrence of all of the following: (i) Substantial Completion, (ii) if required by the Project Documents, approval by the Project Lenders of Company's certification of actual costs as to the development and rehabilitation of the Apartment Complex, (iii) disbursement by all Project Lenders of any previously undisbursed Project Loan proceeds and repayment in full of the Construction Loan, (iv) closing on the Permanent Loan(s) has occurred and commencement of amortization as to all Project Loans (to the extent any Project Loan requires principal amortization) such that the Apartment Complex will have a Debt Service Coverage Ratio of not less than 1.15:1 and not in excess of the principal loan amounts described on Exhibit H.

“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Apartment Complex must be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size.

“Fund” means an assignee of the Investor Member Membership Interest where the general partner or managing member of the assignee is an Affiliate of the Investor Member.

“Government Official” means an officer, employee or official of a governmental, government owned or controlled entity, political party or public international organization, or a candidate for political office.

“Guarantor” means, on a joint and several basis, the Managing Member, and Lisa A. Sari, Landmark, and Archetypes, which are Affiliates of the Managing Member.

“Guaranty” means the guaranty of the payment and performance of the obligations of the Managing Member under this Agreement and the obligations of the Developer under the Development Agreement for the benefit of the Investor Member and the Special Investor Member given by the Guarantor, which Guaranty is attached hereto as Exhibit C and made a part hereof.

“Hazardous Substances” shall mean and include, without limitation, any hazardous, toxic or dangerous substance, waste or material, specifically including for purposes of this Agreement any petroleum, or crude oil or fraction thereof, friable asbestos or asbestos containing material, mold, lead based paint, polychlorinated biphenyls or urea formaldehyde foam insulation defined as such in, regulated by or for the purpose of, or in violation of any Hazardous Waste Laws.

“Hazardous Waste Laws” shall mean any governmental requirements pertaining to land use, air, soil, subsoil, surface water, groundwater (including the quality of, protection, clean-up, removal, remediation or damage of or to land, air, soil, subsoil, surface water and groundwater), including, without limitation, the following laws as the same may be from time to time amended: the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401 et seq., the Transportation Safety Act of 1974, portions of which are located at 49 U.S.C. § 1801 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., or any so-called “superfund” or “superlien” law, together with any other foreign or domestic laws (federal, state, provincial or local), common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, release or threatened releases of any

Hazardous Substances into ambient air, land, soil, subsoil, surface water, groundwater, personal property or structures, or otherwise relating to the manufacture, processing distribution, use treatment, storage, disposal, transport, discharge or handling of any Hazardous Substances, now or at any time hereafter in effect.

“Historic Compliance Period” means the five (5) year period provided in Section 47 of the Code, commencing on January 1st of the calendar year in which the Apartment Complex is placed in service for purposes of Section 47 of the Code, and ending on December 31st of the calendar year of the 5th anniversary of such placement in service.

“Historic Tax Credit” means the federal tax credit allowed for rehabilitation of historic buildings pursuant to Section 47 of the Code for QREs incurred in connection with the “certified rehabilitation” of a “certified historic structure”.

“Historic Tax Credit Recapture Event” means (a) the filing of a tax return by the Company evidencing any event causing a recapture of Historic Tax Credits previously claimed by the Company and allocated to the Investor Member in connection with the Apartment Complex, unless the event giving rise to such recapture has been consented to in writing by the Special Investor Member or is caused by the Investor Member or State Investor Member, (b) an audit by the Internal Revenue Service or other event which results in an assessment of a deficiency by the Internal Revenue Service against the Company with respect to any Historic Tax Credits previously claimed by the Company and allocated to the Investor Member in connection with the Apartment Complex, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal tax court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company or the Investor Member with respect to any Historic Tax Credits previously claimed by the Company and allocated to the Investor Member in connection with the Apartment Complex, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision beyond any period of further appeal.

“HOME Loan” means that certain loan made to the Company from Commonwealth of Virginia Department of Housing and Community Development in the principal amount of \$450,000 as more particularly described in Exhibit H attached hereto.

“In-Balance” means, at any time when calculated, when the cumulative amount of the undisbursed Project Loans, and the undisbursed Capital Contributions of each of the Investor Member and the State Investor Member required to be paid in through and including Final Closing are sufficient in the Special Investor Member’s reasonable judgment to pay all of the following sums: (a) all costs of construction to achieve Substantial Completion; (b) all costs of marketing, ownership, maintenance and leasing of the Apartment Complex units; and (c) all construction period interest and all other sums accruing or payable under the Construction Loan documents.

“Incentive Management Fee” means the fee payable by the Company to the Managing Member pursuant to Section 14.02 of this Agreement.

“Initial Closing” means the date upon which (i) this Agreement is executed; (ii) the funding of the First Capital Contribution occurs; and (iii) each of the Construction Loan and the

Town of South Hill Loan is closed and a forward commitment is received for each the Permanent Loans. The Initial Closing is anticipated to occur on or before December 14, 2018.

“Interest” or “Membership Interest” means the ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act.

“Investor Member” means, initially, Red Stone Equity-2017 National Fund, L.P., a Delaware limited partnership, and any assignee of its interest permitted or consented to hereunder (including, without limitation, a Fund).

“Investor Members” means, collectively, the Investor Member, the Special Investor Member, and the State Investor Member.

“Investor Member Due Diligence Costs” has the meaning set forth in Section 14.05.

“IRS” means the Internal Revenue Service.

“Land” means the tract of land currently owned, or to be purchased by the Company upon which the Apartment Complex will be located, as more particularly described on Exhibit A attached hereto.

“Landmark” means Landmark Asset Services, Inc., a North Carolina corporation,

“Late Delivery Capital Adjustment” has the meaning set forth in Section 5.03(b)(v).

“Liquidator” means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

“Loan Agreement” means any loan agreement and/or similar agreement with respect to the terms and conditions of the making of any of the Project Loans, which will be entered into between the Company and any one of the Project Lenders at or prior to the Final Closing.

“Losses” has the meaning set forth in the definition of “Profits” and “Losses.”

“Low-Income Units” means the units within the Apartment Complex that shall be subject to the rent and income restrictions of Section 42 of the Code and are sufficient for the Company to receive the Projected Section 42 Credits. It is anticipated that there will be 55 Low-Income Units.

“Management Agent” means the management and rental agent for the Apartment Complex designated pursuant to Section 7.01.

“Management Agreement” means the agreement between the Company and the Management Agent providing for the marketing and management of the Apartment Complex by the Management Agent and any addendums, amendments or supplements thereto.

“Managing Member” means Groom School Managing Member, LLC, a Virginia limited liability company, and any other Person admitted as a managing member pursuant to this Agreement, and their respective successors as any such successor may be admitted pursuant to this Agreement, including those Persons admitted pursuant to the provisions of Sections 6.02 and 6.03.

“Managing Member Loans” means the loans which may be made by the Managing Member to the Company pursuant to Section 5.09(a) hereof, including any accrued interest thereon. Operating Deficit Loans shall not constitute Managing Member Loans.

“Managing Member Pledge” has the meaning set forth in Section 8.10.

“Managing Member's Special Capital Contribution” has the meaning set forth in Section 5.01(b).

“Member” means any Managing Member, Investor Member, Special Investor Member, or State Investor Member.

“Member Nonrecourse Debt” means any Nonrecourse Debt (or portion thereof) for which a Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

“Member Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(i)(2), and the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year shall be determined in accordance with the rules of Treas. Reg. §1.704-2(i)(2).

“Minimum Gain” means the amount determined by computing with respect to each Nonrecourse Debt the amount of gain, if any, that would be realized by the Company if it disposed of the asset securing such liability (in a taxable transaction) in full satisfaction thereof (and for no other consideration), and by then aggregating the amounts so computed. For purposes of determining the amount of such gain with respect to a liability, the adjusted basis for federal income tax purposes of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treas. Reg. §1.704-2(d)(2).

“Minimum Set-Aside Test” means the set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in its Apartment Complex to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Company has selected or will select the 40–60 Set-Aside Test as restricted by Section 42(g)(1) of the Code to require at least 40% of the units in the Apartment Complex be occupied by households with incomes of 60% or less of area median income, as adjusted for family size, as the Minimum Set-Aside Test.

“Mortgage” means any mortgage or deed of trust to be given by the Company in favor of any Project Lender as maker of a Project Loan, constituting a lien on the Apartment Complex and securing a Project Loan.

“National Park Service” means the United States National Park Service, a bureau of the United States Department of the Interior.

“Net Cash Flow” means the sum of (i) all cash received from rents, lease payments, reserve funds approved to be used for an item deducted below in determining Net Cash Flow, and all other sources, but excluding (A) tenant security or other deposits (except to the extent forfeited to the Company), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions (other than if used to pay for an item deducted below in determining Net Cash Flow) and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and extended coverage and title insurance, to the extent not used for rebuilding of the Apartment Complex, and (iii) any other funds deemed available for distribution by the Managing Member with the Consent of the Special Investor Member and the Project Lenders, if required, less the sum of (x) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Company's business (whether or not such expenditure is deducted, amortized or capitalized for tax purposes), including the management fee to the Management Agent, but not including any fees payable to any Members where payment of such fee is to be paid out of Net Cash Flow, (y) all payments on account of any loans made to the Company (whether such loan is made by a Member or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or pursuant to any loans made by any Members where repayment of such loans is to be made out of Net Cash Flow, and (z) any cash reserves for, among other purposes, working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Project Lenders or the Special Investor Member, or may be determined from time to time by the Managing Member with the Consent of the Special Investor Member and the Project Lenders, if required, to be advisable for the operation of the Company.

“Net Projected Tax Liabilities” means, as determined by the Accountants, based on the Company's tax records, and any final adjustments made prior to the availability of proceeds of Capital Transaction(s) for distribution, the cumulative amounts of the respective projected liabilities (collectively, the “Projected Tax Liabilities”) of the Managing Member, the Special Investor Member, the Investor Member, the State Investor Member and their respective partners and members, if any (collectively, the “Company Taxpayers”), for any and all federal, state and local taxes, including any recapture of prior Tax Credits, to be imposed on the Company Taxpayers by reason of all Capital Transactions of the Company from which the proceeds in question are to be distributed, any and all prior Capital Transactions of the Company (to the extent proceeds from such prior Capital Transactions equal to the Projected Tax Liabilities for such prior transactions were not distributed), and any liquidation of the Company. Such projections of liabilities shall estimate the applicable tax rate or rates for the Managing Member (based on actual or projected taxable income) and shall assume the maximum applicable tax rate or rates for each of the Special Investor Member's, Investor Member's, and the State Investor Member's partners or members, if any (without regard to actual taxable income), in effect at the time of each Capital Transaction in all cases without regard to the alternative minimum tax, limitations on the use of business tax credits, or other factors that may affect tax liability in particular cases, and without adjustment for any variance from actual tax liabilities that may later occur.

“New Allocation” has the meaning set forth in Section 11.07(m)(ii).

“Nonrecourse Debt” means any Company liability that is considered nonrecourse for purposes of Treas. Reg. §1.1001-2 (without regard to whether such liability is a recourse liability under Treas. Reg. §1.752-1(a)(1)).

“Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(b)(1).

“Nonrecourse Liability” means any Company liability (or portion thereof) for which no Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

“Note” means any promissory note given by the Company in favor of a Project Lender evidencing a Project Loan.

“Notice” means a writing containing the information required by this Agreement to be communicated to a Member as specified pursuant to Section 16.08.

“Operating Deficit” means the amount by which the gross receipts of the Company from rental payments made by tenants of the Apartment Complex, and all other income and receipts of the Company (other than tenant security deposits not applied toward tenant rents or other tenant obligations, insurance proceeds, proceeds of any loans to the Company, Capital Contributions, and investment earnings not available for distribution on funds on deposit in the Replacement Reserve and the Operating Reserve, and other such reserve or escrow funds or accounts not available for distribution) for a particular period of time, is exceeded by the sum of all the operating expenses, including all required debt service, real estate tax payments, operating, maintenance and utility expenses, fees of the Accountants and property management fees, required deposits into the Replacement Reserve, any fees to the Project Lenders and/or any applicable mortgage insurance premium payments and all other Company obligations or expenditures, and excluding payments for rehabilitation of the Apartment Complex and fees and other expenses and obligations of the Company to be paid from the Capital Contributions of the Investor Member to the Company or paid from Net Cash Flow pursuant to this Agreement during the same period of time.

“Operating Deficit Guaranty Period” shall have the meaning set forth in Section 8.09(b) of this Agreement.

“Operating Deficit Loan” shall have the meaning set forth in Section 8.09(b) of this Agreement.

“Operating Reserve” means the reserve referred to in Section 7.06.

“Operating Reserve Floor” has the meaning set forth in Section 7.06.

“Part I Historic Certifications” means (i) the individual listing on the National Register of Historic Places of the Apartment Complex, or (ii) the determination by the National Park Service pursuant to Part 1 of the Certification Application that the Apartment Complex is a “certified historic structure” as provided for in Section 47(c)(3)(A)(ii) of the Code.

“Part II Historic Certification” means the conditional determination by the National Park Service that, pursuant to Part 2 of the Historic Preservation Certification Application made to the U.S. Department of Interior, National Park Service, the rehabilitation of the Apartment Complex described in the Plans and Specifications is consistent with the historic character of the Apartment Complex or the historic district in which the Apartment Complex is located, and meets the Secretary’s Standards.

“Part III Historic Certification” means Part 3 of the Historic Preservation Certification Application, issued by the National Park Service, for purposes of obtaining Historic Tax Credits for the Apartment Complex.

“Partnership Representative” has the meaning set forth in 13.07(a).

“Payment Date” means the date which is ninety (90) days after the end of the Company’s fiscal year with respect to the preceding fiscal year.

“Percentage Interest” means the percentage Interest of each Member as set forth in Sections 5.01(a) and 5.02(a).

“Permanent Loan(s)” means, collectively: (i) the HOME Loan, (ii) the VHDA REACH Loan, and (iii) the Town of South Hill Loan in each case not to exceed those loan amounts for such Project Loans set forth in Exhibit H without the Consent of the Special Investor Member, in its sole and absolute discretion.

“Permitted Assignment” shall have the meaning set forth in Section 6.01(a).

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.

“Plans and Specifications” means the plans and specifications for the Apartment Complex stamped with the seal of the Architect and as described in the Construction Contract, which are subject to the Consent of the Special Investor Member, and by the National Park Service for the Part II Historic Certification, and any changes thereto made in accordance with the terms of this Agreement and the list of drawings compiled in connection with these plans and specifications.

“Post Closing Due Diligence Checklist” means that certain list of items attached hereto as Exhibit G to be completed on or before the dates set forth therein.

“Prime Rate” means an annual rate of interest equal to the prime rate of interest as reported from day to day in The Wall Street Journal (notwithstanding that such publication shows the prime rate of interest for the preceding Business Day) as the base rate on corporate loans posted by at least 75 percent of the nation’s 30 largest banks, or, if such rate is no longer available, then the base rate or prime rate of interest of any “Money Center” bank designated from time to time by Fannie Mae, in its discretion. Any change in the Prime Rate due to a change in the prime rate of interest as reported in The Wall Street Journal shall take effect on the date of publication.

“Profits” and “Losses” mean, for each fiscal year of the Company, an amount equal to the Company’s taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (a) the income of the Company that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Company which are not deductible in computing its taxable income and not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Company asset is revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), then the amount of any adjustment to the value of such Company asset shall be taken into account as gain or loss from the disposition of such Company asset for



purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of Company asset which has been revalued pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(f) and with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the adjusted value of such Company asset, notwithstanding that the adjusted tax basis of such Company asset differs from the adjusted value; and (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Company asset which has been revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f).

“Project Documents” means and includes this Agreement (and all exhibits hereto), the Construction Contract, the Plans and Specifications, any permits, licenses and other documents which are required for the construction, operation and use of the Apartment Complex (including the Section 42 Tax Credit application), the Mortgage(s), Note(s), Loan Agreement(s), Regulatory Agreement, Extended Use Agreement, State Designation, Management Agreement, and all instruments delivered to (or required by) the Project Lenders, the National Park Service or the Agency to the extent not otherwise listed in this definition.

“Project Lender” means any lender in its capacity as a lender of one of the Project Loans, or its successors and assigns in such capacity, acting through any authorized representative.

“Project Loans” means those loans set forth and described on Exhibit H hereto.

“Projected Credits” means the sum of the Projected Historic Tax Credits, the Projected State Historic Tax Credits, and the Projected Section 42 Tax Credits.

“Projected Historic Tax Credits” means \$602,430, which amount equals the Historic Tax Credits that the Managing Member has projected will be available to the Investor Member which are equal to ninety-nine and ninety-eight one hundredths percent (99.98%) of the aggregate Historic Tax Credits for the Company, in increments of \$120,486 for each year from 2019 through 2023.

“Projected Section 42 Credits” means the Section 42 Tax Credits that the Managing Member has projected will be available to the Investor Member during the Credit Period, and which are equal to ninety-nine and ninety-eight one hundredths percent (99.98%) of the Section 42 Tax Credits. The Projected Section 42 Credits for the Credit Period are: \$5,998,800, available as follows: \$95,331 in 2019, \$599,880 for years 2020 through 2028, and \$504,549 in 2029.

“Projected State Historic Tax Credits” means \$753,188, which amount equals State Historic Tax Credits that the Managing Member has projected will be available to the State Investor Member for the year 2019.

“Projections” means the construction, development and financing budget for the construction, rehabilitation, development and financing of the Apartment Complex, including without limitation the construction or rehabilitation of all improvements, the furnishing of all personalty in connection therewith, and the operation of the Apartment Complex, which Projections are attached hereto as Exhibit I, and any amendments thereto made with the Consent of the Special Investor Member. The Projections shall also include (i) a calculation of the Projected Section 42 Credits, Projected Historic Tax Credits, and Projected State Historic Tax Credits for the Apartment Complex indicating the assumptions regarding basis which

underlie such calculation, (ii) a capital account and minimum gain analysis, (iii) an operations budget, (iv) a debt/value analysis, and (v) such other items as may be requested by the Investor Member or Special Investor Member.

“QREs” means “qualified rehabilitation expenditures” as such term is defined in Section 47(c)(2) of the Code.

“Qualified Occupancy” means the achievement of occupancy of 100% of the Low-Income Units in the Apartment Complex by Qualified Tenants.

“Qualified Tenants” shall mean tenants under executed leases of at least six months who at the time of their initial occupancy of the Apartment Complex satisfy the (i) Rent Restriction Test and (ii) Minimum Set-Aside Test, based on documents to be submitted to the Special Investor Member for its review and approval.

“REAC” shall refer to the Real Estate Assessment Center of the United States Department of Housing and Urban Development (“HUD”).

“Recapture Amount” has the meaning set forth in Section 11.02(c).

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Company and any Project Lender or any applicable government agency at or after the Initial Closing setting forth certain terms and conditions under which the Apartment Complex is to be operated, including without limitation, the VHDA Regulatory Agreement (Conventional Multi-Family Rental Housing Development).

“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Apartment Complex cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.

“Replacement Reserve” means the cash funded reserve for replacements required pursuant to Section 7.05.

“Sari” means Sari Investments, LLC, a North Carolina limited liability company.

“Secretary” means the Secretary of the U.S. Department of the Interior or any authorized representative thereof, including the National Park Service.

“Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

“Section 42 Tax Credits” means the low-income housing tax credits allowed for low-income housing projects pursuant to Section 42 of the Code.

“Special Additional Capital Contribution” means the Special Additional Capital Contributions of the Investor Member under Section 5.02(c).

“Special Investor Member” means Red Stone Equity Manager, LLC, a Delaware limited liability company, or its assignee and any Person who becomes a Special Investor Member as provided herein, in its capacity as a special investor member of the Company.

“Stabilized Operations” means the date after achievement of Final Closing upon which the Apartment Complex achieves a Debt Service Coverage Ratio of 1.15:1 for three (3) consecutive months and Qualified Occupancy.

“State” means the Commonwealth of Virginia.

“State Designation” means, with respect to the Apartment Complex, the allocation by the Agency of Sect 42 Tax Credits, as evidenced by the receipt by the Company of a carryover allocation of Section 42 Tax Credits meeting the requirements of Section 42(h)(1)(E) of the Code and Treasury Regulations executed by the Agency as to all buildings in the Apartment Complex for which such form is required.

“State Historic Tax Credit Documents” shall refer to the contribution or allocation and certification documentation issued or to be issued by the State with respect to the State Historic Tax Credits.

“State Historic Tax Credits” shall refer to the Virginia Historic Rehabilitation Tax Credits allowed by the State for the Apartment Complex.

“State Investor Member” means Groom State Investor 2018 LLC, a Virginia limited liability company.

“State Historic Tax Credit Recapture Event” means (a) the filing of a tax return by the Company evidencing any event causing a recapture of State Historic Tax Credits previously claimed by the Company and allocated to the State Investor Member in connection with the Apartment Complex, unless the event giving rise to such recapture has been consented to in writing by the State Investor Member or is caused by the State Investor Member, (b) an audit by the State or other event which results in an assessment of a deficiency against the Company with respect to any State Historic Tax Credits previously claimed by the Company and allocated to the State Investor Member in connection with the Apartment Complex, unless the Company shall timely file a petition with respect to such deficiency and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by a court of competent jurisdiction upholding the assessment of such deficiency against the Company or the State Investor Member with respect to any State Historic Tax Credits previously claimed by the Company and allocated to the State Investor Member in connection with the Apartment Complex, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a court of competent jurisdiction affirming such decision beyond any applicable appeal period.

“State Historic Tax Credit Shortfall” means, for any period of time, the difference between the Actual State Historic Tax Credits for such period of time and the Projected State Historic Tax Credits for such period of time.

“State Historic Tax Credit Upward Capital Adjustment” has the meaning set forth in Section 5.03(c)(i)(B).

“State Historic Tax Credits Downward Capital Adjustment” has the meaning set forth in Section 5.03(c)(i)A).

“Substantial Completion” means the date that the Company receives (i) an architect's certificate of substantial completion (using AIA Form G704) from the Architect, (ii) all necessary temporary certificates of occupancy (or other certificates of occupancy which permit occupancy of the residential units and contain conditions or qualifications which are Consented to by the Special Investor Member) from the applicable governmental jurisdiction(s) or authority(ies) for one hundred percent (100%) of the apartment units in the Apartment Complex, (iii) evidence that any actions recommended to be taken which were contained in any environmental assessment reports, including but not limited to, as and if applicable, the Environmental Reports, the ACM Operations and Maintenance (O&M) Plan, and the LBP O&M Plan prepared in conjunction with the development of the Apartment Complex have been appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining to environmental matters, and (iv) results of testing to confirm that radon gas is not present at the Apartment Complex at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable Authority and as defined in Exhibit M. Substantial Completion shall not be deemed to have occurred if on such date any liens or other encumbrances as to title to the Land and the Apartment Complex exist, other than those securing such Project Loan and/or those Consented to by the Special Investor Member, and/or those liens that are insured or bonded over to the satisfaction of the Special Investor Member.

“Substitute Investor Member” means any Person admitted to the Company as an Investor Member pursuant to Section 9.02.

“Substitute State Investor Member” means any Person admitted to the Company as a State Investor Member pursuant to Section 9.02.

“Surplus Cash” means any Net Cash Flow which, pursuant to the Project Documents or rules or regulations of the Agency, as and if applicable, is available and permitted to be distributed to the Members.

“Tax Credits” means the Section 42 Tax Credits, Historic Tax Credits, and State Historic Tax Credits.

“Tax Credit Compliance Guaranty” has the meaning set forth in Section 8.09(c).

“Tax Credit Recapture Event” means (a) the filing of a tax return or an amended return by the Company evidencing a reduction in the qualified basis of the Apartment Complex or an event described in Section 42(j) of the Code causing a recapture of Section 42 Tax Credits previously allocated to the Investor Member, (b) a reduction in the qualified basis or applicable percentage with respect to the Apartment Complex following an audit by the IRS which results in the assessment of a deficiency by the IRS against the Company or the Investor Member with respect to any Tax Credits previously claimed by the Company and allocated to the Investor Member in connection with the Apartment Complex, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company or the Investor Member with respect to any Tax Credits previously claimed by the

Company and allocated to the Investor Member, in connection with the Apartment Complex, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (d) the decision of a federal court of competent jurisdiction affirming such decision beyond any period of further appeal, or (e) any other event which would cause a recapture of Tax Credits under applicable law.

“Tax Credit Shortfall” means, as to any period of time, the difference between the Certified Credit for such period of time and the Actual Credits for such period of time. For purposes of determining the amount of the Tax Credit Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.03 because of a Late Delivery Capital Adjustment, the Tax Credit Shortfall for such period of time shall be reduced by the Late Delivery Capital Adjustment.

“Title Company” means Investors Title Insurance Company or such other title company designated by the Managing Member and acceptable to the Special Investor Member.

“Title Policy” has the meaning set forth in Section 5.02(b)(i)(A).

“Title Policy Date Down” means a date down certificate or endorsement to the Title Policy to be delivered concurrently with the making of each Investor Member Capital Contribution (other than the initial Investor Member Capital Contribution), in form and substance acceptable to the Investor Member, insuring the Company’s ownership of the Apartment Complex, showing that the Apartment Complex is subject to no mortgage, deed of trust, lien, encumbrance, easement, covenant, restriction or charge other than the exceptions set forth on the Title Policy (except as shall be acceptable to the Investor Member), evidencing the fact that all real property taxes and assessments for the Apartment Complex due and payable through the date of endorsement and not delinquent and containing such endorsements as the Investor Member may reasonably require due to a change in the status of title since the date of issuance of the Title Policy.

“Town of South Hill Loan” shall mean that certain loan made to the Company by the Town of South Hill in the principal amount of \$197,500 as more particularly described in Exhibit H attached hereto.

“Treasury Regulations” means the temporary and final regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Unpaid State Historic Tax Credit Shortfall” means the outstanding amount of any State Historic Tax Credit Shortfall and any unpaid amount due to the State Investor Member as a result of a State Historic Tax Credit Recapture Event for all the fiscal years of the Company, reduced by any amounts distributed to the State Investor Member pursuant to Sections 8.09(c)(i), 11.03(b)(iii) and 11.04(c)(ii) of this Agreement. The Unpaid State Historic Tax Credit Shortfall shall bear interest at the Default Rate.

“Unpaid Tax Credit Shortfall” means the outstanding amount of any Tax Credit Shortfall and any unpaid amount due to the Investor Member as a result of a Tax Credit Recapture Event for all the fiscal years of the Company, reduced by any amounts distributed to the Investor Member pursuant to Sections 8.09(c), 11.03 (b)(ii) and 11.04(c)(i) of this Agreement. The Unpaid Tax Credit Shortfall shall bear interest at the Default Rate.

“Upward Capital Adjustment” has the meaning set forth in Section 5.03(a).

“VHDA REACH Loan” means that certain loan made to the Company from Virginia Housing Development Authority in the principal amount of \$1,300,000 as more particularly described in Exhibit H attached hereto.

ARTICLE 3.  
PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to acquire the Land and the Apartment Complex, and to develop, finance, construct, rehabilitate, own, maintain, operate and sell or otherwise dispose of the Apartment Complex, in order to obtain for the Members long-term appreciation, cash income, and tax benefits consisting of Tax Credits and tax losses.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

- (a) acquire the Land and the Apartment Complex;
- (b) construct, rehabilitate, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Apartment Complex;
- (c) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;
- (d) borrow money and issue evidences of indebtedness in furtherance of the Company business and secure any such indebtedness by mortgage, pledge, or other lien; provided, however, that the Project Loans, and any evidences of indebtedness thereof and any documents amending, modifying or replacing any of such loans shall have the legal effect that at and after Final Closing the Company and the Members shall have no personal liability for the repayment of the principal of or payment of interest on any Project Loan, and that the sole recourse of any Project Lender (other than Carveouts), with respect to the principal thereof and interest thereon, shall be to the property securing such Project Loan;
- (e) maintain and operate the Apartment Complex, and enter into any agreement for the management of the Apartment Complex;
- (f) subject to the approval of the Agency and/or the Project Lenders, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Company, or for the refinancing of any mortgage loan on the property of the Company;
- (g) enter into the Project Documents, including any Loan Agreement, the Regulatory Agreement and the Extended Use Agreement, providing for regulations with respect to rents, profits, dividends and the disposition of property;

(h) rent dwelling units in the Apartment Complex from time to time, in accordance with the provisions of the Code applicable to Tax Credits and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Apartment Complex, and distributing the net proceeds to the Members, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(i) do any and all other acts and things necessary or proper in furtherance of the Company business.

#### ARTICLE 4. REPRESENTATIONS, WARRANTIES AND COVENANTS

4.01 Representations, Warranties and Covenants Relating to the Apartment Complex and the Company. The Managing Member hereby represents, warrants and covenants to the Company and to the Members that:

(a) Construction of Apartment Complex. The rehabilitation and development of the Apartment Complex shall be undertaken and shall be completed in a timely, good and workmanlike manner, free from liens and defects, in accordance with (i) all applicable requirements of the Project Loans and the Project Documents, (ii) all applicable requirements of the National Park Service and all other appropriate governmental entities, and (iii) the Plans and Specifications of the Apartment Complex that have been or shall be hereafter approved by the Special Investor Member and, if required, the Project Lenders, the National Park Service and any other applicable governmental entities, as such Plans and Specifications may be changed from time to time with the Consent of the Special Investor Member as required pursuant to Section 8.02 hereof and the Project Lenders, if required, the National Park Service and any other applicable Authorities, if such approval shall be required; it shall promptly provide copies of all change orders to the Special Investor Member.

(b) Zoning and Related Matters. At the date hereof, at the Initial Closing and at the time of commencement of the rehabilitation of the Apartment Complex and thereafter continuously, the Land is and will be properly zoned for the Apartment Complex, all consents, permissions and licenses required by all applicable Authorities have been obtained, and the Apartment Complex conforms and will conform to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations.

(c) Public Utilities. All appropriate roads, public utilities, including, without limitation, sanitary and storm sewers, cable television, telephone, water, and electricity, are currently available and will be operating properly and in sufficient capacity for all units in the Apartment Complex at the time of Substantial Completion.

(d) Title Insurance. An owner's title insurance policy issued by the Title Company, in an amount equal to the total Development Costs for the Apartment Complex, in favor of the Company, will be issued within thirty (30) days after the Initial Closing subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's title insurance policies and which are Consented to by the Special Investor Member and the State Investor Member and with such endorsements to such policy as the Special Investor Member or the State Investor Member may request and with date down endorsements (as more fully described in and delivered at the times set forth in

Section 5.02(b) and Article 9 of this Agreement). Good and marketable fee simple title to the Land will be held by the Company. The Managing Member has not made any misrepresentation or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company.

(e) Non-Recourse Loans. At and after the Final Closing, except for those Project Loans that must be recourse, as determined by the Special Investor Member, in its sole discretion, there shall be no direct or indirect personal liability of the Company, any of the Members, or any Affiliates of the Company or Members for the repayment of the principal of or payment of interest on any Project Loan, and the sole recourse of any Project Lender under any Project Loan with respect to the principal thereof and interest thereon shall be to the property securing the indebtedness, except for any liability of the Managing Member or an Affiliate with respect to Carveouts.

(f) No Defaults. The Managing Member is not aware of (i) any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any agreement, contract, lease, Project Loan, Project Document, or other commitment, or (ii) of any claim, demand, litigation, proceedings or governmental investigation pending or, to the knowledge of the Managing Member, threatened against the Managing Member, the Apartment Complex or the Company, or related to the business or assets of the Managing Member, the Apartment Complex or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, the Apartment Complex or the Company. There are currently no criminal or civil actions or administrative proceedings pending, or, to the Managing Member's knowledge, threatened against the Managing Member, Guarantors or their respective Affiliates, shareholders, partners, members or managers that could materially adversely affect the Company, the Managing Member, the Guarantors, or the Apartment Complex.

(g) No Violation. The execution and delivery of the Project Documents, the incurrence of the obligations set forth in any of the Project Documents, and the consummation of the transactions contemplated by any of the Project Documents do not violate any provision of law, any order, judgment or decree of any court binding on the Company or the Managing Member or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Company or the Managing Member is a party or by which the Company, Managing Member or the Apartment Complex is affected, and are not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Apartment Complex.

(h) Construction Contract. The Construction Contract has been entered into between the Company and the Contractor (a true and correct copy of which, including all exhibits, has been provided to the Special Investor Member); no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor for the Apartment Complex other than the amounts set forth in the Construction Contract or as evidenced by change orders approved by the Project Lenders and as otherwise disclosed in writing to and Consented to by the Special Investor Member; and all change orders to date have been paid in full. In addition, no consideration or fee shall be paid to the Developer or Managing Member by the Contractor.



(i) Performance Bond; Letter of Credit. Either (i) one hundred percent (100%) payment and performance bonds issued by a nationally, financially recognized bonding company noted in the Department of the Treasury's listing of approved sureties (Department Circular 570), in forms acceptable to the Investor Member and the State Investor Member, and in amounts satisfactory to the Project Lenders and the Investor Member, or (ii) a letter of credit in an amount and in a form, and from an issuer satisfactory to the Investor Member and the State Investor Member, will be obtained by the Contractor at or before Initial Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Investor Member and the State Investor Member.

(j) Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit J attached hereto.

(k) No Undisclosed Financial Responsibilities. Neither the Company, nor the Managing Member, either individually or on behalf of the Company, has incurred any financial responsibility with respect to the Apartment Complex prior to the date of execution of this Agreement, other than (i) that disclosed to the Investor Member and the State Investor Member in writing prior to the date of this Agreement, or (ii) obligations which will be fully satisfied at or prior to the Initial Closing. As of the date hereof and hereafter continuously, unless the Special Investor Member otherwise Consents or unless otherwise specifically provided for herein, the only indebtedness of the Company with respect to the Apartment Complex are the Project Loans. Without limiting the generality of the foregoing, neither the Managing Member, any of its Affiliates, nor the Company, has entered, or shall enter, into any agreement or contract for any loans (other than the Project Loans) without the Consent of the Special Investor Member or for the payment of any Project Loan discounts, additional interest, yield maintenance or other interest charges or financing fees, or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to any Project Loan. The financial statements and other financial data delivered to the Investor Member in connection with the Apartment Complex and Managing Member, Developer and Guarantors are true, complete and accurate in all material respects. No material adverse change has occurred in any such entity's financial position since the date of the financial statements and financial data last delivered to the Investor Member and the State Investor Member.

(l) Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the State, and shall have and shall continue to have full power and authority to acquire the Land and to develop, rehabilitate, operate and maintain the Apartment Complex in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Members and to enable the Company to engage in its business.

(m) Restrictions on Sale or Refinancing. No restrictions on the sale or refinancing of the Apartment Complex, other than restrictions that may be set forth in the Project Documents, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member or the State Investor Member are Members, be placed upon the sale or refinancing of the Apartment Complex.

(n) Projected Credits; Projections. The Projected Section 42 Credits are \$5,998,800, the Projected Historic Tax Credits are \$602,430, and the Projected State Historic Tax Credits are \$753,188. The Projected Credits are based upon the Managing Member's

representations (i) that 100% is the “applicable fraction” as defined and calculated in accordance with the provisions of Section 42(c)(1)(B) of the Code and that 100% of the residential units in the Apartment Complex will be Low-Income Units and will be occupied by Qualified Tenants and (ii) that the Apartment Complex will be rehabilitated in order to obtain the Part III Historic Certification. The Managing Member further represents that there is and at all times shall continue to be sufficient “eligible basis” as defined in Section 42(d) of the Code (“Eligible Basis”) to provide the full amount of the Projected Section 42 Credits. The Projections attached hereto as Exhibit I are true, complete and accurate in all material respects. Without limiting the foregoing, the Projections accurately reflect (i) the allocation of Development Costs between non-depreciable and depreciable costs, and (ii) that no portion of the Incentive Management Fee or Development Fee is allocable to the organization of the Company, to the sale of any interests in the Company, or to any permanent financing arrangements. The Project Loans described on Exhibit H are all the sources of financing received or to be received by the Company, and there are no agreements or other arrangements allowing for or contemplating the forgiveness of any such Project Loans. An amendment to the Projections (attached as Exhibit I) to include the amount of the Project Loan from the Town of South Hill, Virginia, in Eligible Basis (for the calculation of Projected Section 42 Credits) shall not require the Consent of the Special Investor Member to the extent a letter from the Town of South Hill, Virginia and/or Virginia Economic Development Partnership Authority is provided to the Special Investor Member evidencing that such amount complies with Section 4.01(kk)(v) hereof.

(o) Compliance with Agreements. The Managing Member, either individually or on behalf of the Company, has fully complied with all applicable provisions and requirements of any and all contracts, options and other agreements with respect to the purchase of the Land and the development, financing and operation of the Apartment Complex; it shall take, and/or cause the Company to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements, including without limitation, all requirements of the National Park Service during the Historic Compliance Period..

(p) Sources In-Balance. The Managing Member shall keep all sources of funding In-Balance and has adequate sources of funds to timely cause Final Closing of the Apartment Complex and satisfaction of all other obligations of the Company and Managing Member under this Agreement.

(q) Compliance with Agency Requirement. The Managing Member shall at no time develop the Apartment Complex or manage the Company in a manner which is not consistent with the award of points assigned by the Agency to the Company’s Section 42 Tax Credits application or reservation, except with the prior approval of the Agency and Consent of the Special Investor Member and the State Investor Member.

(r) Publicity. The Managing Member shall notify the Special Investor Member and the State Investor Member and cause a representative for the Special Investor Member and the State Investor Member to be invited to attend any groundbreaking, ribbon-cutting or other public relations ceremony or event with respect to the Apartment Complex and to cause the Fund, as an investor, and the attendance of any such representative at each ceremony or event to be recognized and in furtherance thereof the Managing Member will follow the instructions of the Special Investor Member and the State Investor Member for the purpose of identifying the appropriate representative to be invited to such ceremony or event. The Managing Member will use best efforts to provide the Special Investor Member and the

State Investor Member with written notice of such ceremony or event at least three (3) weeks in advance.

(s) State Designation. By no later than Initial Closing, the Company will receive valid State Designation with respect to the Apartment Complex in the amount of not less than \$6,000,000 for the Apartment Complex's Credit Period. By November 1, 2019, the Company shall have timely applied for Part III Historic Certification from the U.S. Department of Interior National Park Service so as to allow the Company to claim Historic Tax Credits in an amount not less than \$602,550 total for the years 2019 through 2023 and State Historic Tax Credits in an amount not less than \$753,188 for the year 2019.

(t) Applicable Income and Rent Restrictions. The Apartment Complex is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating Tax Credits under Section 42 of the Code. The Company will comply with the so-called "40-60 Set-Aside Test" of Code Section 42(g)(1)(B), so that at least 40% of the units in the Apartment Complex will be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size; the Apartment Complex is not subject to any other rental restrictions under the Project Documents except to the extent that more than 40% of the residential units in the Apartment Complex will be rent and income restricted in order to generate the full amount of the Projected Section 42 Credits. Pursuant to the HOME Loan, 11 units must be at or below 60% AMI, 6 units must be for tenants requiring handicap accessible units, and 2 units must be for sensory impaired tenants. Pursuant to the VHDA REACH Loan, all of the units must house families at or below 150% AMI and comply with the requirements in Section 42.

(u) Term of Extended Use Agreement. The term of the Extended Use Agreement will not exceed 50 years.

(v) Title to Apartment Complex; Taxes and Assessments. The Company has and shall have at all times good and marketable title to the Apartment Complex, subject only to permitted exceptions thereto to which the Special Investor Member has given its Consent. All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Apartment Complex or are not delinquent.

(w) Compliance with Federal Fair Housing Act. At all times during the term of this Agreement, the Company shall comply with the provisions of the Federal Fair Housing Act, as amended.

(x) Taxpayer Certifications. On behalf of the Company, the Managing Member will cause to be filed any and all certifications and other documents on a timely basis with the IRS, the Agency and all other Authorities, as have been and may be required to support the full amount of Projected Section 42 Credits during the Credit Period and the full amount of Projected Historic Tax Credits during the Historic Compliance Period.

(y) Taxation and Limited Liability. No event has occurred that has caused, and the Managing Member will not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an "association" taxable as a corporation, rather than as a partnership; or (ii) the Investor Member or the Special Investor Member and the

State Investor Member to be liable for the Company's obligations in excess of their Capital Contributions.

(z) Transfer Taxes. No transfer tax, fee or imposition is or will be due and owing to any state or local Authorities as a result of the admission of the Investor Member and Special Investor Member and the State Investor Member as a Member of the Company or a transfer to a Fund.

(aa) No Tax-Exempt Use Property. No portion of the Apartment Complex is or will be treated as "tax-exempt use property" as defined in Section 168(h) of the Code. In the event the Managing Member or any member or partner of the Managing Member is controlled by a tax-exempt entity, such entity will make the election permitted under Section 168(h)(6)(F) of the Code. No portion of the Apartment Complex is or will be leased to tax-exempt entities.

(bb) No Abusive Tax Shelter. The Managing Member has not received notice from the IRS that it has considered the Managing Member to be involved in any abusive tax shelter and is not aware of any facts, which if known to the IRS, would cause such notice to be issued.

(cc) Required Consents. The Company has obtained all consents required for the admission of the Investor Member, Special Investor Member, and the State Investor Member to the Company and a transfer by the Investor Member to a Fund, including but not limited to, HUD Form 2530 previous participation certification clearances, the consent of the holder(s) of the Project Loans, if necessary, and any other required consents of applicable Authorities.

(dd) Bankruptcy. No Bankruptcy, including, without limitation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, reorganization or other proceedings is pending or threatened against the Company or the Managing Member. The Managing Member will not permit such a Bankruptcy to occur.

(ee) Governmental Actions. To the best of the Managing Member's knowledge, there is no official action of any Authority, pending or threatened, which in any way would (i) have a material adverse effect on the Company, the Apartment Complex, the Investor Member, or the Tax Credits; (ii) involve any intended public improvements which improvements may result in any charge in excess of \$10,000 being levied against the Land; or (iii) result in any special assessment, being levied against or assessed upon the Land or the Apartment Complex. To the best of the Managing Member's knowledge, there is no existing, proposed or contemplated, plan to widen, modify or realign any street or highway contiguous to the Land. The Managing Member will promptly notify the Investor Member of any such official actions or plans, if and as they arise.

(ff) Moratoria; Assessments; Dedications. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or proposed to be imposed, by any Authority or any public or private utility having jurisdiction over the Land which would have a material adverse effect upon the use or occupancy of the Apartment Complex. No special assessments have been levied against the Apartment Complex or by an Authority upon the commencement or completion of any construction, alteration or rehabilitation on or of the Apartment Complex or any portion thereof. The

Managing Member will promptly notify the Investor Member of any such actions, if and as they arise. Except as previously disclosed in writing to and approved by the Special Investor Member and the State Investor Member, the completion of the improvements, construction, alteration or rehabilitation on or to the Apartment Complex or any portion thereof will not require the dedication of any portion of the Apartment Complex by any Authority.

(gg) No Defects, Compliance. Upon completion of the rehabilitation of the Apartment Complex, there will be no material physical or mechanical defects or deficiencies in the condition of the Apartment Complex, including, but not limited to, the roofs, exterior walls or structural components of the Apartment Complex and the heating, air conditioning, plumbing, ventilating, elevator, utility, sprinkler and other mechanical and electrical systems, apparatuses and appliances located in, or about, the Land which would materially and adversely affect the Apartment Complex or any portion thereof. The Apartment Complex is (or will be) free from infestation by termites or other pests, insects, animals or other vermin and the Managing Member will keep and maintain the Apartment Complex in such condition. The Apartment Complex conforms (or will timely conform) to all governmental regulations, including, without limitation, all zoning, building, health, fire and environmental rules, regulations ordinances or requirements or environmental laws, regulations or procedures, any tenant relocation plan prepared for the Agency and/or the Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970, each as amended, applicable to the Apartment Complex where the failure to conform would result in a material adverse effect. The Managing Member shall not cause or permit to occur any circumstances that would (i) give rise to a "flag" affecting the Investor Member, the State Investor Member, or its Affiliates under HUD's previous participation certification system, the effect of which would be to adversely impact the ability of the Investor Member, the State Investor Member, or its Affiliates from participation in HUD loan or subsidy programs; or (ii) result in a determination by HUD that the Apartment Complex has failed to comply with HUD's minimum standards for physical condition (which under current REAC practice, would mean a score of below 60), if applicable.

(hh) No Defective Soils Conditions. To the best of the Managing Member's knowledge after due inquiry, there are no defects or conditions of the soil that would have a material adverse effect upon the use, occupancy and operation of the Apartment Complex. The soil condition of the Land is such that it will support all of the improvements to be located thereon for its foreseeable life, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations. The improvements on the Land, as built, will be or are constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations were then, have since been and will be provided.

(ii) Rights of First Refusal; Options. Except for the Purchase Option, neither the Managing Member nor the Company has entered into (nor will enter into) any contracts for the sale of the Apartment Complex, the Tax Credits with respect thereto, or any interest in the Apartment Complex or Company other than in contemplation of this Agreement, nor do there exist any rights of first refusal or options to purchase the Apartment Complex, the Tax Credits with respect thereto, or any Interest in the Company.

(jj) Securities Law Compliance. The Managing Member has or will have timely complied or caused the timely compliance with all applicable Federal and state securities laws in connection with the offer and sale of the Interest in the Company to the Investor Member and the State Investor Member.

(kk) Section 42 Requirements. Any capitalized terms not defined in this Section 4.01(kk) shall have the meaning set forth in Section 42 of the Code:

(i) Upon Substantial Completion, the Apartment Complex will consist of three buildings which shall contain 55 residential rental units and related subordinate facilities. The residential rental units will be rehabilitated for use by the general public, in accordance with all applicable federal, state and local laws, will be suitable for occupancy and will be used on other than a transient basis. Except as permitted by Section 42(i)(3)(D) of the Code, no unit will be occupied entirely by students (as determined under Section 152(f)(2) of the Code). There will be no space in the Apartment Complex that will not be used in connection with the residential rental units. All of the apartment units in the Apartment Complex will be of approximately the same quality standard within the meaning of Section 42(d)(3) of the Code. All of the common areas and amenities of the Apartment Complex will be available to all of the residential rental units in the Apartment Complex, without separate charge other than the laundry facilities. There will not be any continuous or frequent medical, nursing, psychiatric, food or other additional significant services provided by the Company to the tenants of the Apartment Complex. No services or facilities in the Apartment Complex are expected to be available to any Person other than tenants of the Apartment Complex. All of the land constituting the Apartment Complex is contiguous to each other parcel of such land.

(ii) The Credit Allocation has not been made from the State's set aside for Apartment Complexes in which a qualified nonprofit corporation owns an interest in the Apartment Complex under Section 42(h)(5) of the Code.

(iii) Intentionally omitted.

(iv) The Applicable Percentage pursuant to Section 42(b)(2)(A)(ii)(I) of the Code will be 9%.

(v) The Eligible Basis of the Apartment Complex will not include any costs incurred in connection with the nonresidential portion of the rental Apartment Complex or in connection with any residential unit which is not related to the common areas or a Low-Income Unit (as defined in Section 42 of the Code) and which is above the average quality standard of the Low-Income Units in the Apartment Complex. None of the amounts that will be includable in the Eligible Basis of the New Building will be financed with the proceeds of any obligation the interest on which is exempt from tax under Section 103 of the Code or any obligation which is a below-market federal loan (as defined in Section 42(i)(2)(D) of the Code). None of the amounts that will be includable in the Eligible Basis will be funded with a federal grant within the meaning of Section 42(d)(5)(A) of the Code.

(vi) The Apartment Complex was acquired by the Company on July 24, 2018 by purchase (as defined in Section 179(d)(2) of the Code). For purposes of this Section 4.01(kk) that portion of the Improvements acquired by the Company from the prior owner shall be referred to as the "**Existing Building**", and that portion of the Improvements with respect to which the Construction pertains shall be referred to as the "**New Building**". The New Building but not the Existing Building will qualify for the 130% adjustment to Eligible Basis set forth in Section 42(d)(5)(C) of the Code by reason of the Apartment Complex being located in a Difficult Development Area at the Agency's discretion pursuant to the designation letter from the Agency dated June 7, 2018.

(vii) All fees payable to the Managing Member or any of its Affiliates pursuant to this Agreement are reasonable in amount and are payable or will be payable only for services actually performed or material actually provided, in accordance with applicable restrictions promulgated by the Agency.

(ll) Intentionally omitted.

Intentionally omitted.

(nn) Anti-Corruption Law Compliance. There has been no violation by the Managing Member or its Affiliates of Anti-Corruption Laws in connection with the execution of the Project Documents. At and after execution of the Project Documents, without limitation, the Managing Member and its Affiliates are in, and shall remain in, compliance with Anti-Corruption Laws. No action, suit or proceeding is pending or, to the Managing Member's knowledge, threatened, relating to any Anti-Corruption Laws. The Managing Member shall notify the Investor Member if it becomes aware of any violation of Anti-Corruption Laws or circumstances likely to give rise to such a violation and, upon request by the Investor Member, the Managing Member will provide information verifying its compliance with Anti-Corruption Laws.

(oo) Truth and Completeness of Representations and Disclosures. No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investor Member and the State Investor Member pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

(pp) Placement in Service. The Members acknowledge, for the purposes of allocating Historic Tax Credits, that the Investor Member does not anticipate transferring its Interest in accordance with Section 9.01 before the Apartment Complex is placed in service. Notwithstanding the foregoing, the Apartment Complex must be placed in service by December 31, 2019 in accordance with the requirements of the carryover allocation for the Apartment Complex and no such consent shall be required to place the Apartment Complex in service on such date.

(qq) HOME Loan. The Managing Member acknowledges that the HOME Loan has been funded with the proceeds of HOME Program funds pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1995, which is implemented by the HOME Investment Partnerships Program, 24 CFR Part 92, as amended (collectively, the "HOME Act"). The Managing Member shall cause the Company to comply in full with the HOME Act, and all program requirements and regulations, including, without limitation, rental restrictions and tenant income limitations, Davis-Bacon Act compliance requirements (if applicable), and all requirements set forth in any regulatory agreement executed by the Company in connection with the HOME Loan.

(rr) Historic Designation. The Apartment Complex is listed in the National Register of Historic Places maintained by the Department of Interior pursuant to the National Historic Preservation Act of 1966.

(ss) Part II Historic Certification. The National Park Service has approved the Company's plans for rehabilitation of the Apartment Complex and issued a Part II Historic

Certification with respect to the Apartment Complex. Any rehabilitation shall be completed in compliance with such Part II Historic Certification and all conditions contained therein.

(tt) Tenant Selection. In accordance with the requirements of the Operating Entity's application or Section 42 Tax Credits, the Managing Member will cause the Apartment Complex to be actively marketed to persons with disabilities as defined in the Federal Fair Housing Act in accordance with the plan submitted as part of the application. The Apartment Complex will not otherwise be marketed to any particular tenant population for any of its units.

(uu) Depreciation. The Managing Member will not elect out of bonus depreciation for the Apartment Complex personal property and site improvements. The site improvements and personal property on which bonus depreciation is projected to be taken are each property that (i) was or will be acquired after September 27, 2017 and a written binding contract for the acquisition of such property was not entered into on or before September 27, 2017, (ii) will be placed in service by December 31, 2023, and (iii) will not be disposed of during the year the property is placed in service.

(vv) Survival of Representations and Warranties. All of the representations, warranties and covenants contained herein shall be deemed to be re-made as of the date of each Capital Contribution made by the Investor Member and the State Investor Member and shall survive the date of Final Closing and the funding date of each such Capital Contribution. The Managing Member shall indemnify and hold harmless the Investor Member and the State Investor Member against a breach of any of the foregoing representations, warranties and covenants in this Section 4.01 and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

(ww) Property Tax Refund. The Managing Member shall cause the Company to comply with all requirements of the Historic Structure Incentive Program necessary to receive the real estate incentive grant, as outlined in that certain letter dated February 27, 2017 from the Town of South Hill to the Virginia Housing Development Authority.

4.02 Duties and Obligations Relating to the Apartment Complex and the Company. The Managing Member shall have the following duties and obligations with respect to the Apartment Complex and the Company:

(a) Qualifying for Tax Credits. The Managing Member shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Apartment Complex to initially qualify, and to continue to qualify, for Section 42 Tax Credits, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) issuance of IRS Form(s) 8609, (iii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Complex, (iv) Initial Closing and Final Closing, (v) compliance with all material provisions of the Project Documents, and (vi) compliance with all necessary requirements for the Apartment Complex to qualify for the Federal Historic Tax Credits including, but not limited to, issuance of the Part III Historic Certification by the National Park Service

(b) Tax Treatment of Company. While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have known after due inquiry will (i) cause the termination of the Company for federal income tax



purposes without the Consent of the Special Investor Member or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation. The Apartment Complex shall be managed upon Substantial Completion so that (i) the Apartment Complex may be depreciated as residential rental property under Section 168(c) of the Code, and (ii) the rental of all units in the Apartment Complex comply with the tenant income limitations and other restrictions under the Rent Restriction Test and as set forth in the Regulatory Agreement and the Extended Use Agreement.

(c) Good Faith of Managing Member. The Managing Member shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Apartment Complex, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company as set forth in Section 3.01.

(d) No Security Interests or Encumbrances. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Apartment Complex, as well as (ii) the rents, revenues and profits earned from the operation of the Apartment Complex, will be free and clear of all security interests and encumbrances except for the Project Loans, the Mortgages, and any additional security agreements executed in connection therewith.

(e) Basis Adjustments. The Managing Member will execute on behalf of the Company all documents necessary pursuant to Sections 732, 743 and 754 of the Code to elect to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member and not materially adverse to the Managing Member.

(f) Payment of Development Fee. The Managing Member guarantees payment by the Company of the Development Fee as provided in Section 5.01(b).

(g) Compliance with Governmental and Contractual Obligations. The Managing Member shall comply and cause the Company to comply with the provisions of all applicable governmental and contractual obligations.

(h) Tax Elections. The Managing Member has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits, that the Special Investor Member reasonably determines are in the Investor Member's best interest and, with respect to the State Historic Tax Credits only, that the State Investor Member reasonably determines are in its best interests, provided that any determination by the State Investor Member shall not adversely affect the Investor Member. At the direction of the Special Investor Member, and with respect to the State Historic Tax Credits only, the Consent of the State Investor Member, the Managing Member shall elect to defer the commencement of the Credit Period for all or any portion of the Tax Credits allowable to the Members under Section 42(f) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Member. In such event, the calculations to be made pursuant to Section 5.03 shall be made as if there was no deferral in the commencement of the Credit Period. The Managing Member shall cause the Company to report to the Investor Member and the State Investor Member all reportable transactions under Section 6111 and 6112 of the Code and Treasury Regulation 1.6011-1 in which the

Company is engaged. The parties acknowledge that Public Law No: 115-97 (formerly known as the Tax Cuts and Jobs Act of 2017, H.R. 1) has been enacted and become law. Notwithstanding the foregoing, the Members agree to work together to make appropriate elections and tax return reporting choices to avoid reducing the Investor Member's expected benefits from being a member of the Company. In this regard and without limiting the foregoing, the Managing Member agrees that unless directed otherwise by the Investor Member, the Company shall make the election under Code Section 163(j)(7)(B) to be an Electing Real Property Trade or Business. The election will be effective no later than the year any residential rental property, qualified improvement property or nonresidential property is placed in service, unless otherwise directed by the Investor Member. In addition, the Company shall use the maximum bonus depreciation permitted under Code Section 168(k) unless Investor Member directs the Managing Member to (a) elect out of bonus depreciation on one or more classes of property for one or more years, or (b) if allowable, elect less than the maximum amount of bonus depreciation.

(i) Fines and Penalties. The Managing Member shall be responsible for the payment of any fines or penalties imposed by the Agency or any Project Lender pursuant to the Project Documents and any documents executed in connection with obtaining Tax Credits (other than with respect to payments of principal or interest under any Project Loan) attributable to any action or inaction of it or its Affiliates.

(j) Notification of Default or Service Proceedings. In addition to any requirements set forth in Article 13 hereof, the Managing Member shall immediately notify the Investor Member and the State Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans, Project Documents or any other financial, contractual or governmental obligation of the Company or the Managing Member, or (ii) any IRS proceeding regarding the Apartment Complex or the Company.

(k) Payment of Taxes. It will cause the Company to pay on or before the date when the same would become delinquent, any and all real estate and ad valorem taxes, personal property taxes, assessments, water rates, sewer rents, fines, impositions and any other charges now or hereafter levied against the Apartment Complex, whether foreseen or unforeseen, ordinary or extraordinary; and also any and all license fees or similar charges which may be imposed by any Authority with respect to the Apartment Complex for the use and occupancy of the Apartment Complex, use of walks, chutes, areas and other space beyond the lot line of the Apartment Complex and on or abutting the public sidewalks and/or highways in front or adjoining the Apartment Complex or pursuant to any applicable law for the use of any furnaces, compactors, incinerators, parking areas or for other matters covered by any such laws; and also any and all corporate, franchise, withholding, income, profits and gross receipts, and other taxes due by the Company; in each case together with any penalties and interest on any of the foregoing, and in default thereof.

(l) Payment of Utility Charges. It will cause the Company to pay promptly, when and as due, all charges for utilities, whether public or private, and will not suffer or permit any construction or mechanics, laborers, material statutory or other liens to be created or to remain outstanding upon any part of the Apartment Complex, and if any such lien is created, will cause the Company to discharge the same of record by payment or bonding within forty-five (45) days after the filing thereof.

(m) Construction Monitoring; Notification of Construction Delays. If at any time during the construction of the Apartment Complex, (i) construction stops or is suspended

for a period of ten (10) consecutive business days, or (ii) rehabilitation has been delayed so that in the reasonable determination of the Managing Member (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract, or (B) the Projected Section 42 Credits for any year during the Credit Period may not be achieved, or (C) the Projected Historic Tax Credits may not be achieved, the Managing Member shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Investor Member.

(n) Compliance Issues. The Apartment Complex shall at all times comply with the applicable requirements of the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act of 1988, as amended, the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto (collectively, "Access Laws"). The Special Investor Member may also require a certificate of compliance with the Access Laws from an architect, engineer, or other third party acceptable to the Special Investor Member. Notwithstanding any provisions set forth herein or in any other document, the Managing Member shall not alter or permit any tenant or other person to alter the Apartment Complex in any manner which would increase the Managing Member's responsibilities for compliance with the Access Laws without the prior written Consent of the Special Investor Member. In connection with any such Consent, the Special Investor Member may require a certificate of compliance with the Access Laws from an architect, engineer, or other person acceptable to the Special Investor Member.

#### 4.03 Environmental Matters.

(a) The Managing Member represents and warrants that (i) except as otherwise disclosed in the Environmental Reports, it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Substances at, upon, under or within the Land or any contiguous real estate and (ii) it has not caused or permitted to occur, and it shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Land or from the Land onto any contiguous real estate.

(b) The Managing Member further represents and warrants that (i) neither it nor, to the best of its knowledge, any other party has been, is or will be involved in operations at or, pursuant to the Managing Member's best knowledge, near the Land, which operations could lead to (A) a determination of liability under the Hazardous Waste Laws as to the Company or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will use best efforts not to permit, any tenant or occupant of the Apartment Complex to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Apartment Complex.

(c) The Managing Member shall comply strictly and in all respects with all material requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations.

(d) The Managing Member acknowledges that, on behalf of the Investor Member, the Investor Member will retain an environmental consultant (the "Environmental Consultant") to review and give recommendations related to environmental reports that are provided to the Investor Member by the Managing Member (including, but not limited to, Phase I and Phase II environmental assessments, wetlands reports, lead, mold and asbestos reports, abatement reports and other environmental reports required by the Environmental Consultant, to the reasonable satisfaction of the Environmental Consultant) for the Land, or the construction and rehabilitation of existing buildings, if the reports indicate the possible presence of hazardous materials on or near the Apartment Complex or if such reports appear incomplete or inadequate for purposes of making such a determination. The Special Investor Member shall be solely responsible for the payment of the fees of the Environmental Consultant.

(e) The Managing Member shall at all times indemnify and hold harmless the Company, the Investor Member, the Special Investor Member, and the State Investor Member against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments and expenses, of any nature whatsoever, related to the Apartment Complex, suffered or incurred by the Company or the Investor Member or the State Investor Member, under or on account of the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder, unless such claim, suit, action, debt, damage, cost, charge, loss, obligation, judgment or expenses relates to a condition arising solely after the removal or withdrawal of the Managing Member from the Company.

4.04 Representations, Warranties and Covenants Relating to the Managing Member. The Managing Member hereby represents, warrants and covenants to the Company and the Members:

(a) Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate, limited liability company, partnership or trust actions or proceedings. The Managing Member is duly organized, validly existing and in good standing under the laws of the state of its formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) Pre-Development Activities. The Managing Member shall be specifically and solely responsible for the following duties:

- (i) Analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state.
- (ii) Identifying potential land sites.
- (iii) Analyzing the demographics of potential sites.
- (iv) Analyzing a site's economy and forecast future growth potential.
- (v) Determining the site's zoning status and possible rezoning actions.

(vi) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.

(vii) Performing environmental tests on selected sites.

(viii) Negotiating the purchase of the Land upon which the Apartment Complex is located and its related financing.

(ix) Performing any other duties or activities relating to the acquisition of the Land upon which the Apartment Complex is located.

The Managing Member shall not assign any of the foregoing duties to the Developer.

(c) Single Purpose Entity; Managing Member Status. The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. If the Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its owners or members. The Managing Member has observed and shall continue to observe all necessary or appropriate organizational formalities in the conduct of its business. The Managing Member shall keep its books and records separate and distinct from those of its owners, members and/or other of its Affiliates, and shall maintain the Company accounts in financial institutions, whose accounts are federally insured, segregated from any other accounts and funds of the Managing Member or any of its owners, members and/or other of its Affiliates. The Managing Member is an accrual basis taxpayer and Developer is a cash basis taxpayer. The Managing Member shall clearly identify itself as a legal entity separate and distinct from its owners, members and/or other of its Affiliates in all dealings with other Persons. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business. If there is a change in federal income tax laws whereby the Managing Member is required to maintain a specific level of net worth to support a determination that the Company will be taxed as a partnership and not as a corporation, the Managing Member shall obtain an opinion of an independent qualified tax counsel that it has met such new requirements. Furthermore, the Managing Member shall, thereafter through the term of the Company, maintain a net worth in such amount that in the opinion of such tax counsel the Company will be taxed as a partnership and not as a corporation.

(d) Ownership of Managing Member. Landmark owns and shall continue to own during the term of this Agreement, ninety percent of the membership interests in the Managing Member and Sari owns and shall continue to own during the term of this Agreement, ten percent of the membership interests in the Managing Member; provided, however, that, subject to the Consent of the Investor Member, Sari may sell its interest in the Managing Member to Landmark or a for-profit Affiliate of Landmark.

ARTICLE 5.  
MEMBERS, MEMBERSHIP INTERESTS  
 AND OBLIGATIONS OF THE COMPANY

5.01 Managing Member Capital Contributions and Membership Interests.

(a) Managing Member. The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are as follows:

<b>Managing Member</b>	<b>Capital Contribution</b>	<b>Percentage Interest</b>
Groom School Managing Member, LLC 406 E. 4 <sup>th</sup> Street Winston Salem, NC 27101	\$100	0.009%

(b) Managing Member's Special Capital Contribution. In the event that the Company has not timely paid all or part of the amounts due under the Development Agreement, the Managing Member shall contribute to the Company an amount equal to any such remaining payments (the "Managing Member's Special Capital Contribution") and the Company shall thereupon make a payment in an equal amount to pay off all amounts due under the Development Agreement by the earlier of (i) the fifteenth (15th) year following the date, upon which the entire Apartment Complex has been placed in service (as defined in the Code) and (ii) the date of liquidation of the Company.

5.02 Investor Members.

(a) The Investor Member and the Special Investor Member, respectively, their principal office and place of business, their Capital Contributions and their Percentage Interests are as follows:

<b>Investor Member</b>	<b>Capital Contribution</b>	<b>Percentage Interest</b>
Red Stone Equity-2017 National Fund, L.P. 200 Public Square, Suite 2050 Cleveland, OH 44114	Capital Contribution is as set forth in Section 5.02(b)	99.98%
<b>Special Investor Member</b> Red Stone Equity Manager, LLC 200 Public Square, Suite 2050 Cleveland, OH 44114	\$10.00	0.001%
<b>State Investor Member</b> Groom State Investor 2018 LLC c/o Linden Capital LLC 1021 East Cary Street Suite 1200 Richmond, VA 23219	Capital Contribution is as set forth in Section 5.02(d)	0.01%

(b) Investor Member Capital Contributions. Subject to the provisions of this Agreement, including, without limitation, the provisions of Sections 5.03 and 5.06, the Investor

Member shall be obligated to make Capital Contributions to the Company in the aggregate amount of \$5,700,900 in installments as follows:

(i) First Capital Contribution. The amount of the first Capital Contribution shall be \$570,090 (the "First Capital Contribution"). After satisfaction of all of the conditions set forth below, and review and approval of the items described below, the Investor Member shall make the First Capital Contribution to the Company:

(A) Title Policy. The Title Company shall have committed to issue an ALTA-form policy of owner's title insurance (the "Title Policy") in an amount equal to the acquisition and development cost of the Apartment Complex, showing the Company as owner of fee simple title to the Apartment Complex and subject to only such exceptions as are acceptable to the Investor Member, and containing extended coverage and such endorsements as the Investor Member may require, including, without limitation, access, blanket easement (CLTA 103.1 or its equivalent) (if applicable), contiguity (if the Land is comprised of adjoining lots), fairway, non-imputation, (protecting the Investor Member against the knowledge of all other members, including any withdrawing members), owner's comprehensive (with minerals if applicable) protecting the existing improvements or, if the Apartment Complex has yet to be constructed, protecting the planned improvements as shown on specified plans (ALTA Form 9.1 or 9.2 or an equivalent), separate tax lot, subdivision (if applicable), survey and zoning 3.1 with parking;

(B) Environmental Matters. The Investor Member shall have received an environmental phase I site assessment report upon which it can rely (as confirmed in writing by the Person preparing such report) prepared in accordance with American Society for Testing Materials (ASTM) Standard E-1527-13 requirements for Phase I environmental site assessments (and phase II report, if recommended by the terms of the phase I or if requested by the Investor Member) dated within six months of the date of the making of the First Capital Contribution satisfactory to the Investor Member from an environmental consultant satisfactory to the Investor Member confirming no recognized environmental conditions exist at or in close proximity to the Land;

(C) Legal Opinion. The Investor Member shall have received a legal opinion of the Counsel to the Company, the Managing Member, the Guarantor and the Developer, which opinion shall explicitly state that counsel to the Investor Member may explicitly rely upon it, and which shall be in form and substance acceptable to the Investor Member and the State Investor Member;

(D) Tax Opinion. The Investor Member shall have received a tax certification ("Tax Certification") generally in the form attached hereto as Exhibit N in which the Managing Member and any Affiliates as required by the Investor Member certify to the Investor Member and its counsel such matters as may be required to enable tax counsel to deliver an overall tax opinion that addresses all material tax issues and indicates that the financial projections and tax credit calculation contained in the Projections appear reasonable and complete;

(E) Survey. The Investor Member shall have received an approved ALTA/NSPS survey of the Land in a form reasonably satisfactory to the Investor Member;

(F) Permits and Licenses. The Investor Member shall have received a copy of any permits and licenses required for the construction of the Apartment Complex issued by the applicable governmental authorities for the Apartment Complex;

(G) Permanent Loans. The Investor Member shall have received a commitment, in a form acceptable to the Investor Member, for the Permanent Loans.

(H) Disbursement of Construction Loan and Town of South Hill Loan. The Construction Loan and the Town of South Hill Loan shall have closed and funded such amounts as are required by the applicable Project Loan documents as of the date of the Initial Closing;

(I) State Investor Member. The State Investor Member shall have made its first Capital Contribution; and

(J) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy its due diligence requirements including, without limitation, (i) those documents listed on the Investor Member's closing checklist, a copy of which has been previously delivered to the Managing Member, and (ii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article 4.

The proceeds of the First Capital Contribution shall first be used to pay the Investor Member Due Diligence Costs and thereafter to pay costs associated with the acquisition of the Apartment Complex, costs associated with the rehabilitation of the Apartment Complex, soft costs relating to the Apartment Complex, the initial installment of the Development Fee, and costs associated with the closing of the Project Loans as the Special Investor Member may approve.

(ii) Second Capital Contribution. The amount of the second Capital Contribution shall be \$855,135 (the "Second Capital Contribution"). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Second Capital Contribution to the Company:

(A) First Capital Contribution Conditions. All conditions to funding the Investor Member's First Capital Contribution have been satisfied;

(B) 50% Completion. The Investor Member shall have received a certificate from the Architect and the Construction Inspector stating that the rehabilitation of the Apartment Complex is at least 50% complete;

(C) Date Certain. April 1, 2019.

(D) Title Policy Date Down. The Investor Member shall have received a Title Policy Date Down dated no earlier than fifteen (15) days prior to the making of the Second Capital Contribution;



(E) 10% Test. The Investor Member shall have received evidence from the Accountants with respect to satisfaction of the 10% Test as described in Section 42(h)(1)(E) of the Code;

(F) Insurance Certificates. The Investor Member shall have received current certificates of insurance evidencing the insurance coverages required to be maintained by the Company as required hereunder;

(G) Tax Returns. The Investor Member shall have received a copy of the Company's Federal tax return for the most recent reporting period;

(H) Permanent Loan(s). The commitment for permanent financing for each Permanent Loan remains in effect with the terms set forth on Exhibit H attached hereto;

(I) Contribution Certificate. The Investor Member shall have received a Contribution Certificate;

(J) Estoppel Certificate. An estoppel certificate in the form attached as Exhibit L from all Project Lenders with outstanding Project Loans dated within 30 days of the request for the Second Capital Contribution;

(K) Post Closing Due Diligence Checklist. The Investor Member shall have received and approved any item set forth on the Post Closing Due Diligence Checklist which are then due to the Investor Member pursuant to the terms of the Post Closing Due Diligence Checklist; and

(L) Other Documents and Outstanding Fees. The Investor Member shall have received such other documents as the Investor Member reasonably determines are necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. The Special Investor Member shall have confirmed that there are no outstanding fees owed to the Investor Members at the time of the making of the Second Capital Contribution.

(iii) Third Capital Contribution. The amount of the third Capital Contribution shall be equal to \$855,135 (the "Third Capital Contribution"). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Third Capital Contribution to the Company:

(A) Second Capital Contribution Conditions. All conditions to funding the Investor Member's Second Capital Contribution have been satisfied;

(B) 75% Completion. The Investor Member shall have received a certificate from the Architect and the Construction Inspector stating that the rehabilitation of the Apartment Complex is at least 75% complete;

(C) Date Certain. July 1, 2019;

(D) Tax Returns. The Investor Member shall have received a copy of the Company's Federal tax return for 2018;

(E) Title Policy Date Down. The Investor Member shall have received a Title Policy Date Down dated no earlier than fifteen (15) days prior to the making of the Third Capital Contribution;

(F) Insurance Certificates. The Investor Member shall have received current certificates of insurance evidencing the insurance coverages required to be maintained by the Company as required hereunder;

(G) Permanent Loan(s). The commitment for permanent financing for each Permanent Loan remains in effect with the terms set forth on Exhibit H attached hereto;

(H) Contribution Certificate. The Investor Member shall have received a Contribution Certificate;

(I) Estoppel Certificate. An estoppel certificate in the form attached as Exhibit L from all Project Lenders with outstanding Project Loans dated within 30 days of the request for the Third Capital Contribution;

(J) Post Closing Due Diligence Checklist. The Investor Member shall have received and approved any item set forth on the Post Closing Due Diligence Checklist which are then due to the Investor Member pursuant to the terms of the Post Closing Due Diligence Checklist; and

(K) Other Documents and Outstanding Fees. The Investor Member shall have received such other documents as the Investor Member reasonably determines are necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. The Special Investor Member shall have confirmed that there are no outstanding fees owed to the Investor Members at the time of the making of the Third Capital Contribution.

(iv) Fourth Capital Contribution. The amount of the fourth Capital Contribution shall be equal to \$1,425,225 (the "Fourth Capital Contribution"). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fourth Capital Contribution to the Company:

(A) Third Capital Contribution Conditions. All conditions to funding the Investor Member's Third Capital Contribution have been satisfied;

(B) Date Certain. January 1, 2020;

(C) Environmental Matters. In addition to the Environmental Reports, the Managing Member shall have provided the Investor Member evidence that any actions recommended to be taken which were contained in any environmental assessment reports prepared in conjunction with the development of the Apartment Complex have been appropriately completed in a manner that fully complies with such

recommendations and all laws, regulations, ordinances, orders or decrees pertaining to environmental matters, which actions include, but are not limited to, removal and disposal of drums containing boiler treatment, removal and closure of the septic system in accordance with Virginia Department of Health Standards, removal and disposal of existing light ballasts in the building, installation of a radon mitigation system and post-installation testing for radon at Substantial Completion, management of actual or suspected asbestos containing materials consistent with the ACM O&M Plan, management of actual or suspected lead based paint consistent with the LBP O&M Plan, mitigation of mold, and any other actions reasonably deemed appropriate by the Investor Member;

(D) Substantial Completion. Substantial Completion of the Apartment Complex shall have occurred;

(E) Final Construction Documentation. The Investor Member shall have received and approved all of the following: (i) an architect's certificate of substantial completion in the form requested by the Investor Member, (ii) the Construction Inspector shall have delivered its final report, (iii) an affidavit of final construction cost executed by the Managing Member, (iv) copies of any change orders not previously submitted to the Investor Member; (v) a list of all warranties and maintenance agreements applicable to the completed construction; (vi) the As-Built Plans and Specifications; and (vii) if applicable, evidence that any material outstanding deficiencies noted in any previously issued HUD REAC inspection reports have been remedied;

(F) Title Policy Date Down. The Investor Member shall have received a Title Policy Date Down dated no earlier than ten (10) days prior to the making of the Fourth Capital Contribution;

(G) Estoppel Certificate. An estoppel certificate in the form attached as Exhibit L from all Project Lenders with outstanding Project Loans dated within 30 days of the request for the Fourth Capital Contribution;

(H) Contribution Certificate. The Investor Member shall have received a Contribution Certificate;

(I) Post Closing Due Diligence Checklist. The Investor Member shall have received and approved any item set forth on the Post Closing Due Diligence Checklist which are then due to the Investor Member pursuant to the terms of the Post Closing Due Diligence Checklist; and

(J) Other Documents and Outstanding Fees. The Investor Member shall have received such other documents as the Investor Member reasonably determines are necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. The Special Investor Member shall have confirmed that there are no outstanding fees owed to the Investor Members at the time of the making of the Fourth Capital Contribution.

(v) Fifth Capital Contribution. The amount of the fifth Capital Contribution shall be equal to \$1,881,297 (the "Fifth Capital Contribution"). After satisfaction of

all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fifth Capital Contribution to the Company:

(A) Fourth Capital Contribution Conditions. All conditions to funding the Investor Member's Fourth Capital Contribution have been satisfied;

(B) Date Certain. April 1, 2020;

(C) Permanent Certificates of Occupancy. To the extent not provided in connection with the making of the Fourth Capital Contribution, receipt of permanent certificates of occupancy for the Apartment Complex;

(D) Survey. The Investor Member shall have received and approved an updated and recertified ALTA/NSPS standards as-built survey satisfactory to the Investor Member dated no more than thirty (30) days prior to the date of funding;

(E) Final Closing; Debt Service Coverage. Achievement of Final Closing (including satisfaction of the conditions to conversion and/or closing the Permanent Loans and evidence of the closing of the Permanent Loans at loan amounts that are acceptable to the Special Investor Member) and operation of the Apartment Complex shall have resulted in a Debt Service Coverage Ratio of not less than 1.15 for the three (3) month period prior to the month in which the Fifth Capital Contribution is to be made;

(F) Cost Certification. Receipt of an audited cost certification of Eligible Basis (as defined in Code Section 42(d)) for the Apartment Complex prepared by the Accountants, and approved by the Special Investor Member and the State Investor Member as to form and substance;

(G) Evidence of Minimum Set-Aside. The Investor Member shall have received satisfactory evidence that the Minimum Set-Aside Test has been achieved;

(H) Occupancy Requirements. Achievement of Qualified Occupancy and ninety percent (90%) physical occupancy of the residential units in the Apartment Complex for the three month period prior to the month in which the Fifth Capital Contribution is to be made; and the Managing Member, if requested by the Investor Member, shall demonstrate such occupancy by submitting to the Investor Member certified rent rolls and tenant qualification forms that confirm that the Qualified Tenants qualify under Section 42 of the Code;

(I) Adjusters. The Investor Member shall have received from the Managing Member preliminary calculations of any Certified Credit Capital Adjustment, Late Delivery Capital Adjustment or Early Delivery Capital Adjustment in accordance with Section 5.03 herein and the Managing Member shall have made any required payments to the Investor Member pursuant to Section 5.03 below based on any preliminary determinations;

(J) Tax Returns. The Investor Member shall have received a copy of the Company's Federal tax return for 2019.

(K) Title Policy Date Down. The Investor Member shall have received a Title Policy Date Down dated no earlier than ten (10) days prior to the making of the Fifth Capital Contribution;

(L) Estoppel Certificate. An estoppel certificate in the form attached as Exhibit L from all Project Lenders with outstanding Project Loans dated within 30 days of the request for the Fifth Capital Contribution;

(M) Contribution Certificate. The Investor Member shall have received a Contribution Certificate;

(N) Post Closing Due Diligence Checklist. The Investor Member shall have received and approved any item set forth on the Post Closing Due Diligence Checklist which are then due to the Investor Member pursuant to the terms of the Post Closing Due Diligence Checklist; and

(O) Other Documents and Outstanding Fees. The Investor Member shall have received such other documents as the Investor Member reasonably determines are necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. The Special Investor Member shall have confirmed that there are no outstanding fees owed to the Investor Members at the time of the making of the Fifth Capital Contribution.

(vi) Sixth Capital Contribution. The amount of the sixth Capital Contribution shall be equal to \$114,018 (the "Sixth Capital Contribution"). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Sixth Capital Contribution to the Company:

(A) Fifth Capital Contribution Conditions. All conditions to funding the Investor Member's Fifth Capital Contribution have been satisfied;

(B) State Investor Member. The State Investor Member shall have made its second Capital Contribution.

(C) Form 8609. Receipt of the Form(s) 8609 for the entire Apartment Complex executed by the Agency;

(D) Extended Use Agreement. Receipt by the Investor Member of a copy of an as-recorded Extended Use Agreement;

(E) Part III Historic Certification and Historic Tax Credits. The Company shall have received, and the Investor Member shall have received a copy of, Part III Historic Certification from the U.S. Department of Interior National Park Service so as to allow the Company to claim Historic Tax Credits; Part B approval has been issued by the State with respect to the State Historic Tax Credits;

(F) Adjusters. The Investor Member shall have received from the Accountant final calculations of any Certified Credit Capital Adjustment, Late Delivery Capital Adjustment or Early Delivery Capital Adjustment in accordance with

Section 5.03 herein and Managing Member shall have made any required payments to the Investor Member pursuant to Section 5.03 based on such final calculations;

(G) Initial Tenant File Audit. Review and approval of the initial tenant file by the Investor Member;

(H) Title Policy Date Down. The Investor Member shall have received a Title Policy Date Down dated no earlier than ten (10) days prior to the making of the Sixth Capital Contribution;

(I) Estoppel Certificate. An estoppel certificate in the form attached as Exhibit L from all Project Lenders with outstanding Project Loans dated within 30 days of the request for the Sixth Capital Contribution;

(J) Contribution Certificate. The Investor Member shall have received a Contribution Certificate;

(K) Post Closing Due Diligence Checklist. The Investor Member shall have received and approved any item set forth on the Post Closing Due Diligence Checklist which are then due to the Investor Member pursuant to the terms of the Post Closing Due Diligence Checklist; and

(L) Other Documents and Outstanding Fees. The Investor Member shall have received such other documents as the Investor Member reasonably determines are necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. The Special Investor Member shall have confirmed that there are no outstanding fees owed to the Investor Members at the time of the making of the Sixth Capital Contribution.

(c) Investor Member's Special Additional Capital Contributions; Investor Member Advances. If, in any fiscal year of the Company, the Investor Member's Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a special additional capital contribution to the Company, in an amount reasonably required to avoid the reduction of the Investor Member's Capital Account balance to or below zero (the "Special Additional Capital Contribution"). If the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, such funds shall be deposited in a separate Company reserve account, withdrawals from which shall require the Consent of the Special Investor Member. All interest earned on such account shall be payable to such Investor Member, and an amount of income equal to the amount of such interest shall be specifically allocated to such Investor Member. The Investor Member shall receive a guaranteed payment pursuant to Section 5.07 for the use of its Special Additional Capital Contribution. Whenever the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Managing Member shall have the option, in its sole and absolute discretion, to make Special Additional Capital Contributions to the Company, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Member at that time. The Investor Member (or an Affiliate of the Investor Member), in the Investor Member's sole and absolute discretion, may loan funds to the Company to meet the needs of the Company, in the event the Investor Member determines in good faith that such funds are not otherwise available to the Company when needed. Such advances ("Investor

Member Advances") shall bear interest at Prime Rate plus 3%, per annum. Investor Member advances shall be paid as provided in Section 11.03 and 11.04.

(d) State Investor Member Capital Contributions. The State Investor Member has agreed to make Capital Contributions to the Company in the aggregate amount of \$527,232, in accordance with the following schedule of payments, subject to adjustments, if any, in accordance with Section 5.03(c) below:

(i) Concurrently with the payment of the First Capital Contribution by the Investor Member, but subject to receipt of the Part 1 and Part 2 Certifications, \$1,000 shall be paid by the State Investor Member to the Company;

(ii) \$526,232 shall be paid by the State Investor Member to the Company concurrently with the payment of the Sixth Capital Contribution and upon the later of the following:

(A) All conditions to funding the State Investor Member's first Capital Contribution have been satisfied;

(B) Receipt of the Certificate of Occupancy for the completed Apartment Complex;

(C) Receipt of an updated Owner's Title Policy with mechanic's lien coverage through the date of completion;

(D) Receipt of the approved Part III Historic Certification from the U.S. Department of Interior National Park Service and the Part 3 Approval from the Virginia Department of Historic Resources;

(E) Completed Virginia Department of Taxation Virginia Form PTE for the Apartment Complex;

(F) Receipt of the final audited cost certification; and

(G) Satisfaction of all other conditions required for payment of the Investor Member's Sixth Capital Contribution.

The obligation of the State Investor Member to make the foregoing Capital Contributions is subject to satisfaction of the conditions precedent to each Capital Contribution as set forth in Section 5.02(b) above. The determination of whether or not a condition precedent to a Capital Contribution has been satisfied shall be made in the reasonable discretion of the Investor Member. The State Investor Member shall receive from the Managing Member, simultaneously with the Investor Member's receipt thereof, all items provided to the Investor Member pursuant to Section 5.02(b). In the event Consent of any condition to a Capital Contribution is required by the State Investor Member, and State Investor Member has received all documentation with respect to satisfaction of such condition, if the State Investor Member has not responded to Investor Member as to its Consent or denial of Consent within ten (10) days of State Investor Member's receipt of such documentation, State Investor Member's Consent shall be deemed given for purposes of satisfaction of such condition; and provided that in any case, Consent of State Investor Member shall not be unreasonably conditioned or withheld, except as expressly stated to the contrary herein.

If the State Investor Member has not made the foregoing Capital Contributions and the Managing Member can evidence that the development is making proper progress towards delivery of the State Historic Tax Credits, then the State Investor Member shall deposit 25% of the State Investor Member's remaining Capital Contributions no later than November 15, 2019. The dollars escrowed will not be returned to the State Investor Member if the State Investor Member does not make its remaining Capital Contributions when owed.

5.03 Adjustment to Capital Contributions of Investor Member; Managing Member Payments. Following determination of Certified Credits, the Accountants shall calculate the Downward Capital Adjustment or Upward Capital Adjustment (if applicable), as defined below. If events subsequent to such calculation result in a decrease due to a Late Delivery Capital Adjustment, as defined below, then the Accountants shall recalculate the Downward Capital Adjustment, and the Members or the Company, as appropriate, shall make payments pursuant to Section 5.03(a) to reflect such recalculation. Such calculation shall be subject to the review and approval of the Special Investor Member.

(a) If there is a Downward Capital Adjustment, then the Capital Contributions of the Investor Member shall be immediately reduced by the Downward Capital Adjustment. The Downward Capital Adjustment shall reduce any unfunded Capital Contribution of the Investor Member, commencing with the first unfunded Capital Contribution. If the Downward Capital Adjustment exceeds the total of all unfunded Capital Contributions (prior to the reduction under this provision), then the Managing Member shall make a payment to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the Investor Member as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. Such payment shall be made within 10 Business Days following a demand therefor from the Investor Member, failing which interest shall accrue at the Default Rate.

If there is a Certified Credit Capital Increase or an Early Delivery Capital Adjustment (each or collectively, an "Upward Capital Adjustment"), then the Capital Contribution of the Investor Member shall be increased by the Upward Capital Adjustment, but in no event shall the additional Capital Contribution by the Investor Member be greater than \$570,090. The additional Investor Member Capital Contribution shall increase the Sixth Capital Contribution. The Company shall use the increase in the Sixth Capital Contribution (i) first to pay any outstanding fees owed to the Investor Members, (ii) second to pay any deferred Development Fee, and (iii) then to distribute any remaining proceeds in accordance with the provisions of Section 11.03(b).

(b) The following definitions shall apply for purposes of determining adjustments to Capital Contributions:

(i) "Certified Credit Capital Adjustment" with respect to the Section 42 Credits shall equal the product of (A) Certified Section 42 Credits for the Credit Period (excluding any Section 42 Tax Credits resulting from an increase in qualified basis under Section 42(f)(3) of the Code), minus \$5,998,800, and (B) \$0.87. The Certified Credit Capital Adjustment may be a positive or negative number. A Certified Credit Capital Adjustment with respect to the Historic Tax Credits shall equal the product of (A) Certified Historic Tax Credits for the Apartment Complex, minus \$602,430 and (B) \$0.80. The total Capital Adjustment shall add the Certified Capital Adjustment with respect to the Section 42 Tax Credits and the Certified



Credit Capital Adjustment with respect to the Historic Tax Credits. The total Certified Credit Capital Adjustment may be a positive or negative number.

(ii) “Certified Credit Capital Decrease” means a negative Certified Credit Capital Adjustment.

(iii) “Certified Credit Capital Increase” means a positive Certified Credit Capital Adjustment.

(iv) “Downward Capital Adjustment” shall mean the following: (A) if either there is a Certified Credit Capital Decrease or if the Certified Credit Capital Adjustment is zero, then the Certified Credit Capital Decrease plus the Late Delivery Capital Adjustment; or (B) if there is a Certified Credit Capital Increase, the positive amount, if any, by which the Late Delivery Capital Adjustment exceeds the Certified Credit Capital Increase.

(v) “Late Delivery Capital Adjustment” shall mean the sum of the Late Section 42 Credit Delivery Adjustment and the Late Historic Credit Delivery Adjustment.

(vi) “Late Section 42 Credit Delivery Adjustment” shall mean for calendar years 2019 and 2020, the product of (a) the amount, if any, by which \$95,331 and \$599,880 respectively, exceeds Actual Section 42 Credits for such year, and (b) \$0.65. If any building in the Apartment Complex does not achieve Qualified Occupancy by the end of the first year of the Credit Period for such buildings, then the Late Section 42 Credit Delivery Capital Adjustment shall be the sum of (i) the amount determined under the preceding sentence and (ii) the positive difference, if any, between the Projected Section 42 Credits and the Actual Section 42 Credits projected to be available in years 2021 through 2029, as calculated by the Investor Member at the end of the first year of the Credit Period.

(vii) “Late Historic Credit Delivery Adjustment” shall mean, for each year that Actual Historic Tax Credits are not available to the Company beginning in calendar year 2019 a reduction equal to the product of (a) the Actual Historic Tax Credits, and (b) \$0.15 for each year beyond 2019.

(viii) “Early Delivery Capital Adjustment” shall mean (I) the product of (a) Certified Section 42 Credits for the year 2019 (excluding any Tax Credits resulting from an increase in qualified basis under Section 42(f)(3) of the Code minus \$ \$95,331 and (b) \$0.65.

(c) Adjustment to Capital Contributions of State Investor Member.

(i) Adjustments. The following calculations shall apply for purposes of determining adjustments to Capital Contributions by the State Investor Member with respect to the State Historic Tax Credits:

(ii) “State Historic Tax Credits Downward Capital Adjustment” shall equal, if the Projected State Historic Tax Credits exceeds the Actual State Historic Tax Credits, the product of: (1) Projected State Historic Tax Credits minus the Actual State Historic Tax Credits for the Historic Compliance Period; and (2) \$0.70; provided, if the Actual State Historic Tax Credits are more than ten percent (10%) less than the Projected State Historic Tax Credits, then the price per credit will be \$0.65 for all of the Actual State Historic Tax Credits.

(iii) “State Historic Tax Credit Upward Capital Adjustment” shall equal, if the Actual State Historic Tax Credits exceeds the Projected State Historic Tax Credits by ten percent (10%) or less, the product of (1) Actual State Historic Tax Credits minus the Projected State Historic Tax Credits; and (2) \$0.70. If the Actual State Historic Tax Credits exceeds the Projected State Historic Tax Credits by more than ten percent (10%), then State Investor Member shall have the option, but not the obligation, to purchase the amount of the Actual State Historic Tax Credits in excess of the Projected State Historic Tax Credits.

(iv) State Historic Tax Credit Downward Capital Adjustment and State Historic Tax Credits Upward Capital Adjustment Calculations. Following determination of Actual State Historic Tax Credits, the Accountants shall calculate the State Historic Tax Credits Downward Capital Adjustment or the State Historic Tax Credit Upward Capital Adjustment.

(v) If there is a State Historic Tax Credit Downward Capital Adjustment or a Late State Historic Credit Delivery Adjustment, as defined below (collectively, a “Negative State Adjustment”), then the Capital Contributions of the State Investor Member shall be immediately reduced by such amount. A Negative State Adjustment shall reduce any unfunded Capital Contribution of the State Investor Member commencing with the first unfunded Capital Contribution. If the Negative State Adjustment exceeds the total of all unfunded Capital Contributions, then the Managing Member shall make a payment to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the State Investor Member as a return of its Capital Contributions. Such payment by Managing Member shall constitute a non-reimbursable funding by it of Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. Such payment shall be made within 15 business days following a demand therefor from the State Investor Member, failing which interest shall accrue at the Default Rate.

(vi) If there is a State Historic Tax Credit Upward Capital Adjustment, then the Capital Contribution of the State Investor Member shall be increased by the State Historic Tax Credit Upward Capital Adjustment, but in no event shall the Capital Contribution by the State Investor Member obligation be increased by more than ten (10) percent without the State Investor Member Consent. Any additional State Investor Member Capital Contribution shall increase the State Investor Member’s second Capital Contribution. The Company shall use the increase in such Capital Contribution (i) first to pay any outstanding fees owed to the Investor Member or the State Investor Member, (ii) to pay deferred Development Fee, and (iii) then to distribute any remaining proceeds in accordance with the provisions of Section 11.03(b).

(vii) “Late State Historic Credit Delivery Adjustment” shall mean, if the Apartment Complex is placed in service any time after 2019, that the amount of the Capital Contribution in 5.02(d)(ii) shall be the product of (1) Actual State Historic Tax Credits; and (2) \$0.50.

5.04 Deposit of Capital Contributions. The cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member's discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank, or, if requested by the Investor Member and/or the State Investor Member, the cash portion may be deposited directly to a construction escrow account. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement. The Investor Member and/or the State Investor Member shall have the right to make payment of its Capital

Contribution directly to a construction escrowee or other third party to be utilized for payment of costs contemplated by the Projections or as required by the Project Documents. Such direct payments shall be credited to the Investor Member and/or the State Investor Member, as applicable, as if such payment was paid directly to an account maintained for or by the Company.

5.05 Return of Capital Contribution. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of its Capital Contribution.

5.06 Withholding of Capital Contribution Upon Default.

(a) Conditions Giving Rise to Withholding. In the event that (a) the Managing Member, or any successor Managing Member shall not have complied with any material provisions under this Agreement, or (b) any Guarantor shall have failed to perform any of its obligations under the Guaranty, or (c) any Project Lender shall have declared the Company to be in default under any Project Loan, or (d) foreclosure proceedings shall have been commenced against the Apartment Complex, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its sole election, but subject to Section 5.06(b), may cause the withholding of payment of any Capital Contribution otherwise payable to the Company, and the Managing Member shall make no further payment to the Developer prior to maturity pursuant to the Development Agreement without the Consent of the Special Investor Member. If the Investor Member withholds its Capital Contribution pursuant to this subsection, the State Investor Member, at its sole election, may cause the withholding of its payment of any Capital Contribution otherwise payable to the Company.

(b) Release to Company Following Cure. All amounts so withheld by the Investor Member and/or the State Investor Member under this Section 5.06 shall be promptly released to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member and reasonably acceptable to the State Investor Member (but only with respect to any default which would be reasonably expected to have a material and adverse effect, as determined by the Investor Member pursuant to consultation with the State Investor Member, on the rights or obligations of the State Investor Member or the allocation or distribution of the State Historic Tax Credits).

5.07 Guaranteed Payments. No later than ninety (90) days after the end of the Company's fiscal year, any Member who has made a Special Additional Capital Contribution pursuant to Section 5.02(c) shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Additional Capital Contribution. The Company shall invest any amounts contributed pursuant to Section 5.02(c) as reasonably directed by the contributing Member. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest as set forth above.

5.08 Repurchase Obligation.

(a) Conditions for Repurchase. If (i) the entire Apartment Complex is not placed in service by December 31, 2019 (or such later date as may be Consented to by the Special Investor Member); (ii) intentionally deleted, (iii) the IRS Form(s) 8609 (is) (are) not issued by the Agency so as to allow the Credit Period to commence as of 2019 and the IRS

Form 3468 is not completed so as to allow the Historic Compliance Period to commence as of 2019; (iv) Final Closing has not occurred by October 1, 2020 (or such later date as may be Consented to by the Special Investor Member); (v) the Company fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (vi) the Company's basis in the Apartment Complex for federal income tax purposes, as finally determined by the Accountants or pursuant to an audit by the IRS, as of one year from the date of the carryover allocation, or such earlier date as may be required by the Agency, shall have been less than ten percent (10%) of the Company's reasonably expected basis in the Apartment Complex, as required pursuant to Section 42(h)(1)(E) of the Code (vii) Breakeven Operations has not occurred within 18 months following Substantial Completion; (viii) at any time before the later to occur of (a) Breakeven Operations or (b) issuance of IRS Form 8609, (1) an action is commenced and successfully prosecuted to foreclose, abandon or permanently enjoin construction of the Apartment Complex; (2) it is determined, at any time prior to or upon issuance of the tax return for the year in which Breakeven Operations occurs, that the Apartment Complex will qualify for less than 80% of the Projected Tax Credits; or (3) if applicable, the Apartment Complex fails to comply with HUD's minimum standards for physical condition as determined pursuant to HUD's REAC inspection process; (ix) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period; or (x) the commitment to provide permanent financing is rescinded or withdrawn and a substitute permanent loan commitment on comparable terms, reasonably acceptable to the Special Investor Member, is not provided within thirty (30) days of the occurrence thereof then the Managing Member shall, within fifteen (15) days of the occurrence thereof, send to the Investor Member Notice of such event and of its obligation to purchase the Interest of the Investor Member hereunder and return to the Investor Member its Capital Contributions in the event the Investor Member, in its sole discretion, requires in a Notice to the Managing Member such purchase of the Interest of the Investor Member. If the Investor Member does so require the purchase of its Interest pursuant to this subsection (a), the State Investor Member, in its sole discretion, shall have the right to require in a Notice to the Managing Member, that Managing Member purchase the Interest of the State Investor Member hereunder and return to the State Investor Member its Capital Contributions.

(b) Thereafter, the Managing Member, within thirty (30) days of the mailing date of Notice by the Investor Member of such election, shall acquire the entire Interest of the Investor Member in the Company (and the State Investor Member, if it has elected pursuant to subsection (a) above) by making payment to the Investor Member (and State Investor Member, if applicable), in cash, of an amount equal to the sum of (i) 100% of its Capital Contributions, respectively, and (ii) interest on such amount at the Default Rate accruing from the date or dates of the Investor Member's and State Investor Member's (if applicable) Capital Contributions, but in no event higher than the highest rate permitted by applicable law, less the amount any Tax Credits allocated to the Investor Member for the period prior to the date of repurchase and not subject to recapture.

(c) Upon receipt by the Investor Member of any such payment of its Capital Contributions, the Interest of the Investor Member and all further rights and obligations of the Investor Member hereunder shall terminate, except those that expressly survive the transfer of such Interest pursuant to this Agreement, and, to the extent that the Investor Member has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the Investor Member from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the Investor Member (as a result of its respective participation hereunder) may be subject.

(d) Upon receipt by the State Investor Member of any such payment of its Capital Contributions, the Interest of the State Investor Member and all further rights and obligations of the State Investor Member hereunder shall terminate, and, to the extent that the State Investor Member has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the State Investor Member from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the State Investor Member (as a result of its respective participation hereunder) may be subject.

(e) If the Project is placed in service after 2019, the State Investor Member's aggregate Capital Contribution obligation shall be \$0.50 per dollar of Certified State Historic Tax Credits that are delivered to the Company.

#### 5.09 Managing Member Loans.

(a) Managing Member Loans. The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Excess Development Costs under its Construction Completion Guaranty under Section 8.09(a) or Operating Deficits under its Operating Deficit Guaranty under Section 8.09(b) hereof, to make Managing Member Loans pursuant to this Section 5.09(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company, subject to the Consent of the Investor Member. Managing Member Loans shall be on the following terms: (i) LIBOR Rate plus 2.25% interest shall accrue on the Managing Member Loans; and (ii) Managing Member Loans shall be repayable solely as set forth in Sections 11.03, 11.04 and 12.02 of this Agreement. The making of such loans shall be subject to the Consent of the Special Investor Member.

(b) Documentation of Managing Member Loans. At the request of a Member, which request may be made quarterly, any Managing Member Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such Managing Member Loans made during the preceding calendar quarter. Managing Member Loans shall be unsecured loans by such Member. Managing Member Loans shall not be considered Capital Contributions and shall not increase such Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a Managing Member Loan, in no event shall interest accrue on any Managing Member Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

### ARTICLE 6. CHANGES IN MANAGING MEMBERS

#### 6.01 Withdrawal of the Managing Member.

(a) The Managing Member may withdraw from the Company or sell, transfer or assign its Interest as Managing Member only with the prior Consent of the Special Investor Member (which Consent shall be in the Special Investor Member's sole discretion), and of the Agency and the Project Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by the Agency and the

Project Lenders, if required, of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member (a "Permitted Assignment").

(b) In the event that a Managing Member withdraws from the Company or sells, transfers or assigns its entire Interest pursuant to Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such withdrawal, sale, transfer or assignment shall have become effective. Notwithstanding anything to the contrary set forth herein, in the event of a Permitted Assignment, any and all obligations and liabilities of a withdrawing Managing Member pursuant to any Guaranty shall remain in full force and effect and shall apply to any and all past or future obligations as may be guaranteed pursuant to the applicable Guaranty.

6.02 Admission of a Successor or Additional Managing Member. A Person shall be admitted as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member and the Special Investor Member (which Consent shall be in the Special Investor Member's sole discretion), and the State Investor Member (which Consent shall be in the State Investor Member's sole discretion) and consented to by the Agency and the Project Lenders, if required; provided, however, that the Consent of the Managing Member, Special Investor Member, or the State Investor Member shall not be required for the admission of the Construction Lender as a Managing Member pursuant to the exercise of its rights under the Security Agreement executed by the Managing Member in connection with the Construction Loan (the "Construction Loan Security Agreement");

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement by executing a counterpart thereof, (ii) all the terms and provisions of the Loan Agreement and the Project Documents by executing counterparts thereof or an assumption agreement, if requested by the Project Lenders, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member, and, if required under the Act, a certificate of amendment to the Certificate evidencing the admission of such Person as a Managing Member shall have been filed, and all other actions required by Section 1.06 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Company with evidence satisfactory to Counsel for the Company of its authority to become a Managing Member, to do business in the State and to be bound by the terms and provisions of this Agreement;

(d) Counsel for the Company shall have rendered an opinion that the admission of the successor or additional Managing Member is in conformity with the Act and that none of the actions taken in connection with the admission of the successor or additional Managing Member will cause the termination or dissolution of the Company or will cause it to be classified other than as a partnership for federal income tax purposes; and

(e) The Managing Member shall pay all third-party, out of pocket expenses, including reasonable legal fees, incurred by the Company and the Investor Member in connection with such transfer.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) Subject to the provisions of Section 6.05 of this Agreement, in the event of the Bankruptcy of a Managing Member or the withdrawal, death or dissolution of a Managing Member, or an adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity) the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 6.01(a) of this Agreement, then the Company shall be terminated, unless within ninety (90) days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence or breach of Section 6.01(a), the Investor Member elects to designate the Special Investor Member or such other entity as the Investor Member may desire as a successor Managing Member and continue the Company upon the conversion of such Special Investor Member to the Managing Member of the Company.

(b) Subject to the provisions of Section 6.05 of this Agreement, upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member or breach of Section 6.01(a), such Managing Member shall upon such election immediately cease to be a Managing Member and its Interest shall without further action be converted to an Investor Member Interest; provided, however, that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, such Managing Member shall cease to be a Managing Member only upon the expiration of ninety (90) days after Notice to the Investor Member of the Bankruptcy, death, dissolution, declaration of incompetence or default of such Managing Member; and provided further that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, the converted Membership Interest of such replaced Managing Member shall be ratably reduced to the extent necessary to insure that the substitute Managing Member(s) holds a .009% Percentage Interest (as set forth in Section 5.01).

(c) Except as set forth above, such conversion of a Managing Member Interest to an Investor Member Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the Managing Member's obligations under Section 8.09 herein) of the Bankrupt, deceased, dissolved, removed, incompetent or defaulted Managing Member existing prior to the Bankruptcy, death, dissolution, removal, incompetence or default of such person as a Managing Member (whether or not such rights, obligations or liabilities were known or had matured).

(d) If, at the time of the withdrawal, Bankruptcy, death, dissolution, adjudication of incompetence or default under Section 6.01(a) of a Managing Member, the Bankrupt, withdrawn, deceased, dissolved, incompetent or defaulted Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Members of such Bankruptcy, death, dissolution, adjudication of incompetence or default, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other

instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved, incompetent or defaulted Managing Member and its having ceased to be a Managing Member. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 6.03.

6.04 Restrictions on Transfer of Managing Member's Interests. This is an agreement under which applicable law excuses the Investor Member and the State Investor Member from accepting performance from any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., from a trustee of any such debtor and from the assignee of any such debtor or trustee. Each of the Investor Member and the State Investor Member has entered into this Agreement with the Managing Member in reliance upon the unique knowledge, experience and expertise of the Managing Member, and its officers in the planning and implementation of the acquisition of the Apartment Complex and in the area of affordable housing and development in general. The foregoing restriction on transfer is based in part on the above factors. The Managing Member expressly agrees that neither the Investor Member nor the State Investor Member shall be required to accept performance under this Agreement from any person other than the Managing Member, including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee.

6.05 Removal of the Managing Member.

(a) Conditions for Removal. The Special Investor Member, so long as it is a Member, shall have the right to remove the Managing Member:

(i) for any (x) fraud, (y) gross negligence or intentional misconduct or (z) breach of fiduciary duty in the discharge of its duties and obligations as Managing Member (provided that such violation under clause (z) above results in, or is likely to result in, a material detriment to the Company or the Investor Member or a material impairment of the Apartment Complex or assets of the Company), or

(ii) upon the occurrence of any of the following:

(A) the Managing Member or the Company shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or the Loan Agreement, or any material provisions of any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Apartment Complex (including the failure to remedy any conditions noted in a HUD REAC inspection report), which violation has not been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable, or cured within any applicable cure period;

(B) the Managing Member or the Company shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(b), 5.03, 5.08 and/or 8.09, (ii) violated any material provision of applicable law, or (iii) breached any representation and warranty contained in Article 4 in any material respect;



(C) any event occurs which, with the giving of notice or passage of time would constitute an event of default under any Project Loan or Project Document which is not cured within any applicable cure period;

(D) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

(1) cause the termination of the Company for federal income tax purposes; or

(2) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation; or

(3) in the reasonable opinion of the Special Investor Member, cause a recapture or reduction in Certified Credits beyond that which the Managing Member has funded or timely funds pursuant to the Tax Credit Compliance Guaranty; or

(4) violate any federal or state securities laws; or

(5) cause the Investor Member or the State Investor Member to be liable for Company obligations in excess of its Capital Contributions and any distributions it is obligated to return under the Act;

(E) the Managing Member fails to timely and promptly discharge the Management Agent if (1) at any time cause for such removal exists or (2) the Special Investor Member exercises its rights pursuant to Section 7.02(b);

(F) any default by the Guarantor under the Guaranty;

(G) the amount of Actual Credits for any year are, or are projected by the Accountants to be, less than eighty-five percent (85%) of the Projected Credits for that year; or less than eighty-five percent (85%) of Certified Credits if Certified Credits have been determined and adjustments to the Capital Contribution of the Investor Member have been made as may be required under Section 5.03;

(H) the Managing Member shall (x) fail to obtain the dismissal of any case commenced against the Managing Member (i) for the appointment of a trustee for the Managing Member, or any of its property, or (ii) in Bankruptcy; or (y) file a voluntary Bankruptcy;

(I) an event of repurchase occurs, as described in Section 5.08 and the Interest of the Investor Member is not timely repurchased pursuant to Section 5.08;

(J) the Managing Member or any Guarantor or an Affiliate of the Managing Member or any Guarantor that owns a majority interest or has management control over such entity is convicted of a felony; and,

(K) the Operating Reserve has been depleted and the Managing Member fails to fund any Operating Deficit within thirty (30) days whether

such Operating Deficit occurs prior to or following expiration of the Operating Deficit Guaranty Period.

(b) Procedure for Removal. The Special Investor Member shall give Notice to all Members and to the Project Lenders of its determination that the Managing Member shall be removed. The Managing Member shall have twenty (20) days after receipt of such Notice with respect to monetary defaults, or thirty (30) days with respect to non-monetary defaults, to cure any default or other reason for such removal, in which event it shall remain as Managing Member; provided, however, that no Notice shall be required with respect to a default set forth in paragraphs a(i)(x), a(ii)(G) or (a)(ii)(H) above. If, at the end of the applicable cure period, the Managing Member has not cured any default or other reason for such removal and the Investor Member has not otherwise received payment of its Capital Contributions and interest thereon in accordance with Section 5.08(b) hereof, it shall cease to be Managing Member and the powers and authorities conferred on it as Managing Member under this Agreement shall cease and the Interests of such Managing Member shall be transferred to the Special Investor Member or its designee which, without further action, shall become the Managing Member; in such event, upon becoming the Managing Member, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents.

(c) Managing Member Obligations and Liability Following Removal. In the event that the Managing Member is removed pursuant to the terms of this Agreement, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Sections 4.03, 5.01(b), 5.03, 5.08 and 8.09 of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member as fees or other payments are applied to meet the obligations of the Managing Member as stated in Sections 4.03, 5.01(b), 5.03, 5.08 and 8.09 of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duties as Managing Member of the Company. If the Managing Member is removed as Member of the Company as aforesaid, the Managing Member shall not be entitled to payment of any further installments of the Incentive Management Fee, or other fees or payments which otherwise would have been due and payable under this Agreement, nor shall Developer, as an Affiliate of the Managing Member, be entitled to any Development Fees accruing after the date of the Managing Member's removal and such removal shall not accelerate any Managing Member Loans, Construction Completion Loans, or Operating Deficit Loans owing to the Managing Member or any of its Affiliates. Any Development Fees that have accrued prior to that time shall be, in the discretion of the Special Investor Member, subject to set-off for damages incurred by the Company or the Investor Member as a result of, or reasonably relating to, the events that gave rise to removal or the removal itself, including without limitation, the payment of a reasonable incentive management fee to a substitute general partner. Any amounts treated as an offset shall be deemed contributed to the Company by the Managing Member and then deemed paid to the Developer as partial or full satisfaction of the Deferred Development Fee (as defined in the Development Agreement).

(d) Power of Attorney. The Special Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 6.05. The election by the Special Investor

Member to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy which the Investor Member or any other Member might have with respect to the Managing Member in connection with its undertakings and responsibilities under this Agreement.

ARTICLE 7.  
MANAGEMENT AND OPERATION OF APARTMENT COMPLEX;  
RESERVE REQUIREMENTS

7.01 Selection of Management Agent. The Company shall engage such person, firm or company as the Managing Member may select, and as the Special Investor Member may approve, which approval shall not be unreasonably withheld, to manage the operation of the Apartment Complex. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State or through a reputable property management educational organization (such as a Certified Property Manager designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Special Investor Member, but in no event will the annual management fee be greater than six percent (6%) of the annual gross revenues of the Apartment Complex. Notwithstanding the foregoing, the management fee may be increased to an amount up to eight percent (8%) subject to the approval of the Special Investor Member. The contract between the Company and the Management Agent and the management plan for the Apartment Complex shall be in the form set forth in Exhibit O, with such changes acceptable to the Agency and/or the Project Lenders, if required, and reasonably acceptable to the Special Investor Member; such contract shall have an initial term of three (3) years and shall be renewable annually thereafter and, shall provide, among other things, (i) for immediate termination by the Managing Member at the direction of the Special Investor Member in the event that the Special Investor Member determines that grounds for removal of the Management Agent exist under Section 7.02; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that it shall be cancelable upon thirty (30) days' prior notice from the Company. Further, if the Management Agent is an Affiliate of the Managing Member, (i) the Management Agent will accrue the management fee until all other operating expenses are paid and (ii) the Management Agent will accrue the management fee if at any time the Managing Member has failed to provide the reports set forth in Section 13.04 in a timely manner. Landmark Property Management Company is approved by the parties hereto as the initial Management Agent.

7.02 Removal of the Management Agent. The Managing Member:

(a) may, upon receiving any required approval of the Agency and Project Lenders, if required, and the Special Investor Member, dismiss the Management Agent as the entity responsible for the Apartment Complex under the terms of the contract between the Company and the Management Agent,

(b) shall, at the request of the Special Investor Member, remove the Management Agent if the Special Investor Member reasonably determines that the same is necessary to protect the interests of the Company or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its

duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Company and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Apartment Complex, or the Project Lenders' approved management plan for the Apartment Complex;

(ii) violates in any material respect any provision of this Agreement or any provision of applicable law; or

(iii) causes the Apartment Complex to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of Tax Credit; and

(c) shall include in any Management Agreement with an Affiliate of the Managing Member, a provision that the Special Investor Member shall have the right to terminate the Management Agreement in the event the Managing Member is removed pursuant to the terms of this Agreement.

7.03 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Apartment Complex, a substitute Management Agent which is not an Affiliate of the Managing Member shall be named by the Managing Member, subject to the approval of the Project Lenders, if required, and the approval of the Special Investor Member.

7.04 Loans to the Company. The Company is authorized to receive Operating Deficit Loans and Managing Member Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received an Operating Deficit Loan, or Managing Member Loan to pay such amounts, then the Company may with the prior Consent of the Special Investor Member and the State Investor Member borrow such funds as are needed from a Person or organization, other than a Member or an Affiliate of a Member, in accordance with the terms of this Section 7.04, for such period of time and on such terms as the Managing Member and the Investor Member and the State Investor Member may agree; provided, however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Company without the prior Consent of the Special Investor Member and the State Investor Member. Nothing in this Section 7.04 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

7.05 Replacement Reserve. The Managing Member shall cause the Company to establish and maintain a segregated reserve account (the "Replacement Reserve") to provide for working capital needs, improvements and replacements relating to the Apartment Complex. Commencing simultaneously with or immediately after Final Closing, the Managing Member shall cause the Company to annually deposit \$16,500 from the Company's gross operating revenues into the Replacement Reserve, which amount shall increase by three percent (3%) per annum. The Managing Member shall be entitled to withdraw funds from the Replacement Reserve subject to the Consent of the Special Investor Member, which Consent shall not be unreasonably

withheld. Any request for such Consent shall be made separate and apart from the annual budget submitted for approval pursuant to Article XIII.

7.06 Operating Reserve. The Managing Member shall cause the Company to establish and maintain a segregated reserve account (the “Operating Reserve”) to meet operating expenses and debt service of the Company which exceed operating revenues available for the payment thereof. No later than the making of the Fifth Capital Contribution, the Managing Member shall cause the Company to deposit the amount of \$158,874 (or such greater amount as may be required by the Project Lenders) into the Operating Reserve. The initial \$158,874] of the Operating Reserve shall be funded from Capital Contributions and/or the proceeds of the Project Loans; provided, however, that if there are insufficient funds from the aforementioned sources upon Final Closing, the Managing Member shall be required to fund the Operating Reserve. The Operating Reserve shall be replenished from Net Cash Flow, as set forth in Section 11.03(b). The Managing Member shall cause the Company to maintain a balance in the Operating Reserve of no less than \$158,874 (“Operating Reserve Floor”); if such balance falls below the Operating Reserve Floor, the Operating Reserve shall be replenished from Net Cash Flow, as set forth in Section 11.03(b). The Managing Member shall not be entitled to withdraw funds from the Operating Reserve if the balance in the Operating Reserve is less than the Operating Reserve Floor, and any requests for withdrawal are subject to the Special Investor Member’s approval. Any request for such approval shall be made separate and apart from the annual budget submitted for approval pursuant to Article XIII. Any amounts remaining in the Operating Reserve at the end of the Compliance Period shall be distributed as Net Cash Flow, as set forth in Section 11.03(b), or as the proceeds of a Capital Transaction, as set forth in Section 11.04.

ARTICLE 8.  
RIGHTS, OBLIGATIONS AND POWERS  
OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article 3, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Members and of the Company. The Managing Member shall devote such time as is necessary to the affairs of the Company.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Project Lender and/or Agency rules and regulations and the provisions of the Project Documents, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute and deliver, on behalf of the Company, the Loan Agreements, the Regulatory Agreement, the Extended Use Agreement, the Notes, the Mortgages, and the other Project Documents, and to execute any and all other instruments

and documents, and amendments thereto provided the Special Investor Member shall be provided with the opportunity to review and Consent, which Consent shall not be unreasonably withheld, to any such documents prior to their execution by the Managing Member, as shall be required in connection with the Project Loans, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. Copies of all applications for advances of proceeds of the Project Loans shall be provided to the Investor Member prior to the disbursement of any funds pursuant thereto and shall be subject to the Consent of the Special Investor Member, which Consent shall not be unreasonably withheld; and provided further that any such applications which provide for the disbursement of funds of the Company in lieu of or in addition to the proceeds of the Project Loans shall be subject to the Consent of the Special Investor Member, which Consent shall not be unreasonably withheld. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No Person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

8.02 Limitations Upon the Authority of the Managing Member.

- (a) The Managing Member shall not have any authority to:
- (i) perform any act in violation of any applicable law or regulation thereunder;
  - (ii) perform any act in violation of the provision of any Project Document;
  - (iii) do any act required to be approved or ratified in writing by the Investor Members under the Act unless the right to do so is expressly otherwise given in this Agreement;
  - (iv) knowingly rent apartments in the Apartment Complex such that the Apartment Complex would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test or waive any recertification requirements set forth in resident leases or otherwise required by the Agency;
  - (v) borrow from the Company or commingle Company funds with funds of any other Person; or
  - (vi) execute or deliver any general assignment for the benefit of creditors or file a petition or acquiesce in the filing of a petition for Bankruptcy.
- (b) The Managing Member shall not, without the Consent of the Special Investor Member, (which Consent for clauses (ii), (xi), (xii), (xiii), (xvi) and (xxiv) below may be granted or denied in the sole discretion of the Special Investor Member), have any authority to:
- (i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) refinance any Project Loan or amend the terms of any Project Loan or any Project Document;

(iii) borrow in excess of \$10,000.00 in the aggregate at any one time outstanding on the general credit of the Company, except the Project Loans in amounts not to exceed those shown on Exhibit H, Managing Member Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 13.04(c);

(iv) agree to any change order for the Construction Contract (a) in excess of \$50,000, for any one line item or change orders in excess of \$100,000 in the aggregate, (b) which diminishes the quality of the construction or materials used in the Apartment Complex (regardless of the dollar amount involved) from the approved Plans and Specifications, (c) which extends the duration of the construction schedule, or (d) which materially alters the design of the Apartment Complex from the approved Plans and Specifications; provided, however, the Special Investor Member shall have sole and absolute discretion to approve or disapprove any change order that would result in any of the following: (i) a change in the number of units comprising the Apartment Complex, (ii) a change in the number of bedrooms in any unit comprising the Apartment Complex, (iii) a change in the number or location of parking spaces for the Apartment Complex, or (iv) a deviation from the agreements, representations or obligations of the Company as described in the Company's application for Tax Credits;

(v) following Final Closing, construct any new or replacement capital improvements on the Apartment Complex which substantially alter the Apartment Complex or its use or which are at a cost in excess of \$10,000.00 in a single Company fiscal year, or rebuild the Apartment Complex with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 13.04(c);

(vi) acquire any real property in addition to the Apartment Complex other than easements reasonable and necessary for the operation of the Apartment Complex;

(vii) confess a judgment against the Company in excess of \$5,000, or commence or settle, or acquiesce in the commencement or settlement of any legal actions, arbitration, or other like proceedings involving the Company or the Managing Member;

(viii) admit any Person as a Managing Member or an Investor Member, or withdraw as Managing Member;

(ix) do any act in contravention of this Agreement or any other agreement to which the Company is a party;

(x) execute or deliver any assignment for the benefit of the creditors of the Company;

(xi) transfer or hypothecate the Managing Member's interest as a Managing Member in the Company, including its interest in Company allocations or distributions, except as otherwise provided in this Agreement and the Construction Loan Security Agreement;

(xii) dissolve the Company or take any action which would result in dissolution;

(xiii) prepay (except for Construction Loan) or modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Apartment Complex, or borrow funds or participate in a merger or consolidation with any other entity;

(xiv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;

(xv) materially change any accounting method or practice of the Company;

(xvi) file a voluntary petition for bankruptcy of the Company;

(xvii) make any expenditure or incur any liability on behalf of the Company in excess of \$10,000 which is not identified in the Projections or any budget Consented to by the Special Investor Member, except with respect to emergency repairs necessary to protect the safety and comfort of the tenants or the structural integrity of the Apartment Complex, provided, however, that if any such expenditure is made, the Managing Member shall immediately notify the Investor Member and the State Investor Member of said expenditure along with a detailed explanation of the circumstances necessitating the expenditure;

(xviii) possess Company property or assign rights in specific property for other than a business purpose of the Company;

(xix) take any action which would cause the termination of the Company for federal income tax purposes under Section 708 of the Code;

(xx) make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or Regulations, including, without limitation, any election under Section 42 of the Code (including an election to treat any year other than 2019 as the first year of the Credit Period (as defined in Section 42(f) of the Code for the Apartment Complex) or Section 754 of the Code;

(xxi) enter into any agreement or take any action without the prior Consent of the Special Investor Member or Investor Member with respect to any matters for which the prior Consent of the Special Investor Member or Investor Member is a prerequisite;

(xxii) approve any new or additional fees or increase in fees to the Managing Member or any Affiliate of the Managing Member;

(xxiii) enter into any cost-sharing, shared use or reciprocal easement agreements relating to the Apartment Complex or the Land;

(xxiv) change in ownership, control or management of the Managing Member, unless such change results in Landmark having 100% ownership, control, and management of the Managing Member;



(xxv) allow this Agreement to be amended; or,

(xxvi) take any action directly or through any of its Affiliates that would change any of the rights or obligations of the State Investor Member in the Company under this Agreement, including but not limited to, any amendment that would result in a reduction of the 100% allocation of the State Historic Tax Credits to the State Investor Member or a change in an allocation or distribution right of the State Investor Member without the Consent of the State Investor Member.

### 8.03 Sale of Apartment Complex.

(a) Investor Member Request for Sale. Notwithstanding the foregoing Section 8.02, and subject to all Agency regulations then in effect and the receipt of all required approvals and consents of the Project Lenders, and subject further to the extended use requirements applicable pursuant to Section 42(h)(6) of the Code, at any time after the fourteenth (14th) anniversary of the first day of the first taxable year of the applicable Tax Credit Compliance Period the Investor Member may request that the Company do one of the following sell the Apartment Complex subject to the Extended Use Agreement (a "Continued Compliance Sale").

(b) Continued Compliance Sale. After receipt of a request for a Continued Compliance Sale, the Managing Member shall use its best efforts to find a third party purchaser for the Apartment Complex and to cause the Company to consummate a sale of the Apartment Complex subject to the Extended Use Agreement and on terms Consented to by the Investor Member. If such efforts to execute a purchase contract are not successful on terms reasonably satisfactory to the Investor Member within four (4) months, the Investor Member shall have the right thereafter to locate a purchaser for the Apartment Complex. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Apartment Complex on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within thirty (30) days, then the Managing Member shall be obligated to Consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member.

(c) Intentionally omitted.

(d) Redemption of Investor Member Interest.

(i) At any time after payment of Investor Member's Capital Contributions, Investor Member may require that the Company purchase the Investor Member's Interest and the Special Investor Member's Interest, subject to all then existing liens and encumbrances to title, for an amount equal to \$100 (the "Put Option"). To exercise the Put Option, the Investor Member must deliver to the Managing Member an irrevocable written notice of such exercise. The purchase by the Company will be closed within 60 days after the later of (i) the Investor Member's exercise of such right, or (ii) the receipt of all required consents, if any. Any conveyance from the Investor Member and the Special Investor Member to the Company under this Section 8.03 will be made by quitclaim transfer, without representation or warranty of any kind by the Investor Member or the Special Investor Member except that the Investor Member and the Special Investor Member will represent that such Member has not

previously transferred its Interest, except to the Fund (if applicable), and such Member's Interest is free of liens or encumbrances other than those contemplated by the Company's Mortgage Loans and/or by this Agreement. The Investor Member and the Special Investor Member agree that neither the Company nor the Managing Member will have any liability for any adverse tax consequences to the Investor Member or the Special Investor Member as a result of the exercise of the Put Option, including, but not limited to, recapture or lost Tax Credits.

(ii) For a twelve month period following the earlier of (i) the date twenty five (25) months after the date hereof and (ii) the date of any disallowance of State Historic Tax Credits, the State Investor Member shall have the right to cause the Managing Member to purchase the entire Interest of the State Investor Member. This put option may be exercised by (i) the State Investor Member giving written notice to the Managing Member at least thirty (30) days prior to the date of the proposed sale and (ii) agreeing that the closing of the purchase pursuant to this Agreement shall occur not more than ninety (90) days after the date on which the State Investor Member has delivered said notice to the Managing Member. The sale price shall be equal to Two Thousand Five Hundred and 00/100 Dollars (\$2,500).

8.04 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve, but in no event shall such delegation of duties relieve the Managing Member of its obligations hereunder, including its fiduciary obligations to the other Members.

8.05 Managing Member or Affiliates Dealing with Company. The Managing Member or any Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, and (d) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the Managing Member or any Affiliate shall be compensated by the Company for his services. Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days' Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to all Investor Members in the reports required under Section 13.04. Neither the Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05.

8.06 Other Activities. Except as limited in Section 8.05, Affiliates of the Managing Member may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as general partner of other partnerships or managing member of other companies that own, either directly or through interests in other companies, government assisted housing developments similar to the Apartment Complex. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions. No Managing Member or Affiliate thereof shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, provided that the protection afforded the Managing Member pursuant to this Section 8.07 shall not apply in the case of gross negligence, willful misconduct, fraud or any breach of fiduciary duty as Managing Member or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Managing Member or Affiliate thereof by reason of any act or omission performed or omitted by it or any of them in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by the Managing Member or Affiliate thereof by reason of gross negligence, willful misconduct or fraud of the Managing Member or Affiliate thereof, or any breach of fiduciary duty as Managing Member, with respect to such acts or omissions) shall be paid from Company assets to the extent available (but the Investor Members shall not have any personal liability to the Managing Member or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Managing Member or Affiliate(s) thereof or on account of the payment thereof).

8.08 Indemnification of Investor Member and the Company. The Managing Member and the Company shall, jointly and severally, indemnify, defend, and save harmless the Investor Member and the State Investor Member from and against any claim, loss, expense, action or damage, including without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel actually incurred) asserted against the Investor Member and/or the State Investor Member based on any act, omission, malfeasance or nonfeasance of the Company or the Managing Member, including without limitation any claim that the Investor Member and/or the State Investor Member is liable for any indebtedness of the Company and excluding only liability directly caused by the Investor Member's and/or the State Investor Member's gross negligence or willful misconduct. In addition, the Managing Member and the Company shall, jointly and severally, indemnify, defend, save and hold harmless the Investor Member and the State Investor Member, and their representatives, from and against any and all costs, losses, liabilities, damages, lawsuits, proceedings (whether formal or informal), investigations, judgments, orders, settlements, recoveries, obligations, deficiencies, claims and expenses (whether or not arising out of third party claims), including, without limitation, interest, penalties, attorneys' fees and all amounts paid in investigation, or settlement of any of the foregoing, incurred in connection with or arising out of or resulting from the operations of the Managing Member, the Company or the Apartment Complex prior to the date of this Agreement.

8.09 Construction of the Apartment Complex, Construction Cost Overruns, Operating Deficits: Other Managing Member Guarantees.

(a) Construction Completion Guaranty.

(i) The Company has entered into the Construction Contract. The Managing Member shall guaranty to the Company and the Investor Members that the Company shall be:

(A) achieving completion of construction of the Apartment Complex on a timely basis in a good and workmanlike manner without construction defects in accordance with the Plans and Specifications for the Apartment Complex, the terms of this Agreement, the Project Documents and all applicable federal, state and

local governmental requirements, including, without limitation, all local building and zoning laws, codes, ordinances, rules, regulations and orders;

(B) meeting all requirements for obtaining all necessary unconditional certificates of occupancy for all the apartment units in the Apartment Complex;

(C) fulfilling all actions required of the Company to assure that the Apartment Complex satisfies the Minimum Set-Aside Test and the Rent Restriction Test;

(D) causing the funding of the Project Loans by the respective Project Lenders;

(E) paying for all operating costs of the Apartment Complex, including funding of the Operating Reserve prior to Stabilized Operations; and

(F) achieving Final Closing and Stabilized Operations.

(ii) The Managing Member hereby is obligated to pay all Excess Development Costs; the Company shall have no obligation to pay any Excess Development Costs; provided however, any amounts paid by the Managing Member pursuant to this clause (ii) shall be treated as a loan made on the following terms (the "Construction Completion Loan(s)"): (A) it shall be unsecured; (B) it shall not bear interest; (C) it shall be repayable solely from proceeds of a Capital Transaction at the time and in the amounts set forth in Section 11.04 and 12.02(a) of this Agreement; and (D) shall be fully subordinated to payment of Project Loans, Managing Member Loans, indebtedness of the Company to all Persons other than Members.

(iii) In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.09(a), then, the total of any remaining unpaid installments of the Development Fee due pursuant to Section 14.01 shall be suspended by the Company until such obligations are met by the Managing Member.

(iv) Any suspension of funds otherwise payable pursuant to Section 14.01 and/or the Development Agreement as aforesaid shall not constitute reductions in amounts owed pursuant to Section 14.01 and/or the Development Agreement, and the Managing Member shall have the obligation to make a Capital Contribution pursuant to Section 5.01(b) to ensure payment in full of the Development Fee as and when due pursuant to Section 5.01(b).

(b) Operating Deficit Guaranty. In the event that, at any time during the period beginning upon the later of: (i) the date that Stabilized Operations is achieved, or (ii) the date the conditions set forth in Section 8.09(a) are satisfied, and for four years thereafter, provided, however, that such period shall be extended until (A) the Apartment Complex is operating at a Debt Service Coverage Ratio of 1.15 to 1.0 for the last four quarters of such period (based on the average Debt Service Coverage Ratio within each quarter) and (B) the balance of the Operating Reserve is, at the end of such period, not less than the Operating Reserve Floor (the "Operating Deficit Guaranty Period"), an Operating Deficit shall exist, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s); provided, however, that the Managing Member shall not be obligated to provide such funds to the extent that the provision of such funds, if considered an

Operating Deficit Loan as hereinafter defined, would cause the aggregate unpaid balance of all Operating Deficit Loans to exceed \$158,874. Funds provided after the achievement of Stabilized Operations shall be in the form of a loan to the Company (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (iv) shall be fully subordinated to payment of Project Loans, Managing Member Loans, indebtedness of the Company to all Persons other than Members and the Asset Management Fee. Withdrawals from the Operating Reserve shall not be permitted during the Operating Deficit Guaranty Period, without the Consent of the Special Investor Member. In the event that the Managing Member shall fail to make any such Operating Deficit Loan as aforesaid, the Company shall suspend amounts otherwise payable as installments of the Development Fee pursuant to Section 14.01 of this Agreement until such obligation to fund the Operating Deficit Loan is met by the Managing Member. Any amounts of the Development Fee so suspended shall not constitute reductions of amounts owed pursuant to Section 14.01 and the Development Agreement, and the Managing Member shall have the obligation to make a Capital Contribution pursuant to Section 5.01(b) sufficient to make such installment payments as they become due under the Development Agreement. For the purpose of this Section 8.09(b), all expenses shall be paid on a sixty (60) day current basis.

(c) Tax Credit Compliance Guaranty. The following is herein referred to as the "Tax Credit Compliance Guaranty":

(i) If with respect to any fiscal year of the Company there is a Tax Credit Shortfall and/or State Historic Tax Credit Shortfall, the Managing Member irrevocably and unconditionally guarantees, within forty-five (45) days following the close of such fiscal year, payment to the Investor Member and the State Investor Member of an amount equal to (A) the amount of the Tax Credit Shortfall and/or State Historic Tax Credit Shortfall, as applicable, for the fiscal year immediately preceding the payment due date, (B) all penalties and interest imposed by the Code and/or the State of Virginia and assessed against the Investor Member and/or the State Investor Member, as applicable, by the IRS with respect to any Tax Credit Shortfall and/or the by the Virginia Department of Taxation with respect to any State Historic Tax Credit Shortfall, as applicable, and (C) an amount sufficient to pay any tax liability owed by the Investor Member and/or State Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B) and this clause (C) of this Section 8.09(c)(i) (such calculation to be made assuming the Investor Member and/or the State Investor Member, as applicable, is subject to the highest federal and state tax rates imposed on corporate tax payers under the Code or the State of Virginia at that time for the taxable year of the Investor Member and/or the State Investor Member, as applicable, in which such payment is taken into income by the Investor Member and/or the State Investor Member, as applicable) together with interest on such amounts at the Prime Rate accruing from such payment due date.

(ii) The Managing Member irrevocably and unconditionally guarantees payments specified in this Section 8.09(c)(ii) to the Investor Member and/or the State Investor Member, as applicable, if there is a Tax Credit Recapture Event other than resulting solely from the gross negligence or willful misconduct of Investor Member or a transfer by the Investor Member of its Interest, and/or a State Historic Tax Credit Recapture Event other than resulting solely from the gross negligence or willful misconduct of State Investor Member or a transfer by the State Investor Member of its Interest. The payments required by this Section 8.09(c)(ii) shall be the sum of the following amounts: (A) the amount of Tax Credits and/or State

Historic Tax Credits previously allocated to the Investor Member and/or the State Investor Member, as applicable, and subsequently disallowed because of such Tax Credit Recapture Event and/or State Historic Tax Credit Recapture Event, as applicable; (B) the “credit recapture amount” (as defined in Section 42(j)(2) of the Code) allocated to the Investor Member and/or the State Investor Member, as applicable, because of such Tax Credit Recapture Event and/or the State Historic Tax Credit Recapture Event; (C) all penalties and interest imposed by the Code with respect to such Tax Credit Recapture Event or the State of Virginia with respect to such State Historic Tax Credit Recapture Event and assessed against the Investor Member and/or the State Investor Member, as applicable, by the IRS and/or the Virginia Department; (D) an amount sufficient to pay any tax liability owed by the Investor Member and/or State Investor Member, as applicable, resulting from the receipt of the amounts specified in the foregoing clauses (A), (B), (C) and this clause (D) of this Section 8.09(c)(ii) (such calculation to be made assuming the Investor Member and/or the State Investor Member, as applicable, is subject to the highest federal and state tax rate imposed on corporate taxpayers under the Code and/or the State of Virginia at that time for the taxable year of the Investor Member and/or the State Investor Member, as applicable, in which such payment is taken into income by the Investor Member and/or the State Investor Member, as applicable) together with interest on such amounts at the Prime Rate accruing from the date the Investor Member and/or the State Investor Member, as applicable, remits funds to a taxing authority with respect to a Tax Credit Recapture Event; and (E) if the cause of the Tax Credit Recapture Event and/or State Historic Tax Credit Recapture Event will, in the determination of the Investor Member and/or the State Investor Member, as applicable, decrease the maximum amount of Tax Credits and/or State Historic Tax Credits that will be available to the Company and allocated to the Investor Member and/or the State Investor Member, as applicable, during the remainder of the compliance period under Section 42 of the Code, assuming full compliance with Section 42 of the Code, then an amount equal to the total amount of such decrease. The Managing Member shall make such payment to the Investor Member and/or the State Investor Member, as applicable, within forty-five (45) days of the Tax Credit Recapture Event and/or State Historic Tax Credit Recapture Event, as applicable.

(iii) The Tax Credit Compliance Guaranty set forth herein shall not apply to amounts due solely to the transfer by the Investor Member and/or State Investor Member of all or a portion of its Interest in the Company or to changes in the Code after Stabilized Operations with which the Managing Member is unable to comply despite the exercise of its good faith and reasonable efforts.

8.10 Guaranty. Concurrently with the execution of this Agreement, the Managing Member shall deliver to the Investor Member and/or State Investor Member (a) the Guaranty fully executed by each Guarantor, (b) a pledge and security agreement executed by the Managing Member in the form of Exhibit F attached hereto (the “Managing Member Pledge”), wherein the Managing Member pledges and grants a security interest in its membership interest in the Company to secure its obligations under this Agreement, and (c) an opinion of counsel to the Guarantors in form satisfactory to the Investor Member and/or State Investor Member regarding the Guaranty and the Managing Member Pledge.

ARTICLE 9.  
TRANSFERS AND RESTRICTIONS ON TRANSFERS  
OF INTERESTS OF INVESTOR MEMBERS

9.01 Transfer of Investor Members' Interests.

(a) The Investor Member shall have the right to sell, transfer and/or assign interests within the Investor Member or to transfer Interests of the Investor Member to a Fund without the Consent of the Managing Member, or to a Person once during the term of this Agreement, without the Consent of the Managing Member. The Investor Member shall provide Notice to the Managing Member(s) of such transfer. The Special Investor Member shall have the right to sell, transfer and/or assign interests of the Special Investor Member to an Affiliate of the Special Investor Member, without the Consent of the Managing Member. The State Investor Member shall have the right to sell, transfer and/or assign interests within the State Investor Member or to sell, transfer, pledge and/or assign the Interest of the State Investor Member, without the Consent of any other Member to an Affiliate of the State Investor Member or to a lender to obtain funding to make its Capital Contributions. The Special Investor Member shall provide Notice to the Managing Member of such transfer.

(b) Except as described in Section 9.01(a), under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Investor Member or State Investor Member Interest be permitted unless the Managing Member, in its sole discretion, shall have Consented thereto, and the Project Lenders, if required, also shall have Consented thereto, provided however, that the Managing Member's Consent shall not be required for a pledge by an Investor Member or a State Investor Member of its Interest or a transfer of its right to receive distributions hereunder, so long as no pledgee or transferee shall have any right to become a Substitute Investor Member in the Company or exercise any voting rights or consent rights of a Member. In connection with any transfer of an Investor Member's or State Investor Member's Interest, such member shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer, to include, without limitation, environmental and title insurance update costs, tax and judgment lien searches and legal opinion updates. Upon any transfer pursuant to this Article, the Managing Member shall ensure that the Investor Member shall pay, on or prior to any applicable due date related thereto, any and all taxes, fees, and impositions, including but not limited to transfer taxes and stamp taxes incurred or to be incurred in connection with the transfer (collectively, "Transfer Fees"), and shall promptly deliver to the Managing Member satisfactory evidence of such payments, including but not limited to any state and/or local transfer tax declarations. Notwithstanding the foregoing, in no event shall the Managing Member's Consent to a transfer of an Investor Member's Interest be required after the Investor Member has made all Capital Contributions required hereunder.

#### 9.02 Admission of Substitute Investor Members.

(a) An assignee of the Interest of an Investor Member or the State Investor Member pursuant to Section 9.01(a) (which shall be understood to include a Fund, or any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member or the Substitute State Investor Member, as applicable, of the Company upon Notice to the Managing Member without the need for further action of any parties or the need for an amendment hereto; provided, however, an amended Certificate evidencing the admission of such Person as an Investor Member or the State Investor Member, as applicable, shall be promptly filed for recording pursuant to the requirements of the Act, if required.

(b) Subject to the other provisions of this Article 9, an assignee of the Interest of an Investor Member or the State Investor Member, as applicable, other than pursuant to Section 9.01(a), shall be deemed admitted as a Substitute Investor Member or the State Investor Member, as applicable, of the Company upon completion of the following:

(i) Consent of the Managing Member (which may be withheld in its reasonable discretion), and the consent of the Project Lenders, if required, shall have been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amendment to this Agreement and/or Certificate evidencing the admission of such Person as an Investor Member pursuant to the requirements of the Act, provided, however, that no Consent shall be required for any sale, transfer or assignment pursuant to Section 9.01 (a);

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing the Assignment pursuant to which it assumes all of the obligations of the Investor Member or Special Investor Member or the State Investor Member, as applicable, to be performed hereunder from and after the effective date of the Assignment;

(iii) an amendment to this Agreement or Certificate evidencing the admission of such Person as an Investor Member or Special Investor Member or the State Investor Member, as applicable, shall have been executed and filed for recording pursuant to the requirements of the Act, if required;

(iv) if the assignee is a corporation, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel for the Company of its authority to become an Investor Member or the State Investor Member, as applicable, under the terms and provisions of this Agreement; and

(v) the assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment.

(c) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member or the Substitute State Investor Member, as applicable, shall be treated as having become, and as appearing in, the records of the Company as a Member upon its signing of an assumption agreement agreeing to be bound hereby in the case of an assignment pursuant to Section 9.01(a) or an amendment to this Agreement agreeing to be bound hereby in the case of an assignment pursuant to Section 9.01(b).

(d) The Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member or the Substitute State Investor Member, as applicable, by preparing the documentation required by this Section and making all official filings and publications. In such event, the Company shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate evidencing the admission of any Person as an Investor Member or the State Investor Member, as applicable, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member or a State Investor Member, as applicable, of the conditions contained in this Article 9 to the admission of such Person as an Investor Member or a State Investor Member, as applicable, of the Company. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Investor Member or the Substitute State Investor Member, as applicable.

(e) Prior to admission of the Substitute Investor Member, the Managing Member agrees to provide, at the expense of the Substitute Investor Member, upon the



request of the Investor Member or its assignee a “date down” title endorsement as described in Section 5.02 and to execute such documents as the Title Company may require in connection therewith and an environmental update.

9.03 Rights of Assignee of Membership Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member or the State Investor Member of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member's Interest or the State Investor Member's Interest, but does not become a Substitute Investor Member or Substitute State Investor Member, respectively, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article 9 to the same extent and in the same manner as any Investor Member or State Investor Member, as applicable, desiring to make an assignment of its Interest.

ARTICLE 10.  
RIGHTS AND OBLIGATIONS OF INVESTOR MEMBERS

10.01 Management of the Company. No Investor Member or Special Investor Member shall take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, no Investor Member or Special Investor Member shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Investor Member or Special Investor Member shall have any power or authority with respect to the Company except insofar as the consent of any Investor Member shall be expressly required in this Agreement and except as otherwise expressly provided in this Agreement.

10.02 Limitation on Liability of Investor Members. The liability of the Investor Member, the State Investor Member, and the Special Investor Member is limited to each of its Capital Contributions as and when payable under the provisions of this Agreement, and as provided under the Act. Neither the Investor Member nor the State Investor Member nor the Special Investor Member shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall the Investor Member, the State Investor Member, or Special Investor Member be personally liable for any obligations of the Company, except as and to the extent provided in the Act. Neither the Investor Member nor the State Investor Member, nor the Special Investor Member shall be obligated to make loans to the Company.

10.03 Other Activities. The Investor Member, the State Investor Member, and Special Investor Member and any Affiliates thereof may engage in or possess interests in other ventures of every kind and description for its own account, including without limitation, serving as a partner of other partnerships or member of other companies that own, either directly or through interests in other companies, government-assisted housing projects similar to the Apartment Complex. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

10.04 Inspection. The Investor Member, the State Investor Member, and any Affiliates shall have the right, from time to time, upon prior reasonable notice during business hours, to make a physical inspection of the Apartment Complex, subject to the rights of existing tenants.

10.05 Notice and Materials to State Investor Member. Notice and Materials to State Investor Member. Notwithstanding anything to the contrary set forth herein, if and to the extent any provision in this Agreement requires the delivery of materials to the Investor Member and/or the Special Investor Member or the Consent or approval solely of the Investor Member and/or the Special Investor Member, Managing Member shall contemporaneously provide the State Investor Member with a copy of all such materials or any notice provided to the Investor Member and/or the Special Investor Member in connection with a request for such Consent or approval.

ARTICLE 11.  
PROFITS, LOSSES AND DISTRIBUTIONS

11.01 Allocation of Profits and Losses Other Than From Capital Transactions.

(a) Manner of Determination. Profits, Losses and credits for all purposes of this Agreement shall be determined in accordance with the definition of the same under Article 11 of this Agreement (as applicable) and in accordance with the accrual accounting method and in accordance with applicable Code sections and Treasury Regulations governing same.

(b) Allocations. All Profits and Losses, except those items in Sections 11.02, 11.05, 11.07 and 12.02(b) below, shall be allocated to the Members in accordance with their Percentage Interests. Every item of income, gain, loss, deduction, or tax preference entering into the computation of such Profits and Losses, or applicable to the period during which such Profits and Losses were realized, shall be considered allocated to each Member in the same proportion as Profits and Losses are allocated to such Member.

(c) Federal Historic Tax Credits. Notwithstanding any provision in this Agreement to the contrary, 99.98% of all items of net income and gain and Federal Historic Tax Credits shall be allocated to the Investor Member until the end of the taxable year that includes the 5<sup>th</sup> anniversary of placement in service of the last of the historic expenditures related to the Apartment Complex.

11.02 Allocation of Profits and Losses from Capital Transactions. Except to the extent provided in Sections 11.07 and 12.02(b), Profits and Losses recognized by the Company upon a Capital Transaction shall be allocated in the following manner:

(a) Profits shall be allocated (i) first, to the Members with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Capital Accounts in the Company; provided that no gain shall be allocated under this Section 11.02(a)(i) to a Member once such Member's Capital Account is brought to zero and (ii) second, gains in excess of the amount allocated under (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members' respective Capital Accounts so that the proceeds distributed under Section 11.04(f)-(g) will be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Members' Capital Accounts, and (ii) second, any remaining loss to the Members in accordance with the manner in which they bear the economic risk of loss associated with such loss or, if none, to the Members in accordance with the Members' Percentage Interests.

(c) Any portion of the Profits treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code (“Recapture Amount”) shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Recapture Amount had been previously allocated.

#### 11.03 Distributions: Net Cash Flow.

(a) Determination of Net Cash Flow. Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Substantial Completion and shall not be cumulative. Wherever there is a reference to the distribution of Net Cash Flow pursuant to the provisions of this Agreement, Net Cash Flow shall be deemed to be limited to Surplus Cash available for distribution. Income received by the Company from the period commencing on the date hereof and ending on the date of Stabilized Operations, in the sole discretion of the Managing Member, may be distributed during such period, first to prepay the Asset Management Fee up to \$60,000 and then to pay Development Costs, but for no other purposes, and shall be distributed as Net Cash Flow in accordance with Section 11.03(b) with respect to the first Payment Date following Stabilized Operations.

(b) Manner of Distribution. Subsequent to Stabilized Operations, subject to the approval of the Project Lenders, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) first, to the Investor Member until the aggregate amount of distributions made to the Investor Member under this Section 11.03(b)(i) for the current and all prior years equals the Assumed Investor Member Tax Liability for the current and all prior years;

(ii) second, to the Investor Member in an amount equal to any amounts due and owing to the Investor Member hereunder, including without limitation, any Unpaid Historic Tax Credit Shortfall, Investor Member Advances and Special Additional Capital Contributions;

(iii) third, to the State Investor Member in an amount equal to any amounts due and owing to the State Investor Member hereunder, including without limitation, Unpaid State Historic Tax Credit Shortfall;

(iv) fourth, to the payment of any unpaid Asset Management Fees to the Special Investor Member;

(v) fifth, to replenish the Operating Reserve up to the Operating Reserve Floor;

(vi) sixth, until all amounts due under the Development Agreement have been paid in full, one hundred percent (100%) to the payment of such amounts;

(vii) seventh, to the payment of any unpaid Company Management Fees to the Managing Member;

(viii) eighth, to the pro rata payment of any outstanding Operating Deficit Loans and Managing Member Loans, based upon the respective outstanding balances of each;

(ix) ninth, following the Historic Compliance Period, ninety percent (90%) to the payment of the Incentive Management Fee; and

(x) thereafter, a percentage equal to the Investor Member Percentage Interest to the Investor Member; a percentage equal to the Managing Member Percentage Interest to the Managing Member; one one thousandth of one percent (.001%) to the Special Investor Member; and one one hundredth of one percent (0.01%) to the State Investor Member, provided, however, that notwithstanding anything to the contrary herein, if the amount of the distribution to the Investor Member under this Section 11.03(b)(x) is less than ten percent (10%) of the Net Cash Flow of the Apartment Complex, then the Investor Member shall receive a priority distribution before any distributions under Sections (ix) and (x) hereunder in an amount such that, when added to the sum distributable to the Investor Member under this Section 11.03(b)(x), shall equal ten percent (10%) of Net Cash Flow remaining after application of Sections 11.03(b)(i)-(viii).

(c) Distributions to be Subject to Regulatory Restrictions. Notwithstanding the foregoing, during such time as regulations of the Project Lenders are applicable to the Apartment Complex, the total amount of Net Cash Flow which may be so distributed to the Members with respect to any fiscal year shall not exceed such amounts as such regulations permit to be distributed.

11.04 Distributions: Capital Transactions and Liquidation of Company. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to any Project Loan and all expenses of the Company incident to any such sale or refinancing), excluding (1) debts and liabilities of the Company to Members or any Affiliates, and (2) all unpaid fees owing to the Managing Member under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Member, an amount equal to any amounts due and owing the Investor Member hereunder, including without limitation, any Unpaid Tax Credit Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal), Investor Member Advances or Special Additional Capital Contributions; (ii) to the State Investor Member, in an amount equal to any amounts due and owing to the State Investor Member hereunder, including without limitation, any Unpaid State Historic Tax Credit Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal); (iii) to the Special Investor Member, an amount equal to any outstanding accrued and unpaid Asset Management Fees; (iv) to the payment of any outstanding Managing Member Loans; (v) to amounts due under the Development Agreement; (vi) amounts due with respect to

Construction Completion Loans, if any; (vii) to the payment of any outstanding accrued and unpaid Company Management Fees; (viii) amounts due with respect to Operating Deficit Loans, if any; and (ix) any other such debts and liabilities;

(d) the lesser of (i) one percent (1%) of the gross proceeds of the Capital Transaction or (ii) \$50,000 to the Special Investor Member, or its assignee, as a Capital Transaction administrative fee;

(e) three percent (3%) of the gross proceeds of the Capital Transaction to the Managing Member as a company liquidation fee;

(f) to the Investor Member an amount equal to the Net Projected Tax Liabilities of the Investor Member's partners or members and their respective partners or members until they each have received, cumulatively, an amount equal to their respective Net Projected Tax Liabilities;

(g) the balance, following the Historic Compliance Period, eighty-nine and nine hundred ninety-nine one thousandths percent (89.999%) to the Managing Member, nine and ninety nine one hundredths percent (9.99%) to the Investor Member, one one thousandth of one percent (0.001%) to the Special Investor Member, and one one hundredth of one percent (0.01%) to the State Investor Member.

Written determination of the proposed distributions of proceeds of Capital Transactions, showing all relevant calculations and assumptions, shall be delivered to the Investor Member and Special Investor Member not later than twenty (20) days prior to the Company entering into any agreement for a Capital Transaction, and written confirmation or any revision thereof shall be delivered to the Investor Member and Special Investor Member not later than twenty (20) days prior to the making of any such distribution.

#### 11.05 Distributions and Allocations: General Provisions.

(a) Subject to Section 11.05(g) hereof, in any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all profits and losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee ratably on the basis of the number of monthly periods in such year before, and the number of monthly periods on and after, the first day of the month during which such Person is admitted as a substitute Member.

(b) The Company shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Project Lenders, distribute Net Cash Flow not less frequently than annually in the manner provided in Section 11.03(b).

(c) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(d) In the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the IRS with respect to a taxable year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, 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 fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Construction Completion Loans and/or Operating Deficit Loans pursuant to Section 8.09(b), any deductions or losses of the Company (other than Depreciation) attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) Subject to Section 11.05(g) hereof, any income attributable to the Capital Contribution of the Managing Member will be allocated to the Managing Member.

#### 11.06 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the net income gains and profits for tax purposes of the Company; and there shall be charged against each Member's Capital Account the amount of all cash flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any sale or refinancing of the Apartment Complex distributed to such Member, and such Member's distributive share of the losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. § 1.704-1(b)(2)(iv).

(b) Deficit Capital Accounts; Regulatory Liquidation. In the event that the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall make Capital Contributions in the amount of such deficit in compliance with Treas. Reg. §1.704-1(b)(2)(ii)(b)(3). In the event that the Investor Member's Capital Account should have a deficit balance at such time, it shall have no obligation to fund or otherwise contribute capital to the Company in connection with such deficit. Notwithstanding the foregoing, in the event the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g) but no event has occurred under Section 12.01 to dissolve the Company, the Company assets shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have contributed all of its assets and liabilities to a new company in exchange for an interest in the new company. Immediately thereafter, the terminated Company shall be deemed to have distributed interests in the new company to the Members of the terminated Company in proportion to their respective interests in the terminated Company in liquidation of the terminated Company.

11.07 Special Allocations. Notwithstanding anything to the contrary contained in Section 11.01(a) or (b), the following special allocations in all events apply in determining the allocation of Profits and Losses among the Members and are made prior to the allocations required under §11.01(a) and (b):

(a) Depreciation and Tax Credits.

(i) Depreciation (cost recovery) deductions and Tax Credits are allocated to the Members in accordance with their Percentage Interests.

(ii) Any recapture of Tax Credits is allocated to the Members that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction and Tax Credits associated therewith.

(b) Limitation on Allocations of Losses.

(i) To the extent the allocation of any Losses to a Member would cause that Member to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Company, then those Losses will not be allocated to that Member, but rather will be specially allocated to the remaining Members in proportion with their relative interests in the Company.

(ii) In the event one but not all of the Members would have Adjusted Capital Account Deficits due to an allocation of Losses, the limitation set forth in this Section 11.07(b) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member who is not a Managing Member under Treas. Reg. §1.704-1(b)(2)(ii)(d). All Losses in excess of the limitation set forth in this Section 11.07(b) shall be allocated to the Managing Member.

(iii) Notwithstanding anything to the contrary contained herein, one hundred percent (100%) of all State Historic Tax Credits shall be allocated to the State Investor Member. The Company will treat and report the State Investor Member's Capital Contribution as taxable income in the years in which the State Investor Member Contribution is paid to the Company. Such income will be deemed to arise from the sale, for federal income tax purposes,

of the State Historic Tax Credits by the Company to the State Investor Member. Such income will be allocated 100% to the Investor Member in each year in which such allocation is made and the Investor Member shall pay any tax that is related to such income. The income from the sale of the State Historic Tax Credits will be reported as gain from a nonrecurring sale of a capital asset distinct from the Apartment Complex, and the allocations in the previous sentence shall not affect the allocation of the general profits of the Company. The sale shall be reported as required in Treas. Reg. Sec. 1.707-8. All Historic Tax Credits relating to the Project, if any, will be allocated consistent with Treas. Reg. Sec. 1.46-3(f)(2)(i) or Treas. Reg. Sec. 1.46-3(f)(2)(ii), as applicable.

(c) Profit Chargeback. To the extent any Losses are specially allocated to a Member in accordance with Section 11.07(b), then Profits will thereafter first be specially allocated to such Member in proportion to and in an amount (1) up to but not exceeding the amount of any such special allocation of Losses away from such Member under such subparagraph (b) but (2) not to the extent that Losses or depreciation deductions would be allocated to the remaining Members in excess of the amount permitted by 11.07(b).

(d) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their Percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member or Members that bear the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(b)(4) and Treas. Reg. §1.704-2(i).

(f) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Member shall be specially allocated a pro rata portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(g)(2). In the event that such net decrease in the Company's Minimum Gain occurs in connection with the disposition of all or any portion of the Apartment Complex, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(f) shall be determined in accordance with and only to the extent required by Treas. Reg. §1.704-2(f) and (j)(2)(i).

(g) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's Minimum Gain during any taxable year with respect to a Member Nonrecourse Debt, the Member bearing the Economic Risk of Loss with respect to such Member Nonrecourse Debt shall be specially allocated a pro rata portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(i)(4). In the event that such net decrease in the Member's Minimum Gain occurs in connection with the disposition of all or any portion of Apartment Complex, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist



of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(g) shall be determined in accordance with and only to the extent required by the provisions of Treas. Reg. §1.704-2(i) and (j)(2)(ii).

(h) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Company income or gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Member as quickly as possible. The special allocations required pursuant to this subparagraph (h) are made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 11 have been tentatively made as if this subparagraph (h) were not in this Agreement. This subparagraph (h) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

(i) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Member must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 11.07(i) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 11 have been tentatively made as if this Section 11.07(i) and Section 11.07(h) hereof were not in this Agreement.

(j) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company Property undertaken pursuant to Section 734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Members under Treas. Reg. §1.704-1(b)(2)(iv)(m), then the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the regulations.

(k) Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 11.07(h) through (i), subsequent income, loss or items thereof shall be allocated (subject to the provisions of Sections 11.07(h) and (i)) to the Members so that, to the extent possible in the judgment of the Managing Member, the net amount of allocations shall be equal to the amount that would have been allocated had Section 11.07 not been applied. Notwithstanding the foregoing, the allocation of depreciation deductions will be governed by Section 11.07(a) and this Section 11.07(k) shall not apply to allocations of depreciation deductions.

(l) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treas. Reg. §1.752-3(a)(3), the Members' respective interests in Company Profits and deductions shall equal their Percentage Interests (determined without regard to Section 11.07(a)-(k)).

(m) Authority to Vary Allocations to Preserve and Protect Members' Intent.

(i) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article 11 to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article 11, the Managing Member, shall upon the direction in writing of the Special Investor Member, allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article 11 as necessary to ensure that all allocations of income, gain, loss, deduction or credit (or item thereof) to the Members are permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.07 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article 11 and no amendment of this Agreement or approval of any Member shall be required.

(ii) In making any allocation (the "New Allocation") under Section 11.07(m)(i), the Managing Member is authorized to act only upon the direction in writing of the Special Investor Member or the Investor Member.

(iii) If the Managing Member receives a recommendation from the Accountants to make any New Allocation in a manner less favorable to the Investor Member than is otherwise provided for in this Article 11, then the Managing Member shall do so only with the Investor Member's or the Special Investor Member's Consent and only after having given the Investor Member and the Special Investor Member the opportunity to discuss such allocation with the Accountants, and only after the Managing Member has been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Members as nearly as possible to the allocations thereof otherwise contemplated by this Article 11.

(n) Grant Income. Any income recognized as a result of any receipt of grants by the Company shall be allocated one hundred percent (100%) to the Managing Member. However, if the Managing Member is exempt from federal income taxation under Code Section 501(c)(3) of the code or any other Code provision, then the allocations to the Managing Member under this 11.07(n) shall be limited to the highest percentage of the Company's property treated as tax-exempt use property, as reflected in the Projections.

(o) Protective Loss Reallocation. If for any fiscal year the annual reports required pursuant to Article 13 indicate that: (1) the remaining Capital Account for the Investor Member as of the close of the prior fiscal year does not exceed the amount of depreciation to be allocated to the Investor Member for the remaining Credit Period plus one year, and (2) the Managing Member has a Capital Account in excess of one percent of total Capital Accounts or the Managing Member, or its affiliates has unreturned loans to the Company (including the Development Fee); then all items of loss or deduction, other than depreciation, for such fiscal year and each subsequent fiscal year in the Credit Period, shall be allocated to the Managing Member until the Company has sufficient Minimum Gain to support allocations to the Investor Member that would create or increase a deficit Capital Account.

ARTICLE 12.  
SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 6.03, unless a majority in interest of the other Members, within ninety (90) days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company, subject to the provisions of Section 6.03 and the Consent required pursuant to Section 8.02(b) hereof;

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the State.

12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a certificate of cancellation shall be filed in such offices within the State as may be required or appropriate and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective positive Capital Account balances. The Members believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02, 11.03 and 11.05, allocate the Company's gains, profits and losses in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances. If the Company's gains, profits and losses are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would

cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent prohibited by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE 13.  
BOOKS AND RECORDS, ACCOUNTING,  
TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Company shall be maintained on an accrual basis in accordance with generally accepted accounting principles. These and all other records of the Company, including information relating to the status of the Apartment Complex and information with respect to the sale by the Managing Members or any Affiliate of goods or services to the Company, shall be kept at the principal office of the Company and shall be available for examination there by any Member, or his duly authorized representative, at any and all reasonable times. Any Member, or his duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Investor Members.

13.02 Bank Accounts. All funds of the Company not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the Managing Member shall determine, and withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Managing Member may, from time to time, determine. No funds of the Company shall be deposited in any financial institution in which any Member is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the Managing Member all tax returns of the Company, shall annually audit the books of the Company, and shall certify, in accordance with generally accepted accounting principles, a balance sheet, a profit and loss statement, and a cash flow statement. With respect to each fiscal year during the Company's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Investor Member and the State Investor Member for their review and comment. Any material changes in such proposed tax return recommended by the Investor Member's accountants shall be made by the Accountants prior to the completion of such tax return for execution by the Managing Member. The Company shall reimburse the Investor Member for its expenses incurred in causing the Company's proposed tax return to be reviewed by the Investor Member's accountants when such review exceeds the scope of the Investor Member's accountant's standard review, as determined by the Investor Member in its reasonable discretion. A full detailed statement shall be furnished to all Members showing such assets, properties, and net worth and the profits and losses of the Company for the preceding fiscal year. All Members shall have the right and power to examine and copy, at any and all reasonable times, the books, records

and accounts of the Company. Notwithstanding anything to the contrary contained herein, the Special Investor Member shall have the discretion to dismiss the Accountants for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in this Agreement.

13.04 Reports to Members. The Managing Member shall provide to the Investor Members the following, all of which may be sent digitally:

(a) Monthly Reports. The Managing Member shall cause to be prepared and distributed to the Investor Members on or prior to the date the report is due under this Section 13.04(a), the following monthly reports:

(i) Prior to Substantial Completion, a monthly report, certified by the Managing Member to be true, complete and correct in all respects, providing:

(A) an analysis of the quality of rehabilitation and any known non-compliance with Plans and Specifications;

(B) any changes or deviations from the construction budget and construction schedule;

(C) any known environmental issues arising since the Initial Closing;

(D) any known delay in payment, or non-payment, of construction costs for which equity has been expended, or construction loan proceeds have been requisitioned or disbursed; and

(E) [Intentionally omitted]

(F) copies of all construction draw documentation submitted by the General Contractor in connection with a request for payment, including change orders.

(ii) Prior to Stabilized Operations, a monthly report, certified by the Managing Member to be true, complete and correct in all respects providing:

(A) a rent roll;

(B) statement of income and expense, and cash flow for the month, together with a balance sheet, each of which may be unaudited;

(C) a summary of any tenant compliance review conducted by the Managing Member (which must be conducted not less frequently than every twelve (12) months) summarizing compliance with the Minimum Set-Aside Test, Rent Restriction Test and other requirements to qualify for the Tax Credits, including those set forth in the Regulatory Agreement and Extended Use Agreement;

(D) Intentionally omitted.

(E) a summary of any on-site physical inspection of the Apartment Complex by the Managing Member (including photographs), which must be conducted not less frequently than every twelve (12) months.

Monthly reports as described in this Section 13.04(a) shall be delivered to the Members within twenty (20) days after the last day of the prior month which is the subject of the report.

(b) Quarterly Reports. The Managing Member shall cause to be prepared and distributed to the Investor Members on or prior to the date the report is due under this Section 13.04(b), the following reports:

(i) all monthly reports not previously delivered as required under Section 13.04(a);

(ii) a quarterly statement of income and expense and a cash flow statement for the quarter and the period then ending with a comparison to budget, which may be unaudited;

(iii) a balance sheet, which may be unaudited, together with an Excel version of the trial balance;

(iv) a statement of operations describing significant or material activities affecting the Company and Apartment Complex during the quarter, including, but not limited to the most recent rent roll and occupancy reports;

(v) a bank statement verifying the current account balances of the Replacement Reserve (if required yet) and Operating Reserve (if required yet).

(vi) a schedule of all fees, other compensation, distributions and reimbursements of expenses paid on behalf of the Company to the Managing Member or any of its Affiliates during the quarter; and

All quarterly reports from the Managing Member as described in this subsection (b) shall be delivered to the Members within thirty (30) days of the last day of the fiscal quarter which is the subject of the report.

(c) Annual Reports. The Managing Member shall cause to be prepared and distributed to the Investor Members on or prior to the date the report is due under this Section 13.04(c), the following reports:

(i) all monthly reports not previously delivered as required under Section 13.04(a);

(ii) all quarterly reports not previously delivered as required under Section 13.04(b);

(iii) within ninety (90) days after the close of each fiscal year of the Company audited financial statements of the Company prepared by the Accountants (or other independent accountants approved by the Special Investor Member) in accordance with generally accepted accounting principles and unaudited financial statements of the Guarantors

each for the fiscal year, and such financial information with respect to each fiscal year of the Company as shall be reportable for federal and state income tax purposes. In addition, the Managing Member shall provide the Special Investor Member with the opportunity to have not less than ten (10) Business Days to review drafts of the Company's audited financial statements prior to their finalization and will incorporate the reasonable changes of the Special Investor Member.

(iv) within sixty (60) days after the close of each fiscal year of the Company:

(A) balance sheet, statements of income and expense, Members' equity, and cash flows (including a calculation of Net Cash Flow and Surplus Cash) prepared by the Accountants in accordance with generally accepted accounting principles and accompanied by an Accountant's report and opinion;

(B) an unaudited report of the Managing Member detailing distributions made during the fiscal year, separately identifying distributions from Net Cash Flow for the reporting fiscal year and prior fiscal years, proceeds from Capital Transactions, and proceeds from reserves or other deposits held by or for the benefit of the Company;

(C) a schedule of all fees, other compensation, distributions and reimbursements of expenses to the Managing Member or any of its Affiliates during the fiscal year, not previously reported to the Members under Section 13.04(a) or (b) above; and

(D) a copy of the annual certification of the Company submitted to the Agency for the prior calendar year.

(v) within sixty (60) days after the close of each fiscal year of the Company, the current rent roll for the Apartment Complex; and if requested by the Special Investor Member, tenant files; and

(vi) not less than sixty (60) days prior to the commencement of each fiscal year, for the Special Investor Member's and State Investor Member's review and approval (which approval shall not be unreasonably withheld), detailed proposed operating and capital budgets for the Apartment Complex and the Company for the next fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the Managing Member or its Affiliates. The Special Investor Member and the State Investor Member shall submit its response to such proposed budgets to the Managing Member within forty-five (45) days (or such shorter period of time as may be requested by any Project Lender, but in no event less than thirty (30) days) after its receipt of such proposed budgets; such response shall either evidence its approval of the proposed budgets or shall contain specific comments and recommendations with respect thereto. If no response is received from the Special Investor Member within forty-five (45) days, the non-response shall be deemed approval of the Company's proposed budgets for the Apartment Complex.

(d) Annual Certification as to Project Loans and Other Matters. Within ninety (90) days after the end of each fiscal year of the Company, the Managing Member shall provide to the Investor Members:

(i) a certification (in the form attached hereto as Exhibit B-2) by the Managing Member that (A) all Project Loan payments and insurance payments with respect to the Apartment Complex are current as of the date of the year-end report, (B) there is no material default under the Project Documents or this Agreement, or if there is any material default, a description thereof, (C) it has not received notice of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or, if any such notice of any violation has been received, a description thereof, (D) all real estate and ad valorem taxes, personal property taxes, assessments and other charges levied against the Apartment Complex have been paid and evidence of such payment, and (E) it has not received and does not expect to receive 8823s from the Agency, and there are no outstanding action items arising from the Agency's annual inspection and/or audit of the Apartment Complex;

(ii) a descriptive statement of all transactions during the fiscal year between the Company and the Managing Member and/or any Affiliate, including the nature of the transaction and the payments involved (including accrued cash or other payments); and

(iii) a copy of the annual report to be filed with the Agency concerning the status of the Apartment Complex as low-income housing.

(e) Information Upon Investor Member Request. Upon the written request of the Investor Member and the State Investor Member for further information with respect to any matter covered in Section 13.04(a) through (d) above, the Managing Member shall furnish such information within ten (10) business days of receipt of such request, including, without limitation, copies of tenant files.

(f) Annual Reports on Occupancy and Other Operational Matters. The Managing Member, on behalf of the Company, shall send to the Investor Members, on or before March 31 in each year, a report which shall state:

(i) the then occupancy level of the Apartment Complex;

(ii) if there are any Operating Deficits or anticipated Operating Deficits, the manner in which such Operating Deficits will be funded; and

(iii) such other matters as shall be material to the operation of the Company, including, without limitation, any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation by the Apartment Complex of which the Managing Member is aware.

(g) Estimates of Tax Items. Not less than sixty (60) days prior to the end of each fiscal year, the Managing Member, on behalf of the Company, shall send to the Investor Member, for its Consent, an estimate of each of the Investor Member's and the State Investor Member's share of the Tax Credits, profits and losses of the Company for federal income tax purposes for the current fiscal year and the budget for the Company and Apartment Complex for the fiscal year to come. Additionally, no later than October 30th of the first year of the



Credit Period, the Managing Member shall send to the State Investor Member, an estimate of the amount of the State Historic Tax Credits that will be available to the Company and allocated to the State Investor Member for such year. In addition, the Managing Member shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns. Within sixty (60) days after the end of each fiscal year of the Company, the Managing Member shall provide to the Special Investor Member and the State Investor Member drafts of both the federal and state income tax returns. The Special Investor Member and the State Investor Member shall have an opportunity to review and Consent to drafts of all such returns prior to their filing date (provided however that State Investor Member's Consent shall only be required to the extent a matter affects the State Historic Tax Credits or the State Investor Member's Interests in the State Historic Tax Credits), and the Managing Member will incorporate any changes of the Special Investor Member and the State Investor Member (to the extent affecting the State Historic Tax Credits or the State Investor Member's Interest in the State Historic Tax Credits). Within ninety (90) days after the end of each fiscal year of the Company, the Managing Member shall provide to the Special Investor Member and the State Investor Member final copies of the federal and state income tax returns. In addition, the Managing Member shall provide the Special Investor Member with the opportunity to have not less than ten (10) business days to review drafts of audited financial statements prior to their finalization and will incorporate the changes of the Special Investor Member.

(h) Reports on Defaults and Other Matters. The Managing Member shall send the Investor Members a detailed report of any of the following events within fifteen (15) days after the end of any calendar quarter during which such event occurs:

(i) a material default by the Company under the Project Documents or in payment of any mortgage, taxes, interest or other obligations on secured or unsecured debt;

(ii) the reduction or termination of any reserve by application of funds therein for purposes materially different from those for which such reserve was established;

(iii) the receipt by the Managing Member of any notice of a material fact which may substantially affect further distributions; or

(iv) the pledge or collateralization by any Member of its Interest in the Company other than in favor of the Construction Lender.

(i) After the date of Substantial Completion, the Managing Member, on behalf of the Company, shall send to the Investor Members, a copy of all applicable periodic reports covering the status of the Apartment Complex as may be required by the Agency or the Project Lenders, within ten (10) days of submission of such reports to the Agency and/or applicable Project Lender.

(j) Liquidated Damages.

(i) In the event that the reports of information provided for in Sections 13.04(a) through (d) above are, at any time, not provided within the time frames set forth therein, the Managing Member shall be obligated to pay to the Special Investor Member, upon demand, the sum of \$100.00 per day, as liquidated damages, for each day from the date upon

which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided in form acceptable to the Special Investor Member. In the event the Managing Member does not pay such fee as required above, the amount owed by the Managing Member shall be distributed to the Special Investor Member from Net Cash Flow prior to any payment of Net Cash Flow which might otherwise be payable to the Managing Member or its Affiliates pursuant to the provisions of Section 11.03. Such amount shall be included as an amount guaranteed by the Guarantor pursuant to the Guaranty.

(ii) In the event that the reporting requirements set forth in any of the above provisions of this Section 13.04 are not met, the Investor Member, in its reasonable discretion, may direct the Managing Member to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Special Investor Member, which approval shall not be unreasonably withheld; provided, however, that if the Managing Member and the Investor Member cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Member in its sole reasonable discretion (provided that concurrent notice of such designation shall be given to the State Investor Member), and the fees of such successor Accountants shall be paid by the Company.

(k) Notification of Default, Service Proceedings, HUD REAC Reports and Agency Audits. In addition to any requirements set forth in Article 13 hereof, the Managing Member shall immediately notify the Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans, Project Documents or any other financial contractual or governmental obligation of the Company or the Managing Member, (ii) any Service proceeding regarding the Apartment Complex or the Company, and (iii) any HUD REAC reports, any Agency audits (if applicable), receipt of any IRS Form 8823, and any and all other reports, investigations, scores and related documents concerning the Apartment Complex. Any such notice shall be accompanied by copies of the foregoing documents.

13.05 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member, the Company may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election.

13.06 Fiscal Year and Accounting Method. The fiscal year of the Company shall be the fiscal year of the Investor Member, which ends at December 31, or such other date as is necessary to be consistent with the Investor Member's accounting practices. All Company accounts shall be determined on an accrual basis.

#### 13.07 Partnership Representative.

(a) The Managing Member shall be the Partnership Representative of the Company pursuant to Section 6223 of the Code ("Partnership Representative"), and shall engage in such undertakings as are required of the Partnership Representative of the Company, as provided in the Code and applicable Treasury Regulations. Each Member, by its execution of this Agreement, Consents to such designation of the Partnership Representative and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to

evidence such Consent. For each applicable tax year, the Partnership Representative shall appoint as the Designated Individual a person who is employed by the Managing Member or its Affiliate, has sufficient experience and authority to represent the Company in all dealings with the IRS, and is Consented to by the Investor Member. If the Designated Individual is unable to perform the role required, does not have the capacity to act within the meaning of the Code and Treasury Regulations or ceases to be employed by the Managing Member or its Affiliate, the Managing Member shall take all necessary action to cause such person to resign as the Designated Individual and to designate a successor representative that would otherwise qualify under this Agreement and under the Code and Treasury Regulations as a permissible Designated Individual. The Managing Member shall take any and all action required under the Code or Treasury Regulations (including on all applicable Company tax returns), as in effect from time to time, to designate itself as the Partnership Representative and the chosen person as the Designated Individual. The Managing Member shall cause the Designated Individual to agree to comply with all restrictions and obligations imposed on the Partnership Representative as set forth in this Agreement.

(b) The Partnership Representative shall have and perform all of the duties required under the Code and Treasury Regulations, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Member to the IRS; and

(ii) Represent the Company in all dealings with the IRS and state and local taxing authorities in accordance with the obligations and restrictions imposed by this Agreement;

(iii) Within five calendar days after the receipt of any correspondence or communication relating to the Company or a Member from the IRS or state or local taxing authority, the Partnership Representative shall forward to each Member a photocopy of all such correspondence or communication(s). The Partnership Representative shall, within five calendar days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the IRS or state or local taxing authority.

(c) The Partnership Representative shall not without the Consent of the Investor Members:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount or character of any Company tax items);

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s);

(iii) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

(iv) Initiate or settle any judicial review or action concerning the amount or character of any company tax item(s);

(v) Intervene in any action brought by any other Member for judicial review of a final adjustment; or

(vi) Make an election pursuant to Sections 6221(b) or 6226(a) of the Code on behalf of the Company;

(vii) Take action pursuant to Treasury Regulations promulgated under Section 6225(c);

(viii) Take any other action not expressly permitted by this Section 13.07 on behalf of the Members of the Company in connection with any administrative or judicial tax proceeding.

(d) In the event of any Company-level proceeding instituted by the IRS pursuant to Sections 6221 through 6241 of the Code or by any other federal, state or local tax authority, the Partnership Representative shall consult with the Investor Members regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding and shall, upon request of the Investor Members, permit the Investor Members to include its attorney in the power of attorney (Form 2848) for the Company for any fiscal years under a tax audit or administrative appeals process. The Partnership Representative also shall consult with the Investor Members regarding the nature and content of any proceeding pursuant to Sections 6221 through 6241 of the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Company or otherwise). The Partnership Representative will provide the Investor Members with notice reasonably in advance of any meetings or conferences with respect to any administrative or judicial proceedings relating to the determination of Company items at the Company-level (including any meetings or conferences with counsel or advisors to the Company with respect to such proceedings) and the Investor Members shall have the right to participate, at the Investor Members' sole cost and expense, in any such meetings or conferences. In any such proceedings, the Partnership Representative shall take any action or omit to take any action, if reasonably requested by the Investor Member.

(e) If, at any time, the Managing Member desires to accept a settlement offer or other proposed resolution of a tax dispute, and the Investor Members do not, then, to the extent permitted by the Code and Treasury Regulations, the Special Investor Member may elect to take control of such tax dispute (including by being appointed as the Partnership Representative for the relevant period) and resolve such tax dispute in the best interest of the Company, as reasonably determined by the Special Investor Member. If exercised, this election shall apply only to such contested tax dispute and not to any other past, future, or pending dispute with a tax authority or other Company matter. Moreover, the exercise of this election shall not relieve the Managing Member of any of its other obligations under this Agreement, including its obligation to manage the Company.

(f) The Company shall indemnify and reimburse the Partnership Representative for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the Managing Member. The Managing Member shall have the obligation to provide funds for such purpose. Notwithstanding the foregoing, the provisions on liability and indemnification of the Managing Member set forth in Section 8.07 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such.

(g) This Section 13.07 shall survive termination of any Member's interest in the Company for any reason and shall be binding on all Members, including former Members that were members on the effective date of this Agreement.

#### ARTICLE 14. FEES AND PAYMENTS

14.01 Development Fee. The Company has entered into the Development Agreement with the Developer for its services in connection with the development and construction of the Apartment Complex. In consideration for such services, a Development Fee in a total amount equal to \$818,205 shall be payable by the Company, in accordance with the terms of the Development Agreement and Article 11 of this Agreement. Of the total Development Fee, approximately \$387,406 is anticipated to be deferred and paid out of Net Cash Flow.

14.02 Incentive Management Fee. The Company has entered into a Supervisory Management and Incentive Fee Agreement, in the form attached hereto as Exhibit E, with the Managing Member of even date herewith for its services in managing the business of the Company for the period from the date hereof throughout the term of the Company. In no event shall the Incentive Management Fee be cumulative. Payment of such fee shall be in accordance with any applicable requirements of the Project Lenders.

#### 14.03 Withholding of Fee Payments.

(a) Conditions for Withholding. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement, after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (ii) any Project Lender shall have declared the Company to be in default under any Project Loan, or (iii) foreclosure proceedings shall have been commenced against the Apartment Complex, then (A) the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any installment of fees and/or allowance payable pursuant to Sections 14.01 and/or 14.02 and (B) the Managing Member shall be liable for the Company's payment of any and all installments of the Development Fee payable pursuant to Section 14.01. Any amount of Development Fee withheld hereunder shall be withheld only until such time as the final payment is due under the Development Agreement and shall be paid in accordance with Section 5.01(b) hereof.

(b) Release of Fees. All amounts so withheld by the Company under this Section 14.03 shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

14.04 Asset Management Fee. The Company shall pay, from Net Cash Flow, an annual fee (the "Asset Management Fee") equal to \$5,000 to the Special Investor Member or its Affiliate for an annual review of the operations of the Company and the Apartment Complex. Such fee shall be paid annually and shall be cumulative to the extent not paid in full in any year, commencing on March 1, 2020, for asset management services beginning November 1, 2019, commencing the month following the date on which a certificate of occupancy has been issued for the Apartment Complex. Such fee shall increase annually by three percent (3%) of the Asset Management Fee for the preceding year. Notwithstanding the foregoing, in the event there is income available at or prior to the achievement of Stabilized Operations, such income may, in the

sole discretion of the Managing Member, be used to prepay the Asset Management Fee in an amount not to exceed \$60,000. If such funds are not available in whole or in part, whatever remains outstanding shall be paid from Net Cash Flow.

14.05 Investor Member Due Diligence Cost. The Company shall pay the costs and expenses incurred by the Investor Member in connection with the due diligence activities of the Investor Members and the closing of the transactions described herein, including the Investor Members' legal fees (including without limitation, preparation of the tax opinion), costs and expenses, in an amount not to exceed \$20,000. Such payment shall be due upon execution of this Agreement or, and at the Special Investor Member's election, deducted from the Investor Member's First Capital Contribution. In addition, the Company shall be solely responsible for the payment of the costs and expenses incurred by the Construction Inspector.

14.06 Company Management Fee. For services to be performed under Section 8.01 of the Agreement, the Company shall pay, from Net Cash Flow, an annual fee (the "Company Management Fee") equal to \$20,000 (or such other amount as determined by and acceptable to tax counsel of the Special Investor Member) to the Managing Member. Such fee shall be paid annually and shall be cumulative to the extent not paid in full in any year, commencing on March 1, 2020, for property management services beginning November 1, 2019 or the month following the date on which a certificate of occupancy has been issued for the Apartment Complex. Such fee shall increase annually by three percent (3%) of the Company Management Fee for the preceding year.

## ARTICLE 15. CONSENTS, VOTING AND MEETINGS

15.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited.

15.02 Submissions to Investor Members. The Managing Member shall give the Investor Members Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the Investor Members. Such Notice shall include any information required by the relevant provision or by law.

15.03 Meetings: Submission of Matter for Voting. The Managing Member or a majority in Interest of the Investor Members shall have the authority to convene meetings of the Company and to submit matters to a vote of the Members.

## ARTICLE 16. GENERAL PROVISIONS

16.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

16.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one

agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16.04 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06 Proposal and Adoption of Amendments. This Agreement may be amended by the Managing Member with the Consent of the Investor Member; provided that such Consent shall not be unreasonably withheld as to any proposed amendment which does not affect the obligations of the Managing Member or the rights of any of the Members under this Agreement; and further provided that, if the Investor Member proposes an amendment to this Agreement which either (a) increases or imposes upon the Investor Member the obligation to restore a deficit balance in its Capital Account, or (b) prospectively decreases the obligation of the Investor Member to restore a deficit balance in its Capital Account in a subsequent Fiscal Year of the Company, the Managing Member shall effectuate the adoption of such amendment; provided, however, that the Managing Member shall not be liable to the Investor Member for any adverse tax consequences that may result from any such increase or decrease. Notwithstanding the foregoing or any other provision of this Agreement, the Members may not amend this Agreement or take any other action directly or through any Affiliate that would change any of the rights or obligations of the State Investor Member, including, but not limited to, any amendment or action that would result in a reduction in the State Historic Tax Credits, a reduction of the 100% allocation of the State Historic Tax Credits to the State Investor Member or a change in an allocation or distribution right to the State Investor Member, without the Consent of the State Investor Member.

16.07 Liability of the Investor Member. Notwithstanding anything to the contrary contained herein, neither the Investor Members nor any of their members or partners, general or limited, as the case may be, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Members, individually or collectively, under this Agreement, except that each of the Investor Members shall be personally obligated to fund its respective Capital Contributions when, as and if required by this Agreement and subject to any defenses and offsets it may have with respect to the funding of such Capital Contributions and to return any distributions they are obligated to return under the Act. In the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by any or one of the Investor Members, shall be either against the Interest of each of the defaulting Investor Members, as applicable, and the capital contributions of the investor members of the Investor Members (either directly or through other Investor Members) allocated to, and remaining for investment in, the Company; provided, however, that under no circumstances shall the liability of any of the Investor Members for any such default be in excess of the amount of Capital Contribution payable by each of the Investor Members to the Company, under the terms of this Agreement, at the time of such

default, less the value of the Interest of each of the Investor Members, as applicable, if such Interest is claimed as compensation for damages.

16.08 Notices. All notices, demands, solicitations of consent or approval, and other communications hereunder required or permitted shall be in writing and shall be deemed to have been given (i) when personally delivered, (ii) one business day after the date when deposited with an overnight courier, or (iii) five (5) days after the date when deposited in the United States mail and sent postage prepaid by registered or certified mail, return receipt requested, addressed as follows:

- (a) To the Investor Member or Special Investor Member:

c/o Red Stone Equity Partners, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114  
Attention: General Counsel

with a copy to:

Applegate & Thorne-Thomsen, PC  
440 S. LaSalle Street, 19th Floor  
Chicago, Illinois 60605  
Attention: Bennett P. Applegate

- (b) To the Managing Member:

Groom School Managing Member, LLC  
c/o Landmark Asset Services, Inc.  
406 E. 4th Street  
Winston Salem, NC 27101  
Attention: President

With a copy to:

Brockmann Law  
17250 Lancaster Highway, Suite 608  
Charlotte, North Carolina 28277

- (c) To the State Investor Member:

Groom State Investor 2018 LLC  
c/o Linden Capital LLC  
1021 East Cary Street  
Suite 1200  
Richmond, VA 23219  
Attn.: James C. Bonbright

With a copy to:



Peter L. Henderer  
McCandlish Holton PC  
1111 E. Main St., Suite 2100  
P.O. Box 796  
Richmond, VA 23218 (box) 23219 (surface)

16.09 Headings. All section headings are for convenience only and shall not be taken into consideration in interpreting or otherwise construing this Agreement.

16.10 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

16.11 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY PROJECT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(signature page follows)

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement of Groom School Apartments, LLC as of the date first written above.

MANAGING MEMBER:

Groom School Managing Member, LLC  
a Virginia limited liability company

By: Landmark Asset Services, Inc.,  
Its Manager

By: Lisa A. Sani  
Name: Lisa A. Sani  
Title: President

INVESTOR MEMBER:

Red Stone Equity-2017 National Fund, L.P.,  
a Delaware limited partnership

By: RSEP MM, LLC,  
its Managing Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SPECIAL INVESTOR MEMBER:

Red Stone Equity Manager, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE INVESTOR MEMBER:

Groom State Investor 2018 LLC,  
a Virginia limited liability company

By: Linden Capital, L.L.C.,  
its Managing Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement of Groom School Apartments, LLC as of the date first written above.

MANAGING MEMBER:

Groom School Managing Member, LLC  
a Virginia limited liability company


By: Landmark Asset Services, Inc.,  
Its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

INVESTOR MEMBER:


Red Stone Equity-2017 National Fund, L.P.,  
a Delaware limited partnership

By: RSEP MM, LLC,  
its Managing Partner

By:   
Name: Robert A Fein  
Title: COO

SPECIAL INVESTOR MEMBER:

Red Stone Equity Manager, LLC,  
a Delaware limited liability company

By:   
Name: Robert A Fein  
Title: COO

STATE INVESTOR MEMBER:

Groom State Investor 2018 LLC,  
a Virginia limited liability company

By: Linden Capital, L.L.C.,  
its Managing Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement of Groom School Apartments, LLC as of the date first written above.

MANAGING MEMBER:

Groom School Managing Member, LLC  
a Virginia limited liability company

By: Landmark Asset Services, Inc.,  
Its Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

INVESTOR MEMBER:

Red Stone Equity-2017 National Fund, L.P.,  
a Delaware limited partnership

By: RSEP MM, LLC,  
its Managing Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SPECIAL INVESTOR MEMBER:


Red Stone Equity Manager, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE INVESTOR MEMBER:

Groom State Investor 2018 LLC,  
a Virginia limited liability company

By: Linden Capital, L.L.C.,  
its Managing Member

By:  \_\_\_\_\_  
Name: JAMES C. BONBRIGHT, III  
Title: MANAGER

WITHDRAWING MEMBERS:

Landmark Asset Services, Inc.,  
a North Carolina corporation

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

Sari Investments, LLC  
a North Carolina limited liability company

By: JS  
Name: James D. Sari  
Title: Managing Member

## **TABLE OF EXHIBITS**

A	Legal Description
B-1	Contribution Certificate
B-2	Managing Member Section 13.04(d) Certification
C	Guaranty Agreement
D	Development Agreement
E	Supervisory Management and Incentive Fee Agreement
F	Pledge and Security Agreement
G	Post Closing Due Diligence Checklist
H	Summary of Project Loans
I	Projections
J	Insurance Requirements
K	Form of Assignment
L	Form of Lender Estoppel
M	Radon Guidelines
N	Tax Certification Letter
O	Management Agreement

**EXHIBIT A  
TO OPERATING AGREEMENT**

**LEGAL DESCRIPTION**

(See Attached)

**Exhibit A**

**Description of Real Property**

PARCEL 1 - T.P. 78A16-(A)-7:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 8.35 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 526 AS 8.30 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN SET IN THE EASTERLY RIGHT OF WAY LINE OF SMITH STREET AT THE SOUTHWESTERN CORNER OF PARCEL 2 DESCRIBED BELOW OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 2 N 54 DEG. 13' 24" E 779.48' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF MECKLENBURG COUNTY, VIRGINIA, OR PARCEL 2 BELOW, AND ALONG THE PROPERTY LINE OF FRP1, LLC S 22 DEG. 14' 07" E 514.21' TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PLANK ROAD, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 3.80' BACK ON LINE; THENCE WITH THE RIGHT OF WAY LINE OF PLANK ROAD AND LEAVING THE PROPERTY OF FRP1, LLC S 55 DEG. 40' 47" W 191.43' TO A POINT; THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 1518.39', AN ARC LENGTH OF 129.05', A CHORD BEARING OF S 53 DEG. 14' 42" W, AND A CHORD DISTANCE OF 129.01' TO A POINT; THENCE CONTINUING WITH PLANK ROAD RIGHT OF WAY S 50 DEG. 48' 37" W 349.15' TO A NAIL SET AT THE INTERSECTION OF THE RIGHT OF WAY LINE OF PLANK ROAD AND THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING THE RIGHT OF WAY LINE OF PLANK ROAD AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 518.14' TO THE POINT OF BEGINNING AND CONTAINING 8.35 ACRES.

PARCEL 2 - T.P. 78A16-(A)-8:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 2.23 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 525 AS 2.00 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY RIGHT OF WAY OF SMITH STREET AT A BEND IN THE RIGHT OF WAY LINE OF SMITH STREET, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 21.20' UP ON THE BEARING LINE; THENCE WITH THE RIGHT OF WAY LINE OF SMITH STREET AND PARCELS NOW OR FORMERLY HATCHER, ROGERS, SKIPWITH AND KING N 61 DEG. 48' 51" E 818.59' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL NOW OR FORMERLY OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF KING, AND ALONG THE LINE OF FRP1, LLC S 08 DEG. 00' 11" E 75.64' TO AN IRON PIN FOUND AT THE NORTHEASTERN PROPERTY CORNER OF PARCEL 2 DESCRIBED BELOW AND OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 1 DESCRIBED ABOVE S 54 DEG. 13' 24" W 779.48' TO AN IRON PIN SET IN THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING PARCEL 1 DESCRIBED ABOVE AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 175.09' TO THE POINT OF BEGINNING, AND CONTAINING 2.23 ACRES.



**EXHIBIT B-1  
TO OPERATING AGREEMENT**

**CONTRIBUTION CERTIFICATE**

(See Attached)

## CONTRIBUTION CERTIFICATE

WHEREAS, the undersigned is the \_\_\_\_\_ of Groom School Managing Member LLC, a Virginia limited liability company (the “Managing Member”);

WHEREAS, the Managing Member is the managing member of Groom School Apartments, LLC, a Virginia limited liability company (the “Company”);

WHEREAS, the Managing Member, Red Stone Equity – 2017 National Fund, L.P., a Delaware limited partnership (the “Investor Member”), Red Stone Equity Manager, LLC, a Delaware limited liability company (the “Special Investor Member”) and Groom State Investor 2018 LLC, a Virginia limited liability company (the “State Investor Member”) have entered into that certain Amended and Restated Operating Agreement (the “Operating Agreement”), dated as of December 14, 2018 (all capitalized terms not otherwise defined herein shall have the applicable meaning set forth in the Operating Agreement); and

WHEREAS, the Managing Member has requested that the Investor Member and State Investor Member make its \_\_\_\_\_ Capital Contribution to the Company.

NOW, THEREFORE, the undersigned hereby certifies to the Investor Member, the State Investor Member and the Special Investor Member as follows:

1. The Company is not in default under any of the Project Documents and no event has occurred which, with the giving of notice or the passage of time, or both, could constitute a default by the Company under any of the Project Documents.

2. The Managing Member is not in default under the Operating Agreement or any of the Project Documents to which it is a party and no event has occurred which, with the giving of notice or the passage of time, or both, could constitute a default by a Managing Member under the Operating Agreement or any of the Project Documents to which it is a party.

3. To the undersigned’s knowledge, No Guarantor is in default under the Guaranty Agreement or any of the Project Documents to which it is a party and no event has occurred which, with the giving of notice or the passage of time, or both, could constitute a default by a Guarantor under the Guaranty Agreement or any of the Project Documents to which it is a party.

4. No condition for repurchase of the Investor Member’s Interest and/or State Investor Member’s Interest exists under Section 5.08 of the Operating Agreement, and no event has occurred which, with the giving of notice or the passage of time, or both, could give rise to a condition to repurchase of the Investor Member’s Interest and/or State Investor Member’s Interest under Section 5.08 of the Operating Agreement.

5. The installments of the Investor Member Capital Contributions previously contributed to the Company by the Investor Member, the installments of the State Investor Member Capital Contributions previously contributed to the Company by the State Investor Member and the proceeds of all Project Loans previously funded to the Company by the Project Lenders, have

been applied by the Company in accordance with the Development Budget for the Apartment Complex approved by the Investor Member.

6. All of the representations and warranties of the Managing Members set forth in the Operating Agreement are true, correct and complete as of the date hereof and the Managing Members have performed all covenants required to be performed by them on or before the date hereof.

7. There have been no changes or modifications of any kind to the Plans and Specifications, except as disclosed to the Investor Members in writing.

8. All conditions precedent to funding of the Investor Member Capital Contribution and the State Investor Member Capital Contribution to which this Certificate relates have been satisfied in full.

This Contribution Certificate is made on the date hereof as a condition to a Capital Contribution under the Operating Agreement and the Exhibits.

Dated as of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_

MANAGING MEMBER:

Groom School Managing Member LLC, a Virginia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B-2  
TO OPERATING AGREEMENT**

**MANAGING MEMBER SECTION 13.04(d) CERTIFICATION**

The undersigned hereby certifies as of the date set forth below, that:

(A) all Project Loan payments and insurance payments with respect to the Apartment Complex are current as of the date of the year-end report,

(B) there is no material default under the Project Documents or the Amended and Restated Operating Agreement of Groom School Apartments, LLC dated as of December 14, 2018, or if there is any material default, a description thereof

\_\_\_\_\_

\_\_\_\_\_

(C) it has not received notice of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or, if any such notice of any violation has been received, a description thereof

\_\_\_\_\_

\_\_\_\_\_

(D) all real estate and ad valorem taxes, personal property taxes, assessments and other charges levied against the Apartment Complex have been paid and evidence of such payment, and

(E) it has not received and does not expect to receive 8823s from the Agency, and there are no outstanding action items arising from the Agency's annual inspection and/or audit of the Apartment Complex.

MANAGING MEMBER:

Groom School Managing Member LLC, a Virginia  
limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C  
TO OPERATING AGREEMENT**

**GUARANTY AGREEMENT**

(See Attached)

## **GUARANTY AGREEMENT**

**THIS GUARANTY AGREEMENT** (this "Guaranty Agreement"), made as of December 14, 2018, is by Groom School Managing Member LLC, a Virginia limited liability company (the "Managing Member"), Landmark Asset Services, Inc., a North Carolina corporation ("Landmark") and Archetypes, LLC, a North Carolina limited liability company ("Developer"), Lisa A. Sari, an individual, (individually, the Managing Member, Landmark, Lisa A. Sari, and Developer, are each a "Guarantor" and collectively, they are the "Guarantors"), jointly and severally, for the benefit of Red Stone Equity - 2017 National Fund, L.P., a Delaware limited partnership, its successors and/or assigns, and Red Stone Equity Manager, LLC, a Delaware limited liability company, its successors and/or assigns (collectively, "Red Stone") and Groom State Investor 2018 LLC, a Virginia limited liability company (the "State Investor Member", and collectively with Red Stone, the "Investor Members").

### **Recitals**

WHEREAS, Landmark is a member of the Managing Member, and the Managing Member is the managing member of Groom School Apartments, LLC, a Virginia limited liability company (the "Company");

WHEREAS, the Company is governed by its Amended and Restated Operating Agreement dated as of December 14, 2018 (the "Operating Agreement") (all capitalized terms not otherwise defined herein shall have the meaning given to them in the Operating Agreement);

WHEREAS, the Developer and the Company have entered into that certain Amended and Restated Development Agreement dated as of the date hereof (the "Development Agreement");

WHEREAS, Red Stone has been requested to enter into the Operating Agreement and the Company with the Managing Member;

WHEREAS, Lisa A. Sari, Landmark, and Developer are each an affiliate of the Managing Member, and each Guarantor believes it shall substantially benefit, directly or indirectly, from Red Stone's entering into the Operating Agreement and the Company with the Managing Member; and

WHEREAS, as a condition to entering into the Operating Agreement and the Company, Red Stone has required the Guarantors to jointly and severally guarantee to Red Stone the obligations of the Managing Member and the Developer under the Operating Agreement and certain other items as herein set forth;

WHEREAS, the obligations of Lisa A. Sari under this Guaranty Agreement shall be terminated upon achievement of Substantial Completion (as such term is defined in the Operating Agreement);

**NOW, THEREFORE**, in order to induce Red Stone to enter into the Operating Agreement and the Company in consideration of the premises and for other good and valuable consideration,

the receipt and sufficiency of which hereby are acknowledged, each Guarantor hereby covenants and agrees as follows:

1. Each Guarantor irrevocably and unconditionally fully guarantees the due, prompt and complete performance of each and every one of the following obligations: (a) the payment and performance by the Managing Member of each and every obligation of the Managing Member due under the Operating Agreement; and (b) the payment and performance by the Developer of each and every obligation of the Developer under the Development Agreement; and (c) the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Red Stone in collection of the enforcement of this Guaranty Agreement against either or both Guarantors (the obligations described in this Paragraph 1 are hereinafter collectively referred to as the "Indebtedness"). Provided that, the obligations of Lisa A. Sari as an individual guarantor under this Guaranty Agreement shall terminate upon achievement of Substantial Completion.

2. Each Guarantor hereby grants to Red Stone, in the uncontrolled discretion of Red Stone (with notice to the State Investor Member), and without notice to any Guarantor, the power and authority to deal in any lawful manner with the Indebtedness and the other obligations guaranteed hereby, and without limiting the generality of the foregoing, further power and authority, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of or to otherwise change the terms of the Indebtedness;

(b) subject to the terms of the Operating Agreement and the Development Agreement, to modify or to waive any of the terms of the Operating Agreement, the Development Agreement and/or any other obligations guaranteed hereby;

(c) to take and hold security for the payment of the Indebtedness and/or performance of the other obligations guaranteed hereby and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security as Red Stone, in its discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Indebtedness or any of the other obligations guaranteed hereby; and/or

(f) to release or waive rights against any one or more Guarantors without releasing or waiving any rights against any other Guarantor.

The liability of the Guarantors hereunder shall not be affected, impaired or reduced in any way by any action taken by Red Stone under the foregoing provisions or any other provision hereof, or by any delay, failure or refusal of Red Stone to exercise any right or remedy it may have against the Managing Member or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the Indebtedness or any of the other obligations guaranteed hereby.

3. Each Guarantor agrees that if any of the Indebtedness is not fully and timely paid or performed according to the tenor thereof, whether by acceleration or otherwise, the Guarantors shall immediately upon receipt of written demand therefor from Red Stone or the State Investor Member pay all of the Indebtedness hereby guaranteed in like manner as if the Indebtedness constituted the direct and primary obligation of Guarantors. The Guarantors shall not have any right of subrogation as a result of any payment hereunder or any other payment made by the Guarantors on account of the Indebtedness, and each Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim for unjust enrichment or any other theory that would entitle a Guarantor to a claim against the Managing Member based on any payment made hereunder or otherwise on account of the Indebtedness.

4. This Guaranty Agreement has been duly executed and delivered to Red Stone, and the obligations of the Guarantors set forth herein are the legal, valid and binding obligations of each Guarantor enforceable in accordance with the terms hereof subject to creditors rights and general principles of equity. Neither the entry into nor the performance of and compliance with this Guaranty Agreement has resulted or will result in any violation of, or a conflict with or a default under any judgment, decree, order, mortgage, indenture contract, agreement or lease by which each Guarantor or any of its property is bound or any statute, rule or regulation applicable to each Guarantor.

5. The Guarantors represent and warrant that they have a collective minimum liquidity (cash and marketable securities) of \$600,000 and a minimum net worth (determined in accordance with generally accepted accounting principles) of \$2,000,000. On or before April 1 of each year, each Guarantor will provide evidence to Red Stone that they have met the minimum liquidity and net worth requirements set forth above, which shall include internally prepared financial statements for each Guarantor (accompanied by bank statements). Each Guarantor further represents and warrants that there are no criminal or civil actions or administrative proceedings pending, or, to the Guarantor's knowledge, threatened against the Guarantor or its shareholders, partners, members or managers which would materially and adversely affect the Guarantor's ability to perform its obligations under this Guaranty.

6. This Guaranty Agreement and the obligations of Guarantors hereunder shall be continuing and irrevocable until the Indebtedness has been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by Red Stone from a Guarantor under or with respect to this Guaranty Agreement is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then Guarantors' obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by Red Stone, and Guarantors' obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to Red Stone had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty Agreement, and shall remain a valid and binding obligation of each Guarantor until satisfied.

7. Each Guarantor hereby waives notice of acceptance of this Guaranty Agreement by Red Stone and this Guaranty Agreement shall immediately be binding upon Guarantors. Any



Guarantor who executes this Agreement shall be fully bound hereby regardless of whether or not any other Guarantor subsequently executes this Guaranty Agreement.

8. Each Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Managing Member to proceed against any other person or to proceed against or exhaust any security held by the Managing Member at any time or to pursue any other remedy in the Managing Member's power before proceeding against any one or more Guarantors hereunder;

(b) any right to require Red Stone to proceed against the Managing Member or any other person or to proceed against or exhaust any security held by Red Stone at any time or to pursue any other remedy in Red Stone's power before proceeding against any Guarantor hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Indebtedness or the performance of any other obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of Red Stone to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Red Stone or any endorser or creditor of Red Stone or any Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Red Stone or in connection with the Indebtedness;

(f) any defense based upon an election of remedies by Red Stone, the right of any Guarantor to proceed against Red Stone for reimbursement, or both, or if contrary to the express agreement of the parties, laws of the State is deemed to apply to this Guaranty, any rights or benefits under the bankruptcy and insolvency laws of the State of or under Sections 364 and 1111 of the U.S. Bankruptcy Code as same may be amended or replaced from time to time;

(g) any election by Red Stone to exercise any right or remedy it may have against the Company or any security held by Red Stone, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of any Guarantor hereunder, except to the extent the Indebtedness has been paid, and each Guarantor waives any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the Guarantor against the Company or any such security whether resulting from such election by Red Stone or otherwise. Each Guarantor understands that if all or any part of the liability of the Company to Red Stone for the Indebtedness is secured by real property Guarantors shall be liable for the full amount of their liability hereunder, notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the Guarantors' right to proceed against the Company; and

(h) all duty or obligation on the part of Red Stone to perfect, protect, not impair, retain or enforce any security for the payment of the Indebtedness or performance of any of the other obligations guaranteed hereby.

9. All existing and future indebtedness of the Managing Member to any Guarantor or to any person controlled or owned in whole or in part by any of the Guarantors and, the right of any Guarantor to withdraw or to cause or permit any person controlled or owned in whole or in part by any of the Guarantors to withdraw any capital invested by such Guarantor or such person in the Managing Member, is hereby subordinated to the Indebtedness at any time after a default exists under the Indebtedness. Furthermore, without the prior written consent of Red Stone and the State Investor Member, such subordinated indebtedness shall not be paid and such capital shall not be withdrawn in whole or in part nor shall any Guarantor accept or cause or permit any person controlled or owned in whole or in part by a Guarantor to accept any payment of or on account of any such subordinated indebtedness or as a withdrawal of capital at any time after a default exists under the Indebtedness. Any payment received by any Guarantor in violation of this Guaranty Agreement shall be received by the person to whom paid in trust for Red Stone, and such Guarantor shall cause the same to be paid to Red Stone immediately on account of the Indebtedness. No such payment shall reduce or affect in any manner the liability of the Guarantors under this Guaranty Agreement.

10. The amount of each Guarantor's liability and all rights, powers and remedies of Red Stone hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Red Stone under the Operating Agreement, any document or agreement relating in any way to the terms and provisions thereof or otherwise by law. With respect to each Guarantor, this Guaranty Agreement is in addition to and exclusive of the guaranty of any other Guarantor executing this Guaranty Agreement or any other person or entity which guarantees the Indebtedness and/or the other obligations guaranteed hereby. A change of any direct or indirect ownership interest in any Guarantor or member, partner or shareholder of any Guarantor that results in a change in control of such Guarantor, without the prior written approval of Red Stone and the State Investor Member, shall constitute a default herein.

11. The liability of each Guarantor under this Guaranty Agreement shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability. The obligations of each Guarantor hereunder are independent of the obligations of the Managing Member or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed and each other Guarantor, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against any one or more Guarantor, whether or not the Managing Member is joined therein or a separate action or actions are brought against the Managing Member. Red Stone may maintain successive actions for other defaults. Red Stone's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Indebtedness has been paid in full.

12. Red Stone, in its sole discretion, may at any time enter into agreements with the Managing Member or with any other person to amend, modify or change the Operating Agreement or any document or agreement relating in any way to the terms and provisions thereof, or may at

any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as Red Stone may deem proper or desirable, without any notice or further assent from any Guarantor and without in any manner impairing or affecting this Guaranty Agreement or any of the rights of Red Stone or any Guarantor's obligations hereunder.

13. Guarantors hereby agree to pay to Red Stone, upon demand, reasonable attorneys' fees and all other costs and other expenses which Red Stone expends or incurs in collecting or compromising the Indebtedness or in enforcing this Guaranty Agreement against any Guarantor whether or not suit is filed, including, without limitation, all costs, attorneys' fees and expenses incurred by Red Stone in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving a Guarantor which in any way affect the exercise by Red Stone of its rights and remedies hereunder. Any and all such costs, attorneys' fees and expenses not paid within ten (10) business days shall bear interest at an annual interest rate equal to the lesser of (i) 12%, or (ii) the highest rate permitted by applicable law, from the date incurred by Red Stone until paid by the Guarantor.

14. Should any one or more provisions of this Guaranty Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

15. No provision of this Guaranty Agreement or right of Red Stone and/or the State Investor Member hereunder can be waived nor can any Guarantor be released from such Guarantor's obligations hereunder except by a writing duly executed by Red Stone and/or the State Investor Member. This Guaranty Agreement may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by Red Stone and the State Investor Member.

16. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

17. If any or all of the Indebtedness is assigned by Red Stone and/or the State Investor Member, this Guaranty Agreement shall automatically be assigned therewith in whole or in part, as applicable, without the need of any express assignment and when so assigned, each Guarantor shall be bound as set forth herein to the assignee(s) without any further action or consent required of any Guarantor or in any manner affecting any Guarantor's liability hereunder for any part of the Indebtedness retained by Red Stone and/or the State Investor Member, as applicable.

18. This Guaranty Agreement shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of Red Stone and Guarantor.

19. This Guaranty Agreement shall be governed by and construed in accordance with the laws of the State without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. In any action brought under or arising out of this Guaranty Agreement, each Guarantor hereby consents to the jurisdiction of any competent court within the State and consents to service of process by any means authorized by the laws of such state. Except

as provided in any other written agreement now or at any time hereafter in force between Red Stone and any Guarantor, this Guaranty Agreement shall constitute the entire agreement of Guarantors with Red Stone with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Red Stone or any Guarantor unless expressed herein.

20. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

Red Stone: Red Stone Equity Partners, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, Ohio 44114  
Attention: General Counsel

State Investor Member: Groom State Investor 2018 LLC  
c/o Linden Capital LLC  
1021 East Cary Street  
Suite 1200  
Richmond, VA 23219  
Attn.: James C. Bonbright

With a copy to:

Peter L. Henderer  
McCandlish Holton PC  
1111 E. Main St., Suite 2100  
P.O. Box 796

Guarantor: Groom School Managing Member LLC;  
Landmark Asset Services, Inc.; and  
Archetypes, LLC  
406 E. 4<sup>th</sup> Street  
Winston Salem, NC 27101

With a copy to:

Brockmann Law  
17250 Lancaster Highway, Suite 608  
Charlotte, North Carolina 28277

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express (or comparable overnight courier) or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

21. Guarantor hereby agrees that this Guaranty Agreement, the Indebtedness and all other obligations guaranteed hereby, shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against, Red Stone, any Guarantor, and/or any member of Red Stone in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by Red Stone pursuant to any Chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

22. Any married person who signs this Guaranty hereby agrees that recourse may be had against his or her separate property for all of his or her obligations.

23. Each Guarantor (i) acknowledges that it is contemplated that Red Stone will assign its interest to an Affiliate pursuant to the Assignment substantially in the form attached to the Agreement as Exhibit K, and (ii) agrees that such Assignment shall not negate, adversely affect or modify Guarantor's obligations hereunder.

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IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty Agreement as of the day and year first above written.

GUARANTOR:

GROOM SCHOOL MANAGING MEMBER LLC,  
a Virginia limited liability company

By: Landmark Asset Services, Inc., a North  
Carolina corporation, its managing member

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

LANDMARK ASSET SERVICES, INC., a North  
Carolina corporation

By: Lisa A. Sari  
Name: Lisa A. Sari  
Its: President

ARCHETYPES, LLC, a North Carolina limited  
liability company

By: Lisa A. Sari  
Name: Lisa A. Sari  
Its: President

Lisa A. Sari  
LISA A. SARI, an individual

STATE OF North Carolina )  
 ) ss.  
COUNTY OF Forsyth )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Lisa A. Sari in his/her capacity as President of Landmark Asset Services, Inc., a North Carolina corporation the ("Corporation"), and being duly sworn, acknowledged the execution of the foregoing Guaranty Agreement as his/her free and voluntary act on behalf of Corporation.

Witness my hand and notarial seal this 13<sup>th</sup> day of December, 2018.

Tammy R Simmons  
Notary Public

My commission expires: 10/23/2021

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021

STATE OF North Carolina )  
 ) ss.  
COUNTY OF Forsyth )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Lisa A. Sari in his/her capacity as President of Archetypes, LLC, a North Carolina limited liability company ("Company"), and being duly sworn, acknowledged the execution of the foregoing Guaranty Agreement as his/her free and voluntary act on behalf of Company.

Witness my hand and notarial seal this 13<sup>th</sup> day of December, 2018.

Tammy R Simmons  
Notary Public

My commission expires: 10/23/2021

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021

STATE OF North Carolina )  
 ) ss.  
COUNTY OF Forsyth )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Lisa A. Sari in his/her capacity as President of Landmark Asset Services, Inc., a North Carolina corporation, managing member of Groom School Managing Member LLC, a Virginia limited liability company ("Company"), and being duly sworn, acknowledged the execution of the foregoing Guaranty Agreement as his/her free and voluntary act on behalf of Company.

Witness my hand and notarial seal this 13th day of December, 20 18.

Tammy R Simmons  
Notary Public

My commission expires: 10/23/2021

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021

STATE OF North Carolina )  
 ) ss.  
COUNTY OF Forsyth )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Lisa A. Sari, and being duly sworn, acknowledged the execution of the foregoing Guaranty Agreement as his/her free and voluntary act.

Witness my hand and notarial seal this 13th day of December, 20 18.

Tammy R Simmons  
Notary Public

My commission expires: 10/23/2021

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021



**EXHIBIT D  
TO OPERATING AGREEMENT**

**DEVELOPMENT AGREEMENT**

(See Attached)

## AMENDED AND RESTATED DEVELOPMENT AGREEMENT

THIS AMENDED AND RESTATED DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of December 14, 2018, among Groom School Apartments, LLC, a Virginia limited liability company (the "Company") and Archetypes, LLC, a North Carolina limited liability company (the "Developer"). This Agreement is made with reference to the following facts

A. WHEREAS, the Company is governed by its Amended and Restated Operating Agreement dated as of even date herewith (the "Operating Agreement") (capitalized terms used herein without definition shall have the meaning given to them in the Operating Agreement).

B. WHEREAS, the Company has been formed to develop, rehabilitate, own, maintain and operate the Apartment Complex.

C. WHEREAS, the Developer and the Company entered into that certain Development Agreement dated December 14, 2018 and seek to amend and restate said agreement in its entirety;

D. WHEREAS, Groom School Managing Member LLC, a Virginia limited liability company (the "Managing Member"), Red Stone Equity – 2017 National Fund, L.P., a Delaware limited partnership (the "Investor Member"), Red Stone Equity Manager, LLC, a Delaware limited liability company (the "Special Investor Member"), and Groom State Investor 2018 LLC, a Virginia limited liability company (the "State Investor Member") are the sole Members in the Company.

E. WHEREAS, the Company has appointed the Developer to provide certain services for the Company with respect to overseeing the development of the Apartment Complex until all development work is completed.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Appointment. The Company hereby appoints the Developer to render services for the Company, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Company to date and future services, in supervising and overseeing the development of the Apartment Complex as herein contemplated.

2. Authority. In conformity with the provisions of the Operating Agreement, the Developer shall have, and has had, the authority and the obligation to:

(a) coordinate the preparation of the Plans and Specifications by the Architect and recommend alternative solutions whenever in the Developer's judgment design details affect construction feasibility or schedules;

- (b) monitor disbursement and payment of amounts owed to the Architect and the subcontractors;
- (c) inspect the construction of the Apartment Complex and advise the Company of items the Developer finds to be deficient;
- (d) cooperate with the Company in securing all building code approvals and obtain certificates of occupancy (to the extent necessary) for all of the residential units of the Apartment Complex;
- (e) keep, or cause to be kept, accounts and cost records as to the construction of the Apartment Complex;
- (f) maintain, or cause to be maintained, at its expense, all office and accounting facilities and equipment necessary to adequately perform the foregoing functions;
- (g) make available to the Company, during normal business hours and upon the Company's written request, copies of all material contracts and subcontracts held by Developer related to the Apartment Complex;
- (h) provide and periodically update an Apartment Complex construction time schedule which coordinates and integrates Architect's services with construction schedules;
- (i) assist the Company in negotiating the Construction Contract and supervising construction;
- (j) provide regular monitoring of the schedule as construction progresses, identify potential variances between scheduled and probable completion dates, review the schedule for work not started or incomplete, recommend to the Company adjustments in the schedule to meet the probable completion date, provide summary reports of such monitoring, and document all changes in the schedule;
- (k) provide regular monitoring of the approved estimate of construction costs and development costs, show actual costs for activities in process and estimates for uncompleted tasks, identify variances between actual and budgeted or estimated costs and advise the Company whenever projected costs exceed budgets or estimates;
- (l) develop and implement a system for review and processing of change orders as to rehabilitation of the Apartment Complex;
- (m) in collaboration with Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples;
- (n) investigate and recommend a schedule for purchase by the Company of all materials and equipment requiring long lead time procurement, coordinate the schedule with Architect and expedite and coordinate delivery of such purchases;

(o) prepare pre-qualification criteria for bidders interested in the Apartment Complex, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques and with any special systems, materials or methods;

(p) receive bids, prepare bid analyses and make recommendations to the Company for award of contracts or rejection of bids;

(q) develop and implement a procedure for the review and processing of applications by subcontractors for progress and final payments;

(r) provide a detailed schedule of realistic activity sequences and durations, allocation of labor and materials and processing of shop drawings and samples;

(s) recommend courses of action to the Company when requirements of the construction contract and subcontracts are not being fulfilled;

(t) revise and refine the approved estimate of construction cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed; and

(u) review requests for disbursements of proceeds of loans to the Company for the construction of the Apartment Complex.

### 3. Development Fee.

(a) For services performed and to be performed under Sections 1 and 2 of this Agreement, the Company shall pay the Developer a Development Fee in the aggregate amount of \$818,205 as follows: (i) \$172,320 shall be paid concurrently with the First Capital Contribution, (ii) \$107,700 shall be paid concurrently with the Fourth Capital Contribution and upon receipt of evidence that the sources and uses are "In Balance" in the discretion of the Special Investor Member, (iii) \$36,762 shall be paid concurrently with the Fifth Capital Contribution, (iv) \$114,018 be paid concurrently with the Sixth Capital Contribution and (v) thereafter in accordance with the remainder of this Section 3(a); provided, however, the amount payable subsequent to the Initial Closing is subject to adjustment downward by an amount equal to the reductions in, or refunds of, the Investor Member Capital Contribution pursuant to Section 5.03 of the Operating Agreement. Subject to Section 5(b), the portion of the Development Fee not paid under the prior sentence (currently projected to be \$387,406) shall be paid to the Developer (the "Deferred Development Fee") solely from Net Cash Flow, proceeds of a Capital Transaction and proceeds of a dissolution and liquidation of the Company pursuant to Article 11 of the Operating Agreement, but in no event later than the Maturity Date (as defined below). The Development Fee shall be the only amount payable to Developer for services performed pursuant to this Agreement. The Developer shall not be entitled to any reimbursement for costs and expenses, including without limitation salaries, compensation and fringe benefits of employees of Developer or for Developer's overhead.

The Deferred Development Fee shall bear interest commencing upon the date on which the Investor Member makes its Final Capital Contribution to the Company (the "Effective Date") on the outstanding unpaid balance at the 5%, compounded annually. All payments made to the Deferred Development Fee shall be applied first to interest due and then to the outstanding

balance of the Deferred Development Fee until the fee is paid in full. Notwithstanding anything to the contrary contained in this Section 3, any unpaid portion of the Deferred Development Fee shall be payable by the earlier of (i) the fifteenth (15th) year following the date upon which the entire Apartment Complex has been placed in service (as defined in the Code) and (ii) the date of liquidation of the Company (the "Maturity Date"). The Deferred Development Fee shall be unsecured and a recourse liability.

(b) The Development Fee shall be deemed to have been earned as and when the services specified herein shall have been rendered, as follows:

(i) Twenty percent (20%) before the date hereof for preconstruction development services;

(iii) Eighty percent (80%) upon the placement in service of 100% of the units in the Apartment Complex.

4. Scope of Developer's Responsibility. The Developer is responsible for the duties that it has specifically undertaken in this Agreement, and no additional duties or responsibilities may be implied from this Agreement.

5. Withholding of Fee Payments. If (a) a Managing Member, Guarantor or Developer shall not have substantially complied with any material provisions under the Operating Agreement, this Agreement, the Incentive Company Management Agreement, or the Guaranty, as applicable, within thirty (30) days after the Special Investor Member delivers written notice of such noncompliance to the Managing Member, or (b) any holder of any Project Loan shall have declared the Company to be in default under the applicable Project Loan after the expiration of all applicable cure periods, if any, as a result of acts or omissions of either Managing Member, the Developer, the Guarantor or any Affiliate of any of them, or (c) foreclosure proceedings shall have been commenced against the Apartment Complex as a result of acts or omissions of a Managing Member, the Developer, the Guarantor or any Affiliate of any of them, then the Developer shall be in default of this Agreement and the Company shall withhold payment of any installment of fees payable to the Developer. All amounts so withheld by the Company under this Section 5 shall be promptly released to the Developer only after the default justifying the withholding has been cured, as demonstrated by evidence reasonably acceptable to Special Investor Member. In addition, the Company shall be entitled to withhold payments to the Developer hereunder pursuant to Section 14.03 of the Operating Agreement. Notwithstanding the foregoing, the Development Fee shall in all events be payable on the Maturity Date.

6. Assignment of Fees. The Developer shall not assign, pledge or otherwise encumber, for security or otherwise, the Development Fee, or any portion thereof or any right of such Developer thereto other than in connection with the Construction Loan, without the Consent of Special Investor Member.

7. Successors and Assigns. This Agreement shall be binding on the parties hereto, their successors and assigns. However, this Agreement may not be assigned by the Company or the Developer without the Consent of Special Investor Member, nor may it be terminated by the Company or the Developer without the Consent of Special Investor Member.

8. No Lien Filings. The Developer hereby represents, warrants and covenants that neither it nor its Affiliates shall file a mechanic's lien, materialmen's lien or other lien against the Apartment Complex or any other assets of the Company, and hereby waives and releases any right it may have or may hereafter acquire to file a such lien against the Apartment Complex or any other assets of the Company. The Developer shall indemnify and hold harmless the Company and the Investor Members from any losses, damages, and/or liabilities, to or as a result of a breach of this provision.

9. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

11. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT THEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

12. No Continuing Waiver. No waiver by a party hereto of any breach of this Agreement shall be effective unless in a writing executed by such party. No waiver shall operate or be construed to be a waiver of any subsequent breach.

13. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State.

14. Third Party Beneficiary. The Investor Members are third party beneficiaries of this Agreement.

15. Amendments. Each party hereto expressly agrees that any amendment to this Agreement shall not be effective unless signed by the parties hereto and Consented to by the Special Investor Member.

16. Attorney's Fees. Each party hereto agrees to pay the other party, without demand, reasonable attorney's fees and all costs and expenses expended or incurred in collecting any amounts payable by such party hereunder or in enforcing this Agreement against the other party, whether or not suit is filed.

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IN WITNESS WHEREOF, the parties have caused this Amended and Restated Development Agreement to be duly executed as of the date first written above.

COMPANY:

GROOM SCHOOL APARTMENTS, LLC, a  
Virginia limited liability company

By: Groom School Managing Member LLC, a  
Virginia limited liability company,  
Its managing member

By: Landmark Asset Services, Inc., a North  
Carolina corporation, its managing member

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

DEVELOPER:

ARCHETYPES, LLC, a North Carolina limited  
liability company

By: Lisa A. Sari  
Name: Lisa A. Sari  
Its: President



**EXHIBIT E  
TO OPERATING AGREEMENT**

**SUPERVISORY MANAGEMENT AND INCENTIVE FEE AGREEMENT**

(See Attached)

## **SUPERVISORY MANAGEMENT AND INCENTIVE FEE AGREEMENT**

This Supervisory Management and Incentive Fee Agreement (the “Agreement”) is made as of December 14, 2018, by and between Groom School Apartments, LLC, a Virginia limited liability company (the “Company”), and Groom School Managing Member LLC, a Virginia limited liability company, as managing member (the “Supervisory Agent”). This Agreement is made with reference to the following facts:

A. WHEREAS, the Company, pursuant to its Amended and Restated Operating Agreement of even date herewith (the “Operating Agreement”), is engaged in the construction/rehabilitation, ownership and operation of an apartment complex known as Groom School Apartments and located in South Hill, Virginia (the “Apartment Complex”). (Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Operating Agreement.)

B. WHEREAS, the Supervisory Agent is being retained to perform certain additional management and oversight services, and the Company has agreed to pay the Supervisory Agent a certain fee for such services, all as hereinafter provided.

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

1. Appointment and Term. The Company hereby retains the Supervisory Agent to render services in managing the business of the Company as herein contemplated. The appointment of the Supervisory Agent hereunder shall terminate on the earlier of (i) the date the Managing Member withdraws as the managing member of the Company, including, without limitation, the removal of the Managing Member pursuant to Article VI of the Agreement, or (ii) the expiration of the term of the Company.

2. Authority and Obligations. Subject to the approval rights of the Administrative Investor Member as set forth in the Operating Agreement, the Supervisory Agent shall have the authority and obligation to:

(i) provide for the use of Company funds, perform certain economic analyses and prepare projections, reports and recommendations as it may deem necessary or desirable with respect to the business of the Company;

(ii) provide office space, support staff and administrative services as required by the Company;

(iii) administer, manage, and direct the business of the Company and take such further action as it may deem necessary or desirable to further the interest of the Company;

(iv) monitor the management and day-to-day operations of the Apartment Complex;

(v) investigate and make recommendations with respect to the selection of and conduct of relations with consultants and technical advisors (including, without limitation, accountants, attorneys, management agents, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents and banks), and persons acting in any other capacity, in connection with the management and administration of the Company;

(vi) maintain the books and records of the Company in accordance with sound federal income tax accounting principles and generally accepted accounting principles;

(vii) be responsible for the safekeeping and use of all funds and assets of the Company, including the maintenance of bank accounts; and

(viii) furnish all Persons who were Members of the Company at any time during the Company's prior Fiscal Year such reports (including such reports as are required by Lenders), tax returns and financial statements as are required under Section 13 of the Operating Agreement. The out-of-pocket costs of preparing the tax returns and financial statements of the Company and Apartment Complex required under the Operating Agreement shall be reimbursed by the Company.

3. Compensation. In consideration of the services to be rendered by the Supervisory Agent to the Company hereunder, commencing after the expiration of the Historic Compliance Period and for each year thereafter, the Company shall pay to the Supervisory Agent an incentive management fee (the "Incentive Management Fee") in an amount equal to ninety percent (90%) of Net Cash Flow remaining after application of Net Cash Flow against the amounts described in Sections 11.03(b)(i) through 11.03(b)(vii) of the Operating Agreement for such year pursuant to Section 11.03(b)(viii) of the Operating Agreement; provided that the Incentive Management Fee for any year shall not exceed ten percent (10%) of gross revenues of the Apartment Complex for such year.

The fees due under this Section 3 shall be subject to the limitations set forth in Section 14.03 of the Operating Agreement, and shall be the only amount payable to the Supervisory Agent for services performed pursuant to this Agreement. Except for the costs described in Section 2(viii), the Supervisory Agent shall not be entitled to any reimbursement for costs and expenses, including without limitation, salaries, compensation and fringe benefits of employees of the Supervisory Agent or overhead of the Supervisory Agent.

4. Default of the Supervisory Agent. Notwithstanding anything contained in this Agreement to the contrary, in the event that (a) the Supervisory Agent shall default in any material respect in any of its obligations hereunder or (b) the Managing Members and/or the Guarantors default in any of their obligations under the Operating Agreement and such default shall continue beyond any applicable notice or cure period, then the Company shall have the right to withhold all compensation otherwise payable to the Supervisory Agent hereunder until such default is fully cured, and to set off against such compensation any obligations of the Supervisory Agent hereunder or of the Managing Members or Guarantors under the Operating Agreement. In

addition, this Agreement shall automatically terminate upon the withdrawal of the Managing Member as a managing member of the Company for whatever reason.

5. Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. Neither party may assign this Agreement without the consent of the other party.

6. Severability of Provisions. Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. No Continuing Waiver. The waiver of either party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State and to be performed entirely therein.

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

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

11. Reliance. No person other than the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise.

12. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties or any third party to create the relationship of partners or joint venturers between the Supervisory Agent and the Company.

13. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT THEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE DEVELOPMENT AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR

CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

14. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Agreement shall be sufficient for all purposes without producing any other counterpart thereof.

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

SUPERVISORY AGENT:

GROOM SCHOOL MANAGING MEMBER LLC,  
a Virginia limited liability company,

By: Landmark Asset Services, Inc., a North  
Carolina corporation, its managing member

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

COMPANY:

GROOM SCHOOL APARTMENTS, LLC, a  
Virginia limited liability company

By: GROOM SCHOOL MANAGING  
MEMBER LLC, a Virginia limited liability  
company, its managing member

By: Landmark Asset Services, Inc., a North  
Carolina corporation, its managing member

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

**EXHIBIT F**  
**TO OPERATING AGREEMENT**  
**PLEDGE AND SECURITY AGREEMENT**

(See Attached)

## **PLEDGE AND SECURITY AGREEMENT**

**THIS PLEDGE AND SECURITY AGREEMENT** (this "Agreement"), made as of December 14, 2018, by Groom School Managing Member LLC, a Virginia limited liability company, the managing member (the "Pledgor"), having an office at 250 Browns Hill Court, Midlothian, VA 23114, for the benefit of Red Stone Equity – 2017 National Fund, L.P., a Delaware limited partnership, its successors and/or assigns ("Red Stone") and Groom State Investor 2018 LLC, a Virginia limited liability company, its successors and assigns ("Linden Fund" and collectively with Red Stone, "Pledgee").

### **Recitals**

WHEREAS, Pledgor is the managing member of Groom School Apartments, LLC, a Virginia limited liability company (the "Company"), and the Company is governed by its Amended and Restated Operating Agreement dated as of the date hereof (the "Operating Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Operating Agreement).

WHEREAS, Red Stone and Linden Fund are the investor members of the Company.

WHEREAS, in order to secure the full payment and performance by Pledgor of all of Pledgor's obligations, duties, expenses and liabilities under or in connection with the Operating Agreement as such Operating Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities under and in connection with the Operating Agreement and all other sums of any kind which may or shall become due thereunder are collectively referred to herein as the "Obligations"), Pledgor is entering into this Agreement for the benefit of Pledgee.

**NOW, THEREFORE**, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. **Definitions.**

(a) "Collateral" shall mean:

(i) All of Pledgor's right, title and interest in the Company, whether now owned or hereafter acquired, including, without limitation, its managing member interest in the Company and its right to receive distributions, allocations and payments under the Operating Agreement, as such Operating Agreement may be modified from time to time with the consent of the Pledgee;

(ii) All fees and charges to be paid by the Company to the Pledgor, whether now owned or hereafter acquired, whether arising under the Operating



Agreement or otherwise, including, without limitation, the Incentive Management Fee;

(iii) All indebtedness of the Company to Pledgor of any kind or description, including without limitation, Pledgor's right to receive payment of Operating Deficit Loans or other loans to the Company;

(iv) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

(b) "Event of Default" shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest Pledgor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Pledgee, its successors and assigns, as security for Pledgor's complete and timely payment and performance of the Obligations, a continuing second priority security interest under the Uniform Commercial Code of the State in the Collateral until release of that certain first priority security interest of Construction Lender pursuant to its Project Loan documents. Pledgor hereby further grants to the Pledgee all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State (being the principal place of business of Pledgor and the location of Pledgor's chief executive office) and, concurrently herewith, shall deliver to Pledgee UCC- 1 Financing Statements suitable for filing in the State with respect to the Collateral and agrees, upon request, to deliver any other documents which Pledgee may reasonably request with respect thereto.

3. Delivery to Pledgee.

(a) Pledgor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effect the conveyance, transfer, and grant to Pledgee of each and all of Pledgor's right, title and interest in and to the Collateral as security for the Obligations.

(b) Following the occurrence of a default under the Operating Agreement which continues beyond any applicable cure period, if required by Pledgee, Pledgor agrees and covenants to execute an amendment to the Operating Agreement in such form as Pledgee may require to reflect the substitution of the Pledgee in place of Pledgor as a managing member in the Company. Pledgor further agrees to execute and to cause the other Members of the Company (other than the Pledgee) to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Pledgee of all of Pledgor's right, title and interest in and to the Collateral and to evidence the substitution of the Pledgee in place of Pledgor as a managing member in the Company.

4. Proceeds and Products of the Collateral.

(a) Unless and until there occurs an Event of Default, Pledgee agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Pledgor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Pledgor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Pledgor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

(b) Pledgor acknowledges and agrees with the Pledgee, that, unless Pledgee otherwise consents, in Pledgee's sole discretion, Pledgor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default until cured, and (ii) delivery of notice from the Pledgee instructing Pledgor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Pledgor shall exercise any such right it may have under the Operating Agreement with respect to the business affairs of the Company as is reasonably necessary to protect and preserve the Collateral.

(c) Upon or at any time after the occurrence of an Event of Default, Pledgee, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Pledgee. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by the Pledgee, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Pledgor. Pledgor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of written notice from Pledgee of an Event of Default by Pledgor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Pledgee, at such address as Pledgee may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Pledgor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Pledgee and shall have no liability to Pledgor for any loss or damage Pledgor may incur by reason of said reliance.

5. No Assumption. Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Pledgee elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Pledgee of any of Pledgor's right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Pledgor from any obligor of the Collateral, nor Pledgee's foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Pledgee to assume any of Pledgor's obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the "Pledgor's Liabilities"), unless Pledgee otherwise agrees to assume any or all of Pledgor's Liabilities in writing. In the event of foreclosure by Pledgee of its security interest in the Collateral, Pledgor shall remain bound and obligated to perform its Pledgor's Liabilities and Pledgee shall not be deemed to have assumed any of Pledgor's Liabilities, except as provided in the preceding sentence. In the event the entity or person acquiring the Collateral at a foreclosure sale elects to assume Pledgor's Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Pledgor hereby agrees to indemnify, defend and hold Red Stone, Linden Fund, and their respective successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys' fees actually incurred) and any other liabilities whatsoever that Red Stone, Linden Fund, and their respective successors or assigns may incur by reason of this Agreement or by reason of any assignment of Pledgor's right, title and interest in and to any or all of the Collateral.

7. Representations. Warranties and Covenants. In addition to the representations made by Pledgor in the Operating Agreement, Pledgor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Pledgee, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Other than a pledge to Construction Lender, Pledgor owns the Collateral free and clear of any claim, lien or encumbrance.

(b) Pledgor has delivered to Pledgee true and complete copies of the Operating Agreement, the Incentive Management Fee Agreement and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Pledgee in writing.

(c) Pledgor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character other than to the Construction Lender, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Pledgor shall not, without the prior written consent of Pledgee, which

consent may be granted or denied in Pledgee's sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Pledgor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Pledgee and persons claiming through Pledgee), and (ii) maintain and preserve the Collateral and such security interests.

(d) Managing Member's Employer Identification Number is 83-0558191, and its principal place of business is located at 406 E 4th street, Winston Salem, NC, 27101.

(e) Pledgor agrees that it shall not, without at least thirty (30) days' prior written notification to Pledgee, move or otherwise change its principal place of business.

(f) Pledgor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Pledgor to violate or contravene, any provision of this Agreement.

8. Event of Default. Any default that shall have occurred under the Operating Agreement that is cause for removal of the Managing Member thereunder, shall, if continuing beyond any applicable notice and cure period under the Operating Agreement, constitute an Event of Default hereunder.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Red Stone may by giving notice of such Event of Default, at its option, but in consultation with Linden Fund, do any one or more of the following:

(i) Declare all of the Obligations for the payment of money secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and

(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to the Pledgor; and

(iii) Either personally, or by means of a court-appointed receiver, take possession of all or any of the Collateral and exclude therefrom Pledgor and all others claiming under Pledgor, and thereafter exercise all rights and powers of Pledgor with respect to the Collateral or any part thereof. In the event Pledgee

demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Pledgor promises and agrees to promptly turn over and deliver complete possession thereof to Pledgee; and

(iv) Without notice to or demand upon Pledgor, make such payments and do such acts as Pledgee may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Pledgor to take all actions necessary to deliver such Collateral to Pledgee, or an agent or representative designated by it. Pledgee, and its agents and representatives, shall have the right to enter upon any or all of Pledgor's premises and property to exercise Pledgee's rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Pledgee by the Operating Agreement, or in any other document executed by Pledgor in connection with the Obligations secured hereby, either concurrently or in such order as Pledgee may determine; and sell or cause to be sold in such order as Pledgee may determine, as a whole or in such parcels as Pledgee may determine, the Collateral, without affecting in any way the rights or remedies to which Pledgee may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Pledgee may determine. Pledgee may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the State or any other applicable law; and

(ix) Exercise any remedies available to Pledgee under the Operating Agreement, including, but not limited to, the removal of the Pledgor as a Managing Member of the Company and exercise of any rights of offset in favor of Pledgee as an investor member of the Company; and

(x) Notwithstanding anything to the contrary contained in this Agreement at any time after an Event of Default, Pledgee may, by delivering written notice to the Company and to Pledgor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to Company matters) as a managing member of the Company in respect of the Collateral. The Pledgor hereby irrevocably authorizes and directs the Company on receipt of any such notice (a) to deem and treat Pledgee or such nominee or designee in all respects as a managing member (and not merely an assignee of a managing member) of the

Company, entitled to exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Company matters pursuant to the Operating Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Pledgor would have been entitled had the Collateral not been transferred to the Pledgee or such nominee or designee), and (b) to file an amendment to the articles of organization, if required, admitting the Pledgee or such nominee or designee as managing member of the Company in place of Pledgor; and

(xi) The rights granted to the Pledgee under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Pledgor of any of Pledgor's covenants, agreements or obligations under this Agreement will cause the Pledgee irreparable injury and damage. In the event of any such breach, the Pledgee shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Pledgor. The Pledgee is absolutely and irrevocably authorized and empowered by Pledgor to demand specific performance of each of the covenants and agreements of Pledgor in this Agreement. Pledgor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Pledgor as a bar to the remedy of specific performance in any action brought by the Pledgee against Pledgor to enforce any of the covenants or agreements of Pledgor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Pledgee shall give Pledgor at least ten (10) days' prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Pledgor at the address set forth in paragraph 7(c) of this Agreement, unless Pledgor shall notify Pledgee in writing of its change of its principal place of business and provide Pledgee with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(vi) and (vii) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys' fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Pledgor in a lump sum, without recourse to Pledgee, or as a court of competent jurisdiction may direct.

(d) Pledgee shall have the right to enforce one or more remedies hereunder under this Agreement and under the Operating Agreement, successively or concurrently, and such action shall not operate to estop or prevent Pledgee from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Pledgor until full payment of any deficiency has been made in cash.

(e) PLEDGOR ACKNOWLEDGES THAT PLEDGEE MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALY REASONABLE MANNER AND THAT PLEDGEE HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. PLEDGOR AGREES THAT PLEDGEE SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS PLEDGEE DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALY REASONABLE. IN ADDITION, PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS PLEDGEE MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF PLEDGOR SET FORTH IN THIS PARAGRAPH.

10. Attorneys Fees. Pledgor agrees to pay to Pledgee, without demand, reasonable attorneys' fees and all costs and other expenses which Pledgee expends or incurs in collecting any amounts payable by Pledgor hereunder or in enforcing this Agreement against Pledgor whether or not suit is filed.

11. Further Documentation. Pledgor hereby agrees to execute, from time to time, one or more financing statements, if required for filing, and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Pledgee.

12. Waiver and Estoppel. Pledgor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Pledgor or the failure to file or enforce a claim against Pledgor's estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Pledgee which destroys or otherwise impairs any or all of the Collateral; (d) the right of Pledgor to proceed against Pledgee or any other person, for reimbursement; and (e) all duty or obligation of the Pledgee to perfect, protect, retain or enforce any security for the payment of amounts payable by Pledgor hereunder.

**TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.**

No delay or failure on the part of Pledgee in the exercise of any right or remedy against Pledgor or any other party against whom Pledgee may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Pledgee of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Operating Agreement. No waiver of the rights of Pledgee hereunder or in connection herewith and no release of Pledgor shall be effective unless in writing executed by Pledgee. No actions of Pledgee permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. Independent Obligations. The obligations of Pledgor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Pledgee against Pledgor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Pledgee is involved in any proceedings and whether or not the Pledgee or the Pledgor or other person is joined in any action or proceedings.

14. No Offset Rights of Pledgor. No lawful act of commission or omission of any kind or at any time upon the part of Pledgor shall in any way affect or impair the rights of the Pledgee to enforce any right, power or benefit under this Agreement, and no set-off recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Pledgor has or may have against Pledgee or against any other party shall be available against Pledgee in any suit or action brought by Pledgee to enforce any right, power or benefit under this Agreement.



15. Power of Attorney. Pledgor hereby appoints Pledgee as its attorney-in-fact to execute and file, effective upon the occurrence of an Event of Default, on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Pledgee of its rights under this Paragraph 15 will not be deemed a satisfaction of any amounts owed Pledgee unless Pledgee so elects.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State without regard to principles of conflicts of law.

17. Successors and Assigns. All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

18. Notices. Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by telegram to the parties at the addresses shown throughout this Agreement or such other addresses which the parties may provide to one another in accordance herewith.

Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

19. Consent of Pledgor. If there is an Event of Default, Pledgor consents to the exercise by Pledgee of any rights of Pledgor under the Operating Agreement in accordance with the provisions of this Agreement.

20. Severability. Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. Amendment. This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. Termination. This Agreement shall terminate, and shall be of no further force or effect, and the Collateral shall be released from any lien hereunder, upon the earlier to occur of the performance in full of the Obligations of the Pledgor or upon the mutual written consent of Pledgor and the Pledgee. Pledgor and Pledgee shall cooperate in the preparation and filing of all required documents to terminate all UCC-1s that have been filed with respect to the security interest under this Agreement.

23. Expenses. Pledgor shall pay all reasonable out-of-pocket fees and charges incurred by Pledgee in connection with this Agreement and the transaction contemplated by this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys' fees incurred by Pledgee.

24. Subordination. Notwithstanding anything herein or in the Operating Agreement to the contrary, this Pledge and Security Agreement is subject and subordinate to the security interest in the Collateral and other rights of Construction Lender under its Project Loan documents and Construction Lender's rights and remedies set forth therein. Notwithstanding Pledgee's rights under applicable law or any provision in this Agreement or the Operating Agreement to the contrary, none of the terms or provisions of this Pledge and Security Agreement or the Operating Agreement relating to Construction Lender's security interest in the Collateral (including this Section 24), will be modified, waived, or amended without the prior written consent of Construction Lender (which Consent will not be unreasonably withheld) unless and until all Borrower's obligations under the Construction Lender's Project Loan documents, and all other amounts due Construction Lender pursuant to the terms thereunder shall have been fully and indefeasibly paid in full. Construction Lender shall be a third party beneficiary of this Section 24 with full power and authority to enforce it.

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IN WITNESS WHEREOF, the parties hereto have executed this Pledge and Security Agreement as of the date first above written.

GROOM SCHOOL MANAGING MEMBER LLC,  
a Virginia limited liability company

By: Landmark Asset Services, Inc., a North Carolina corporation, its managing member

By: Lisa A. Sari  
Name: Lisa A. Sari  
Title: President

STATE OF North Carolina  
) ss.  
COUNTY OF Forsyth )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Lisa A Sari, in [his/her] capacity as President of Landmark Asset Services (n) North Carolina corporation, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 13<sup>th</sup> day of December, 20 18.

Tammy R Simmons  
Notary Public

My commission expires: 10/23/2021

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021

**EXHIBIT G  
TO OPERATING AGREEMENT**

**POST CLOSING DUE DILIGENCE CHECKLIST**

1. Owner's Policy of Title Insurance (30 days).
2. Copies of all recorded closing documents (30 days).
3. Notice to Proceed (30 days).
4. Updated Critical Path Construction Schedule evidencing Notice to Proceed and actual start of construction (30 days).
5. Issued for construction plans and specs (30 days).

**EXHIBIT H  
TO OPERATING AGREEMENT**

**SUMMARY OF PROJECT LOAN TERMS**

Lender (Not Related):	First Citizens Bank & Trust Company
Source:	Conventional
Amount:	\$5,000,000
Type:	Construction
Summary based on:	Executed Loan Documents
Closed and disbursed at or prior to Initial Closing:	Yes
Interest Rate:	LIBOR + 2.25%, minimum rate of 3.50%
Amortization:	N/A
Payments anticipated to commence:	January 10, 2019
Hard Payment Amount:	Variable; interest only until maturity
Maturity Date:	June 14, 2021
Prepayment Penalty/Yield Maintenance:	N/A
Non-recourse to:	NA-Recourse Debt
Collateral:	<input checked="" type="checkbox"/> Deed of Trust on Apartment Complex <input type="checkbox"/> Reserves <input checked="" type="checkbox"/> Security Interest in Personal Property <input checked="" type="checkbox"/> Pledge of GP Interest <input checked="" type="checkbox"/> Guaranty Agreements

Lender (Not Related):	Virginia Department of Housing and Community Development
Source:	State of Virginia REACH Funds
Amount:	\$1,300,000
Type:	Permanent
Summary based on:	Loan Commitment
Closed and disbursed at or prior to Initial Closing:	No
Interest Rate:	2.95% fixed
Amortization:	30 years
Payments anticipated to commence:	Second month following Final Closing
Hard Payment Amount:	\$5,446/monthly
Maturity Date:	30 year term
Prepayment Penalty/Yield Maintenance:	Prepayment not permitted until the 10 year anniversary of 50% occupancy. Thereafter, principal may be repaid in full, subject to a prepayment fee of 6% of principal (reduced by 1% every twelve months) plus fees/costs incurred by lender.
Non-recourse to:	All Members
Requirements for Funding:	A. 47 occupied units, with rents sufficient to sustain expenses/debt of \$317,590 B. Appraised value of \$1,444,444, or Maximum Loan-To-Value Ratio of 0.90 C. Construction completion in accordance with plans and specifications D. Submission of Tenant Selection Plan
On-going performance requirements:	
Collateral:	<input checked="" type="checkbox"/> Mortgage on Apartment Complex <input checked="" type="checkbox"/> Replace Reserve, \$1,375.00/monthly deposits

Lender (Not Related):	Virginia Department of Housing and Urban Development
Source:	Federal HOME
Amount:	\$450,000
Type:	Permanent
Summary based on:	Executed HOME Program Agreement
Closed and disbursed at or prior to Initial Closing:	No
Interest Rate:	3%
Amortization:	30 years
Payments anticipated to commence:	After Final Closing
Hard Payment Amount:	Interest only during 20 year compliance period with balloon payment at end of compliance period
Maturity Date:	20 year compliance period
Prepayment Penalty/Yield Maintenance:	N/A
Non-recourse to:	All Members
Requirements for Funding:	N/A
On-going performance requirements:	N/A
Collateral:	<input checked="" type="checkbox"/> Mortgage on Apartment Complex <input type="checkbox"/> Reserves

Lender (Not Related):	Town of South Hill, Virginia
Source:	Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (State)
Amount:	\$197,500
Type:	Construction/Permanent
Summary based on:	Executed Loan Documents
Closed and disbursed at or prior to Initial Closing:	Yes
Interest Rate:	0%
Amortization:	N/A
Payments anticipated to commence:	Balloon payment at maturity
Hard Payment Amount:	Balloon payment at maturity
Maturity Date:	18 year term
Prepayment Penalty/Yield Maintenance:	N/A
Non-recourse to:	All Members
Requirements for Funding	N/A
On-going performance requirements:	N/A
Collateral:	<u>  X  </u> Mortgage on Apartment Complex <u>          </u>



**EXHIBIT I  
TO OPERATING AGREEMENT**

**PROJECTIONS**

(See Attached)

### South Hill, VA

Table of Contents	Page
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Projected 15 Yr Cash Flow	9
Income/(Loss)	10
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These projections do not guarantee actual operating results. Information herein may be revised based upon changes to assumptions and third-party information. Inapplicable schedules may be omitted. This information is proprietary and may be shared only with Red Stone's prior consent.

**Project Info**

Property Information			
Name:	Groom School Apartments		
Street Address	1050 Plank Road		
City / County:	South Hill	Mecklenburg	
State:	VA	Zip Code:	23970
Total Units:	55		
LIHTC Units:	55		
Manager Unit	0		
Number of Res. Buildings:	3		
Scattered Site:	No	Rehab Type:	
Construction Type:	Historic Rehab	Vacant	
Building Type:	Low-Rise		
Market:	Rural	Special Needs:	
Targeted Tenants:	Family		
Type of GP:	For-Profit		

Partnership Entities																																																							
Developer: Archetypes, LLC																																																							
Co-Developer																																																							
Partnership: Groom School Apartments, LLC																																																							
Managing GP Groom School Managing Member, LLC																																																							
Co-GP																																																							
Limited Partner Red Stone Equity - 2017 National Fund, L.P.																																																							
Special LP Red Stone Equity Manager, LLC																																																							
Other LP Groom State Investor 2018 LLC																																																							
<table border="1"> <thead> <tr> <th colspan="7">Percent Interests in Distributions</th> </tr> <tr> <th></th> <th>Income/Loss</th> <th>LIHTC - Fed.</th> <th>LIHTC - State</th> <th>Historic</th> <th>Cash Flow</th> <th>Residual</th> </tr> </thead> <tbody> <tr> <td></td> <td>0.009%</td> <td>0.009%</td> <td></td> <td>0.009%</td> <td>0.009%</td> <td>89.999%</td> </tr> <tr> <td></td> <td>99.980%</td> <td>99.980%</td> <td></td> <td>99.980%</td> <td>99.980%</td> <td>9.990%</td> </tr> <tr> <td></td> <td>0.001%</td> <td>0.001%</td> <td></td> <td>0.001%</td> <td>0.001%</td> <td>0.001%</td> </tr> <tr> <td></td> <td>0.010%</td> <td>0.010%</td> <td></td> <td>0.010%</td> <td>0.010%</td> <td>0.010%</td> </tr> <tr> <td></td> <td>100.000%</td> <td>100.000%</td> <td>0.000%</td> <td>100.000%</td> <td>100.000%</td> <td>100.000%</td> </tr> </tbody> </table>							Percent Interests in Distributions								Income/Loss	LIHTC - Fed.	LIHTC - State	Historic	Cash Flow	Residual		0.009%	0.009%		0.009%	0.009%	89.999%		99.980%	99.980%		99.980%	99.980%	9.990%		0.001%	0.001%		0.001%	0.001%	0.001%		0.010%	0.010%		0.010%	0.010%	0.010%		100.000%	100.000%	0.000%	100.000%	100.000%	100.000%
Percent Interests in Distributions																																																							
	Income/Loss	LIHTC - Fed.	LIHTC - State	Historic	Cash Flow	Residual																																																	
	0.009%	0.009%		0.009%	0.009%	89.999%																																																	
	99.980%	99.980%		99.980%	99.980%	9.990%																																																	
	0.001%	0.001%		0.001%	0.001%	0.001%																																																	
	0.010%	0.010%		0.010%	0.010%	0.010%																																																	
	100.000%	100.000%	0.000%	100.000%	100.000%	100.000%																																																	
UT Tax Rate	21%																																																						
Updated:	12/12/2018																																																						
Updated By:	Lauren Henry																																																						
Investor's 1st Fiscal Year End <b>12/31/2018</b>																																																							

Date Benchmarks	
Model Start	10/29/2018
Construction Start	10/29/2018
LT Close	12/7/2018
Completion - First Bldg.	8/1/2019
Completion - Last Bldg.	11/1/2019
Construction Term	12
Operations Start	8/1/2019
Months in First Year	5
Depreciation Start	8/1/2019
Lease Up Start	8/1/2019
Lease Up Period	7
100% QO	2/29/2020
Permanent Loan Closing Date	5/1/2020
First Tax Credit Month	8/1/2019
Required Placed in Service Date	12/31/19

**Financing Assumptions - Cash Flow Waterfall**

Name of Financing	Type	Related Party?	Calculation Type	Lien	Amount	Rate	Term (years)	Amortization (months)	% of Cash Flow For Payment	Start Dates				Inflation	Deductible	Cumulative Balance	Cash Basis	Nonrecourse			
										Deductions	Payment	MIP/Fees	Cash Flow %								
VHDA REACH	Loan		Hard-Amort	1	1,300,000	2.9500%	30	360			5/1/2020	5/1/2020			Yes	Yes	No	Yes			
HOME	Loan		Hard-Int only	2	450,000	3.0000%	20	240			5/1/2020	5/1/2020			Yes	Yes	No	Yes			
3rd																		No			
4th																		No			
LP Asset Management Fee	AMF		\$				15	180	100%		11/1/2019	3/1/2020			103%	Yes	Yes	No	No		
6th																		No			
7th																		No			
Deferred Developer Fee	DDF		Soft-% CF		387,406	5.0000%	15	180	100%		11/1/2019	11/1/2019				Yes	Yes	Yes	No		
GP Asset Management Fee	AMF		\$				15	180	100%		11/1/2019	3/1/2020			103%	Yes	Yes	No	No		
10th																		No			
VBAF Loan (South Hill)	Loan		Soft-% CF	3	197,500	0.0000%	18	216	0%		11/1/2019	11/1/2019				Yes	Yes	No	Yes		
12th																		No			
13th																		No			
14th																		No			
15th																		No			
16th																		No			
Incentive Management Fee	IMF		% CF				15	180	100%		1/1/2025	1/1/2025				90%		Yes	No	Yes	No

**Tax Credit Calculation**

Allocation Year	2017	Rehab Credit Rate	9.00%	Date of Rate	Locked?
Credit Type	9%	Acquisition Rate			
DDA/QCT	Other	9302.00	< Census Tract		
Total					
LIHTC Reservation	\$600,000	\$	6,000,000		
LIHTC Projected	839,082		8,390,824	SF Percentage	100.00%
Lesser of:	600,000		6,000,000	Unit Percentage	100.00%
Excess Basis (Shortfall)	2,043,440			Lesser of	100.00%
Historic Tax Credits:	Yes				
Override Credits:	No				
Excess Basis Credits:	Yes				

**Equity Pay-In Assumptions**

Installment #	Benchmark	Projected Date	DATE	% of Equity	Equity	Dev Fee Paid
1st	Closing	12/7/2018	12/1/2018	10.00%	570,090	172,320
2nd	50% Construction Completion	4/1/2019	4/1/2019	15.00%	855,135	-
3rd	75% Construction Completion	7/1/2019	7/1/2019	15.00%	855,135	-
Post Construction Contributions						
4th	Construction Completion	1/1/2020	1/1/2020	25.00%	1,425,225	107,700
5th	Perm Loan Closing	5/1/2020	5/1/2020	33.00%	1,881,297	36,762
6th	8609's, 1.15 DSC	6/1/2020	6/1/2020	2.00%	114,018	114,018
					-	-
					-	-
TOTAL				100.00%	\$ 5,700,900	\$ 430,799

**Monthly Construction Draws**

Draw #	Projected Date	DATE	%	Equity
Draw 1	10/29/2018	10/1/2018	0.00%	\$ -
Draw 2	11/1/2018	11/1/2018	0.00%	-
Draw 3	12/1/2018	12/1/2018	0.00%	-
Draw 4	1/1/2019	1/1/2019	0.00%	-
Draw 5	2/1/2019	2/1/2019	0.00%	-
Draw 6	3/1/2019	3/1/2019	0.00%	-
Draw 7	4/1/2019	4/1/2019	0.00%	-
Draw 8	5/1/2019	5/1/2019	0.00%	-
Draw 9	6/1/2019	6/1/2019	0.00%	-
Draw 10	7/1/2019	7/1/2019	0.00%	-
Draw 11	8/1/2019	8/1/2019	0.00%	-
Draw 12	9/1/2019	9/1/2019	0.00%	-
Draw 13	10/1/2019	10/1/2019	0.00%	-
Draw 14	11/1/2019	11/1/2019	0.00%	-
Draw 15	12/1/2019	12/1/2019	0.00%	-
Draw 16	1/1/2020	1/1/2020	0.00%	-
Draw 17	2/1/2020	2/1/2020	0.00%	-
Draw 18	3/1/2020	3/1/2020	0.00%	-
Draw 19	4/1/2020	4/1/2020	0.00%	-
Draw 20	5/1/2020	5/1/2020	0.00%	-
Draw 21	6/1/2020	6/1/2020	0.00%	-
Draw 22	7/1/2020	7/1/2020	0.00%	-
Draw 23	8/1/2020	8/1/2020	0.00%	-
Draw 24	9/1/2020	9/1/2020	0.00%	-

**Comments/Notes**

**Base Year DSC Ratio**

Net Income	348,482
Comm./Other	-
Op. Expenses	\$ (228,643)
Rep. Reserves	\$ (16,500)
Base Year NOI	103,339
Base Year DS	78,852
Base Year DSC	1.31

**Base Year IE Ratio**

Base Year IER	0.00
---------------	------

Check	\$ -
From Sources	5,700,900
Price/Credit	\$ 0.8636



**Sources of Funds**

**Groom School Apartments**

Sources	Total	Accrued Interest
VHDA REACH	\$ 1,300,000	-
HOME	450,000	-
	-	-
	-	-
	-	-
	-	-
Deferred Developer Fee	387,406	-
	-	-
	-	-
VBAF Loan (South Hill)	197,500	-
	-	-
	-	-
	-	-
	-	-
	-	-
Accrued interest during construction	-	-
Operating Income during construction		
Grants (reduction of basis)		
VA State Historic Credit	527,232	
Capital - General Partner		
Capital - Limited Partner	5,700,900	
Capital - Special Limited Partner		
Capital - Other		
<b>Total Sources</b>	<b>\$ 8,563,038</b>	

Sources During Construction	Total	Rate	Term
First Citizens Bank	5,000,000	5.51%	30
Construction Loan 2			
Construction Loan 3			
Construction Loan 4			
Construction Loan 5			
Construction Loan 6			
Red Stone Bridge Loan			
<b>Total Cons. Financing</b>	<b>\$ 5,000,000</b>		

**Limited Partner Capital Contributions:**

99.98%	0.8700	\$ 6,000,000	\$	5,218,956	Fed LIHTC
99.98%	0.8000	\$ 602,550	\$	481,944	Fed Historic
99.98%	-	\$ -	\$	-	Solar
99.98%	-	\$ -	\$	-	Geothermal
0.00%	-	\$ -	\$	-	State LIHTC
<b>100.00%</b>	<b>0.7000</b>	<b>\$ 753,188</b>	<b>\$</b>	<b>527,232</b>	<b>State Historic</b>
Additional Contribution:			\$	-	
			\$	5,700,900	

Notes / Comments

**Uses of Funds**

**Groom School Apartments**

Uses	Total	Eligible Basis	Dep. Basis	Expensed/Amort.	Non-Dep.	Comments
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	
Building Acquisition	50,000	50,000	50,000	-	-	
Other Acquisition Costs	-	-	-	-	-	
<b>Subtotal \$</b>	<b>150,000</b>					
Structures and Rehabilitation	4,593,924	4,526,555	4,593,924	-	-	
Site Work	218,095	218,095	218,095	-	-	SOVs
Personal Property	402,963	402,963	402,963	-	-	SOVs
Energy Expenditures	-	-	-	-	-	
Construction Contingency	400,342	400,342	400,342	-	-	- Excess sources added to contin
General Requirements	310,062	310,062	310,062	-	-	
Builder Profit	311,099	311,099	311,099	-	-	
Builder Overhead	103,700	103,700	103,700	-	-	
Building Permits	-	-	-	-	-	
P&P Bond Costs	-	-	-	-	-	
Environmental Remediation	197,500	197,500	197,500	-	-	
Demolition Costs	-	-	-	-	-	
Off-Site Work	-	-	-	-	-	
Other 2	-	-	-	-	-	5468268
Other 3	-	-	-	-	-	1918309
<b>Subtotal</b>	<b>6,537,685</b>					7386577
Architect - Design	180,000	180,000	180,000	-	-	
Architect- Supervision	97,500	97,500	97,500	-	-	includes engineering and design fees
Municipal/Tap Fees	-	-	-	-	-	
Impact Fees	-	-	-	-	-	
Appraisal/Market Study	11,500	11,500	11,500	-	-	
Title and Recording	35,000	-	-	35,000	-	
Legal	66,600	45,000	45,000	21,600	-	
Organizational Legal	3,000	-	-	3,000	-	
Accounting/Cost Cert	18,000	15,000	15,000	3,000	-	
Phase I/Environmental	-	-	-	-	-	
Soils/Geotech	9,400	9,400	9,400	-	-	
Survey	8,000	8,000	8,000	-	-	
Tax Credit Fees	43,000	-	-	43,000	-	
Construction Period Taxes/Ins.	47,000	47,000	47,000	-	-	
Soft Cost Contingency	-	-	-	-	-	
Historic Fees	25,000	25,000	25,000	-	-	
Energy Consultant/Nitrogen credits	60,574	60,574	60,574	-	-	
<b>Subtotal</b>	<b>604,574</b>					
CPI Capitalized	135,000	135,000	135,000	-	-	
CPI Expensed	45,000	-	-	45,000	-	
Predevelopment Interest	-	-	-	-	-	
Bridge Loan Interest	-	-	-	-	-	
Accrued CPI	-	-	-	-	-	
<b>Subtotal</b>	<b>180,000</b>					
Developer Fee	818,205	818,205	818,205	-	-	
<b>Subtotal</b>	<b>818,205</b>					
Perm Loan Fees	13,000	-	-	13,000	-	
Construction Loan Fees	49,200	49,200	49,200	-	-	includes inspections
Bond Issuance Costs	-	-	-	-	-	
<b>Subtotal</b>	<b>62,200</b>					
Rent-Up	31,500	-	-	31,500	-	includes rent up reserve
Marketing	-	-	-	-	-	
Organization	-	-	-	-	-	
Syndication Costs	20,000	-	-	-	20,000	
<b>Subtotal</b>	<b>51,500</b>					
Replacements Reserves	-	-	-	-	-	
Operating Reserves	158,874	-	-	-	158,874	
Tax/Insurance Escrow	-	-	-	-	-	
Rent Up Reserve	-	-	-	-	-	
Other 2	-	-	-	-	-	
<b>Subtotal</b>	<b>158,874</b>					
<b>Total Uses</b>	<b>\$ 8,563,038</b>	<b>\$ 8,563,038</b>	<b>\$ 8,021,695</b>	<b>\$ 8,089,064</b>	<b>\$ 195,100</b>	<b>\$ 278,874</b>

**Hard Cost Contingency Calc:**

Contingency in Contract?	No
Total Hard Costs:	6,537,685
Less Contingency	400,342
Less Other 1	197,500
FFE	30,000
Less Other 3	-
	5,909,843
Construction Contract =	5,909,843
Contingency % =	6.77%

Geothermal Credit Calculation		Solar Credit Calculation	
Placed in Service Date	8/1/2019	Placed in Service Date	8/1/2019
Geothermal System Costs	-	System Costs	-
Geothermal Rebate	-	Const. Contingency	-
Adj. Geo System Costs	-	PV & Solar H2O Costs	-
Adj. Geo System Costs	-	Const. Period Interest	-
Adj. Geo System Costs	-	Interest on Bonds	-
Geo Credit %	10%	Const Period Insurance	-
Total Geo Credits	-	Cost of Issuance	-
		Legal - Construction	-
Total Geo Credits	-	Developer Fee	-
Non-Depreciable %	50%	Rebate	-
Non-Depreciable Costs	-	Adj. System Costs	-
Geo Rebate (non-depr)	-		
Total Non-Depreciable	-	Adj. System Costs	-
		Credit %	30%
		Total Credits	-

Total Credits	-
Non-Depreciable %	50%
Non-Depreciable Costs	-
Rebate (non-depr)	-
Total Non-Depreciable	-

Cap. Interest from FoF:	<b>82,979</b>
Exp. Interest from FoF:	<b>141,590</b>
	224,569
	249,707
	25,138
	5,577,938
	5,573,735
	4,203



**Operating Expenses**

**Groom School Apartments**

**Variable Expenses**

	Annual	Per unit
<b>Administrative</b>		
Accounting	8,110	147
Advertising	1,500	27
Professional Fees	-	-
Leased Equipment	-	-
Legal/Partnership	308	6
Social Services	1,200	22
Model Apartment Rent	-	-
Office Expenses	-	-
Telephone	5,400	98
Other Office Expenses	4,325	79
General	6,300	115
<b>Total</b>	<b>\$ 27,143</b>	<b>\$ 494</b>

**Repair and Maintenance**

Elevator	-	-
Exterminating	-	-
Grounds	-	-
Repairs	-	-
Trash	-	-
Contract Services	46,750	850
Other R&M	-	-
General	-	-
<b>Total</b>	<b>\$ 46,750</b>	<b>\$ 850</b>

**Payroll**

Administrative Payroll	21,840	397
R&M Payroll	20,280	369
Payroll Taxes and Insurance	10,519	191
General	-	-
<b>Total</b>	<b>\$ 52,639</b>	<b>\$ 957</b>

**Utilities**

Gas	-	-
Electric	18,000	327
Water & Sewer	23,071	419
Other Utilities	-	-
General	-	-
<b>Total</b>	<b>\$ 41,071</b>	<b>\$ 747</b>

**Total Variable Expenses: \$ 167,603 \$ 3,047**

**Fixed Expenses**

	Annual	Per unit
<b>Insurance</b>		
Property Insurance	12,331	224
Other Insurance	-	-
<b>Total</b>	<b>\$ 12,331</b>	<b>\$ 224</b>

**Management Fee**

Percent of Revenues:	6.00%	20,909	380
Fee/unit/month:	-	-	-
Management Fee - Annual	-	-	-
<b>Total</b>	<b>\$ 20,909</b>	<b>\$ 380</b>	

**Real Estate Taxes**

Real Estate Taxes	27,800	505
Other RE Taxes	-	-
<b>Total</b>	<b>\$ 27,800</b>	<b>\$ 505</b>

**Total Fixed Expenses: \$ 61,040 \$ 1,110**

**Total All Expenses: \$ 228,643 \$ 4,157**

**Replacement Reserve**

RR Start Date	5/1/2020	
Red Stone RR	16,500	300
Lender RR	-	-
Replacement Reserve - Annual	-	-
<b>Total</b>	<b>\$ 16,500</b>	<b>\$ 300</b>

**Total Expenses & RR \$ 245,143 \$ 4,457**

**Expense Summary**

	Annual	Per Unit
Advertising & Promotion	1,500	27
Administrative	25,643	466
Management Fee	20,909	380
Utilities	41,071	747
Maintenance	46,750	850
Payroll (Salaries)	52,639	957
Insurance	12,331	224
RE Tax	27,800	505
Sub Variable & Fixed	\$ 228,643	\$ 4,157
Replacement Reserve	<b>16,500</b>	<b>300</b>
Total Expense & RR	\$ 245,143	\$ 4,457

**Trending Assumptions**

Expense Inflation:	103.0%
RE Tax Inflation:	103.0%
Mgmt Fee Inflation:	100.0%
Replacement Reserve Inflation:	103.0%



**Flow of Funds**

**Groom School Apartments**

Sources	Cons. Period	1/1/2020	5/1/2020	6/1/2020	Thereafter	Total
VHDA REACH	-	-	1,300,000	-	-	1,300,000
HOME	-	-	450,000	-	-	450,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Deferred Developer Fee	-	-	-	-	387,406	387,406
-	-	-	-	-	-	-
VBAF Loan (South Hill)	197,500	-	-	-	-	197,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total Construction Financing*	\$ 5,008,000	(1,046,106)	(3,961,893)	-	-	(0)
Accrued interest during construction	-	-	-	-	-	-
Operating Income during construction	-	-	-	-	-	-
Grants (reduction of basis)	-	-	-	-	-	-
VA State Historic Credit	1,000	-	526,232	-	-	527,232
Capital - General Partner	-	-	-	-	-	-
Capital - Limited Partner	2,280,360	1,425,225	1,881,297	114,018	-	5,700,900
Capital - Special Limited Partner	-	-	-	-	-	-
Capital - Other	-	-	-	-	-	-
<b>Total</b>	<b>\$ 7,486,860</b>	<b>\$ 379,119</b>	<b>\$ 195,636</b>	<b>\$ 114,018</b>	<b>\$ -</b>	<b>\$ 8,563,038</b>
<b>Uses</b>						
Land	100,000	-	-	-	-	100,000
Building Acquisition	50,000	-	-	-	-	50,000
Other Acquisition Costs	-	-	-	-	-	-
Structures and Rehabilitation	4,593,924	-	-	-	-	4,593,924
Site Work	218,095	-	-	-	-	218,095
Personal Property	402,963	-	-	-	-	402,963
Energy Expenditures	-	-	-	-	-	-
Construction Contingency	238,350	161,992	-	-	-	400,342
General Requirements	310,062	-	-	-	-	310,062
Builder Profit	311,099	-	-	-	-	311,099
Builder Overhead	103,700	-	-	-	-	103,700
Building Permits	-	-	-	-	-	-
P&P Bond Costs	-	-	-	-	-	-
Environmental Remediation	197,500	-	-	-	-	197,500
Demolition Costs	-	-	-	-	-	-
Off-Site Work	0	-	-	-	-	-
Other 2	-	-	-	-	-	-
Other 3	-	-	-	-	-	-
Architect - Design	180,000	-	-	-	-	180,000
Architect- Supervisor	97,500	-	-	-	-	97,500
Municipal/Tap Fees	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-
Appraisal/Market Study	11,500	-	-	-	-	11,500
Title and Recording	35,000	-	-	-	-	35,000
Legal	66,600	-	-	-	-	66,600
Organizational Legal	3,000	-	-	-	-	3,000
Accounting/Cost Cert	18,000	-	-	-	-	18,000
Phase I/Environmenta	-	-	-	-	-	-
Soils/Geotech	9,400	-	-	-	-	9,400
Survey	8,000	-	-	-	-	8,000
Tax Credit Fees	43,000	-	-	-	-	43,000
Construction Period Taxes/Ins	27,073	19,927	-	-	-	47,000
Soft Cost Contingency	-	-	-	-	-	-
Historic Fees	25,000	-	-	-	-	25,000
0	-	-	-	-	-	-
Energy Consultant/Nitrogen credits	60,574	-	-	-	-	60,574
CPI Capitalized	135,000	-	-	-	-	135,000
CPI Expensed	-	45,000	-	-	-	45,000
Predevelopment Interest	-	-	-	-	-	-
Bridge Loan Interest	-	-	-	-	-	-
Accrued CPI	-	-	-	-	-	-
Developer Fee	172,320	107,700	36,762	114,018	387,406	818,205
Perm Loan Fees	-	13,000	-	-	-	13,000
Construction Loan Fees	49,200	-	-	-	-	49,200
Bond Issuance Costs	-	-	-	-	-	-
Rent-Up	-	31,500	-	-	-	31,500
Marketing	-	-	-	-	-	-
Organization	-	-	-	-	-	-
Syndication Costs	20,000	-	-	-	-	20,000
Replacements Reserves	-	-	-	-	-	-
Operating Reserves	-	-	158,874	-	-	158,874
Tax/Insurance Escrow	-	-	-	-	-	-
Rent Up Reserve	-	-	-	-	-	-
Other 2	-	-	-	-	-	-
<b>Total</b>	<b>\$ 7,486,860</b>	<b>\$ 379,119</b>	<b>\$ 195,636</b>	<b>\$ 114,018</b>	<b>\$ -</b>	<b>\$ 8,563,038</b>

**Credit Calculation**

**Groom School Apartments**

**LIHTC Tax Credit Calculation**

	<u>Rehabilitation</u>	<u>Acquisition</u>
Eligible Basis	\$ 8,021,695	
Less:		
Acquisition Costs	(50,000)	50,000
Historic Credits	(602,550)	
Grants	-	
Acquisition Dev. Fee	-	-
Garages	-	-
VBAF Loan	(197,500)	-
Other 2	-	-
	\$ 7,171,645	\$ 50,000
Eligible Basis	\$ 7,171,645	\$ 50,000
DDA/QCT Other	130%	100%
Total Eligible Basis	9,323,138	50,000
Basis Limitation	-	-
Low Income %	100.00%	100.00%
Qualified Basis	9,323,138	50,000
Tax Credit Rates	9.00%	0.00%
LIHTC Calculated	839,082	-
LIHTC Reservation	600,000	-
Actual LIHTC	600,000	-

**Historic Credit Calculation**

	<u>Rehabilitation</u>	<u>Commercial</u>	<u>Total</u>
Depreciable Basis	8,089,064	-	
<b>Less:</b>			
Acquisition Cost	(50,000)	-	
Personal Property	(402,963)	-	
Sitework	(218,095)	-	
Grants	-	-	
Bldg Additions/(Demo)	(4,405,255)	-	New Construction # (hard and
Ineligible Interest	-	-	
Other 1	-	-	
Other 2	-	-	
<b>Historic Credit Basis</b>	<b>3,012,751</b>	<b>-</b>	
Tax Credit %	20%	20%	
<b>Total Historic Credit</b>	<b>602,550</b>	<b>-</b>	<b>602,550</b>
Delivery			
2019	120,510.04	-	120,510
2020	120,510.04	-	120,510
2021	120,510.04	-	120,510
2022	120,510.04	-	120,510
2023	120,510.04	-	120,510

**Projected 15 Yr Cash Flow**

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
<b>Revenues</b>																			
Gross LHFC Rental Revenue	-	56,890	370,354	382,984	390,643	398,456	406,425	414,554	422,845	431,302	439,928	448,726	457,701	466,855	476,192	485,716	495,430	505,339	
Gross Market Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Vacancies	-	(3,982)	(25,925)	(26,809)	(27,345)	(27,892)	(28,450)	(29,019)	(29,599)	(30,191)	(30,795)	(31,411)	(32,039)	(32,680)	(33,333)	(34,000)	(34,680)	(35,374)	
Net Rental Revenues	-	52,908	344,429	356,175	363,298	370,564	377,976	385,535	393,246	401,111	409,133	417,316	425,662	434,175	442,859	451,716	460,750	469,965	
Rental Subsidy (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue (Net)	-	949	6,175	6,386	6,514	6,644	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099	8,261	8,426	
Commercial Revenue (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RE Tax Subsidy	-	18,804	14,103	9,402	4,701	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Effective Gross Income</b>	\$ -	\$ 72,660	\$ 364,708	\$ 371,963	\$ 374,513	\$ 377,208	\$ 384,752	\$ 392,448	\$ 400,296	\$ 408,302	\$ 416,468	\$ 424,798	\$ 433,294	\$ 441,960	\$ 450,799	\$ 459,815	\$ 469,011	\$ 478,391	
<b>Expenses</b>																			
Variable Expenses	-	25,902	170,277	177,810	183,144	188,639	194,298	200,127	206,131	212,314	218,684	225,244	232,002	238,962	246,131	253,515	261,120	268,954	
Insurance	-	5,138	12,701	13,082	13,474	13,879	14,295	14,724	15,166	15,621	16,089	16,572	17,069	17,581	18,108	18,652	19,211	19,788	
Management Fee	-	4,360	21,882	22,318	22,471	22,632	23,085	23,547	24,018	24,498	24,988	25,488	25,998	26,518	27,048	27,589	28,141	28,703	
Real Estate Taxes - Total	-	11,583	28,634	29,493	30,378	31,289	32,228	33,195	34,190	35,216	36,273	37,361	38,482	39,636	40,825	42,050	43,311	44,611	
<b>Project Operating Exp.</b>	\$ -	\$ 46,983	\$ 233,494	\$ 242,703	\$ 249,467	\$ 256,439	\$ 263,906	\$ 271,592	\$ 279,504	\$ 287,649	\$ 296,034	\$ 304,665	\$ 313,550	\$ 322,697	\$ 332,112	\$ 341,805	\$ 351,783	\$ 362,056	
NOI Before Replacement Reserves	-	25,677	131,213	129,260	125,046	120,769	120,847	120,855	120,792	120,653	120,435	120,133	119,744	119,263	118,687	118,010	117,228	116,336	
Replacement Reserves	-	-	11,000	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175	22,840	23,525	24,231	24,958	25,706	
<b>Net Operating Income</b>	\$ -	\$ 25,677	\$ 120,213	\$ 112,265	\$ 107,541	\$ 102,739	\$ 102,276	\$ 101,727	\$ 101,090	\$ 100,360	\$ 99,533	\$ 98,604	\$ 97,569	\$ 96,423	\$ 95,161	\$ 93,779	\$ 92,270	\$ 90,629	
Plus Other Cash Sources:	-	-	2,118	3,397	3,737	4,087	4,448	4,819	3,560	3,954	4,359	4,777	5,208	3,620	4,077	4,548	5,032	5,532	
Interest on Reserve Accts.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Cash Sources	-	-	2,118	3,397	3,737	4,087	4,448	4,819	3,560	3,954	4,359	4,777	5,208	3,620	4,077	4,548	5,032	5,532	
<b>Available Cash Flow</b>	\$ -	\$ 25,677	\$ 122,331	\$ 115,662	\$ 111,278	\$ 106,826	\$ 106,724	\$ 106,546	\$ 104,650	\$ 104,314	\$ 103,892	\$ 103,381	\$ 102,777	\$ 100,043	\$ 99,238	\$ 98,327	\$ 97,302	\$ 96,161	
<b>Cash Requirements/Waterfall:</b>																			
Operating Income as a Source	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VHDA REACH	DSC	-	(43,568)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	(65,352)	
HOME	DSC	-	(9,000)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LP Asset Management Fee	-	-	(5,983)	(5,305)	(5,464)	(5,628)	(5,797)	(5,971)	(6,150)	(6,335)	(6,525)	(6,721)	(6,923)	(7,131)	(7,345)	(7,565)	(6,493)	-	
6th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Developer Fee	-	(25,677)	(63,780)	(31,505)	(26,962)	(22,346)	(22,075)	(21,723)	(19,648)	(19,127)	(18,515)	(17,808)	(17,002)	(14,060)	(13,041)	(11,910)	(11,957)	(17,309)	
GP Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VBAF Loan (South Hill)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net Cash Flow</b>	\$ -	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0	
Funded from Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funded by Operating Guarantees	-	-	-	0	-	0	-	-	-	-	0	-	-	-	-	0	0	-	
Cash for Distributions	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ 0	
Limited Partner Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow to Fund	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ 0	
Cumulative	\$ -	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	
<b>Debt Service Coverage Ratio</b>	-	-	2.29	1.42	1.36	1.30	1.30	1.29	1.28	1.27	1.26	1.25	1.24	1.22	1.21	1.19	1.17	1.15	
<b>DSCR All Hard Debt</b>	-	-	2.29	1.42	1.36	1.30	1.30	1.29	1.28	1.27	1.26	1.25	1.24	1.22	1.21	1.19	1.17	1.15	
<b>Income to Expense Ratio</b>	-	1.55	1.49	1.43	1.40	1.37	1.36	1.35	1.34	1.33	1.31	1.30	1.29	1.28	1.27	1.26	1.24	1.23	

**Income/(Loss)**

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>NOI before Rep. Reserves</b>	-	25,677	131,213	129,260	125,046	120,769	120,847	120,855	120,792	120,653	120,435	120,133	119,744	119,263	118,687	118,010	117,228
Other Taxable Income:																	
Interest on Reserves	-	-	2,118	3,397	3,737	4,087	4,448	4,819	3,560	3,954	4,359	4,777	5,208	3,620	4,077	4,548	5,032
State Income Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	526,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	\$ -	\$ 526,232	\$ 2,118	\$ 3,397	\$ 3,737	\$ 4,087	\$ 4,448	\$ 4,819	\$ 3,560	\$ 3,954	\$ 4,359	\$ 4,777	\$ 5,208	\$ 3,620	\$ 4,077	\$ 4,548	\$ 5,032
<b>Partnership Deduction:</b>																	
<b>Interest Limitation Adjustment</b>																	
Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VHDA REACH	-	-	(25,411)	(37,439)	(36,604)	(35,745)	(34,860)	(33,948)	(33,009)	(32,042)	(31,046)	(30,020)	(28,964)	(27,876)	(26,755)	(25,601)	(24,412)
HOME	-	-	(9,000)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP Asset Management Fee	-	(833)	(5,150)	(5,305)	(5,464)	(5,628)	(5,797)	(5,971)	(6,150)	(6,335)	(6,525)	(6,721)	(6,923)	(7,131)	(7,345)	(7,565)	(6,493)
6th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	-	(3,228)	(18,248)	(15,971)	(15,195)	(14,606)	(14,219)	(13,826)	(13,432)	(13,121)	(12,820)	(12,536)	(12,272)	(12,036)	(11,934)	(11,879)	(9,898)
GP Asset Management Fee	-	(3,333)	(20,600)	(21,218)	(21,855)	(22,511)	(23,186)	(23,882)	(24,598)	(25,336)	(26,096)	(26,879)	(27,685)	(28,516)	(29,371)	(30,252)	(25,967)
10th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan (South Hill)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	(7,394)	(78,409)	(93,433)	(92,618)	(91,990)	(91,562)	(91,127)	(90,689)	(90,334)	(89,987)	(89,656)	(89,344)	(89,059)	(88,905)	(88,797)	(80,270)
Depreciation	-	721,182	227,088	227,088	227,088	227,088	227,088	243,508	253,360	242,851	236,546	236,546	252,128	259,585	246,586	238,787	238,787
Amortizable Expens:	-	33,778	48,680	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	4,209
<b>Total</b>	-	754,960	275,768	232,575	232,575	232,575	232,575	248,995	258,847	248,338	242,033	242,033	257,614	265,072	252,073	244,274	242,996
<b>Taxable Income/(Loss)</b>	\$ -	\$ (210,445)	\$ (220,846)	\$ (193,351)	\$ (196,410)	\$ (199,708)	\$ (198,842)	\$ (214,447)	\$ (225,184)	\$ (214,065)	\$ (207,226)	\$ (206,779)	\$ (222,007)	\$ (231,248)	\$ (218,214)	\$ (210,513)	\$ (201,006)
Pre-Admission Income/(Loss) *use as loss override	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Income/(Loss) to L.P.	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(214,405)	(225,139)	(214,022)	(207,185)	(206,738)	(221,962)	(231,201)	(218,171)	(210,471)	(200,966)
Loss Reallocations to G.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income/(Loss) to Fund</b>	\$ -	\$ (210,403)	\$ (220,802)	\$ (193,312)	\$ (196,371)	\$ (199,668)	\$ (198,802)	\$ (214,405)	\$ (225,139)	\$ (214,022)	\$ (207,185)	\$ (206,738)	\$ (221,962)	\$ (231,201)	\$ (218,171)	\$ (210,471)	\$ (200,966)
Cumulative	\$ -	\$ (210,403)	\$ (431,205)	\$ (624,517)	\$ (820,888)	\$ (1,020,556)	\$ (1,219,358)	\$ (1,433,763)	\$ (1,658,902)	\$ (1,872,924)	\$ (2,080,109)	\$ (2,286,847)	\$ (2,508,809)	\$ (2,740,010)	\$ (2,958,181)	\$ (3,168,652)	\$ (3,369,618)
<b>Tax Credits</b>																	
Federal LIHTC	\$ -	\$ 95,350	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 504,650	\$ -	\$ -	\$ -	\$ -	\$ -
Credits to the Fund	\$ -	\$ 95,331	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 599,880	\$ 504,549	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Historic	\$ -	\$ 120,510	\$ 120,510	\$ 120,510	\$ 120,510	\$ 120,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Credits to the Fund	\$ -	\$ 120,486	\$ 120,486	\$ 120,486	\$ 120,486	\$ 120,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State LIHTC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Historic	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Credits to the Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Reserve Accounts**

**Groom School Apartments**

Replacements Reserves		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Interest Start	5/1/2020																			
Balance at beginning of year		-	-	-	11,000	27,995	45,500	63,530	82,101	19,128	38,830	59,123	80,025	101,553	22,175	45,014	68,540	92,770	117,728	25,706
Deposit from initial uses	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	2.00%	-	-	-	220	560	910	1,271	1,642	383	777	1,182	1,600	2,031	443	900	1,371	1,855	2,355	514
Current year deposit from operations		-	-	11,000	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175	22,840	23,525	24,231	24,958	25,706	26,478
Less interest income included in C/F	Yes	-	-	-	(220)	(560)	(910)	(1,271)	(1,642)	(383)	(777)	(1,182)	(1,600)	(2,031)	(443)	(900)	(1,371)	(1,855)	(2,355)	(514)
Less expenditures made from account		-	-	-	-	-	-	-	(82,101)	-	-	-	-	(101,553)	-	-	-	-	(117,728)	-
End of Year Balance		-	-	11,000	27,995	45,500	63,530	82,101	19,128	38,830	59,123	80,025	101,553	22,175	45,014	68,540	92,770	117,728	25,706	52,184
Operating Reserves		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Interest Start	5/1/2020																			
Balance at beginning of year		-	-	-	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874
Deposit from initial uses	2020	-	-	158,874	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	2.00%	-	-	2,118	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177
Current year deposit from operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	Yes	-	-	(2,118)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)
Less expenditures made from account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance		-	-	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874
Tax/Insurance Escrow		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Interest Start	5/1/2020																			
Balance at beginning of year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Up Reserve		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Interest Start	5/1/2020																			
Balance at beginning of year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 2		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Interest Start	5/1/2020																			
Balance at beginning of year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit from initial uses	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year interest income	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current year deposit from operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less interest income included in C/F	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenditures made from account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Year Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Depreciation and Amortization**

**Groom School Apartments**

**Amortizable Expenses**

2018	Start Date	Amort Period.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Title and Recording	5/1/2020	360	-	-	778	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167	1,167
Legal	5/1/2020	360	-	-	480	720	720	720	720	720	720	720	720	720	720	720	720
Organizational Legal	5/1/2020	360	-	-	67	100	100	100	100	100	100	100	100	100	100	100	100
Accounting/Cost Cert	8/1/2019	180	-	83	200	200	200	200	200	200	200	200	200	200	200	200	200
Tax Credit Fees	8/1/2019	180	-	1,194	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
CPI Expensed	11/1/2019	9	-	10,000	35,000	-	-	-	-	-	-	-	-	-	-	-	-
Perm Loan Fees	5/1/2020	360	-	-	289	433	433	433	433	433	433	433	433	433	433	433	433
Rent-Up	8/1/2019	7	-	22,500	9,000	-	-	-	-	-	-	-	-	-	-	-	-
Marketing	8/1/2019	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Organization	12/7/2018	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nitrogen Credits	11/1/2019	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			\$ -	\$ 33,778	\$ 48,680	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487	\$ 5,487

**Depreciation**

	0.00% Tax Exempt Use property		100.00% Non-TE Use property		Interest Limitation:		Bonus Depreciation - PP		Bonus Depreciation - SW		Bonus Depreciation Percentage, if applicable				Total Depreciable Basis	\$		
	0.00%	100.00%	No	Yes	Yes	Yes	0%	100%	0%	0%								
	Dep. Life	Total	2018	Basis	2019	Basis	2020	Basis	2021	Basis	2018	2019	2020	2021	Less Historic Credits			
Residential Real Property	30	\$ 6,762,642	0.00%	-	100.00%	6,762,642	0.00%	-	0.00%	-	0	10	1	1	(602,550)	\$ 8,089,064		
Building Acquisitor	30	50,000	0.00%	-	100.00%	50,000	0.00%	-	0.00%	-	0	10	1	1	-	-		
Residential Real Property	30	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0	10	1	1	Less Dev Fee allocated to Land	-		
Building Acquisitor	30	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0	10	1	1	Less Other	-		
Commercial Real Property	39	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0	10	1	1	Deferred dep. for cash basis DDF	-		
150% Site Work	15	236,642	0.00%	-	100.00%	236,642	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5	Net Depreciable Basis	\$ 7,486,514		
100% Site Work	20	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
100% Site Work - TE Use	20	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
150% Personal Property	7	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
100% Personal Property	7	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
200% Personal Property	5	437,231	0.00%	-	100.00%	437,231	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
100% Personal Property - TE Use	9	-	0.00%	-	100.00%	-	0.00%	-	0.00%	-	0.5	0.125	0.5	0.5				
		\$ 7,486,514		\$ -		\$ 7,486,514		\$ -		\$ -								
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Placed in Service	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Site Work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Prop.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placed in Service	2019	-	47,310	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088
Building	-	47,310	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088	227,088
Site Work	-	236,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Prop.	-	437,231	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placed in Service	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Site Work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Prop.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placed in Service	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Site Work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Prop.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rep. Reserves	2025	-	-	-	-	-	-	16,420	26,272	15,763	9,458	9,458	4,729	-	-	-	-	-
Rep. Reserves	2030	-	-	-	-	-	-	-	-	-	-	-	20,311	32,497	19,498	11,699	11,699	5,849
Rep. Reserves	2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,546
<b>Total Depreciation</b>		\$ -	\$ 721,182	\$ 227,088	\$ 227,088	\$ 227,088	\$ 227,088	\$ 243,508	\$ 253,360	\$ 242,851	\$ 236,546	\$ 236,546	\$ 252,128	\$ 259,585	\$ 246,586	\$ 238,787	\$ 238,787	\$ 256,483
Override	No	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>		\$ -	\$ 721,182	\$ 227,088	\$ 227,088	\$ 227,088	\$ 227,088	\$ 243,508	\$ 253,360	\$ 242,851	\$ 236,546	\$ 236,546	\$ 252,128	\$ 259,585	\$ 246,586	\$ 238,787	\$ 238,787	\$ 256,483

**Limited Partner Capital Account**

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Capital Account %</b> 99.98%																	
Beginning Balance	\$ -	\$ 570,090	\$ 1,949,471	\$ 5,028,723	\$ 4,714,924	\$ 4,398,067	\$ 4,077,913	\$ 3,879,111	\$ 3,664,706	\$ 3,439,567	\$ 3,225,544	\$ 3,018,359	\$ 2,811,621	\$ 2,589,659	\$ 2,358,458	\$ 2,140,287	\$ 1,929,816
Contributions	570,090	1,710,270	3,420,540	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions	-	(0)	(0)	(0)	-	(0)	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	-	-
Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historic Credits	-	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	-	-	-	-	-	-	-	-	-	-	-
Yr of Credit																	
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,589,659	2,358,458	2,140,287	1,929,816
Income/(Losses) to L.P.	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(214,405)	(225,139)	(214,022)	(207,185)	(206,738)	(221,962)	(231,201)	(218,171)	(210,471)	(200,966)
Reallocation of losses to G.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income/(Losses) to L.P.	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(214,405)	(225,139)	(214,022)	(207,185)	(206,738)	(221,962)	(231,201)	(218,171)	(210,471)	(200,966)
Year End Balance	\$ 570,090	\$ 1,949,471	\$ 5,028,723	\$ 4,714,924	\$ 4,398,067	\$ 4,077,913	\$ 3,879,111	\$ 3,664,706	\$ 3,439,567	\$ 3,225,544	\$ 3,018,359	\$ 2,811,621	\$ 2,589,659	\$ 2,358,458	\$ 2,140,287	\$ 1,929,816	\$ 1,728,850
<b>Basis Calculation</b>																	
Capital Account Balance before losses	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,589,659	2,358,458	2,140,287	1,929,816
Minimum Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deficit Restoration Obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Loss Allocation	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,589,659	2,358,458	2,140,287	1,929,816
<b>Nonrecourse Debt Analysis</b>																	
VHDA REACH	100%	-	1,281,843	1,253,930	1,225,182	1,195,575	1,165,083	1,133,679	1,101,336	1,068,026	1,033,720	998,388	962,000	924,524	885,927	846,176	805,236
HOME	100%	-	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
3rd	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP Asset Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Asset Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan (South Hill)	100%	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500
12th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Less Lender Held Reserves</b>																	
Replacements Reserves	Yes	-	(11,000)	(27,995)	(45,500)	(63,530)	(82,101)	(19,128)	(38,830)	(59,123)	(80,025)	(101,553)	(22,175)	(45,014)	(68,540)	(92,770)	(117,728)
Operating Reserves	Yes	-	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)
Tax/Insurance Escrow	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Up Reserve	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 2	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ 197,500	\$ 1,759,469	\$ 1,714,561	\$ 1,668,308	\$ 1,620,671	\$ 1,571,608	\$ 1,603,177	\$ 1,551,132	\$ 1,497,529	\$ 1,442,321	\$ 1,385,461	\$ 1,428,451	\$ 1,368,136	\$ 1,306,013	\$ 1,242,032	\$ 1,176,134
<b>Net Book Value of Assets</b>																	
Initial Depreciable Cost	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514
Land	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other non-depreciable costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions to depreciable basis	-	-	-	-	-	-	-	82,101	82,101	82,101	82,101	82,101	82,101	183,654	183,654	183,654	183,654
Tax Credit Basis Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	(721,182)	(948,270)	(1,175,358)	(1,402,446)	(1,629,534)	(1,856,622)	(2,100,131)	(2,353,491)	(2,596,342)	(2,832,888)	(3,069,434)	(3,321,562)	(3,581,147)	(3,827,734)	(4,066,521)	(4,305,308)
<b>Net Book Value</b>	\$ 7,586,514	\$ 6,865,332	\$ 6,638,244	\$ 6,411,155	\$ 6,184,067	\$ 5,956,979	\$ 5,729,891	\$ 5,568,484	\$ 5,315,124	\$ 5,072,272	\$ 4,835,726	\$ 4,599,180	\$ 4,448,606	\$ 4,189,021	\$ 3,942,434	\$ 3,703,647	\$ 3,464,860
Minimum Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L.P. Minimum Gain	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Lower Tier Benefits Schedule**

**Groom School Apartments**

Year	Equity Contribution	Projected Taxable Income (Loss)	Deduct Stressed Cash Flow 100.00%	Projected Tax Benefits 21.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits	Projected State Historic Credits	Projected Energy Credits	Projected Total Tax Benefits	0.00% Projected Cash Flow	Total Investing L.P. Benefits
2018	570,090	-	-	-	-	-	-	-	-	-	-	-	-
2019	1,710,270	(210,403)	0	44,185	95,331	120,486	-	-	-	-	260,002	-	260,002
2020	3,420,540	(220,802)	0	46,368	599,880	120,486	-	-	-	-	766,734	-	766,734
2021	-	(193,312)	0	40,596	599,880	120,486	-	-	-	-	760,962	-	760,962
2022	-	(196,371)	-	41,238	599,880	120,486	-	-	-	-	761,604	-	761,604
2023	-	(199,668)	0	41,930	599,880	120,486	-	-	-	-	762,296	-	762,296
2024	-	(198,802)	-	41,748	599,880	-	-	-	-	-	641,628	-	641,628
2025	-	(214,405)	0	45,025	599,880	-	-	-	-	-	644,905	-	644,905
2026	-	(225,139)	0	47,279	599,880	-	-	-	-	-	647,159	-	647,159
2027	-	(214,022)	0	44,945	599,880	-	-	-	-	-	644,825	-	644,825
2028	-	(207,185)	-	43,509	599,880	-	-	-	-	-	643,389	-	643,389
2029	-	(206,738)	0	43,415	504,549	-	-	-	-	-	547,964	-	547,964
2030	-	(221,962)	0	46,612	-	-	-	-	-	-	46,612	-	46,612
2031	-	(231,201)	0	48,552	-	-	-	-	-	-	48,552	-	48,552
2032	-	(218,171)	0	45,816	-	-	-	-	-	-	45,816	-	45,816
2033	-	(210,471)	-	44,199	-	-	-	-	-	-	44,199	-	44,199
2034	-	(200,966)	-	42,203	-	-	-	-	-	-	42,203	-	42,203
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	5,700,900	(3,369,618)	2	707,620	5,998,800	602,430	-	-	-	-	7,308,850	-	7,308,850
Sale		(1,728,850)		363,058							363,058	-	363,058
<b>Totals</b>	5,700,900	(5,098,468)	2	1,070,679	5,998,800	602,430	-	-	-	-	7,671,909	-	7,671,909



**EXHIBIT J  
TO OPERATING AGREEMENT**

INSURANCE

The Managing Member shall maintain or cause to be maintained insurance coverages in full force and effect at all times with respect to the Apartment Complex in accordance with the requirements of this Exhibit J. All capitalized terms used in this Exhibit J shall have the meanings as set forth in the Agreement.

(1) **Property Insurance.** The Company shall carry “special form” property insurance in an amount equal to 100% of the insurable replacement cost of the Apartment Complex with coinsurance waived. If a coinsurance clause is in effect, an agreed amount endorsement is required. Endorsements shall extend coverage to building ordinance compliance, demolition and increased cost of construction, and shall be subject to a per loss deductible not to exceed \$10,000. The policy shall not contain any exclusion for acts of terrorism. If the policy contains such exclusion, separate insurance coverage of any such exclusion for terrorist acts shall be obtained, provided that such coverage is available in the marketplace. Blanket policies must include a statement of values and limits by property location. Such coverage shall also include business income coverage in an amount equal to not less than 12 months scheduled rental income from the Property, and naming Investor Member, the Special Investor Member and State Investor Member as loss payee and certificate holder. All such policies must be on an Acord 28 Form as Evidence of Insurance and provide that insurance will not be cancelled, non-renewed, or be materially changed without 30 days written notice.

(a) **Mechanical Breakdown/Boiler and Machinery Insurance** only applies to central systems and/or elevators per code. Boiler insurance is required if there is a steam boiler or other pressurized vessel in operation in connection with the premises. A minimum coverage of \$250,000 per accident is required, with Total Building Value Limit, comprehensive form including Mechanical Breakdown.

(b) If the Apartment Complex is in a flood plain or is otherwise susceptible to flooding, **flood insurance** for the building and its contents will be required for the full replacement cost of the building(s), improvements and contents; or the maximum amount of flood insurance available on the date the Company was closed at the lower tier. The flood insurance policy must be satisfactory to the Investor Member.

(c) **Other Coverages.** The Company shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include windstorm, mine subsidence, sinkhole, personal property, supplemental liability, or coverages of other property-specific risks.

2. **Commercial General Liability** insurance with a combined single limit for bodily injury and property damage in the amount of not less than \$1,000,000 combined single limit per **occurrence per project**, \$2,000,000 in the aggregate with a minimum of

\$5,000,000 per occurrence umbrella coverage liability insurance, including personal and advertising injury \$1,000,000 per occurrence, fire damage liability \$50,000 and medical expense limit \$5,000. All such coverage shall be provided on Acord #25 form certificate.

The Other insurance clause shall be deleted and as such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles, if applicable.

## INSURANCE REQUIREMENTS FOR THIRD PARTY MANAGEMENT AGENT

1. **Management Agent Responsibilities.** The Managing Member shall cause the Property Management Agreement to require the Management Agent to obtain, and maintain in full force and effect, at all times with respect to the Apartment Complex the insurance coverage as required by this Exhibit. The Property Management Agreement shall require the Management Agent to provide the Managing Member with evidence of the required coverage in the form of current certificates of insurance for as long as the Property Management Agreement shall remain in force.

2. **Management Agent Coverages.** In addition to the company coverages required by this Exhibit, the Management Agent shall obtain and maintain in full force and effect, at all times with respect to the services it provides to the Company the following policies of insurance:

(a) Commercial general liability insurance in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate with a minimum of \$5,000,000 per occurrence in umbrella coverage which shall name the Company, Investor Member, Special Investor Member and State Investor Member as an additional insured. Projects may require additional umbrella coverage depending on location and conditions.

(b) Worker's compensation insurance as required by the state in which the work is performed, including Employer Liability coverage not less than \$1,000,000;

(c) A fidelity bond in an amount not less than six (6) months of projected gross rental receipts or Employee Theft and Dishonesty in an amount of not less than \$1,000,000;

(d) Commercial automobile liability insurance covering owned, hired and non-owned autos for limits no less than \$1,000,000 combined single limit per accident for bodily injury, property damage and physical damage (collision and comprehensive), naming the Company as additional insured for vehicles used exclusively for the property.

3. Management Agent shall cause all contractors, sub-contractors and suppliers performing work or providing supplies to maintain insurance coverage at such parties' expense in the following amounts, as statutorily required in the projects' respective states, or as listed below whichever is less:

(a) Worker's compensation – Statutory Amount;

(b) Employer's Liability for losses which are not covered by Worker's Compensation statutes - \$1,000,000 minimum;

(c) Comprehensive General Liability including contractual liability for limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; and

(d) Business Auto Liability covering \$1,000,000 bodily injury and property damage combined single limit, per accident, to cover all owned, leased, hired or non-owned vehicles.

## INSURANCE REQUIREMENTS DURING CONSTRUCTION

1. **Contractor.** Prior to commencement of any work and until final completion and final acceptance of the work by the owner, the Contractor and each and every subcontractor of any tier of the Contractors shall, at its sole cost and expense, maintain the following insurance:

(a) Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per occurrence per project with \$2,000,000 in the aggregate with the minimum of \$5,000,000 per occurrence umbrella covering the following perils: Products/completed operations (\$2,000,000) for one year after completion of the Apartment Complex; broad form property damage including completed operations for one year after completion of the Apartment Complex. Projects may require additional umbrella coverage depending on location and conditions.

(b) Commercial Automobile liability insurance in an amount not less than \$1,000,000 (combined single limit) for all owned, hired and non-owned vehicles utilized by contractor in connection with the Apartment Complex.

(c) Workers Compensation insurance as required by the state in which the work is to be performed, including Employer's Liability with a minimum limit of \$1,000,000.

(d) The Company, Investor Member, Special Investor Member and State Investor Member shall be named as additional insureds and certificate holder.

(e) The Other Insurance clause shall be deleted and such insurance is to be primary as to the Contractor, Owner, Architect and all other persons and/or entities entitled to indemnities as set forth in the contract documents.

(f) The Managing Member shall use its best efforts to assure that the Contractor shall cause each of its subcontractors to purchase and maintain insurance of the types set forth above in this Section. The Managing Member shall obtain from the Contractor copies of certificates of insurance evidencing such coverage for each such subcontractor.

2. **Builder's Risk.** The Managing Member shall purchase and maintain, or shall require the Contractor to purchase and maintain, property insurance written on a builder's risk, "all risk" or equivalent policy form in the amount of the Construction Contract sum (including the value of any modifications) on a replacement cost basis. Such insurance shall be maintained until final payment has been made to the Contractor. Such policies shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, windstorm, testing and startup, temporary buildings, portions of the work stored off site, all portions of the work in transit, debris removal including demolition occasioned by the enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss. If obtained by the Contractor, the Company, Investor Member, Special Investor Member and State Investor Member shall be named as an additional insured and certificate holder.

3. **Other Coverages.** Insurance covering Soft Costs, resulting from damage or destruction to insured property on-site and while in transit shall be provided, including flood, earthquake and earth movement when such perils are required. Such insurance shall cover continuing expenses not directly involved in the direct cost of construction/renovation, including expense incurred upon money borrowed to finance construction or repair, continuing interest on mortgage loans, advertising, promotion, realty taxes and other assessments, the cost to the insured of additional commissions incurred upon re-negotiating leases, and other expenses incurred as a result of property loss or destruction by an insured peril. The Company shall also obtain and maintain prudent and commercially reasonable insurance coverage over and above the minimum requirements specified as appropriate to the property type and location. Additional coverages may include windstorm, mine subsidence, sinkhole, personal property, supplemental liability, or coverages of other property-specific risks. Partial occupancy or use shall not commence until the insurance company providing the property insurance has consented to such partial occupancy or use by endorsement or otherwise. The Managing Member shall take no action with respect to partial occupancy or use that would cause the cancellation, lapse or reduction of insurance.

4. **Architect.** The Architect shall obtain, and maintain in full force and effect, at all times with respect to the Apartment Complex, the following policies of insurance:

(a) Commercial general liability insurance in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate which shall name the Company, Investor Member, Special Investor Member and State Investor Member as additional insured and certificate holder.

(b) Professional liability insurance in an amount not less than \$1,000,000.

5. **Surveyor.** Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000 to be in effect throughout the contract term. Certificate of Insurance to be furnished upon request.

ADMINISTRATIVE REQUIREMENTS

1. **Carrier Requirements.** All of the insurance policies required hereunder shall (a) be written by insurance companies which are licensed to do business in the State where the Apartment Complex is located or otherwise in conformity with the laws of such State, in a General Policy holder Rating of A or higher, and a Financial Rating of VIII or better, as reported in the most current issue of Best’s Insurance Guide, or as reported by Best on its internet web site, such insurance shall specifically identify the Investor Member, Special Investor Member and State Investor Member as an additional insured; and (c) include a provision requiring the insurance company to notify in writing no less than thirty (30) days prior to any cancellation, non-renewal or material change in the terms and conditions of coverage. In addition, the Managing Member shall provide policies of all insurance contracts required hereunder within thirty (30) days of their inception and subsequent renewals.

2. **Review of Coverage.** The Managing Member shall review regularly all of the Company and Apartment Complex insurance coverage to insure that it is adequate. In particular, the Managing Member shall review at least annually the insurance coverage required hereunder to insure that it is in an amount at least equal to the then current full replacement value of the Improvements.

3. **Additional Insured.** The clause used to refer to the Investor Member must read verbatim as follows:

Red Stone Equity – 2017 National Fund, L.P., its successors and/or assigns,  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114

The clause used to refer to the Special Investor Member must read verbatim as follows:

Red Stone Equity Manager, LLC, its successors and/or assigns  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114

The clause used to refer to the State Investor Member must read verbatim as follows:

Groom State Investor 2018 LLC, its successors and assigns

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Upon transfer of the Investor Member interest in the Company to the Fund (as such term is defined in the Operating Agreement), and written notification of such transfer to the Managing Member, the clause used to refer to the Investor Member shall reference the Fund.

4. **Certificates of Coverage and Policies.** The Managing Member shall provide copies of all such insurance policies to the Investor Member and State Investor Member promptly

after receipt thereof. Binders are acceptable for a period not to exceed 90 days. In the event hereafter there are exclusions, redefinitions, or other modifications by the insurance industry to any standard form of coverage specified hereinabove and such changes materially increase risks to the Company, the foregoing requirements shall, to the extent feasible, be deemed to include the same coverage of such risks as presently required.

5. **Notice.** The Investor Members must be immediately notified of any physical damage, additional improvements or other factors affecting any insurance contract, including any claims under the Company Insurance.

6. **Limitation of Liability.** The Managing Member hereby releases and relieves the Investor Member, the Special Investor Member, the State Investor Member, for any and all liability, and waives its entire right of recovery against them, with respect to any loss or damage of property or for property damage, bodily injury or personal injury to third parties arising out of or incident to any loss or peril insured against under any of the foregoing policies, and any other perils for which the Managing Member is responsible for arranging such insurance.

**NOTIFICATION OF COMPLIANCE WITH INSURANCE REQUIREMENTS**

Red Stone Equity Partners, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114  
Attn: General Counsel

The \_\_\_\_\_ does hereby certify that the insurance policy  
(name of insurance carrier)

Carried by \_\_\_\_\_ on behalf of \_\_\_\_\_ for the  
(name of the Managing Member) (name of Company)

\_\_\_\_\_  
(name of Property)

complies with the insurance requirements as stated in the Red Stone Insurance Requirements  
summary (attached)

\_\_\_\_\_  
Insurance Agency

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



**EXHIBIT K  
TO OPERATING AGREEMENT**

**FORM ASSIGNMENT**

**GROOM SCHOOL APARTMENTS, LLC ("COMPANY")  
ASSIGNMENT AND ASSUMPTION OF INVESTOR MEMBER INTEREST**

This Assignment and Assumption of Investor Member Interest (the "Assignment") is entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among **RED STONE EQUITY – 2017 NATIONAL FUND, L.P.**, a Delaware limited partnership (the "Assignor"), as the Investor Member, \_\_\_\_\_, a(n) \_\_\_\_\_ (the "Assignee"), as the Substitute Investor Member, **RED STONE EQUITY MANAGER, LLC**, a Delaware limited liability company, as Special Investor Member.

**WITNESSETH:**

**WHEREAS**, the Assignor is the Investor Member of the Company;

**WHEREAS**, pursuant to the Amended and Restated Operating Agreement dated as of December 14, 2018, (the "Operating Agreement") by and among the Assignor, as the Investor Member and the other Members, the Assignor owns the Investor Member Interest in the Company;

**WHEREAS**, the Assignor desires to assign to the Assignee its entire Investor Member Interest in the Company to the Assignee and the Assignee has agreed to accept the Assignor's entire interest and to become a Substitute Investor Member; and

**WHEREAS**, the parties acknowledge that the assignment contemplated hereby includes not only the entire Investor Member Interest of Assignor, but also its rights and obligations under that certain Operating Agreement and its rights, but not obligations, under all other documents contemplated under the Operating Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. **Definitions.** Capitalized terms not defined herein shall have the meaning ascribed to them in the Operating Agreement.

2. **Representations and Warranties by Assignor.** The Assignor hereby represents and warrants that (i) the execution, delivery and performance by the Assignor of this Assignment are within its corporate powers and have been duly authorized by all necessary corporate action on its part, (ii) it is the owner of the Investor Member Interest free and clear of all liens, claims, security interests, transfer restrictions and other encumbrances, other than as specifically provided in the Operating Agreement, (iii) it is an Affiliate of the Assignee within the meaning set forth in the Operating Agreement, and (iv) the Assignment does not violate any law

regulation, rule, judgment or decree of any court and does not constitute a default under any agreement to which the Assignor is a party or by which the Assignor is bound and no consents to the Assignment are required from any party, including but not limited to the Managing Member of the Company or any lender.

3. Assignment. The Assignor hereby assigns to the Assignee all the Assignor's interest, right and title in and to the Assignor's Investor Member Interest in the Company, including without limitation all rights and obligations of the Assignor under the Operating Agreement and any and all of the agreements attached to the Operating Agreement as exhibits. From and after the date of this Assignment, the Assignor and the Assignee shall treat the Assignee as the owner of the Investor Member Interest for all purposes, including the allocation of all profits, gains, losses, and credits for income tax purposes and any distributions with respect thereof. Assignor shall indemnify and hold Assignee harmless against all losses, costs and expenses (including reasonable attorneys' fees) arising out of the Assignor's acts or omissions as the predecessor Investor Member, or any Assignor liability or obligation under any agreement or instrument other than the Operating Agreement. The parties agree that Assignor retains the right to receipt of their fees and reimbursements, including without limitation, its Asset Management Fee and Capital Transactions fees pursuant to the Operating Agreement, payable to Red Stone Equity Manager, LLC in its own name, and not as Investor Member.

4. Assumption. The Assignee hereby accepts the Investor Member Interest and agrees to be bound by the Operating Agreement and assumes all obligations of the Investor Member thereunder including, without limitation, the capital contribution obligations set forth in Section 5.01 of the Operating Agreement which may accrue after the date hereof, but assumes no other obligations of Assignor.

5. Rights of Assignee. The parties acknowledge that by execution of this Assignment, Assignee is admitted as a Substitute Investor Member in the Company. Assignor represents and warrants that it has provided (or within thirty (30) days hereafter shall provide) all required notices of this Assignment, and no further action (including without limitation any amendment to the Certificate of Formation of the Company) is required under the Operating Agreement in order to admit Assignee as a Substitute Investor Member.

6. Further Covenants by Assignor. The Assignor hereby further covenants that it will, at any time, and from time to time, upon written request therefor, execute and deliver to the Assignee, or its successors, nominees and assigns, any reasonable new or confirmatory instruments (in forms reasonably acceptable to the Assignor) and do and perform any and all other reasonable acts which the Assignee, or its successors, nominees and assigns, may reasonably request in order to fully assign, transfer and vest in the Assignee, or its successors, nominees and assigns, the Investor Member Interest and to protect their rights, title and interest in and to the Investor Member Interest, or to otherwise realize upon or enjoy such rights in and to the Investor Member Interest. The Assignor further covenants that it will promptly provide the Assignee with copies of all correspondence, notices, reports and similar documents related to the Company that are received by the Assignor.

7. Counterparts. This Assignment may be executed in counterparts, each taken together with the other counterparts shall constitute one instrument, binding and enforceable against each signatory to any counterpart instrument. Any facsimile signature shall be accepted as an original if containing a copy of the original signature notwithstanding that the original has not been received.

IN WITNESS WHEREOF, the Assignor, Assignee and the Special Investor Member have executed this Assignment or caused this Assignment to be executed as of the day first written above.

**ASSIGNOR:**

Red Stone Equity – 2017 National Fund, L.P.,  
a Delaware limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SPECIAL INVESTOR MEMBER:**

RED STONE EQUITY MANAGER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT L  
TO OPERATING AGREEMENT**

**FORM OF LENDER ESTOPPEL LETTER**

[Red Stone Entity]  
c/o Red Stone Equity Partners, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114

Re: Loan in the amount of \$\_\_\_\_\_ evidenced by a note (the “**Note**”) dated as of \_\_\_\_\_, 2018, from Groom School Apartments, LLC (the “**Company**”) secured by a deed of trust (the “**Mortgage**”) of the same date encumbering certain property known as Groom School Apartments located in South Hill, Virginia

Ladies and Gentlemen:

The undersigned is the holder of the Mortgage and the payee under the Note. The undersigned has been advised that you have acquired a limited liability company interest in and will be making a capital contribution to the Company upon the satisfaction of certain conditions precedent which include the delivery by the undersigned of this letter confirming certain information about the Note and the Mortgage.

Accordingly, the undersigned confirms as follows:

1. As of the date hereof, the principal balance of the Note is \$\_\_\_\_\_.
2. Interest on the indebtedness evidenced by the Note has been paid through \_\_\_\_\_.
3. To the best knowledge of the undersigned, no default exists under the Note and the Mortgage and no event has occurred which, with notice or the passage of time, or both, would constitute a default under the Note and/or the Mortgage.
4. The Note and the Mortgage have not been modified, amended or supplemented.
5. All escrows required to be funded as of the date hereof pursuant to the Loan have been fully funded.

The undersigned agrees for so long as it is a [Mortgagee] [Beneficiary] of record to deliver to you copies of any notices of default which are sent by the undersigned to the managing member of the Company, it being understood and agreed that the terms and conditions of the Mortgage governing notices of default will also apply to copies of such notices.

Very truly yours,  
[Lender]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT M  
TO OPERATING AGREEMENT**

**RADON GUIDELINES**

The Managing Member shall test for the presence of radon in all counties defined as Zone 1 or Zone 2 (<http://www.epa.gov/radon/zonemap.html>) by the United States Environmental Protection Agency (EPA).

- (1) As a condition of Substantial Completion, the Apartment Complex shall be tested prior to tenant occupancy in order to ensure all radon levels are below 4.0 picoCuries per Liter (pCi/L).
- (2) All properties in Zone 1 and Zone 2 shall be tested - regardless of age, type of construction, or condition. All rehabilitation properties shall be tested post-construction due to possible disturbance of soils and/or structures.
- (3) All testing and reporting shall be completed by a licensed radon professional as defined by the National Radon Proficiency Program (NRPP - [www.nrpp.info](http://www.nrpp.info)) or the National Radon Safety Board (NRSB - [www.nrsb.org](http://www.nrsb.org)).
- (4) Testing shall be in accordance with all industry standards as defined by the EPA. Testing standards include, but are not limited to: an initial short-term test duration of 48 hours, a minimum of one test per structure – to be placed in the lowest level living space of each structure, and HVAC systems operational only if the system does not include an outside fresh air intake.

**EXHIBIT N  
TO OPERATING AGREEMENT**

Tax Certification Letter



December 14, 2018

Applegate & Thorne-Thomsen, P.C.  
425 S. Financial Place  
Suite 1900  
Chicago, Illinois 60605

**Re: Groom School Apartments**

To Whom It May Concern:

In order to assist you in the preparation of the tax opinions for Groom School Apartments, LLC (the “Company”) with respect to that certain housing development to be known as Groom School Apartments (the “Project”) to be issued by you to Red Stone Equity – 2017 National Fund, L.P. (the “Investor”), the undersigned Groom School Managing Member, LLC, which is the managing member of the Company (the “Manager”), individually and as managing member of the Company, hereby certifies to you that the following statements are true and correct. (References herein to the “Code” shall refer to the Internal Revenue Code of 1986 as amended. References herein to “Housing Credits” or “Credits” shall refer to the low-income housing tax credit made available under Code Section 42. References to the “Compliance Period” shall mean the fifteen year period of time commencing with the first year that Housing Credits are made available to the Project.)

**THE COMPANY**

1. The Company will be continued pursuant to an Amended and Restated Operating Agreement (the “Agreement”) dated as of December 14, 2018.
2. The Company has always claimed to be a partnership for federal income tax purposes.
3. The Company has not made an election on Form 8832 to be taxed as a corporation, nor does it intend to file such an election in the future.

**MANAGER AND AFFILIATES**

4. Archetypes, LLC (“Archetypes” or the “Developer”) is a limited liability company formed under the laws of North Carolina. The Manager and the Developer and

their direct and indirect owners are subject to federal income taxation and none are exempt from federal income taxation under Code Section 501(c)(3) or any other Code provision.

5. The Manager and all other entities that are related to the Manager or the Company (other than the Developer) and that receive fees from the Company, directly or indirectly, are on the accrual method of accounting for tax purposes.

6. The Developer is on the cash method of accounting for tax purposes.

7. The fees payable by the Company to the Manager and/or the Developer (and/or any affiliate of either said entity), as set forth in the Agreement, are reasonable in amount and ordinary and customary in nature for the services to be provided.

### **THE PROJECT; COMPANY OPERATION**

8. Except as may be indicated on Attachment 1, each of the Development Documents listed on Attachment 1 hereto, to the best knowledge of the undersigned, is in full force and effect on the date hereof and was properly authorized by the parties thereto and have at all times been fully enforceable under applicable state law. To the extent some of the documents listed in Attachment 1 may not yet have been executed, such documents will be executed in substantially identical form to the unexecuted documents that have been provided. The Agreement and the Development Documents reflect all of the material business terms related to the financing of the Project.

9. The Project was acquired from Mecklenburg County, Virginia for \$150,000 pursuant to a deed recorded on July 27, 2018. The purchase price does not exceed the valuation indicated by a third party as-is appraisal attached as Attachment 4. The purchase price was paid with \$150,000 in cash. Of the purchase price, \$100,000 is being allocated to land and \$50,000 is being allocated to the existing Historic Building (as defined below) of the Project and such amounts reflect the relative fair market values of the assets acquired. The Manager believes that the allocation of acquisition costs indicated in the Projections is reasonable.

10. Upon completion of rehabilitation, the Project will consist of 2 newly constructed apartment buildings (the "New Construction Buildings") and 1 rehabilitated apartment building (the "Historic Building") containing a total of 55 rental residential units that are expected to be rented in a manner so as to qualify for Housing Credits (the "Low-Income Units"). All units will include a range, refrigerator, air conditioning and dishwasher. All parking and common areas will be available for use by all Project tenants on a comparable basis and free of charge. The floor space of the Low-Income Units will constitute at least 100% of the total floor space of all residential units in the Project.

11. No facilities in the Project are expected to be available to any non-tenants.

12. All Project expenditures relate to costs incurred in improving property owned by the Company.

13. The rental of the Project will target the following tenant population: 6 units will be reserved for tenants with special needs. The Project will not rent any space to any governmental entity or any entity that is exempt from federal income taxation.

14. The Company will keep active records and carry out the proposed activity in a manner consistent with profitable businesses in the same activity. The Manager will make only a nominal capital contribution to the capital of the Company

15. The Company will have an objective to carry on business for profit and divide the gains therefrom. The Company may earn a profit, including profit from appreciation in the value of the Project described in the Agreement.

### **FINANCIAL PROJECTIONS**

16. The forecast of Company operation and liquidation dated December 12, 2018 (the "Projections"), which is attached to this letter as Attachment 2, fairly presents the reasonably projected results of an investment in the Company by the Investor. The Projections accurately reflect the initial rents to be charged Project tenants and the fees payable to the Manager and/or Developer and/or the affiliates of either said entity. The Company shall make all tax elections necessary to achieve the results indicated in the Projections. Attached as part of the Projections is an analysis showing repayment of Project debt. This analysis demonstrates that if the Project's income growth is trended at 3% (the same as the rate that expenses are trended) and the vacancy rate is 5%, then the Project will have the ability to repay its debt through cash flow and sale/refinance proceeds. The Manager represents that the assumptions for real debt analysis are reasonable and should be attained over the term of the financing.

17. Attached hereto as Attachment 3 is a schedule of the costs that will be included in the calculation of the Project's eligible basis. Included on that Attachment is a fee of \$818,205 to be paid to the Developer (the "Developer Fee"). There are no restrictions imposed on the Developer in connection with the manner in which it may utilize and spend the proceeds of such Developer Fee. The Developer Fee (i) constitutes reasonable compensation for the Developer's services as described in that certain Amended and Restated Development Agreement by and between the Developer and the Company dated as of December 14, 2018 (the "Development Agreement"), (ii) does not exceed the amount typically paid for such services, and (iii) does not exceed the amount allowed by the Virginia Housing Development Authority (the "Authority") for such services. Any site improvements listed on Attachment 3 or included as a part of any item listed on Attachment 3 do not include any costs attributable to demolition of existing buildings, the clearing, grubbing and general grading of the land, or costs of general fill dirt and also do not include the costs of landscaping that would not be destroyed contemporaneously with the replacement of the building(s). It is the Manager's understanding that none of the Project's

financing represents proceeds of direct or indirect federal funding, but as a precautionary measure, the amount of the Town of South Hill Loan (as defined below) has been subtracted from eligible basis until such time as confirmation is received from the governmental funding sources that no part of the loan is derived directly or indirectly from the proceeds of tax-exempt obligations.

18. The Company will make the election under Section 163(j)(7)(B) to be an Electing Real Property Trade or Business so that the Company's ability to deduct interest is not limited. As a result of this election, the Company's buildings will be depreciated using the alternative depreciation system ("ADS") as required by Code Section 168(g)(8). As such, the Company will claim 30-year depreciation for the Project building acquisition costs and rehabilitation expenses capitalized into the building.

19. The Company will also claim the 100% bonus depreciation in 2019 in the amount of \$437,231 arising out of the Project personal property, and in the amount of \$236,642 arising out of the Project site improvements, as made available under Code Section 168(k). The personal property and site improvements on which 100% bonus depreciation is projected to be taken are each property that (i) were or will be acquired after September 27, 2017 and a written binding contract for the acquisition of such property was not entered into on or before September 27, 2017, (ii) is new property the original use of which will commence with the Company, (iii) will be placed in service in 2019 and (iv) will not be disposed of during the year the property is placed in service. In addition, when acquired, the existing Project included only de minimis used property that will be replaced during rehabilitation. The Project does not furnish or sell electrical energy, water, sewage disposal services, gas or steam or transportation of such items.

20. None of the members of the Company is a tax-exempt entity.

21. The cost to the Company of acquiring the Project properties and the costs of labor and materials in constructing the Project are not in excess of the fair market value of such acquisition, labor and materials.

22. It reasonably may be anticipated that the fair market value of the Project will, at all times, exceed the outstanding balance of indebtedness secured thereby. An appraisal of the Project has been obtained by the Manager, and a copy of the summary pages of that appraisal is attached to this letter as Attachment 4.

23. The Project does not include any commercial space.

### **LOAN FINANCING**

24. True and correct copies of documents evidencing and securing the present loan and grant (if any) financing of the Company and the Project, as listed on Attachment 1 attached hereto under the headings "Loan Documents" and "Grant Documents", have

been submitted to you. There have been no material changes to the documents subsequent to the submissions to you noted above. The only grants, loans or other financial arrangements with the Company relative to the development, construction and continuing operation of the Project, other than the financial agreements and arrangements set forth in the Agreement, are the Deferred Developer Fee (as described below) and the loans, grants and financial arrangements evidenced by the loan and grant documents listed on Attachment 1.

25. The following is a description of all Project loan and grant financing:
- a. “Construction Loan” – First Citizens Bank (“Construction Lender”) is making available up to \$5,000,000 of recourse construction financing. The loan will bear interest at the One-Month LIBOR rate + 2.25%, with a floor of 3.50% (which we understand is reflected in the Projections as 5.51%). Interest only payments will be made during construction with all principal due at maturity. The loan will have a term of approximately 30 months. The loan is secured by a recourse first priority deed of trust on the Project.
  - b. “Authority REACH Loan” – It is expected that the Authority will make available a permanent loan on the following terms. The loan will be in the amount of \$1,300,000 and will bear interest at 2.95%. The loan will have a 30 year term and amortization. The loan will be funded with REACH program funds. It is expected that the loan will be secured by a nonrecourse first priority deed of trust on the Project upon repayment of the Construction Loan.
  - c. “DHCD Home Loan” – It is expected that the Virginia Department of Housing and Community Development (“DHCD”) will make available a permanent loan as described below. The loan will be in the amount of \$450,000 and will bear interest at 3.00% per annum. It is expected that the loan will have a 20-year term. Interest only payments are due monthly with the unpaid balance due at maturity. The loan will be secured by a nonrecourse second priority deed of trust on the Project upon repayment of the Construction Loan.
  - d. “Town of South Hill Loan” – The Town of South Hill, Virginia has provided \$197,500 of construction and permanent financing, which does not bear interest and has a term of 18 years from the loan closing date. All principal is due at maturity. The loan is nonrecourse and secured by a second priority deed of trust on the Project during construction and a third priority deed of trust on the Project upon completion of construction.
  - e. “Deferred Developer Fee” – The Developer is expected to defer approximately \$387,406 (“Deferred Developer Fee”) of its Developer Fee. The Deferred Developer Fee bears interest at 5%. Payments will be made to the extent of available cash flow with all unpaid principal and interest due at the end of the Compliance

Period. The Manager has agreed to make a capital contribution to the Company in the event the Deferred Developer Fee is not repaid at its maturity. The Deferred Developer Fee is projected to be repaid by the year 2028. The Deferred Developer Fee is unsecured and is a recourse obligation of the Company.

- f. “Property Tax Refund” means that certain partial refund of real property taxes for qualifying rehabilitated and replaced structures under the Historic Structure Incentive Program provided by the Town of South Hill pursuant to that certain letter dated February 27, 2017 from the Town of South Hill to the Virginia Housing Development Authority. The value of the tax refund will be determined annually based on the actual taxes paid to the Town of South Hill by the Company (as established after placement in service so as to include the increase in the market value of the building due to a qualifying rehabilitation). The amount of the refund is expected to be equal to 100% of the real estate taxes in year 1, 75% of the real estate taxes in year 2, 50% of the real estate taxes in year 3, and 25% of the real estate taxes in year 4. No tax refund will be available to the Company until the Project is placed in service and the Company pays the property taxes due for such year. For Federal and State tax purposes, the Company shall report the refund from the Town of South Hill as taxable income to the extent the corresponding real estate taxes were previously deducted.

26. The Manager expects that the Project’s loan financing as described above and in Attachment 1 will be repaid as projected in the Projections; there are no formal or informal arrangements allowing for or contemplating the forgiveness of any of the Project’s financing. It is the expectation of the undersigned, consistent with its best knowledge, that each layer of Project financing will be considered and treated as a loan by the respective lender.

27. None of the Project’s financing consists directly or indirectly of the proceeds of tax-exempt bond financing.

### **LOW-INCOME HOUSING TAX CREDIT**

28. The Company submitted an application for Housing Credits (the “Application”) to the Authority on February 28, 2017. The Project was issued a reservation of Housing Credits dated July 25, 2017 (the “Reservation”) by the Authority in the amount of \$600,000 and was issued a carryover allocation of Housing Credits dated July 14, 2017, as amended (the “Carryover Allocation”) by the Authority in the amount of \$600,000. Authority issued approvals to the Company dated April 11, 2018 extending the property acquisition deadline established in the Reservation to September 30, 2018 (the “Extension Letter”). Copies of the Reservation, Extension Letter and Carryover Allocation are attached hereto as Attachments 5, 6 and 7. The Application, Reservation and Carryover

Allocation along with any other allocation related documents listed on Attachment 1 hereto (collectively the "Allocation Documents") comprise all of the material correspondence and communications between the Company, Manager, Developer and their affiliates and the Authority in connection with the allocation of Housing Credits to the Project by the Authority. The Project has been and will be developed, and will be operated, in a manner that is consistent with each of the representations made by the Manager, Developer and/or Company in the Allocation Documents. All compensation paid or to be paid by the Company for development and construction services, directly or indirectly, has been fully disclosed to the Authority, and such compensation does not exceed the Authority's limitations as to the amount of such compensation that may be properly included in eligible basis for purposes of determining the Housing Credits allocation amount. All compensation paid to the architect and general contractor for the Project, and all other costs to be incurred in connection with the development of the Project, have been fully and adequately disclosed to the Authority, and such amounts do not exceed the Authority's limitations as to the amount of such compensation or such other costs that may properly be included in eligible basis for purposes of determining the Housing Credits allocation amount.

29. By December 15, 2018 the Company will have a basis in the Project (including costs for land acquisition) in excess of 10% of the basis in the Project that the Company reasonably expects to have in the Project by the end of calendar year 2019. If the Company's reasonable expectation as to such 2019 basis increases before December 15, 2018, the Company will have a basis in the Project as of December 15, 2018 that will be in excess of 10% of such revised expectation.

30. All buildings comprising the Project will be placed in service no later than the close of the second year following the year in which the Housing Credits were allocated, i.e., no later than December 31, 2019. 2 out of 3 Project buildings are expected to be fully occupied by the end of the year 2019, and those buildings are expected to begin generating Housing Credits in 2019. The Company will elect to defer the start of the tax credit period to 2020 for any residential Project buildings which are placed in service in 2019 and (a) which are not fully occupied by the end of 2019 or (b) for which all construction expenditures have not been accrued by the end of 2019.

31. The Project will not generate any Housing Credits in connection with the costs incurred in the acquisition of the Project.

32. The Manager will cause the Company to make the 40/60 minimum set aside election under Code Section 42(g), and this election is consistent with the Allocation Documents. As a result, rents charged to low-income occupants will not exceed 30% of the applicable income limitation for the Project, i.e., such rents will not exceed 30% of 60% of area median income as adjusted for family size. The rents reflected in the Projections are consistent with this limitation.

33. That portion of the Project on which any Housing Credits are claimed under Code Section 42 will be retained as low-income housing until the end of the 15-year compliance period beginning with the first taxable year of the tax credit period. In addition, an extended low-income housing commitment, which will require the Project to be retained as low-income housing for a period of at least 15 additional years, has been or will be entered into in favor of the Authority.

34. The Authority has specially designated the Project as being entitled to a 130% basis boost. Evidence of such designation is attached hereto as Attachment 8.

35. The Project will offer no non-residential services to tenants or non-tenants.

36. During a 24-month period selected by the Company ending during the year when the Company intends to place the Historic Building in service for purposes of Section 42, the rehabilitation expenditures for the Historic Building in the Project shall be in an amount not less than the greater of: (a) 20% of the adjusted basis of such building or (b) for buildings to be placed in service in 2018—\$6,800 per Low-Income Unit, and for buildings to be placed in after 2018— such \$6,800 amount as subsequently increased by the IRS for inflation amounts.

#### **NO ENERGY TAX CREDITS**

37. The Project will not generate renewable energy tax credits.

#### **HISTORIC REHABILITATION TAX CREDITS**

38. The Projections show that a portion of the Project will qualify for the historic rehabilitation tax credit, and the rehabilitation expenditures on the Project during the twenty-four month period prior to the expected placement in service date of the Project will exceed the Company's adjusted basis in the Project prior to the commencement of rehabilitation.

39. The Project is listed in the National Register. Attached hereto as Attachment 9 is a copy of the listing on the National Register.

40. The National Park Service has signed the Part 2 application determining that the Project's rehabilitation is consistent with the Secretary of the Interior's standards for rehabilitation assuming certain conditions are met. The Manager certifies that the Project's rehabilitation will comply with the plans approved by the National Park Service, including any listed conditions. Attached hereto as Attachment 10 is a copy of the Part 2 from the Secretary of the Interior.



41. The construction and other capitalized costs included in the calculation of the Project's historic credit base (as set forth in the Projections) do not include (i) any costs associated with the expansion of the existing building comprising the Project or construction of the New Construction Buildings, (ii) any costs incurred in connection with the acquisition of personal property for the Project such as appliances, (iii) any costs incurred in connection with site improvements, or (iv) any acquisition costs related to the purchase of the Project land and building, including interest on acquisition indebtedness.

### **VIRGINIA HISTORIC REHABILITATION TAX CREDITS**

42. The Projections show that the Project's Historic Building will qualify for Virginia Rehabilitation Tax Credits ("VHTC"). The eligible rehabilitation expenses incurred with respect to each building by the Company for the twenty-four month period prior to the building's placement in service date for purposes of Code Section 168 exceeds 50% of the Project building's assessed value for local real estate tax purposes for the year prior to the initial expenditure of any rehabilitation expense.

43. All eligible rehabilitation expenses were incurred by the Company and were not incurred by any non-taxpayer, including a local government or any agency thereof, or by any agency, unit, or instrumentality of the Commonwealth of Virginia.

44. The Project was listed in Virginia Landmarks Register as of September 21, 2017. Attached hereto as Attachment 11 is a copy of the listing in the Virginia Landmarks Register.

45. Attached hereto as Attachment 12 are letters from DHR dated May 16, 2018 and September 4, 2018 stating that the DHR believes that the project design meets the Secretary of the Interior's standards provided that certain conditions are met. The Manager certifies that the rehabilitation will satisfy such conditions.

46. For Federal and State tax purposes the Company shall report the State Investor's \$1,000 initial capital contribution as a capital contribution. The remaining State Investor's capital contribution will be reported as sale price paid in consideration for the allocation of the VHTC to the State Investor. The Company shall allocate the taxable income from such sale to the Investor.

[signature page to follow]

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We understand that you will rely on the truth and accuracy of the foregoing statements in rendering your tax opinion on the investment in the Company, that you will make your tax opinion and this letter available to the Investor, and that the Investor will rely on your tax opinion and the truth and accuracy of the foregoing statements in making its investment in the Company. We also understand and agree that any successor or assign of the Investor that is admitted to the Company as a substitute member will also be permitted to rely on this letter. We understand further that you have made all inquiries of us which you consider necessary to make in rendering your opinion.

Very truly yours,

GROOM SCHOOL MANAGING  
MEMBER, LLC

By: Landmark Asset Services, Inc., a  
North Carolina corporation, its Manager

By: Lisa A. Sari  
Lisa A. Sari, President

The undersigned hereby certifies that it has read the foregoing certifications and that they are true and correct.

ARCHETYPES, LLC

By: Lisa A. Sari  
Lisa A. Sari, Manager

LANDMARK ASSET SERVICES, INC.

By: Lisa A. Sari  
Lisa A. Sari, President

**ATTACHMENTS TO  
TAX CERTIFICATION LETTER**

Attachment 1	List of Development Documents
Attachment 2	Projections
Attachment 3	Eligible Basis
Attachment 4	Appraisal Summary
Attachment 5	Housing Credit Reservation
Attachment 6	Housing Credit Carryover Allocation
Attachment 7	Extension Letter
Attachment 8	Evidence of Basis Boost Designation
Attachment 9	National Register Listing
Attachment 10	Part 2 Historic
Attachment 11	Virginia Landmarks Register Listing Acknowledgement
Attachment 12	DHR Part 2

**ATTACHMENT 1  
LIST OF DEVELOPMENT DOCUMENTS**

**PROJECT DOCUMENTS:**

Agreement  
Development Agreement  
Construction Contract  
Architect's Agreement  
Appraisal  
Deed

**LOAN DOCUMENTS:**

All loan agreements, promissory notes, and mortgages for the following loans:

Construction Loan  
Authority REACH Loan– based on commitment letter only  
DHCD HOME Loan– based on Home Program Agreement only  
Town of South Hill Loan

**ALLOCATION DOCUMENTS:**

Housing Credit Application  
Housing Credit Reservation  
Housing Credit Carryover Allocation  
Extension Letter  
National Register Listing  
Part 2 Letter  
Virginia Landmarks Register Listing Acknowledgement  
DHR Part 2  
Extended Use Agreement

**GRANT/REBATE/REFUND DOCUMENTS:**

Property Tax Refund Documentation

# REDSTONE<sup>TM</sup> EQUITY PARTNERS

## Groom School Apartments Financial Projections

Updated: 12/12/2018

South Hill, VA

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These projections do not guarantee actual operating results. Information herein may be revised based upon changes to assumptions and third-party information. Inapplicable schedules may be omitted. This information is proprietary and may be shared only with Red Stone's prior consent.

**Project Info**

<b>Property Information</b>		<b>Partnership Entities</b>	
Name:	Groom School Apartments	Developer:	Archetype, LLC
Street Address:	1030 Plank Road	Co-Developer:	Groom School Apartments, LLC
City/County:	South Hill	Managing GP:	Groom School Managing Members, LLC
State:	VA	Zip Code:	23170
Total Units:	55	LHFC Units:	55
Manager Unit:	0	Special LP:	1
Number of Res. Buildings:	3	Other LP:	1
Scattered Site:	No	Historic Rehab:	Low-Rise
Construction Type:	Historic Rehab	Market:	Rental
Building Type:	Low-Rise	Targeted Tenants:	Family
Special Needs:	Vocant	Type of GP:	For-Profit
UT Tax Rate:	2.1%	Updated:	12/12/2018
Updated By:	Lauren Henry	Investor's 1st Fiscal Year End:	12/31/2018

Financing Assumptions - Cash Flow Waterfall		Start Dates	
Name of Financing	Type	Related Party?	Collection Type
VA/DA REACH	Loan		Hard-Amort
HOMES	Loan		Hard-Amort
3rd			Hard-Amort
LP Asset Management Fee	AMF		
8th			
9th			
Deferred Developer Fee	DDF		Soft-% CF
GP Asset Management Fee	AMF		
10th			
11th			
12th			
13th			
14th			
15th			
16th			
Incentive Management Fee	IMF		% CF

Tax Credit Calculation		Debt of Note	
Allocation Year	Rate	Debt of Note	Leasehold
2017	9%	950,000	9,000
2018	9%	950,000	9,000
2019	9%	950,000	9,000
2020	9%	950,000	9,000
2021	9%	950,000	9,000
2022	9%	950,000	9,000
2023	9%	950,000	9,000
2024	9%	950,000	9,000
2025	9%	950,000	9,000
2026	9%	950,000	9,000
2027	9%	950,000	9,000
2028	9%	950,000	9,000
2029	9%	950,000	9,000
2030	9%	950,000	9,000
2031	9%	950,000	9,000
2032	9%	950,000	9,000
2033	9%	950,000	9,000
2034	9%	950,000	9,000
2035	9%	950,000	9,000
2036	9%	950,000	9,000
2037	9%	950,000	9,000
2038	9%	950,000	9,000
2039	9%	950,000	9,000
2040	9%	950,000	9,000
2041	9%	950,000	9,000
2042	9%	950,000	9,000
2043	9%	950,000	9,000
2044	9%	950,000	9,000
2045	9%	950,000	9,000
2046	9%	950,000	9,000
2047	9%	950,000	9,000
2048	9%	950,000	9,000
2049	9%	950,000	9,000
2050	9%	950,000	9,000
2051	9%	950,000	9,000
2052	9%	950,000	9,000
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2063	9%	950,000	9,000
2064	9%	950,000	9,000
2065	9%	950,000	9,000
2066	9%	950,000	9,000
2067	9%	950,000	9,000
2068	9%	950,000	9,000
2069	9%	950,000	9,000
2070	9%	950,000	9,000
2071	9%	950,000	9,000
2072	9%	950,000	9,000
2073	9%	950,000	9,000
2074	9%	950,000	9,000
2075	9%	950,000	9,000
2076	9%	950,000	9,000
2077	9%	950,000	9,000
2078	9%	950,000	9,000
2079	9%	950,000	9,000
2080	9%	950,000	9,000
2081	9%	950,000	9,000
2082	9%	950,000	9,000
2083	9%	950,000	9,000
2084	9%	950,000	9,000
2085	9%	950,000	9,000
2086	9%	950,000	9,000
2087	9%	950,000	9,000
2088	9%	950,000	9,000
2089	9%	950,000	9,000
2090	9%	950,000	9,000
2091	9%	950,000	9,000
2092	9%	950,000	9,000
2093	9%	950,000	9,000
2094	9%	950,000	9,000
2095	9%	950,000	9,000
2096	9%	950,000	9,000
2097	9%	950,000	9,000
2098	9%	950,000	9,000
2099	9%	950,000	9,000
2100	9%	950,000	9,000

Equity Pay-In Assumptions		Monthly Construction Draws	
Instalment #	Benchmark	DATE	Draw #
1st Closing	12/1/2018	12/1/2018	Draw 1
2nd 50% Construction Completion	4/1/2019	4/1/2019	Draw 2
3rd 75% Construction Completion	7/1/2019	7/1/2019	Draw 3
4th Construction Completion	1/1/2020	1/1/2020	Draw 4
5th Perm Loan Closing	5/1/2020	5/1/2020	Draw 5
6th 8669% 1.15 DSC	6/1/2020	6/1/2020	Draw 6
			Draw 7
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			Draw 100

Base Year DSC Ratio		Base Year IER	
Net Income	348,482	Base Year IER	0.00
Comm/Other			
Op. Expenses	\$ (238,643)		
Rep. Reserves	\$ (16,500)		
Base Year NOI	103,339		
Base Year DS	78,852		
Base Year DSC	1.31		
Base Year IER Ratio			
Base Year IER			

**Groom School Apartments**

**Lease-Up Schedule**

PIS  
8/1/2019

**Placed in Service Schedule**

Month	Revenue Units	Cum. %	Credit Units	Cum. %
January-19	0	0.0%	0	0.0%
February-19	0	0.0%	0	0.0%
March-19	0	0.0%	0	0.0%
April-19	0	0.0%	0	0.0%
May-19	0	0.0%	0	0.0%
June-19	0	0.0%	0	0.0%
July-19	0	0.0%	0	0.0%
August-19	6	10.9%	6	10.9%
September-19	6	21.8%	6	21.8%
October-19	7	34.5%	7	34.5%
November-19	9	50.9%	0	34.5%
December-19	9	67.3%	0	34.5%
January-20	9	83.6%	27	83.6%
February-20	9	100.0%	9	100.0%
March-20	0	100.0%	0	100.0%
April-20	0	100.0%	0	100.0%
May-20	0	100.0%	0	100.0%
June-20	0	100.0%	0	100.0%
July-20	0	100.0%	0	100.0%
August-20	0	100.0%	0	100.0%
September-20	0	100.0%	0	100.0%
October-20	0	100.0%	0	100.0%
November-20	0	100.0%	0	100.0%
December-20	0	100.0%	0	100.0%
January-21	0	100.0%	0	100.0%
February-21	0	100.0%	0	100.0%
March-21	0	100.0%	0	100.0%
April-21	0	100.0%	0	100.0%
May-21	0	100.0%	0	100.0%
June-21	0	100.0%	0	100.0%
July-21	0	100.0%	0	100.0%
August-21	0	100.0%	0	100.0%
September-21	0	100.0%	0	100.0%
October-21	0	100.0%	0	100.0%
November-21	0	100.0%	0	100.0%
December-21	0	100.0%	0	100.0%
<b>Totals</b>			<b>55</b>	

**Market Rate Lease-Up**

Month	Revenue Units	Cum. %	Credit Units	Cum. %
January-19	0	0.0%	0	0.0%
February-19	0	0.0%	0	0.0%
March-19	0	0.0%	0	0.0%
April-19	0	0.0%	0	0.0%
May-19	0	0.0%	0	0.0%
June-19	0	0.0%	0	0.0%
July-19	0	0.0%	0	0.0%
August-19	0	0.0%	0	0.0%
September-19	0	0.0%	0	0.0%
October-19	0	0.0%	0	0.0%
November-19	0	0.0%	0	0.0%
December-19	0	0.0%	0	0.0%
January-20	0	0.0%	0	0.0%
February-20	0	0.0%	0	0.0%
March-20	0	0.0%	0	0.0%
April-20	0	0.0%	0	0.0%
May-20	0	0.0%	0	0.0%
June-20	0	0.0%	0	0.0%
July-20	0	0.0%	0	0.0%
August-20	0	0.0%	0	0.0%
September-20	0	0.0%	0	0.0%
October-20	0	0.0%	0	0.0%
November-20	0	0.0%	0	0.0%
December-20	0	0.0%	0	0.0%
January-21	0	0.0%	0	0.0%
February-21	0	0.0%	0	0.0%
March-21	0	0.0%	0	0.0%
April-21	0	0.0%	0	0.0%
May-21	0	0.0%	0	0.0%
June-21	0	0.0%	0	0.0%
July-21	0	0.0%	0	0.0%
August-21	0	0.0%	0	0.0%
September-21	0	0.0%	0	0.0%
October-21	0	0.0%	0	0.0%
November-21	0	0.0%	0	0.0%
December-21	0	0.0%	0	0.0%
<b>Totals</b>			<b>0</b>	

**LJHTC Units Lease-Up**

Month	Revenue Units	Cum. %	Credit Units	Cum. %
January-19	0	0.0%	0	0.0%
February-19	0	0.0%	0	0.0%
March-19	0	0.0%	0	0.0%
April-19	0	0.0%	0	0.0%
May-19	0	0.0%	0	0.0%
June-19	0	0.0%	0	0.0%
July-19	0	0.0%	0	0.0%
August-19	6	10.9%	6	10.9%
September-19	6	21.8%	6	21.8%
October-19	7	34.5%	7	34.5%
November-19	9	50.9%	0	34.5%
December-19	9	67.3%	0	34.5%
January-20	9	83.6%	27	83.6%
February-20	9	100.0%	9	100.0%
March-20	0	100.0%	0	100.0%
April-20	0	100.0%	0	100.0%
May-20	0	100.0%	0	100.0%
June-20	0	100.0%	0	100.0%
July-20	0	100.0%	0	100.0%
August-20	0	100.0%	0	100.0%
September-20	0	100.0%	0	100.0%
October-20	0	100.0%	0	100.0%
November-20	0	100.0%	0	100.0%
December-20	0	100.0%	0	100.0%
January-21	0	100.0%	0	100.0%
February-21	0	100.0%	0	100.0%
March-21	0	100.0%	0	100.0%
April-21	0	100.0%	0	100.0%
May-21	0	100.0%	0	100.0%
June-21	0	100.0%	0	100.0%
July-21	0	100.0%	0	100.0%
August-21	0	100.0%	0	100.0%
September-21	0	100.0%	0	100.0%
October-21	0	100.0%	0	100.0%
November-21	0	100.0%	0	100.0%
December-21	0	100.0%	0	100.0%
<b>Totals</b>			<b>55</b>	

**Sources of Funds**

**Groom School Apartments**

Sources	Total	Accrued Interest
VHDA REACH	\$ 1,300,000	-
HOME	450,000	-
	-	-
	-	-
	-	-
	-	-
	-	-
Deferred Developer Fee	387,406	-
	-	-
	-	-
VBAF Loan (South Hill)	197,500	-
	-	-
	-	-
	-	-
	-	-
	-	-
Accrued interest during construction	-	-
Operating Income during construction	-	-
Grants (reduction of basis)	-	-
VA State Historic Credit	527,232	-
Capital - General Partner	-	-
Capital - Limited Partner	5,700,900	-
Capital - Special Limited Partner	-	-
Capital - Other	-	-
<b>Total Sources</b>	<b>\$ 8,563,038</b>	

Notes / Comments

Sources During Construction	Total	Rate	Term
First Citizens Bank	5,000,000	5.51%	30
Construction Loan 2			
Construction Loan 3			
Construction Loan 4			
Construction Loan 5			
Construction Loan 6			
Red Stone Bridge Loan			
<b>Total Cons. Financing</b>	<b>\$ 5,000,000</b>		

**Limited Partner Capital Contributions:**

99.98%	0.8700	\$ 6,000,000	\$	5,218,956	Fed LIHTC
99.98%	0.8000	\$ 602,550	\$	481,944	Fed Historic
99.98%	-	\$ -	\$	-	Solar
99.98%	-	\$ -	\$	-	Geothermal
0.00%	-	\$ -	\$	-	State LIHTC
100.00%	0.7000	\$ 753,188	\$	527,232	State Historic
Additional Contribution:			\$	-	
			\$	5,700,900	



**Groom School Apartments**

**Uses of Funds**

Uses	Total	Eligible Basis	Dep. Basis	Expensed/Amort.	Non-Dep.	Comments
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	
Building Acquisition	50,000	50,000	-	-	-	
Other Acquisition Costs	-	-	-	-	-	
<b>Subtotal \$</b>	<b>150,000</b>					
Structures and Rehabilitation	4,393,924	4,326,555	4,393,924	-	-	
Site Work	218,095	218,095	218,095	-	-	SOVs
Personal Property	402,963	402,963	402,963	-	-	SOVs
Energy Expenditures	400,342	400,342	400,342	-	-	- Excess sources added to contain
Construction Contingency	310,062	310,062	310,062	-	-	
General Renovations	311,999	311,999	311,999	-	-	
Builder Profit	103,700	103,700	103,700	-	-	
Builder Overhead	-	-	-	-	-	
Building Permits	-	-	-	-	-	
P&P Bond Costs	-	-	-	-	-	
Environmental Remediation	197,500	197,500	197,500	-	-	
Demolition Costs	-	-	-	-	-	
Off-Site Work	-	-	-	-	-	
Other 2	-	-	-	-	-	5463268
Other 3	-	-	-	-	-	1918309
<b>Subtotal</b>	<b>6,577,685</b>					<b>7386577</b>
Architect - Design	180,000	180,000	180,000	-	-	
Architect- Supervision	97,500	97,500	97,500	-	-	
Municipal/Tip Fees	-	-	-	-	-	includes engineering and design fees
Insurance Fees	-	-	-	-	-	
Appraisal/Market Study	11,500	11,500	11,500	-	-	
Title and Recording	35,000	35,000	35,000	-	-	
Legal	66,600	45,000	45,000	-	-	
Organizational Legal	3,000	3,000	3,000	-	-	
Accounting/Cost Cert.	18,000	15,000	15,000	-	-	
Phase I/Environmental	-	-	-	-	-	
Solar/Geotech	9,400	9,400	9,400	-	-	
Survey	8,000	8,000	8,000	-	-	
Tax Credit Fees	43,000	43,000	43,000	-	-	
Construction Period Taxes/Ins.	47,000	47,000	47,000	-	-	
Soft Cost Contingency	25,000	25,000	25,000	-	-	
Platting Fees	-	-	-	-	-	
Energy Consultant/Nitrogen credits	60,574	60,574	60,574	-	-	
<b>Subtotal</b>	<b>604,574</b>					
CBF Capitalized	135,000	135,000	135,000	-	-	
CFI Expensed	45,000	45,000	45,000	-	-	
Predevelopment Interest	-	-	-	-	-	
Bridge Loan Interest	-	-	-	-	-	
Assumed CPI	-	-	-	-	-	
Developer Fee	818,205	818,205	818,205	-	-	
Permit Loan Fees	13,000	13,000	13,000	-	-	
Construction Loan Fees	49,200	49,200	49,200	-	-	includes inspections
Bond Issuance Costs	-	-	-	-	-	
Rent-Up	31,500	31,500	31,500	-	-	includes rent up reserve
Marketing	-	-	-	-	-	
Organization	-	-	-	-	-	
Syndication Costs	20,000	20,000	20,000	-	-	20000
<b>Subtotal</b>	<b>51,500</b>					
Replacements Reserves	-	-	-	-	-	
Operating Reserves	158,874	158,874	158,874	-	-	158,874
Tax/Insurance Escrow	-	-	-	-	-	
Rent Up Reserve	-	-	-	-	-	
Other 2	-	-	-	-	-	
<b>Subtotal</b>	<b>158,874</b>					
<b>Total Uses</b>	<b>\$ 8,563,038</b>	<b>\$ 8,563,038</b>	<b>\$ 8,021,695</b>	<b>\$ 8,085,064</b>	<b>\$ 195,100</b>	<b>\$ 278,574</b>

**Hard Cost Contingency Calc:**

Contingency in Contract?	No
Total Hard Costs:	6,537,685
Less Contingency	400,342
Less Other 1	197,500
FTE	30,000
Less Other 3	-
Construction Contract =	5,909,843
Contingency % =	6.77%

Geothermal Credit Calculation		Solar Credit Calculation	
Placed in Service Date	8/1/2019	Placed in Service Date	8/1/2019
Geothermal System Costs	-	System Costs	-
Geothermal Rebate	-	Const. Contingency	-
Adj. Geo System Costs	-	PV & Solar H2O Costs	-
Adj. Geo System Costs	-	Const. Period Interest	-
Adj. Geo System Costs	-	Interest on Bonds	-
Geo Credit %	10%	Const Period Insurance	-
Total Geo Credits	-	Cost of Issuance	-
Total Geo Credits	-	Legal - Construction	-
Non-Depricable %	50%	Developer Fee	-
Geo Rebate (non-depr)	-	Rebate	-
Total Non-Depricable	-	Adj. System Costs	-
Adj. System Costs	-	Adj. System Costs	-
Credit %	30%	Total Credits	-
Total Credits	-	Total Credits	-
Non-Depricable %	50%	Total Credits	-
Rebate (non-depr)	-	Total Credits	-
Total Non-Depricable	-	Total Credits	-

Cap. Interest from FoF:	82,979
Exp. Interest from FoF:	141,590
	224,569
	249,707
	25,138
	5,577,998
	5,579,735
	4,203



**Groom School Apartments**

**Operating Expenses**

Variable Expenses	Annual	Per Unit
Administrative		
Accounting	8,110	147
Advertising	1,500	27
Professional Fees	-	-
Leased Equipment	-	-
Legal/Partnership	308	6
Social Services	1,200	22
Model Apartment Rent	-	-
Office Expenses	-	-
Telephone	5,400	98
Other Office Expenses	4,325	79
General	6,300	115
<b>Total</b>	<b>\$ 27,143</b>	<b>\$ 494</b>
Repair and Maintenance		
Elevator	-	-
Exterminating	-	-
Grounds	-	-
Repairs	-	-
Trash	-	-
Contract Services	46,750	850
Other R&M	-	-
General	-	-
<b>Total</b>	<b>\$ 46,750</b>	<b>\$ 850</b>
Payroll		
Administrative Payroll	21,840	397
R&M Payroll	20,280	369
Payroll Taxes and Insurance	10,519	191
General	-	-
<b>Total</b>	<b>\$ 52,639</b>	<b>\$ 957</b>
Utilities		
Gas	-	-
Electric	18,000	327
Water & Sewer	23,071	419
Other Utilities	-	-
General	-	-
<b>Total</b>	<b>\$ 41,071</b>	<b>\$ 747</b>
<b>Total Variable Expenses:</b>	<b>\$ 167,603</b>	<b>\$ 3,047</b>

Fixed Expenses	Annual	Per Unit
Insurance		
Property Insurance	12,331	224
Other Insurance	-	-
<b>Total</b>	<b>\$ 12,331</b>	<b>\$ 224</b>
Management Fee		
Percent of Revenues:	6.00%	20,909
Fee/unit/month:	-	-
Management Fee - Annual	-	-
<b>Total</b>	<b>\$ 20,909</b>	<b>\$ 380</b>
Real Estate Taxes		
Real Estate Taxes	27,800	505
Other RE Taxes	-	-
<b>Total</b>	<b>\$ 27,800</b>	<b>\$ 505</b>
<b>Total Fixed Expenses:</b>	<b>\$ 61,040</b>	<b>\$ 1,110</b>
<b>Total All Expenses:</b>	<b>\$ 228,643</b>	<b>\$ 4,157</b>
Replacement Reserve		
RR Start Date	5/1/2020	
Red Stone RR	16,500	300
Lender RR	-	-
Replacement Reserve - Annual	-	-
<b>Total</b>	<b>\$ 16,500</b>	<b>\$ 300</b>
<b>Total Expenses &amp; RR</b>	<b>\$ 245,143</b>	<b>\$ 4,457</b>

Expense Summary	Annual	Per Unit
Advertising & Promotion	1,500	27
Administrative	25,643	466
Management Fee	20,909	380
Utilities	41,071	747
Maintenance	46,750	850
Payroll (Salaries)	52,639	957
Insurance	12,331	224
RE Tax	27,800	505
Sub Variable & Fixed	\$ 228,643	\$ 4,157
Replacement Reserve	16,500	300
<b>Total Expense &amp; RR</b>	<b>\$ 245,143</b>	<b>\$ 4,457</b>

Trending Assumptions	
Expense Inflation:	103.0%
RE Tax Inflation:	103.0%
Mgmt Fee Inflation:	100.0%
Replacement Reserve Inflation:	103.0%

Flow of Funds		Groom School Apartments				
Sources	Cons. Period	1/1/2020	5/1/2020	6/1/2020	Thereafter	Total
VHDA REACH	-	-	1,300,000	-	-	1,300,000
HOME	-	-	450,000	-	-	450,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Deferred Developer Fee	-	-	-	-	387,406	387,406
	-	-	-	-	-	-
VBAF Loan (South Hill)	197,500	-	-	-	-	197,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Construction Financing'	\$ 5,008,000	(1,046,106)	(3,961,893)	-	-	(0)
Accrued interest during construction	-	-	-	-	-	-
Operating Income during construction	-	-	-	-	-	-
Grants (reduction of basis)	-	-	-	-	-	-
VA State Historic Credit	1,000	-	526,232	-	-	527,232
Capital - General Partner	-	-	-	-	-	-
Capital - Limited Partner	2,280,360	1,425,225	1,881,297	114,018	-	5,700,900
Capital - Special Limited Partner	-	-	-	-	-	-
Capital - Other	-	-	-	-	-	-
Total	\$ 7,486,860	\$ 379,119	\$ 195,636	\$ 114,018	\$ -	\$ 8,563,038
Uses						
Land	100,000	-	-	-	-	100,000
Building Acquisition	50,000	-	-	-	-	50,000
Other Acquisition Costs	-	-	-	-	-	-
Structures and Rehabilitation	4,593,924	-	-	-	-	4,593,924
Site Work	218,095	-	-	-	-	218,095
Personal Property	402,963	-	-	-	-	402,963
Energy Expenditures	-	-	-	-	-	-
Construction Contingency	238,350	161,992	-	-	-	400,342
General Requirements	310,062	-	-	-	-	310,062
Builder Profit	311,099	-	-	-	-	311,099
Builder Overhead	103,700	-	-	-	-	103,700
Building Permits	-	-	-	-	-	-
P&P Bond Costs	-	-	-	-	-	-
Environmental Remediation	197,500	-	-	-	-	197,500
Demolition Costs	-	-	-	-	-	-
Off-Site Work	-	-	-	-	-	-
Other 2	0	-	-	-	-	-
Other 3	-	-	-	-	-	-
Architect - Design	180,000	-	-	-	-	180,000
Architect - Supervisor	97,500	-	-	-	-	97,500
Municipal/Tap Fees	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-
Appraisal/Market Study	11,500	-	-	-	-	11,500
Title and Recording	35,000	-	-	-	-	35,000
Legal	66,600	-	-	-	-	66,600
Organizational Legal	3,000	-	-	-	-	3,000
Accounting/Cost Cert	18,000	-	-	-	-	18,000
Phase I/Environmental	-	-	-	-	-	-
Soils/Geotech	9,400	-	-	-	-	9,400
Survey	8,000	-	-	-	-	8,000
Tax Credit Fees	43,000	-	-	-	-	43,000
Construction Period Taxes/Ins	27,073	19,927	-	-	-	47,000
Soft Cost Contingency	-	-	-	-	-	-
Historic Fees	25,000	-	-	-	-	25,000
Other 2	0	-	-	-	-	-
Energy Consultant/Nitrogen credit	60,574	-	-	-	-	60,574
CPI Capitalized	135,000	-	-	-	-	135,000
CPI Expensed	-	45,000	-	-	-	45,000
Predevelopment Interest	-	-	-	-	-	-
Bridge Loan Interest	-	-	-	-	-	-
Accrued CPI	-	-	-	-	-	-
Developer Fee	172,320	107,700	36,762	114,018	387,406	818,205
Perm Loan Fees	-	13,000	-	-	-	13,000
Construction Loan Fees	49,200	-	-	-	-	49,200
Bond Issuance Costs	-	-	-	-	-	-
Rent-Up	-	31,500	-	-	-	31,500
Marketing	-	-	-	-	-	-
Organization	-	-	-	-	-	-
Syndication Costs	20,000	-	-	-	-	20,000
Replacements Reserves	-	-	-	-	-	-
Operating Reserves	-	-	158,874	-	-	158,874
Tax/Insurance Escrow	-	-	-	-	-	-
Rent Up Reserve	-	-	-	-	-	-
Other 2	-	-	-	-	-	-
Total	\$ 7,486,860	\$ 379,119	\$ 195,636	\$ 114,018	\$ -	\$ 8,563,038

**Groom School Apartments**

**Credit Calculation**

LIHTC Tax Credit Calculation		Historic Credit Calculation	
	Rehabilitation	Commercial	Total
Eligible Basis	\$ 8,021,695		
Less:			
Acquisition Costs	(50,000)		
Historic Credits	(602,550)		
Grants	-		
Acquisition Dev. Fee	-		
Garages	-		
VBAF Loan	(197,500)		
Other 2	-		
	\$ 7,171,645	\$ 50,000	\$ 50,000
Eligible Basis	\$ 7,171,645	\$ 50,000	\$ 50,000
DDA/QCT	130%	100%	100%
Total Eligible Basis	9,323,138	50,000	50,000
Basis Limitation	-	-	-
Low Income %	100.00%	100.00%	100.00%
Qualified Basis	9,323,138	50,000	50,000
Tax Credit Rates	9.00%	0.00%	
LIHTC Calculated	839,082	-	-
LIHTC Reservation	600,000	-	-
Actual LIHTC	600,000	-	-

Historic Credit Calculation		Historic Credit Calculation	
	Rehabilitation	Commercial	Total
Depreciable Basis	8,089,064		
Less:			
Acquisition Cost	(50,000)		
Personal Property	(402,963)		
Sitework	(218,095)		
Grants	-		
Bldg Additions/(Demo)	(4,405,255)		
Ineligible Interest	-		
Other 1	-		
Other 2	-		
Historic Credit Basis	3,012,751		
Tax Credit %	20%	20%	20%
Total Historic Credit	602,550		602,550

	2019	2020	2021	2022	2023
Delivery	120,510.04	120,510.04	120,510.04	120,510.04	120,510.04
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

Projected 15 Yr Cash Flow

Groom School Apartments

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Revenues</b>																		
Gross LHFC Rental Revenue	370,334	382,984	396,643	398,456	405,425	414,554	422,845	431,302	439,928	448,726	457,701	466,855	476,192	485,716	495,430	505,330		
Gross Market Rental Revenue	(3,982)	(25,925)	(25,925)	(27,345)	(28,450)	(29,250)	(30,191)	(31,111)	(32,030)	(32,951)	(33,880)	(34,800)	(35,716)	(36,625)	(37,530)	(38,430)	(39,325)	(40,215)
Less: Vacancies	32,908	344,429	346,175	363,175	370,584	377,976	385,535	393,246	401,111	409,133	417,316	425,662	434,175	442,859	451,716	460,750		
Net Rental Revenues	949	6,175	6,386	6,514	6,644	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099	8,261	8,426	
Rental Subsidy (Net)	18,804	14,103	9,402	4,701	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RE Tax Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	72,660	364,708	371,963	374,513	377,238	384,752	392,448	400,296	408,302	416,488	424,798	433,294	441,960	450,799	459,815	469,011	478,391	
<b>Expenses</b>																		
Variable Expenses	25,902	170,277	171,810	183,144	188,639	194,298	200,127	206,131	212,314	218,684	225,244	232,002	238,962	246,131	253,515	261,120	268,954	
Insurance	5,138	12,701	13,082	13,474	13,879	14,295	14,724	15,166	15,621	16,089	16,572	17,069	17,581	18,108	18,652	19,211	19,788	
Management Fee	4,260	21,882	22,318	22,471	22,632	22,801	22,978	23,163	23,358	23,558	23,762	23,970	24,182	24,398	24,618	24,841	25,068	
Real Estate Taxes - Total	11,503	28,034	29,493	30,378	31,286	32,228	33,195	34,190	35,216	36,272	37,361	38,482	39,636	40,825	42,050	43,311	44,611	
Project Operating Exp.	46,683	233,494	242,703	249,467	256,439	263,696	271,594	279,994	287,649	295,634	304,065	312,967	322,297	332,112	342,485	353,381	364,806	
NOI Before Replacement Reserves	25,977	131,213	129,260	125,046	120,740	120,855	120,855	120,302	120,133	120,133	120,133	119,744	119,263	118,697	118,010	117,228	116,336	
Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income	25,977	131,213	129,260	125,046	120,740	120,855	120,855	120,302	120,133	120,133	120,133	119,744	119,263	118,697	118,010	117,228	116,336	
Plus Other Cash Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Reserve Accts.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Cash Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow	25,977	131,213	129,260	125,046	120,740	120,855	120,855	120,302	120,133	120,133	120,133	119,744	119,263	118,697	118,010	117,228	116,336	
<b>Cash Requirements/Withdrawals:</b>																		
Operating Lease at Source	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YHDA REACH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intensive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	25,977	131,213	129,260	125,046	120,740	120,855	120,855	120,302	120,133	120,133	120,133	119,744	119,263	118,697	118,010	117,228	116,336	
Funded from Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funded by Operating Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash for Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Limited Partner Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow to Fund	25,977	131,213	129,260	125,046	120,740	120,855	120,855	120,302	120,133	120,133	120,133	119,744	119,263	118,697	118,010	117,228	116,336	
Cumulative	25,977	157,186	286,446	411,492	532,232	648,087	764,942	882,797	1,001,630	1,121,463	1,242,296	1,364,129	1,486,962	1,610,795	1,735,628	1,861,461	1,988,294	2,116,127
Debt Service Coverage Ratio	1.25	1.42	1.36	1.30	1.24	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
DSCR All Hand D-84	1.25	1.42	1.36	1.30	1.24	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Income to Expense Ratio	1.25	1.42	1.36	1.30	1.24	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Income/(Loss)</b>																	
<b>NOI before Rep. Reserves</b>																	
Other Taxable Income:																	
Interest on Reserves	-	25,677	131,213	129,260	125,046	120,769	120,847	120,855	120,792	120,653	120,495	120,133	119,744	119,263	118,687	118,010	117,228
State Income Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	526,252	2,118	3,397	3,737	4,087	4,448	4,819	3,560	3,954	4,359	4,777	5,208	3,620	4,077	4,548	5,032
<b>Total</b>	-	526,252	2,118	3,397	3,737	4,087	4,448	4,819	3,560	3,954	4,359	4,777	5,208	3,620	4,077	4,548	5,032
<b>Partnership Deductions:</b>																	
<i>Interest Limitation Adjustment</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumption Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VHDA REACH	-	-	(25,411)	(37,439)	(35,745)	(34,860)	(34,860)	(33,948)	(33,009)	(32,042)	(31,046)	(30,020)	(28,964)	(27,876)	(26,755)	(25,601)	(24,412)
HOME	-	-	(9,000)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)
3rd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP Asset Management Fee	-	(833)	(5,120)	(5,305)	(5,464)	(5,628)	(5,797)	(5,971)	(6,150)	(6,335)	(6,525)	(6,721)	(6,923)	(7,131)	(7,345)	(7,565)	(6,693)
6th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	-	(3,228)	(18,248)	(15,971)	(15,195)	(14,606)	(14,219)	(13,826)	(13,432)	(13,121)	(12,820)	(12,536)	(12,272)	(12,036)	(11,824)	(11,634)	(9,888)
GP Asset Management Fee	-	(3,333)	(20,600)	(21,218)	(21,855)	(22,511)	(23,186)	(23,882)	(24,598)	(25,336)	(26,096)	(26,879)	(27,685)	(28,516)	(29,371)	(30,252)	(25,967)
10th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan (South Hill)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	(7,394)	(78,409)	(93,453)	(92,618)	(91,990)	(91,562)	(91,127)	(90,689)	(90,334)	(89,987)	(89,656)	(89,344)	(89,059)	(88,805)	(88,577)	(88,370)
Depreciation	-	721,182	227,088	227,088	227,088	227,088	227,088	243,508	233,360	242,851	236,546	236,546	252,128	239,585	246,386	238,787	238,787
Amortizable Expense	-	33,778	48,680	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	5,487	4,209
	-	754,960	275,768	232,575	232,575	232,575	232,575	248,995	258,847	248,338	242,033	242,033	257,614	265,072	252,073	244,274	242,996
<b>Taxable Income/(Loss)</b>	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(198,303)	(197,841)	(197,384)	(196,922)	(196,479)	(196,047)	(195,626)	(195,214)	(194,811)	(194,413)
Pre-Admission Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*use as loss override	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Initial Income/(Loss) to L.P.</b>	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(198,303)	(197,841)	(197,384)	(196,922)	(196,479)	(196,047)	(195,626)	(195,214)	(194,811)	(194,413)
Less Reallocations to G.P.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income/(Loss) to Fund</b>	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(198,303)	(197,841)	(197,384)	(196,922)	(196,479)	(196,047)	(195,626)	(195,214)	(194,811)	(194,413)
<b>Cumulative</b>	-	(210,403)	(431,205)	(624,517)	(820,888)	(1,020,556)	(1,219,358)	(1,433,763)	(1,658,902)	(1,872,924)	(2,080,109)	(2,286,847)	(2,508,809)	(2,740,010)	(2,958,181)	(3,168,652)	(3,369,618)
<b>Tax Credits</b>																	
Federal LIHTC	-	95,350	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Credits to the Fund	-	95,350	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880	599,880
5 Years	-	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510	120,510
Credits to the Fund	-	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486	120,486
10 Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credits to the Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credits to the Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credits to the Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Reserve Accounts**

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Replacement Reserves</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year				11,000	27,995	45,500	63,530	82,101	19,128	38,830	59,123	80,025	101,553	22,175	45,014	68,540	92,770	117,728	25,706	
Deposit from initial uses	2020																			
Current year interest income	2.00%			220	560	910	1,271	1,642	383	777	1,182	1,600	2,031	443	900	1,371	1,855	2,355	514	
Current year deposit from operations			11,000	16,995	17,505	18,030	18,571	19,128	19,702	20,293	20,902	21,529	22,175	22,840	23,525	24,231	24,958	25,706	26,478	
Less interest income included in C/F	Yes			(220)	(560)	(910)	(1,271)	(1,642)	(383)	(777)	(1,182)	(1,600)	(2,031)	(443)	(900)	(1,371)	(1,855)	(2,355)	(514)	
Less expenditures made from account																				
End of Year Balance		11,000	27,995	45,500	63,530	82,101	101,553	121,175	141,175	161,175	181,175	201,175	221,175	241,175	261,175	281,175	301,175	321,175	341,175	361,175

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Operating Reserves</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year				158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874
Deposit from initial uses	2020																			
Current year interest income	2.00%			2,118	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177
Current year deposit from operations																				
Less interest income included in C/F	Yes			(2,118)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)
Less expenditures made from account																				
End of Year Balance		158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874	158,874

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Tax/Insurance Escrow</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year																				
Deposit from initial uses	2020																			
Current year interest income	2.00%																			
Current year deposit from operations																				
Less interest income included in C/F	Yes																			
Less expenditures made from account																				
End of Year Balance																				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Rent Up Reserve</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year																				
Deposit from initial uses	2020																			
Current year interest income	2.00%																			
Current year deposit from operations																				
Less interest income included in C/F	Yes																			
Less expenditures made from account																				
End of Year Balance																				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Other 2</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year																				
Deposit from initial uses	2020																			
Current year interest income	2.00%																			
Current year deposit from operations																				
Less interest income included in C/F	Yes																			
Less expenditures made from account																				
End of Year Balance																				

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
<b>Other 2</b>																				
Interest Start	5/1/2020																			
Balance at beginning of year																				
Deposit from initial uses	2020																			
Current year interest income	2.00%																			
Current year deposit from operations																				
Less interest income included in C/F	Yes																			
Less expenditures made from account																				
End of Year Balance																				





**Limited Partner Capital Account**

**Groom School Apartments**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Capital Account % 99.98%																	
Beginning Balance	\$ 570,090	\$ 1,949,471	\$ 5,028,723	\$ 4,714,924	\$ 4,714,924	\$ 4,398,067	\$ 4,077,913	\$ 3,879,111	\$ 3,664,706	\$ 3,439,567	\$ 3,225,544	\$ 3,018,359	\$ 2,811,621	\$ 2,599,659	\$ 2,358,458	\$ 2,140,287	\$ 1,929,816
Contributions	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Distributions	-	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)	(120,486)
Energy Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historic Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income/(Losses) to L.P.	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,599,659	2,358,458	2,140,287	1,929,816
Renunciation of losses to G.P.	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(214,405)	(225,139)	(214,022)	(207,183)	(206,738)	(221,962)	(231,201)	(218,171)	(210,471)	(200,966)
Total Income/(Losses) to L.P.	-	(210,403)	(220,802)	(193,312)	(196,371)	(199,668)	(198,802)	(214,405)	(225,139)	(214,022)	(207,183)	(206,738)	(221,962)	(231,201)	(218,171)	(210,471)	(200,966)
Year End Balance	\$ 570,090	\$ 1,949,471	\$ 5,028,723	\$ 4,714,924	\$ 4,398,067	\$ 4,077,913	\$ 3,879,111	\$ 3,664,706	\$ 3,439,567	\$ 3,225,544	\$ 3,018,359	\$ 2,811,621	\$ 2,599,659	\$ 2,358,458	\$ 2,140,287	\$ 1,929,816	\$ 1,728,850
<b>Basis Calculation</b>																	
Capital Account Balance before losses	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,599,659	2,358,458	2,140,287	1,929,816
Minimum Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deficit Restoration Obligation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Loss Allocation	570,090	2,159,874	5,249,525	4,908,236	4,594,438	4,277,581	4,077,913	3,879,111	3,664,706	3,439,566	3,225,544	3,018,359	2,811,621	2,599,659	2,358,458	2,140,287	1,929,816
<b>Nonrecourse Debt Analysis</b>																	
VHDA REACH	100%	1,281,843	1,253,930	1,225,182	1,195,575	1,165,083	1,133,679	1,101,336	1,068,026	1,033,720	998,388	962,000	924,524	885,977	846,176	805,236	764,000
HOME	100%	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
3rd	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LP Asset Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Asset Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan (South Hill)	100%	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500
12th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16th	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive Management Fee	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Lender-Held Reserves	Yes	(11,000)	(27,995)	(65,500)	(65,500)	(63,530)	(82,101)	(138,128)	(38,830)	(59,122)	(80,025)	(101,553)	(22,175)	(45,014)	(68,540)	(92,770)	(117,728)
Replacements Reserves	Yes	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)	(158,874)
Operating Reserves	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax/Insurance Escrow	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Up Reserve	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 2	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Book Value of Assets</b>																	
Initial Depreciable Cost	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514	7,486,514
Land	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other non-depreciable costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional to depreciable basis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Credit Basis Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	-	(721,182)	(948,270)	(1,175,358)	(1,402,446)	(1,629,534)	(1,856,622)	(2,100,131)	(2,353,491)	(2,596,342)	(2,832,888)	(3,069,434)	(3,321,562)	(3,581,147)	(3,827,734)	(4,066,521)	(4,305,308)
Net Book Value	\$ 7,386,514	\$ 6,865,332	\$ 6,638,244	\$ 6,411,155	\$ 6,184,067	\$ 5,956,979	\$ 5,729,891	\$ 5,568,484	\$ 5,315,124	\$ 5,072,272	\$ 4,835,726	\$ 4,599,180	\$ 4,448,606	\$ 4,189,021	\$ 3,942,434	\$ 3,703,647	\$ 3,464,860
Minimum Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L.P. Minimum Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Lower Tier Benefits Schedule												Groom School Apartments				
Year	Equity Contribution	Projected Taxable Income (Loss)	Deduct Stressed Cash Flow	Projected Tax Benefits	Projected Tax Benefits 21.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits	Projected Historic Credits	Projected Energy Credits	Projected Total Tax Benefits	0.00% Projected Cash Flow	Total Investing L.P. Benefits		
2018	570,090	-	-	-	-	-	-	-	-	-	-	-	-	-		
2019	1,710,270	(210,403)	0	44,185	95,331	120,486	120,486	-	-	-	-	260,002	-	260,002		
2020	3,420,540	(220,802)	0	46,368	599,880	120,486	120,486	-	-	-	-	766,734	-	766,734		
2021	-	(193,312)	0	40,596	599,880	120,486	120,486	-	-	-	-	760,962	-	760,962		
2022	-	(196,371)	-	41,238	599,880	120,486	120,486	-	-	-	-	761,604	-	761,604		
2023	-	(199,688)	0	41,930	599,880	120,486	120,486	-	-	-	-	762,296	-	762,296		
2024	-	(198,802)	-	41,748	599,880	-	-	-	-	-	-	641,628	-	641,628		
2025	-	(214,405)	0	45,025	599,880	-	-	-	-	-	-	644,905	-	644,905		
2026	-	(225,139)	0	47,279	599,880	-	-	-	-	-	-	647,159	-	647,159		
2027	-	(214,022)	0	44,945	599,880	-	-	-	-	-	-	644,825	-	644,825		
2028	-	(207,185)	-	43,509	599,880	-	-	-	-	-	-	643,389	-	643,389		
2029	-	(206,738)	0	43,415	504,549	-	-	-	-	-	-	547,964	-	547,964		
2030	-	(221,962)	0	46,612	-	-	-	-	-	-	-	46,612	-	46,612		
2031	-	(231,201)	0	48,552	-	-	-	-	-	-	-	48,552	-	48,552		
2032	-	(218,171)	0	45,816	-	-	-	-	-	-	-	45,816	-	45,816		
2033	-	(210,471)	-	44,199	-	-	-	-	-	-	-	44,199	-	44,199		
2034	-	(200,966)	-	42,203	-	-	-	-	-	-	-	42,203	-	42,203		
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>5,700,900</b>	<b>(3,369,618)</b>	<b>2</b>	<b>707,620</b>	<b>5,998,800</b>	<b>602,430</b>	<b>602,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,308,850</b>	<b>-</b>	<b>7,308,850</b>		
<b>Sale</b>		<b>(1,728,850)</b>		<b>363,058</b>								<b>363,058</b>		<b>363,058</b>		
<b>Totals</b>	<b>5,700,900</b>	<b>(5,098,468)</b>	<b>2</b>	<b>1,070,679</b>	<b>5,998,800</b>	<b>602,430</b>	<b>602,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,671,909</b>	<b>-</b>	<b>7,671,909</b>		

**ATTACHMENT 3  
ELIGIBLE BASIS**

Structures and Rehabilitation	4,526,555
Site Work	218,095
Personal Property	402,963
Construction Contingency	400,342
General Requirements	310,062
Builder Profit	311,099
Builder Overhead	103,700
Environmental Remediation	197,500
Architect - Design	180,000
Architect – Supervision	97,500
Appraisal Market Study	11,500
Legal	45,000
Accounting/Cost Cert	15,000
Soils/Geotech	9,400
Survey	8,000
Construction Period Taxes/Ins.	47,000
Historic Fees	25,000
Energy Consultant/Nitrogen credits	60,574
CPI Capitalized	135,000
Developer Fee	818,205
Construction Loan Fees	49,200
Less: Historic Credits	-602,550
Less: Town of South Hill Loan	-197,500
<b>Total Eligible Basis:</b>	<b>\$7,171,645</b>

**EXHIBIT O  
TO OPERATING AGREEMENT**

Management Agreement

MANAGEMENT AGREEMENT  
FOR GROOM SCHOOL APARTMENTS, LLC

This Agreement is made this 1<sup>st</sup> day of June, 2018 between Groom School Apartments, LLC (the "Owner") and Landmark Property Management Company, (the "Agent") under the terms and conditions set forth herein.

I. General

A. Appointment and acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in paragraph I B of this agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this agreement.

B. Project description. The property to be managed by the Agent under this agreement (the "Project") is a housing development consisting of the land, buildings, and other improvements. The Project is further described as follows:

Name:		Groom School Apartments
Location	City:	South Hill
	State:	Virginia
	County:	Mecklenburg
No. of dwelling units:		55
Type of units:		Family

C. Definitions. As used in this agreement:

1. "VHDA" means Virginia Housing Development Agency.
2. "Principal Parties" means the Owner and the Agent.
3. "Agent," as used throughout this agreement, means the person or business entity, including employees at the Agent's office and project site, engaged in the task of providing management of a VHDA financed Multi-Family Housing project in contractual arrangement with the Owner.

D. Identity of Interest. The Agent discloses to the Owner and VHDA any and all identities of interest that exist or will exist between the Agent and the Owner, suppliers of material and/or services, or vendors in any combination of relationship. Such disclosure is described in the attached Management and Occupancy Plan, paragraph 1.B.

E. VHDA requirements. In performing its duties under this management agreement, the Agent will comply with all relevant requirements of the VHDA program. VHDA requirements include preparation of forms and reports in the format of prescribed VHDA forms and exhibits.

F. Basic information. The Owner will furnish the Agent with a complete set of "as built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the Agent will become thoroughly familiar with the character, location, construction, layout, plan, and operation of the project.

G. Compliance with government orders The Agent will take such action as it may deem necessary to comply promptly with and all governmental or other requirements affecting the project, whether imposed by Federal, State, county, or municipal authority, subject, however, to the limitation stated in paragraph IV D of this exhibit with respect to litigation and repairs. Nevertheless, the Agent shall take no action so long as the Owner is contesting, or has affirmed its intention to contest, any such governmental order or requirement. The Agent will notify the Owner in writing of all notices of such governmental order or other requirements, within 72 hours from the time of their receipt.

H. Nondiscrimination. In the performance of its obligations under this agreement, the Agent will comply with the provisions of any Federal, State, or local Fair Housing law prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, or handicap. Other nondiscrimination provisions include Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975 and the Fair Housing Amendments Act of 1988, as they relate to the multi-housing program.

I. Fidelity coverage. The Agent agrees to furnish, at its own expense, fidelity coverage to the Owner, with copy to the VHDA Office on the employees of the Agent who are entrusted with the receipt, custody, and disbursement of any project monies, securities, or readily saleable property other than money or securities. The site manager and maintenance technician's portion of the coverage will be a project expense. Coverage of \$500,000 will be provided. The Agent will obtain coverage from a company licensed to provide coverage in the project locality. Coverage will be in force to coincide with the assumption of fiscal responsibility by the Agent until that responsibility is relinquished. Endorsement listing VHDA projects separate from other projects or operations will be obtained and made part of the coverage policy or bond. The other terms and conditions of the coverage, and the surety thereon, will be subject to the requirements and approval of the owner.

J. Bids, discounts, rebates, etc. With prior approval of the Owner, the Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the project, and is authorized to solicit bids, either formal or informal, for those items, which can be obtained from more than one source. The Agent will secure and credit to the Owner all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Owner's behalf.

II. Management plans.

A. Description. Attached is a copy of the management plan for the project, which provides a comprehensive description of the policies and procedures to be followed in the management of the project.

B. Relationship with management plan. The Agent shall conduct its management activities in accordance with the policies and procedures set forth in the management plan. In addition, the Agent will also carry out the tasks and responsibilities set forth in paragraph IV of this agreement.

C. Division of duties and common expense. An identification of duties and supervisory relationship for project site staff and Agent's office staff are described in the management plan as is the pro rata division of singularity incurred operating expense common to the Agent and the Owner.

III. Budget.

A. Preparation. Each year the Agent shall prepare a project budget for submission to the Owner and Lenders for approval.

B. Budget Categories. The budget shall be prepared using a format approved by the owner and lenders.

IV. Agent's authorizations. The Owner authorizes the Agent to:

A. Operate the project according to the Owner's management plan and in compliance with the Owner's loan agreement (or resolution) with VHDA, and applicable LIHTC and VHDA regulations and guidelines.

B. Operate and maintain the project within reasonable tolerance (as defined in the partnership agreement) of the expense category subtotals in the project budget.

C. Purchase all material, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the project as stipulated by the Owner in the management plan, project budget, and/or other form of written documentation.

D. Notwithstanding any of the foregoing provisions or any similar provisions that



follow, the prior written approval of the Owner will be required for an expenditure which exceeds \$2500 in any one instance for litigation involving the project, or labor, materials, or otherwise in connection with the maintenance and repair of the project. This limitation is not applicable for recurring expenses within limits of the operating budget or emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.

E. Represent the Owner in specific matters related to management of the project.

V. Agent's obligations.

A. Management input with VHDA. The Agent's specific tasks will be:

1. Participation in any conference with VHDA officials involving project management.
2. Preparation and submission to VHDA of a quarterly occupancy report through the first year of the LIHTC period and annually thereafter. If the management is authorized to sign the reports for the Owner, a copy of the signed report as submitted to VHDA will be provided to the Owner.
3. Participation in any on-site inspection of the project required by VHDA.

B. Liaison with Owner

1. Periodic review of the management plan, for the purpose of advising the Owner of necessary or desirable changes.
2. Inform the Owner and lenders as necessary of VHDA concerns regarding the physical and financial well being of the property.

C. Marketing. The Agent will market the rental units according to the management plan, observe all requirements of the Affirmative Fair Housing Marketing Plan, and maintain records of the marketing activity for compliance review purposes.

D. Rentals. The Agent will offer for rent and will endeavor to rent the dwelling units in the project. The Following provisions will apply:

1. The Agent will make available applications to anyone who wishes to apply.
2. The Agent will follow the tenant selection policy described in the management plan.

3. The Agent will show the premises and available units to all prospective tenants without regard to race, color, national origin, sex, religion, familial status, handicap or age (unless specifically provided for in the Fair Housing Amendments Act of 1988); and will provide for reasonable accommodation to individuals with handicaps.

4. The Agent will take and process all applications received for rentals. If an application is rejected, the Agent will inform the applicant in writing of the reason for rejection. The rejected application, with the reason for rejection noted thereon, will be kept on file until a compliance review has been conducted. If the rejection is because of information obtained from a credit bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act. A current list of qualified applicants will be maintained.

5. The Agent will use leases compliant with state law and will execute the same in its name, identified thereon as Agent for the Owner. The terms of all leases will comply with the relevant provisions of VHDA regulations and State and local law. The leases will be in a form approved by the Owner and VHDA.

6. The Agent will use rental and income report forms required by VHDA showing rents as appropriate for dwelling units, other charges for facilities and services, and income data relevant to determinations of tenant eligibility and tenant rents. In no event will the rents and other charges be exceeded.

7. The Agent will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications and re-certifications in accordance with VHDA, LIHTC, and other Lender requirements.

E. Reports. The Agent will furnish information (including occupancy reports) as may be requested by the Owner, VHDA, and/or the Office of Inspector General from time to time with respect to the project's financial, physical, or operational condition. The Agent will also prepare and submit:

Complete monthly financials including balance sheet and statement of cash flows. In addition, the Agent shall prepare and submit all required occupancy reports necessary to maintain compliance with all applicable LIHTC regulations. The Agent shall also prepare the annual operating budget for approval by the owner.

The Agent will assist the Owner in initiating or completing any additional reporting forms and data prescribed by VHDA and any lender affecting the operation and maintenance of the project.

F. Collection of rents, security deposits, and other receipts. The Agent will endeavor to collect when due all rents, charges, and other amounts receivable on the Owner's account in connection with the management and operation of the project. Such receipts will be deposited immediately in the project's general operating account with a

Banking Institution, whose deposits are insured by an agency of the Federal Government. The Agent will collect, deposit, and disburse security deposits, if required, in compliance with any State or local laws governing tenant security deposits. Security deposits will be deposited by the Agent in a separate escrow account, at a federally insured institution. This account will be carried in the Owner's name and designated of record as "Groom School Apartments, LLC Security Deposit Trust Account."

G. Accounting system. The Agent must develop a systematic method to record the business transactions of the project that appropriately reflects the complexity of project operations and the Owner's requirements. The Agent may be required to implement and use a book keeping and accounting system acceptable to VHDA. The accounts described in paragraph VI of this agreement, as a minimum, will be established and regularly maintained by the Agent.

H. Enforcement of leases. The Agent will endeavor to ensure full compliance by each tenant with the terms of the lease. Voluntary compliance will be emphasized. The Agent, using the services of local social service agencies when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by the Agent. Involuntary termination of tenancies should be avoided to the maximum extent consistent with sound management of the project. Nevertheless, and subject to the relevant procedures prescribed in the management plan, the Agent may initiate action to terminate any tenancy when, in the Agent's judgment, there is material noncompliance with the lease or other good cause as prescribed by VHDA regulations for such termination.

The tenant must be properly notified of his/her right to appeal the proposed action according to VHDA regulations. Attorney's fees, and other necessary costs incurred in connection with such actions will be paid out of the general operating account as project expenses.

I. Maintenance and repair. The Agent will endeavor to maintain and repair the project in accordance with the management plan and local codes, and keep it in a condition acceptable to the Owner and VHDA at all times. This will include, but is not limited to, cleaning, painting, decorating, plumbing, carpentry, grounds care, energy conservation measures and practices, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incidental thereto, the following provisions will apply:

1. Special attention will be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees will be used.

2. The Agent will contract with qualified independent contractors

acceptable to the Owner for the maintenance and repair of air conditioning, heating systems, and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees. Any identity of interest will be identified in accordance with paragraph I D.

3. The Agent will systematically receive and promptly investigate all service requests from tenants, take such action as may be justified, and keep records of the same. Emergency requests will be received and serviced on a 24-hour basis. Serious complaints will be reported to the Owner after investigation.

4. The Agent will advise the Owner of any cost-effective and adaptable energy conservation measures or practices that should be used in the project. The Agent will encourage their use and will assist the Owner during any installation of these measures or institution of practices.

J. Utilities and services. In accordance with the Owner's management plan, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service.

K. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the project and its operations, and the Agent will cause such insurance to be placed and kept in effect at all times. The Agent will pay premiums out of the general operating account, and premiums will be treated as operating expenses. All insurance will be placed with companies, on conditions, in amounts, and with beneficial interests appearing thereon as shall be acceptable to the Owner and the VHDA provided that the same will include public liability coverage, with the Agent designated as one of the insured, in amounts acceptable to the Agent as well as the Owner with full reports on all accidents, claims, and potential claims for damage relating to the project, and will cooperate with the Owner's insurers in connection therewith.

L. Taxes, fees, and assessments. The Agent shall provide for the payment from project funds all taxes, assessments, and government fees for the Owner promptly when due and payable. The Agent shall also evaluate local property taxes to determine if they bear a fair relationship to the project value and if they do not, at the direction of the Owner, appeal such taxes on behalf of the Owner or assist the Owner in the appeal, whichever is required by local jurisdiction or is appropriate.

M. Employees and/or services. The Agent will employ persons and/or services, (or will manage persons and/or services employed by the Owner) to perform duties and responsibilities at the project site as described in the management plan. Compensation of such persons and/or services will be paid as a direct expense to the project as specified in the management plan and this agreement. The Agent will employ sufficient resources (staff and/or services) within the Agent's obligation to the Owner under the terms of this agreement.

VI. Project accounts. The Agent will maintain and safeguard the Owner's project financial

accounts and tenant security deposit accounts according to the applicable state and lender program requirements.

VII. Agent's compensation, tenure, and identification.

A. Agent's compensation. The Agent will be compensated for its services for providing management described under this agreement, and the Owner's management plan, by monthly fees, to be paid from the general operating account and treated as a project operation and maintenance expense. Such fees will be payable on the first day of each month for the preceding month. The management fee will be based on 6.0% of gross revenue.

B. Term of agreement. This agreement shall be in effect for a period of not more than 3 years, and will automatically renew for successive terms, if 3 years beginning on the 1st day of May, 2018 subject, however, to the following conditions:

1. This agreement may be terminated by mutual consent of the Principal Parties as of the end of any calendar month, provided that at least 30 days advance written notice thereof with reasons given is submitted to VHDA.

2. In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this agreement without notice to the other, provided that prompt written notice with reasons given for such termination is submitted to VHDA.

3. It is expressly understood and agreed by and between the Principal parties that a Lender or Limited Partner may terminate this agreement with substantial cause upon the issuance of a 30-day written notice of cancellation to each of the Principal Parties. It is further understood and agreed that no liability will attach to either of the Principal Parties in the event of such termination.

4. Upon termination of this agreement, the Agent will submit to the Owner all project books and records and any financial statements required by VHDA, Lender, or Limited Partner. Agent agrees to turn over to the Owner all project cash and trust accounts, investments, and records within 30-days of the effective termination date. After the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and Principal amount satisfactory to the Agent, against any obligations or liabilities, which the Agent may properly have incurred on behalf of the Owner hereunder.

C. Agent's indemnification. Notwithstanding any provision of this agreement of any obligation of Agent hereunder, it is understood and agreed; that Owner has assumed and will maintain its responsibility and obligation throughout the term of this

agreement for the finances and the financial stability of the project; and that Agent shall have no obligation, responsibility, or liability to fund authorized project costs, expenses, or accounts other than those funds generated by the project itself or provided to the project or to Agent by Owner. In accordance with the foregoing, Owner agrees that Agent shall have the right at all times to secure payment of its compensation, as provided for under paragraph VII A of this agreement, from the operating and maintenance account, immediately when such compensation is due and without regard to other project obligations or expenses provided the Agent has satisfactorily discharged all duties and responsibilities under this agreement.

Moreover, Owner hereby indemnifies Agent and agrees to hold it harmless with respect to project costs, expenses, accounts, liabilities, and obligations during the term of this agreement and further agrees to guarantee to Agent the payment of its compensation under paragraph VII A of this agreement during the terms of this agreement to the extent that the project's operating and maintenance account is insufficiently funded for this purpose. Failure of Owner at any time to abide by and to fulfill the foregoing shall be a breach of this agreement entitling Agent to obtain from Owner, upon demand, full payment of all compensation owed to Agent through the date of such breach and entitling Agent, at its option, to terminate this agreement forthwith.

VIII. Interpretative provisions.

A. This agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the project. No change will be valid unless made by supplemental written agreement approved by VHDA.

B. This agreement has been executed in several counterparts, each of which shall constitute a complete original agreement, which may be introduced in evidence or used for any other purpose without production of any other counterparts.

C. At all times, this agreement will be subject and subordinate to all rights of VHDA and will work to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns. To the extent that this agreement confers rights upon the consenting parties, it will be deemed to work to their benefit, but without liability to either, in the same manner and work with the same effect as though the consenting parties were primary parties to the agreement.

The Principal parties (by their duly authorized officers) have executed this agreement on the date first above written.

Agent: Landmark Property Management Company

By:

  
Blair Maas, Vice President

Date:

6/1/2018

Owner: Groom School Apartments, LLC

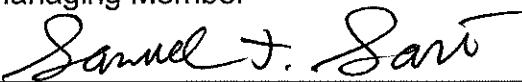
By:

Groom School Apartments, Managing Member, LLC  
Its: Managing Member

By:

Landmark Asset Service, Inc.  
Its: Managing Member

By:

  
Sam Sari, Vice President

Date:

6/1/2018

Attachment:

Management Plan

ADDENDUM TO PROPERTY  
MANAGEMENT AGREEMENT

This Addendum is attached to and made a part of the Management Agreement ("Agreement") between Groom School Apartments, LLC, a(n) Virginia limited liability company ("Owner") and Landmark Property Management Company, (the "Agent") dated June 1, 2018 for the management of 55 units of rental low-income and very low-income multifamily housing known as the Groom School Apartments in South Hill, VA (the "Premises"). Capitalized terms not otherwise defined herein shall have the same definition as set forth in the Agreement.

In consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and the prior verbal understandings of the parties as to the matters covered herein, and the undersigned Owner's continued reliance on the undersigned Agent to lease and manage the Premises under the Agreement, and to induce RSEP Holding, LLC, its successors and/or assigns, ("Owner's Investor Member"), to contribute equity capital to Owner for the development and operation of the Premises, the parties further agree as follows:

A. Low-Income Housing

1. Tax Credit Requirements. Agent acknowledges that Owner is required under the Amended and Restated Operating Agreement dated \_\_\_\_\_ (the "Operating Agreement") to lease **one hundred percent (100%)** of the units (including any manager's units) in the Premises (the "Credit Units") to tenants whose income and rent levels qualify such apartments for inclusion in determining federal low-income housing tax credits (the "Credits") for the Premises, and that the Credits will have substantial economic value to Owner and its partners. Owner shall furnish Agent with written descriptions of such requirements as they relate to Agent's leasing and management duties hereunder. Agent shall comply with all of the provisions of Section 42 of the Internal Revenue Code.

2. Tenant Certification. For all Credit Units, Agent shall require each prospective tenant to complete, execute, and deliver the forms of Residential Lease Tax Credit Program Addendum, Low-Income Lease Rider and Tenant Income Certification, and shall obtain from each prospective tenant's employer the completed and executed form of Employer Verification. A sample form of the Residential Lease Tax Credit Program Addendum is attached hereto as **Exhibit A**. Agent shall also use the Tenant Income Certification attached hereto as **Exhibit B**. Agent shall require prospective tenants and actual tenants to complete these forms in order to provide necessary certification and verification of the amount of such tenant's annual family income, the tenant's family size, and any other information reasonably requested by Owner in writing in connection with the Credits. Agent shall require tenants to certify in writing as to such matters on an annual basis, prior



to such time as the information is required for reporting purposes. Owner shall give Agent advance written notice of such requirements. Agent shall deliver copies of the applicable Lease, rider, certification, and verification for each such Credit Unit to Owner and to Owner's Investor Member.

3. Maximum Income. Owner shall from time to time furnish Agent with an updated and revised schedule of maximum allowable household income to qualify for the Credits, and Agent shall update and revise the form of Low-Income Lease Rider attached hereto as Exhibit A accordingly, as and when changes in such income levels are announced.

4. Maximum Rent. Owner shall from time to time furnish Agent with a written schedule of maximum allowable rents for the apartments to qualify for the Credits, depending on family size, as and when changes in such rent levels are announced. Without Owner's express prior written consent, Agent shall not enter into any lease on behalf of Owner at a rental amount exceeding the applicable maximum.

5. Record Keeping. Agent shall maintain and preserve all written records of tenant family income and size, and any other information reasonably requested by Owner in writing in connection with the Credits, throughout the term of the Agreement, and shall turn all such records over to Owner upon the termination or expiration of the Agreement.

6. Report Preparation. If requested by Owner in writing, Agent shall prepare reports of low-income leasing and occupancy in form suitable for submission in connection with the Credits.

7. HUD Requirements. Agent shall be responsible for or shall assist Owner in the certification and recertification of tenants covered by any Housing Assistance Payments Contract that may be applicable to the Premises with respect to federal Section 8 rent subsidies, following procedures required by the U.S. Department of Housing and Urban Development ("HUD").

8. Local Code Compliance. Agent shall cause the Premises to be maintained in compliance with all local health, safety, and building codes to the extent of available funds, and shall promptly give written notice to Owner and to Owner's Investor Member if Agent receives notice of any such code violation relating to the Premises.

B. Other Provisions

1. Records System. Agent shall establish and maintain a comprehensive system of records, books, and accounts, including computerized systems, in accordance with the Management Plan and in a manner satisfactory to Owner. All records, books, and accounts shall be subject to examination at reasonable hours by any authorized representative of Owner, or of Owner's Investor Member.

2. Reports. Agent shall prepare all reports required pursuant to Section 13.04 of the Operating Agreement, a copy of which Agent hereby acknowledges as having received.

3. Additional Information. Agent shall promptly furnish such additional information (including monthly occupancy reports) as may be requested from time to time by Owner or Owner's Investor Member with respect to the renting and financial, physical, or operational condition of the Premises.

4. Fidelity Bond. Agent shall furnish and maintain, at its own expense, for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, a commercial blanket bond in favor of Owner, in an amount not less than the sum of (a) six (6) months, potential maximum gross rents for the Premises plus (b) aggregate tenant security deposits held from time to time, both in amounts as determined by Owner, and in a form and with a company acceptable to Owner, which commercial blanket bond shall cover Agent and all employees hired by Agent in connection with the Agreement. Such fidelity bond shall cover losses discovered by Owner within two (2) years after the occurrence of such losses. Such fidelity bond shall contain a written provision that Owner shall be given at least thirty (30) days' prior written notice of cancellation.

5. Insurance. Agent shall obtain and maintain in full force and effect, at all times the insurance coverage required of Agent in accordance with Exhibit J of the Operating Agreement, a copy of which Agent hereby acknowledges as having received. In addition, Agent shall at all times keep its employees and contractors insured for statutory worker's compensation and other employee benefits required by all applicable laws, and Agent shall maintain employer's liability insurance for an amount not less than \$1,000,000.00 covering claims and suits by or on behalf of employees and others, not otherwise covered by statutory worker's compensation insurance. Owner and its partners shall be protected in all such insurance by specific inclusion of Owner under an additional insured or alternate employer rider. Agent shall provide Owner with a certificate of insurance evidencing that worker's compensation and employer's liability insurance is in force and providing not less than thirty (30) days' notice to Owner prior to cancellation.

6. Indemnity. To the extent permitted by law, Agent agrees to defend, indemnify, and save harmless Owner and its partners from all claims, investigations, and suits, or from actions or failures to act of Agent, with respect to any alleged or actual violation of state or federal labor or other laws pertaining to employees, it being expressly agreed and understood that as between Owner and Agent, all persons employed in connection with the Premises are employees of Agent, not Owner.

7. Reserves and Escrow. To the extent funds are available, Agent shall make all deposits into the replacement reserve for the Premises and any other necessary

or advisable reserves or escrows for the Premises, as specified in Owner's Operating Agreement.

8. Compliance with Laws; Indemnity. In the performance of its obligations under the Agreement, Agent shall comply with applicable local, state, and federal laws and regulations, including the Fair Housing Act, the HOME Investment Partnerships Program, 24 CFR Part 92, as applicable, and the Affirmative Fair Housing Marketing Regulations, 24 CFR Part 108. To the extent permitted by law, Agent agrees to defend, indemnify, and save harmless Owner and its partners from all claims, investigations, and suits, or from actions or failures to act of Agent, with respect to any alleged or actual violation of state or federal fair housing laws or any other laws and regulations applicable to management of the Premises.

9. Termination of Agreement. The Agreement shall be subject to the following additional conditions:

(a) In the event Agent fails to perform any of its duties under the Agreement hereunder or to comply with any of the provisions thereof or hereof, Owner shall notify Agent in writing and Agent shall have ten (10) days thereafter within which to cure such default to the reasonable satisfaction of Owner. Notwithstanding the foregoing, if the default cannot be cured within such ten (10) day period, Agent shall have such additional time as may be reasonably necessary to cure the same provided that Agent demonstrates to the continuing satisfaction of Owner that it is diligently pursuing all necessary actions to cure such default and that the same will be cured within a reasonable time without damage or expense to Owner. Failure to cure the default within the permitted time to cure shall constitute grounds for immediate termination of the Agreement by the Owner without further notice to the Agent.

(b) In the event a petition in bankruptcy is filed by or against Owner or Agent, or in the event Owner or Agent makes an assignment for the benefit of creditors or takes advantage of any insolvency act, Owner or Agent may terminate this Agreement without notice to the other.

(c) In the event (i) Agent for any reason fails to be actively involved in the management of the Premises for any period of more than thirty (30) days, or (ii) a majority of the shares of stock of Agent, measured by number of shares, monetary value, or voting control, are transferred to any person or entity other than the current shareholders owning the greatest interests in Agent as determined by any of the measures described above, or (iii) any affiliate of Agent is a general partner of Owner and such affiliate withdraws or is removed as such general partner, or (iv) the Agent commits fraud, then Owner may terminate this Agreement immediately upon notice to Agent.

(d) Within five (5) days after the termination of the Agreement, Agent shall close all accounts and pay the balances or assign all certificates of deposit regarding the Premises to Owner. Within ten (10) days after the termination of the Agreement, Agent shall deliver to Owner all plans and surveys of the Premises in its possession and all books and records concerning the Premises.

(e) Within thirty (30) days after the termination of the Agreement, Agent shall submit to Owner all reports required under paragraph 2 above to the date of such termination, and Agent and Owner shall account to each other with respect to all matters outstanding as of the date of termination.

10. Compliance with Regulatory Agreements. Agent agrees that it shall lease all units in compliance with the income restrictions, rent restrictions and unit mix information set forth in all Regulatory Agreements and Extended Use Agreements, if and as amended, that encumber the Premises.

11. Term. The Agreement shall have an initial term of three (3) year, and shall be renewed automatically thereafter for successive additional terms of one (1) year each, provided, however, that either party shall have the right to terminate the Agreement without cause upon thirty (30) days written notice.

12. Compensation. If and to the extent necessary at any time to prevent a default by the Owner under the terms of any Project Loan (as defined in the Operating Agreement) between Owner and any lender relating to the Premises, Agent agrees to subordinate payment of its Management Fee to the payment of required debt service under the Project Loans and hereby agrees to defer receipt of payment of the Management Fee from Owner under such circumstances. Payment of the Management Fee shall be cumulative to the extent it is not paid in full in any month due to such a deferral. Owner shall provide Agent thirty (30) days' notice of any need for the Agent to defer receipt of payment of the Management Fee as provided herein. In addition, Agent shall not be entitled to any other fees or reimbursements, such as compliance fees unless they are approved in writing by the Owner and Owner's Investor Member. A bookkeeping fee payable to Landmark Property Management Company in the amount of \$300 per month is approved by the parties hereto and is subject to other terms in this section regarding deferral of payment. Any changes in amount must be approved in writing by the Owner and Owner's Investor Member and such consent will not be unreasonably withheld.

C. Miscellaneous

1. Agreement. References herein to the Agreement mean the Agreement as amended by this Addendum.

2. Notices. Copies of all notices or other communications required or desired to be given under the Agreement shall be concurrently mailed to Owner's Investor Member at its address set forth below.

Charlotte Banghart  
Director - Asset Management  
Red Stone Equity Partners, LLC  
1100 Superior Ave, STE 1640  
Cleveland, OH 44114

and

Robert U. Fein  
Chief Operating Officer  
Red Stone Equity Partners, LLC  
1100 Superior Ave, STE 1640  
Cleveland, OH 44114

In the event of a change of such mailing address, Owner's Investor Member may give notice of a new or forwarding address within seven (7) days of the effective date of said change, whereupon subsequent notices shall be addressed to such new or forwarding address.

3. Amendment. No amendment or modification of the Agreement shall be valid or enforceable without the prior written consent of Owner's Investor Member.

4. Enforceability. The invalidity of any clause, part, or provision of the Agreement shall not affect the validity of the remaining portions thereof. Owner's remedies under the Agreement shall be cumulative, and the exercise of one remedy shall not be deemed an election of remedies nor foreclose the exercise of Owner's other remedies. No waiver by Owner of any breach of the Agreement shall be deemed to be a waiver of any other or subsequent breach. Owner or Agent may apply to any court, state or federal, for specific performance of the Agreement, for an injunction against any violation of the Agreement, or for such other relief as may be appropriate, since the injury arising from a default under any of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain.

5. Regulatory Provisions. Notwithstanding anything to the contrary in this Addendum, any provision hereof that is or whose performance would be in violation of (a) any agreement between the Owner or the Agent and HUD, (b) any HUD or any state or local housing or other regulatory authority requirements concerning the Premises, or (c) any applicable HUD or state or local regulatory authority regulations, shall be void and have no force or effect. The foregoing shall not, however, affect the enforceability of any other provisions of this Addendum.

6. Conflicts. Except as provided in paragraph 5 above, those provisions which impose more stringent obligations upon the Agent or provide greater benefits to the Owner or Owner's Investor Member shall prevail and control.

7. Successors and Assigns. The Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Agent and their respective successors and assigns; provided, however, that Agent shall not assign the Agreement, or any of its duties thereunder, without the prior written consent of Owner. In the event Owner's General Partner described below or any general partner of Owner is removed as general partner in accordance with Owner's Operating Agreement, any successor general partner selected in accordance with such Operating Agreement shall have authority to act hereunder on behalf of Owner, and until such successor is selected Owner's Investor Member shall have temporary authority to act hereunder on behalf of Owner.


In Witness Whereof, the parties have executed this Addendum to the Management Agreement as of \_\_\_\_\_, 2018.

**OWNER:**

Groom School Apartments, LLC a VA limited liability company


By: Groom School Managing Member, LLC  
Its: Managing Member

By: Landmark Asset Services, Inc.  
Its: Managing Member

By:   
\_\_\_\_\_  
Samuel J. Sari, Vice President

**AGENT:**

Landmark Property Management Company, a(n)  
NC corporation

By:   
\_\_\_\_\_  
Blair Maas, Vice President

**EXHIBIT TO ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT**

EXHIBIT A

RESIDENTIAL LEASE TAX CREDIT PROGRAM ADDENDUM

THIS RESIDENTIAL LEASE TAX CREDIT PROGRAM ADDENDUM (hereinafter referred to as the "Addendum") is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, to that certain Residential Lease Agreement dated \_\_\_\_\_, 20\_\_\_ (hereinafter referred to as the "Lease") and is entered into by and between \_\_\_\_\_ (hereinafter referred to as "Lessor") and \_\_\_\_\_ (hereinafter referred to as "Lessee") who resides in the City of \_\_\_\_\_, in the State of \_\_\_\_\_ relating to the residential unit known as Unit # \_\_\_\_\_ in the Apartment \_\_\_\_\_ Complex \_\_\_\_\_ commonly referred to as \_\_\_\_\_ (the "Premises").

NOW, THEREFORE, notwithstanding any other provisions to the contrary contained in the Lease, the parties hereto covenant and agree that the Lease shall be modified and amended as follows:

LESSEE ACKNOWLEDGES and agrees that the subject Premises are specifically identified and under the administrative control of the Section 42 Low Income Housing Tax Credit Program (hereinafter referred to as the "Program"), which limits occupants to an annual income level and provides lower rent rates to households who meet certain Program criteria (hereinafter referred to as "Qualified Households").

LESSEE ACKNOWLEDGES and agrees that participation in the Program allows the owner or its agent to increase the monthly rent rate based upon maximum allowable rents annually revised and published by the U.S. Department of Housing and Urban Development ("HUD"). Lessor reserves the right to increase rent rates in accordance with Program guidelines, subject to thirty (30) days written notice to Lessee, effective for the balance of said lease term.

LESSEE ACKNOWLEDGES and agrees that participation in the Program also requires that Qualified Households must meet certain income limitations based upon the number of persons residing in the Premises and Lessee(s) agrees to notify Lessor immediately of any increases or decreases in the number of persons residing in the Premises.

LESSEE ACKNOWLEDGES and agrees that participation in the Program requires re-certification by the Lessee every twelve (12) months as required by the Program. Lessee(s) agrees to submit all necessary documentation required by the Program to Lessor for the purpose of insuring that Lessee(s) remains a Qualified Household, as more specifically set forth in Exhibit A, attached hereto. In the event that Lessee(s) fails to

deliver such information thirty (30) days prior to re-certification deadline, Lessor reserves the right to issue a written Notice to Vacate to Lessee(s). Lessee acknowledges that he/she has received the information on the Program re-certification and understands such requirements.

LESSEE ACKNOWLEDGES and agrees that participation in the Program is limited to specific restrictions with respect to students and that qualification to remain a Qualified Household is at all times dependent upon the household meeting all student status requirements. Should Lessee(s) fail to meet these requirements at any time, Lessee(s) will be deemed an unqualified household and will be subject to immediate eviction and shall be issued a written thirty (30) day notice to vacate. Lessee(s) agrees to notify Lessor immediately of any change in student status by any member of the household.

LESSEE ACKNOWLEDGES AND AGREES to notify Lessor immediately of any suspected water leaks, moisture problems, or mold in its dwelling unit or in the common areas of the Apartment Complex.

Except as otherwise modified and amended herein, all other terms and conditions shall remain in effect under the original lease.

LESSOR:

LESSEE(S):

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## EXHIBIT A

### LOW-INCOME LEASE RIDER

THIS RIDER, AN INCOME CERTIFICATION AND AN EMPLOYER VERIFICATION MUST BE OBTAINED FROM ALL TENANTS OF APARTMENTS FOR WHICH LOW-INCOME HOUSING TAX CREDITS ARE REQUIRED. THIS RIDER MUST BE UPDATED AND REVISED FROM TIME TO TIME IN ACCORDANCE WITH SECTION A, PARAGRAPH 3 OF THE ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT.

Tenant:

(If there is more than one adult occupant, each one must complete and sign a rider and attachments.)

Lease Date:

Apartment:

Property Address:

The undersigned tenant hereby certifies and agrees as follows:

1. Income Certification. My attached income certification is true, correct, and complete. I agree to provide a similar certification annually upon request during the term of my occupancy.
2. Employer Verification. The landlord or property manager has my permission to verify my income from my employer, using the attached or comparable form, now and on an annual basis.
3. False or Missing Statements. If my income certification and/or any lease application submitted by me is false, or if I fail to provide annual certifications or if any of them is false, the landlord or property manager will have the right to terminate my lease and take possession of my apartment immediately.
4. Maximum Household Income. If the actual COMBINED TOTAL INCOME FOR ALL HOUSEHOLD MEMBERS required to be disclosed on my income certification, when properly calculated, currently exceeds the applicable MAXIMUM HOUSEHOLD INCOME allowable for my household size, according to the table on the next page, the landlord or property manager may have the right to increase my rent.

HOUSEHOLD SIZE

MAXIMUM HOUSEHOLD INCOME

60% of Area Median Gross Income

1 Person

2 Persons

3 Persons

4 Persons

5 Persons

6 Persons

7 Persons

8 Persons

9 Persons

10 Persons

I understand that the landlord and property manager are relying on my income certification in accepting me as a tenant, and that the landlord will be seriously harmed if my income does not qualify the apartment for low-income housing tax credits. This rider shall be considered part of my lease.

Date: \_\_\_\_\_, 20\_\_

Tenant: \_\_\_\_\_  
(Signature)

To Be Attached:

- A. Tenant Income Certification
- B. Employer Verification Form

**EXHIBIT TO ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT**

EXHIBIT B

TENANT INCOME CERTIFICATION

(see attached)

# TENANT CERTIFICATION WORKSHEET

Certification Effective Date: _____
Move-in Date: _____ <small>(MM/DD/YYYY)</small>

Initial Certification   
  Recertification   
  Other \_\_\_\_\_

PART I -- DEVELOPMENT DATA		
Property Name: _____	County: _____	BIN#: _____
Address: _____	Unit #: _____	# Bedrooms _____

PART II. HOUSEHOLD COMPOSITION						
HH Mbr#	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1						
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
<b>TOTALS</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>Add totals from (A) through (D), above</b>			<b>TOTAL INCOME (E)</b>	\$ _____

PART IV. INCOME FROM ASSETS				
HH Mbr#	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	
<b>TOTALS</b>			\$ _____	\$ _____
Enter Column (H) Total If over \$5,000	\$ _____	X .06%	= (J) Imputed Income	\$ _____
Enter the greater of the total of column I, or J: imputed income <b>TOTAL INCOME FROM ASSETS (K)</b>				\$ _____
<b>(L) Total Annual Household Income from all Sources [Add (E) + (K)]</b>				\$ _____

**PART V. DETERMINATION OF INCOME ELIGIBILITY**

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$ <input style="width:100px" type="text"/>	Household Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	<p align="right"><b>RECERTIFICATION ONLY:</b> Current Income Limit X 140%</p> <p align="right">\$ _____</p> <p>Household Income exceeds 140% at recertification :  <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>
Current Income Limit Per Family Size: \$ _____			
Household Income at Move-in: \$ <input style="width:100px" type="text"/>		Household Size at Move-in: <input style="width:100px" type="text"/>	

**PART VI. RENT**

Tenant Paid Rent: \$ _____	Rent Assistance: \$ _____
Utility Allowance: \$ _____	Other non-optional charges: \$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$ <input style="width:100px" type="text"/>
Maximum Rent Limit for this unit: \$ _____	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%

**PART VII. STUDENT STATUS**

<p>ARE ALL OCCUPANTS FULL TIME STUDENTS?  <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>	<p>If yes, Enter student explanation* (also attach documentation)</p> <p>Enter <input style="width:50px" type="text"/></p> <p>I-5 <input style="width:50px" type="text"/></p>	<p><b>*Student Explanation:</b></p> <table border="1" style="width:100%"> <tr><td>1</td><td>TANF assistance</td></tr> <tr><td>2</td><td>Job Training Program</td></tr> <tr><td>3</td><td>Single parent/dependent child</td></tr> <tr><td>4</td><td>Married/joint return</td></tr> <tr><td>5</td><td>Previous Foster Child</td></tr> </table>	1	TANF assistance	2	Job Training Program	3	Single parent/dependent child	4	Married/joint return	5	Previous Foster Child
1	TANF assistance											
2	Job Training Program											
3	Single parent/dependent child											
4	Married/joint return											
5	Previous Foster Child											

**PART VIII. PROGRAM TYPE**

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/>	b. HOME <input type="checkbox"/>	c. Tax Exempt <input type="checkbox"/>	d. AHDP <input type="checkbox"/>	e. _____ <input type="checkbox"/>
	<small>(Name of Program)</small>			
See Part V above.	<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>
	<input type="checkbox"/> < 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> _____
	<input type="checkbox"/> < 60% AMGI	<input type="checkbox"/> 60% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> _____
	<input type="checkbox"/> < 80% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> OI**	<input type="checkbox"/> _____
	<input type="checkbox"/> OI**	<input type="checkbox"/> OI**		<input type="checkbox"/> OI**

\*\* Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

# APPLICATION COVERSHEET

\_\_\_\_\_ Apartments

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Dear Prospective Resident:

Thank you for your interest in the \_\_\_\_\_ Apartments. In order to process your request for residency with our community, please provide the following items:

- A completed rental application which includes the following items:
- A **non-refundable** application fee of \$\_\_\_\_, *per adult*, which can be presented to management in the form of a certified check or money order. The certified check or money order will need to be made payable to the \_\_\_\_\_ Apartments.
- A pictured ID for each adult that will be residing in the apartment.
- A Social Security Card for everyone that will be residing in the household.
- A birth certificate for each minor that will be residing in the household.

Once you complete your application and turn it into the Site Manager, you are responsible for notifying management in any address changes, phone number changes, or household changes. If management attempts to contact you by mail in order to schedule a time for you to come in and complete the application or verification process and the mail is returned to the Site Manager, your application will be withdrawn.

Should you have any questions about completing the application or during the application process, please feel free to contact the Site Manager at (\_\_\_\_\_) \_\_\_\_\_.

Thank you,

\_\_\_\_\_  
Site Manager

\_\_\_\_\_ Apartments



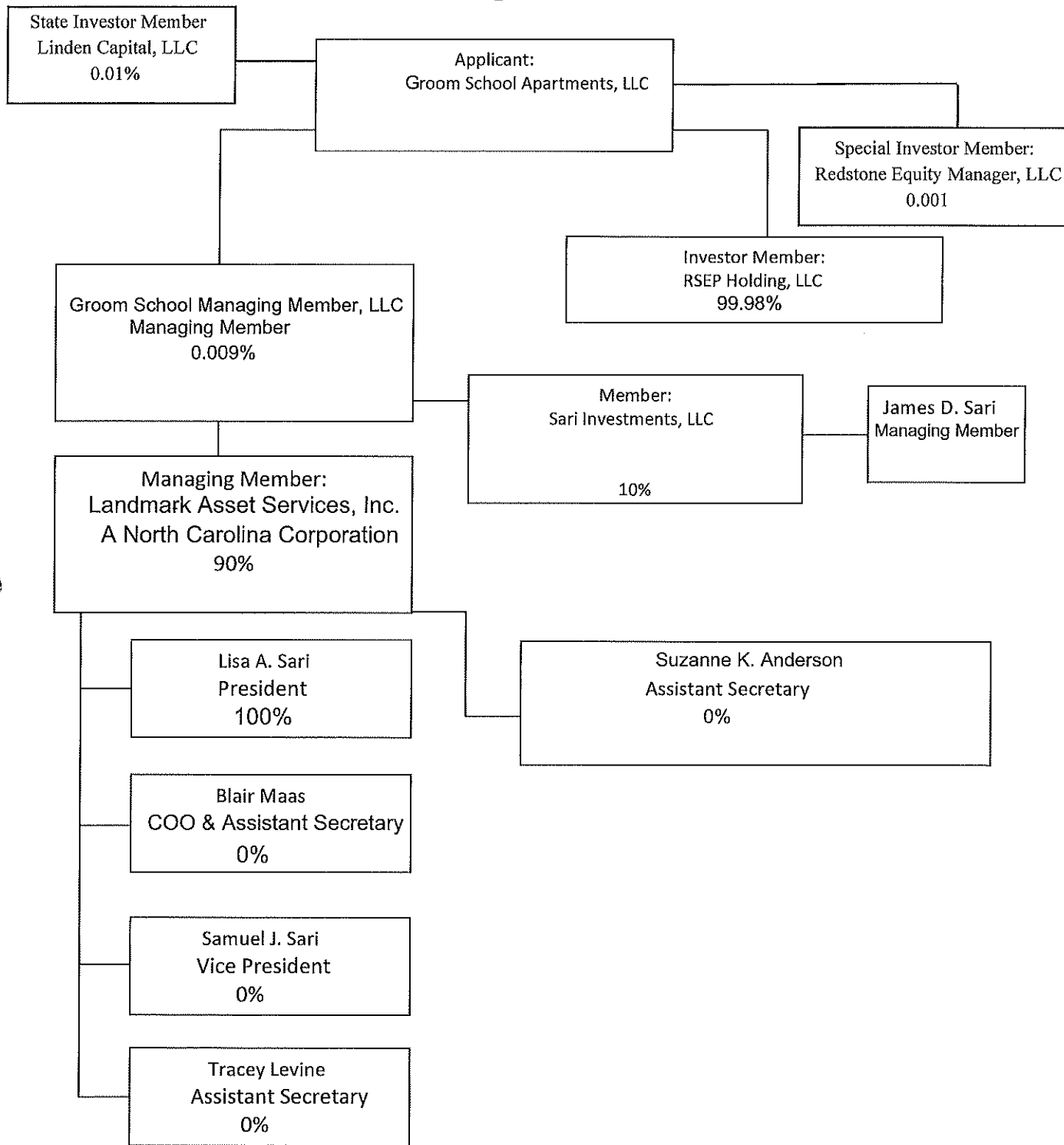
[www.landmark-propertymanagement.com](http://www.landmark-propertymanagement.com)



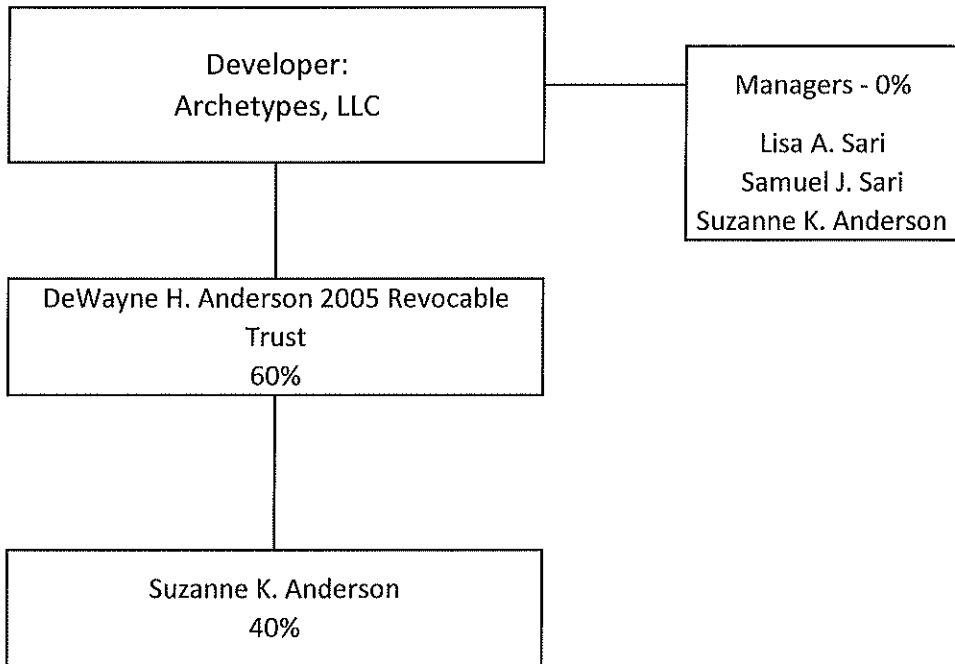
APPLICATION COVERSHEET

SC-1C

# Owner Organization Chart



# Developer Organization Chart





**B**

**Virginia State Corporation  
Commission Certification  
(MANDATORY)**

# Commonwealth of Virginia



## State Corporation Commission

### CERTIFICATE OF FACT

*I Certify the Following from the Records of the Commission:*

That Groom School Apartments, LLC is duly organized as a limited liability company under the law of the Commonwealth of Virginia;

That the date of its organization is February 22, 2017; and

That the limited liability company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.

*Signed and Sealed at Richmond on this Date:  
March 1, 2019*



*Joel H. Peck*  
Joel H. Peck, Clerk of the Commission

C

Principal's Previous  
Participation Certification  
(MANDATORY)



## Previous Participation Certification

Development Name: Groom School Apartments  
Name of Applicant (entity): Groom School Apartments, 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

**Lisa A. Sari**  
\_\_\_\_\_  
Printed Name

**3/13/19**  
\_\_\_\_\_  
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: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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: Landmark Atrial Services, Inc. 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 of 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 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Asheboro Mill Lofts Asheboro, NC	Asheboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	8/29/2005	1/13/2006	N
7 Cashie Apartments Windsor, NC	Berlie Merriford, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Columbus, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2008	N
11 Colt Village Apartments Florence, SC	Colt Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Colton Mill Lofts Hawkinsville, GA	Colton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Filar Woods Apts Kernersville, NC	Filar Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Grainger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Anfioch, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Hartsville Garden Hartsville, SC	Hartsville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/6/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Clinon, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escombla, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lakota Crossing Apts Florence, SC	Lakota Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Street Lofts Danville, VA	Lynn Street Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	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: 2,142 2,093 LIHTC as % of Total Units 98%

Previous Participation Certification continued

	Development Name/Locallion	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed In Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Mayworth School Apts Cramerlon, NC	Mayworth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAliley Apartments Chester, SC	McAliley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nanlucket Lofts Kinston, NC	Nanlucket Lofts, LLC 336.722.9871	Y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2011	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Par Place Apts Lancaster, SC	Great Peedee, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Danllngton, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hill, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southerland Village Apts Wallace, NC	Southerland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Macon, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Macon, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Suwanee House Apts Cordale, GA	Suwanee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
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2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LIHTC as % of 98% Total Unit



# List of LIHTC Developments (Schedule A)



Development Name: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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.

Landmark Asset Services, Inc. - Lisa A. Sorl, President 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 ""
1 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Asheboro Mill Lofts Asheboro, NC	Asheboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	8/29/2005	1/13/2006	N
7 Cashla Apartments Windsor, NC	Berlie Memorial, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Columbus, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2008	N
11 Coif Village Apartments Florence, SC	Coif Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Colton Mill Lofts Hawkinsville, GA	Colton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Filar Woods Apts Kernersville, NC	Filar Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Grainger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Anfloch, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Hartsville Garden Hartsville, SC	Hartsville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/6/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Clinton, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escombia, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lokola Crossing Apts Florence, SC	Lokola Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Steel Lofts Danville, VA	Lynn Steel Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	N

\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8802 (per entity/development) for a total of 6.

1st PAGE  
 TOTAL: 2,142 2,093 LIHTC as % of  
 98% Total Units

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Mayworth School Apts Cramerton, NC	Mayworth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAliley Apartments Chester, SC	McAliley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nantucket Lofts Kinston, NC	Nantucket Lofts, LLC 336.722.9871	y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2011	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Parr Place Apts Lancaster, SC	Great Feeders, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Dartington, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hills, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southerland Village Apts Wallace, NC	Southerland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Marion, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Marion, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Suwanee House Apts Cordale, GA	Suwanee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
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2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LIHTC as % of  
98% Total Unit

# List of LIHTC Developments (Schedule A)



Development Name: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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.

Landmark Asset Services, Inc. - Samuel J. Sari, Vice President 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 of 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 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Asheboro Mill Lofts Asheboro, NC	Asheboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	8/29/2005	1/13/2006	N
7 Cashla Apartments Windsor, NC	Berlie Memorial, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Columbus, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2006	N
11 Coit Village Apartments Florence, SC	Coit Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Cotton Mill Lofts Hawkinsville, GA	Cotton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Fritar Woods Apts Kernersville, NC	Fritar Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Grainger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Antioch, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Harbville Garden Harbville, SC	Harbville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/16/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Clinton, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escambia, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lakota Crossing Apts Florence, SC	Lakota Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Street Lofts Danville, VA	Lynn Street Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	N

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

1st PAGE TOTAL: 2,142 2,093 LIHTC as % of 98% Total Units

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed In Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Mayworth School Apts Crameriton, NC	Mayworth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAlley Apartments Chester, SC	McAlley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nantucket Lofts Kinston, NC	Nantucket Lofts, LLC 336.722.9871	y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2013	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Par Place Apts Lancaster, SC	Great Peedee, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Darlington, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hill, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southerland Village Apts Wallace, NC	Southerland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Marion, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Marion, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Suwanee House Apts Cordela, GA	Suwanee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
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2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LIHTC as % of 98% Total Unit

# List of LIHTC Developments (Schedule A)



Development Name: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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.

Landmark Asset Services, Inc. - Blair Maas, Secretary      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' Member of the time of dev.? <sup>1</sup> (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 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Asheboro Mill Lofts Asheboro, NC	Asheboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	8/29/2005	1/13/2006	N
7 Coshle Apartments Windsor, NC	Berle Memorial, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Cohoon, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2008	N
11 Coll Village Apartments Florence, SC	Coll Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Colton Mill Lofts Hawkinsville, GA	Colton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Friar Woods Apts Kernersville, NC	Friar Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Grainger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Antioch, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Harbville Garden Harbville, SC	Harbville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/6/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Clinton, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escambia, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lakota Crossing Apts Florence, SC	Lakota Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Street Lofts Danville, VA	Lynn Street Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	N

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

1st PAGE      LIHTC as % of  
 TOTAL:      2,142      2,093      98%      Total Units

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed In Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Mayworth School Apts Cramerton, NC	Mayworth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAlley Apartments Chester, SC	McAlley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nantucket Lofts Kinston, NC	Nantucket Lofts, LLC 336.722.9871	Y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2013	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Par Place Apts Lancaster, SC	Great Peedee, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Danlinton, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hill, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southerland Village Apts Wallace, NC	Southerland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Macon, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Macon, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Suwanee House Apts Cordela, GA	Suwanee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
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2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LIHTC as % of 98% Total Unit

# List of LIHTC Developments (Schedule A)



Development Name: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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.

Landmark Asset Services, Inc. - Suzanne K. Anderson, Asst. Secretary 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 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Asheboro Mill Lofts Asheboro, NC	Asheboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	8/29/2005	1/13/2006	N
7 Cashla Apartments Windsor, NC	Beite Memorial, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Calhoun, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2008	N
11 Coif Village Apartments Florence, SC	Coif Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Cotton Mill Lofts Hawkinsville, GA	Cotton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Friar Woods Apts Kernersville, NC	Friar Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Groinger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Anfioch, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Harbville Garden Harbville, SC	Harbville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/6/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Clinton, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escambia, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lokola Crossing Apts Florence, SC	Lokola Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Street Lofts Danville, VA	Lynn Street Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	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: 2,142 2,093 LIHTC as % of Total Units 98%

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Mayworth School Apts Cramerlon, NC	Mayworth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAliley Apartments Chester, SC	McAliley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nantucket Lofts Kinston, NC	Nantucket Lofts, LLC 336.722.9871	Y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2011	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Par Place Apts Lancaster, SC	Great Pee Dee, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Dawlington, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hill, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southerland Village Apts Wallace, NC	Southerland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Morton, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Morton, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Swansee House Apts Cordale, GA	Swansee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
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2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LHHC as % of  
98% Total Unit



# List of LIHTC Developments (Schedule A)



Development Name: Groom School Apartments  
 Name of Applicant: Groom School Apartments, 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.

Landmark Asset Services, Inc. - Tracey Snow Levine, Asst. Secretary      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 of 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 Albermarle School Apartments Albermarle, NC	Albermarle Central School, LLC 336.722.9871	Y	53	53	8/1/2016	7/27/2017	N
2 Anderson Center Mullins, SC	Mullins Revitalization, LP 336.722.9871	Y	22	22	7/24/2003	2/24/2004	N
3 Ashboro Mill Lofts Ashboro, NC	Ashboro Mill, LLC 336.722.9871	Y	70	70	2/1/2013	1/9/2014	N
4 Beaumont Downtown Lofts Beaumont, TX	Beaumont Downtown Lofts, LLC 336.722.9871	Y	36	36	10/9/2008	4/27/2011	N
5 Bennettsville Lofts Bennettsville, SC	Bennettsville Downtown, LP 336.722.9871	Y	22	22	7/25/2003	2/24/2004	N
6 Berea Heights Villas Greenville, SC	Berea Heights Villas, LLC 336.722.9871	Y	72	72	6/29/2005	1/13/2006	N
7 Cashia Apartments Windsor, NC	Berlie Memorial, LP 336.722.9871	Y	32	32	12/31/2003	12/2/2004	N
8 Central School Apartments Bessemer City, NC	Central School Apartments, LLC 336.722.9871	N	33	33	10/24/2008	4/23/2009	N
9 Cherokee Mill Lofts Columbus, GA	Cherokee Mill Lofts, LLC 336.722.9871	N	60	60	8/28/2014	4/9/2015	N
10 Cleveland School Apts Clayton, NC	Cleveland School Seniors, LLC 336.722.9871	Y	25	25	12/28/2005	1/10/2008	N
11 Coit Village Apartments Florence, SC	Coit Village, LLC 336.722.9871	Y	60	60	12/5/2008	2/18/2009	N
12 Cotton Mill Lofts Roxboro, NC	Cotton Mill Lofts, LLC 336.722.9871	N	32	32	12/18/2012	6/7/2013	N
13 Courtyard at Highland Park Rock Hill, SC	Highland Park Mill, LLC 336.722.9871	Y	116	116	12/30/2004	3/17/2006	N
14 Darlington Downtown Lofts Darlington, SC	Darlington Downtown Revitalization, LLC 336.722.9871	Y	28	28	12/7/2007	2/26/2008	N
15 Douglas School Apts Bristol, VA	Douglas School Apts, LLC 336.722.9871	Y	41	41	8/3/2006	4/26/2007	N
16 East Broad Crossing Statesville, NC	East Broad Crossing, LLC 336.722.9871	Y	50	50	9/6/2006	11/27/2007	N
17 East Harper Street Apts Lenoir, NC	East Harper Street Apts, LLC 336.722.9871	Y	46	46	8/17/2006	9/4/2008	N
18 Fifer Woods Apts Kernersville, NC	Fifer Woods, LLC 336.722.9871	Y	84	84	7/1/2016	6/15/2017	N
19 Garfield Park Milwaukee, WI	Garfield Park, LLC 336.722.9871	N	69	69	12/22/2011	8/8/2012	N
20 Geo. Washington School Apts Kingsport, TN	Geo. Washington School, LLC 336.722.9871	Y	54	54	11/14/2007	9/8/2009	N
21 Globe Tobacco Lofts Mt. Airy, NC	Globe Tobacco Lofts, LLC 336.722.9871	Y	43	34	12/31/2007	10/8/2008	N
22 Grainger Place Apts Kinston, NC	Floyd, LP 336.722.9871	Y	57	57	12/22/2000	3/27/2002	N
23 Greenview Village Powell, TN	Greenview Village, LLC 336.722.9871	Y	44	44	12/22/2010	2/2/2011	N
24 Hanover Ridge Apts Anfosh, TN	Hanover Ridge, LP 336.722.9871	Y	72	44	3/26/2009	4/15/2010	N
25 Harbville Garden Harbville, SC	Harbville Garden, LLC 336.722.9871	N	72	72	1/6/2011	2/24/2011	N
26 Heron Crossing Apts Ridgeland, SC	Heron Crossing, LLC 336.722.9871	Y	40	32	12/6/2007	2/26/2008	N
27 Highland Memorial Gastonia, NC	Highland Memorial, LLC 336.722.9871	Y	75	75	4/30/2013	4/9/2014	N
28 Historic Lofts of Waco High Waco, TX	Historic Lofts of Waco High, LLC 336.722.9871	N	104	104	12/16/2009	6/27/2011	N
29 Hunter Bay York, SC	Hunter Bay, LLC 336.722.9871	Y	40	40	12/7/2009	12/29/2009	N
30 Jacob Press Apartments Clinton, SC	JP Associates-Cinton, LP 336.722.9871	Y	20	16	5/4/2001	2/22/2002	N
31 Johnson Lakes Apts Pensacola, FL	Johnson Lakes Escambia, LP 336.722.9871	Y	160	160	2/29/2008	6/12/2009	N
32 Kemper Lofts Lynchburg, VA	Kemper Lofts, LLC 336.722.9871	Y	41	41	12/14/2009	10/6/2010	N
33 Kinston Hotel Kinston, NC	Kinston Hotel, LLC 336.722.9871	Y	38	38	12/28/2006	2/19/2008	N
34 Kinston Oaks Apts Kinston, NC	Floyd II, LLC 336.722.9871	Y	32	32	12/31/2002	5/4/2005	N
35 Klofs Mill Lofts Cumberland, MD	Klofs Mill Lofts, LLC 336.722.9871	Y	50	50	11/22/2011	3/20/2013	N
36 Lokola Crossing Apts Florence, SC	Lokola Crossing, LLC 336.722.9871	Y	72	72	6/24/2004	2/23/2005	N
37 Lassiter Square Madison, NC	Lassiter Square, LLC 336.722.9871	Y	36	36	11/30/2005	1/29/2007	N
38 LHS Apartments Lenoir, NC	LHS, LP 336.722.9871	Y	44	44	11/30/2005	1/29/2007	N
39 Lynn Street Lofts Danville, VA	Lynn Street Lofts, LLC 336.722.9871	Y	37	37	5/28/2008	12/18/2008	N
40 Martinsville Lofts Martinsville, VA	Martinsville Lofts, LLC 336.722.9871	Y	60	60	7/29/2011	3/20/2012	N

\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and 88692 (per entity/development) for a total of 6.

1st PAGE      IHTC as % of  
 TOTAL:      2,142      2,093      98%      Total Units

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed In Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Maywoth School Apts Cramerfon, NC	Maywoth School Apts, LLC 336.722.9871	Y	40	40	12/31/2008	11/11/2009	N
47	McAlley Apartments Chester, SC	McAlley, LP 336.722.9871	Y	22	22	12/31/1999	12/31/2000	N
48	Mebane Mill Lofts Mebane, NC	Mebane Mill Lofts, LLC 336.722.9871	N	75	75	12/21/2011	8/2/2012	N
49	Moore Grocery Lofts Tyler, TX	Moore Grocery Lofts, LLC 336.722.9871	Y	88	88	12/31/2008	8/11/2011	N
50	Mulberry School Apts Statesville, NC	Mulberry School Apts, LLC 336.722.9871	Y	31	31	12/31/2007	10/3/2008	N
51	Nantucket Lofts Kinston, NC	Nantucket Lofts, LLC 336.722.9871	Y	28	28	12/31/2004	10/12/2006	N
52	Nathaniel Village Greenville, NC	Nathaniel Village, LLC 336.722.9871	Y	48	48	12/29/2009	Exchange	N
53	Newberry Senior Housing Newberry, SC	Newberry Hospital, LLC 336.722.9871	Y	35	35	7/1/2004	2/23/2005	N
54	Noland Green Apartments Newport News, VA	Noland Green, LLC 336.722.9871	Y	60	54	8/31/2011	3/5/2012	N
55	Orchard View Apts McMinnville, TN	Orchard View, LP 336.722.9871	Y	64	64	12/1/2008	2/26/2010	N
56	Pan Place Apts Lancaster, SC	Great Pee Dee, LP 336.722.9871	Y	17	13	4/10/2001	2/22/2005	N
57	Pecan Grove Darlington, SC	Pecan Grove Apts, LLC 336.722.9871	Y	32	32	5/2/2007	2/26/2008	N
58	Pine Valley Apartments Beaufort, NC	Pine Valley, LLC 336.722.9871	Y	72	72	8/1/2017	2/26/2018	N
59	Randleman School Commons Randleman, NC	Randleman School Commons, LLC 336.722.9871	Y	30	30	12/29/2004	10/12/2006	N
60	Ridgecrest Apartments Bristol, VA	Ridgecrest Apartments, LLC 336.722.9871	Y	72	72	1/2/2008	9/5/2008	N
61	Rowan Pointe Mocksville, NC	Rowan Pointe, LLC 336.722.9871	Y	60	60	5/5/2010	10/21/2011	N
62	Royce Gardens Oak Ridge, TN	Royce Hill, LP 336.722.9871	Y	72	72	11/18/2008	2/26/2010	N
63	Southernland Village Apts Wallace, NC	Southernland Village, LLC 336.722.9871	Y	48	48	5/1/2014	9/30/2014	N
64	Spaulding Woods Apts Marion, NC	Spaulding Woods, LP 336.722.9871	Y	44	44	6/28/2002	7/7/2003	N
65	Spaulding Woods II Apts Marion, NC	Spaulding Woods II, LLC 336.722.9871	Y	34	34	8/2/2006	11/19/2007	N
66	Summerville Garden Summerville, SC	Summerville Garden, LLC 336.722.9871	Y	72	72	12/21/2012	11/27/2013	N
67	Suwanee House Apts Cordale, GA	Suwanee, LP 336.722.9871	Y	40	40	11/12/1996	12/17/1997	N
68	Taylor Lofts South Boston, VA	Taylor Lofts, LLC 336.722.9871	Y	47	47	9/8/2008	4/13/2009	N
69	The Falls Apartments Great Falls, SC	Great Catawba Falls, LP 336.722.9871	Y	10	8	7/30/2001	2/22/2002	N
70	Vance Senior Housing Apts Henderson, NC	West End Senior School, LLC 336.722.9871	Y	31	31	6/17/2003	1/4/2005	N
71	Weldon Downtown Apts Weldon, NC	Weldon Small Town Development, LLC 336.722.9871	Y	24	24	4/4/2006	11/21/2007	N
72	West Yard Lofts North Charleston, SC	West Yard Lofts, LLC 336.722.9871	N	60	60	12/9/2010	2/24/2011	N
73	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
74	Westmoreland and Schoolfield Senior Apts Danville, VA	Westmoreland and Schoolfield Senior Apts, LLC 336.722.9871	Y	65	65	9/5/2010	7/7/2011	N
75								
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100								

2nd PAGE TOTAL: 1,386 1,374

GRAND TOTAL: 3,528 3,467

LIHTC as % of  
98% Total Unit

**E**

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

180002449

PREPARED BY & RETURN TO:  
Russell O. Slayton, Jr. (VSB #14202)  
Slayton & Clary  
Post Office Box 580  
Lawrenceville, Virginia 23868  
Consideration: \$150,000.00  
Tax Assessed Value: \$890,400.00  
Tax Map Parcel Numbers: 78A16-(A)-7 and 78A16-(A)-8

**THIS DEED** is made this 24<sup>th</sup> day of July, 2018, by and between  
MECKLENBURG COUNTY, VIRGINIA, a political subdivision of the Commonwealth  
of Virginia, Grantor, and GROOM SCHOOL APARTMENTS, LLC, a Virginia limited  
liability company, 406 E. Fourth Street, Winston-Salem, North Carolina 27101, Grantee.

**WITNESSETH:** That for and in consideration of the sum of TEN & NO/100  
(\$10.00) DOLLARS, and other good and valuable consideration, cash in hand paid, the  
receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants,  
bargains, sells and conveys, with General Warranty and English covenants of title, unto  
GROOM SCHOOL APARTMENTS, LLC, all the following described real property, to-  
wit:

***SEE LEGAL DESCRIPTION ATTACHED HERETO AS "EXHIBIT A"***

This conveyance is made SUBJECT TO all easements, conditions, restrictions and  
encumbrances which are of record, or which may be disclosed by a current survey of the  
subject real property, or a personal inspection of the subject real property, which may lawfully  
affect title to the subject real property.

**IN WITNESS WHEREOF**, Mecklenburg County, Virginia, has caused this deed  
to be executed in its behalf by the Chair/Vice-Chair of its Board of Supervisors, whose  
signature is duly attested by the Clerk to said Board.

***SEE ATTACHED SIGNATURE PAGE***

***REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY***

SLAYTON & CLARY  
11 S HICKS STREET  
PO BOX 580  
LAWRENCEVILLE, VA 23868

SIGNATURE PAGE TO DEED DATED JULY 24, 2018  
CONVEYING PROPERTY FROM MECKLENBURG COUNTY, VIRGINIA  
TO GROOM SCHOOL APARTMENTS, LLC

MECKLENBURG COUNTY, VIRGINIA

By: [Signature] (SEAL)  
Chair/Vice-Chair, Board of Supervisors

ATTEST:

[Signature]  
Clerk

STATE OF VIRGINIA,  
COUNTY OF MECKLENBURG, to-wit:

The foregoing deed was personally acknowledged before me this \_\_\_\_ day of July, 2018, on behalf of Mecklenburg County, Virginia, by the Chair/Vice-Chair of its Board of Supervisors, whose signature is duly attested by the Clerk to said Board.

(STAMP) [Signature]  
Notary Public

My Commission Expires: 3-31-21  
Notary Registration Number: 7236106



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EXHIBIT A

LEGAL DESCRIPTION

ATTACHED TO DEED DATED JULY 24, 2018  
CONVEYING PROPERTY FROM MECKLENBURG COUNTY, VIRGINIA  
TO GROOM SCHOOL APARTMENTS, LLC

PARCEL 1 - T.P. 78A16-(A)-7:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 8.35 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 526 AS 8.30 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN SET IN THE EASTERLY RIGHT OF WAY LINE OF SMITH STREET AT THE SOUTHWESTERN CORNER OF PARCEL 2 DESCRIBED BELOW OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 2 N 54 DEG. 13' 24" E 779.48' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF MECKLENBURG COUNTY, VIRGINIA, OR PARCEL 2 BELOW, AND ALONG THE PROPERTY LINE OF FRP1, LLC S 22 DEG. 14' 07" E 514.21' TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PLANK ROAD, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 3.80' BACK ON LINE; THENCE WITH THE RIGHT OF WAY LINE OF PLANK ROAD AND LEAVING THE PROPERTY OF FRP1, LLC S 55 DEG. 40' 47" W 191.43' TO A POINT; THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 1518.39', AN ARC LENGTH OF 129.05', A CHORD BEARING OF S 53 DEG. 14' 42" W, AND A CHORD DISTANCE OF 129.01' TO A POINT; THENCE CONTINUING WITH PLANK ROAD RIGHT OF WAY S 50 DEG. 48' 37" W 349.15' TO A NAIL SET AT THE INTERSECTION OF THE RIGHT OF WAY LINE OF PLANK ROAD AND THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING THE RIGHT OF WAY LINE OF PLANK ROAD AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 518.14' TO THE POINT OF BEGINNING AND CONTAINING 8.35 ACRES.

PARCEL 2 - T.P. 78A16-(A)-8:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 2.23 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 525 AS 2.00 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY RIGHT OF WAY OF SMITH STREET AT A BEND IN THE RIGHT OF WAY LINE OF SMITH STREET, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 21.20' UP ON THE BEARING LINE; THENCE WITH THE RIGHT OF WAY LINE OF SMITH STREET AND PARCELS NOW OR FORMERLY HATCHER, ROGERS, SKIPWITH AND KING N 61 DEG. 48' 51" E 818.59' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL NOW OR FORMERLY OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF KING, AND ALONG THE LINE OF FRP1, LLC S 08 DEG. 00' 11" E 75.64' TO AN IRON PIN FOUND AT THE NORTHEASTERN PROPERTY CORNER OF PARCEL 2 DESCRIBED BELOW AND OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 1 DESCRIBED ABOVE S 54 DEG. 13' 24" W 779.48' TO AN IRON PIN SET IN THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING PARCEL 1 DESCRIBED ABOVE AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 175.09' TO THE POINT OF BEGINNING, AND CONTAINING 2.23 ACRES.

INSTRUMENT 180002449  
RECORDED IN THE CLERK'S OFFICE OF  
MECKLENBURG COUNTY CIRCUIT ON  
July 27, 2018 AT 02:12 PM  
MICHELLE G. GORDON, CLERK  
RECORDED BY: CLW

*by clw*



# Mecklenburg County, VA Real Estate

## PROPERTY

### Parcel Information

Parcel Record Number (PRN) **25849** District **SOUTH HILL TOWN**

Account Name **GROOM SCHOOL APARTMENTS, LLC**

Address1 **406 EAST FOURTH ST**

Address2

City, State Zip **WINSTON SALEM, NC 27101**

Business Name **SOUTH HILL PRIMARY SCHOOL**

Location Address(es) **1050 PLANK ROAD**

**Map Number**

Map Insert	Double Circle	Block	Parcel Number
078A16	A		007

Deed **LR-18-2449**

Will **NONE**

Plat **PL-DB-205-526**

Route

Legal Desc 1 **PLANK RD**

Legal Desc 2 **SOUTH HILL PRIMARY**

Zoning **216; SOUTH HILL - GENERAL DWELLING DISTRICT FOR MULTIPLE FAMILY DWELLINGS; APARTMENTS**

State Class **MULTI FAMILY RESIDENTIAL**

Topology **LEVEL**

Utilities **ALL PUBLIC UTILITIES**

### Assessed Values

Type	Current Value	Value for the 2018/2019 tax year
Land	\$415,000	\$124,500
Main Structures	\$111,100	\$750,000
Other Structures	\$0	\$2,900
<b>TOTALS</b>	<b>\$526,100</b>	<b>\$877,400</b>

### Sales History

Grantor	Sale Price	Instrument	Sale Date
MECKLENBURG COUNTY, VIRGINIA,	\$150,000	DEED-18-2449	07/27/2018
SOUTH HILL YOUNG MEN'S, CHRISTIAN ASSOCIATION	\$20,000	DEED-16-375	02/08/2016
MECKLENBURG COUNTY, VIRGINIA	\$0	DEED-10-3328	09/01/2010

### Land Segments

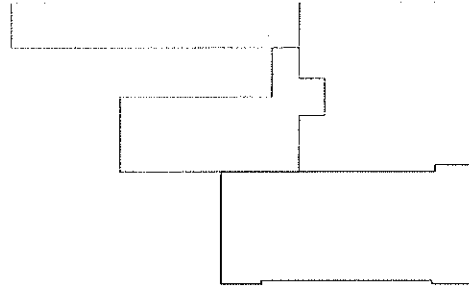
Seg	Description	Size	Value
1	COMM INDUSTRIAL	8.30	\$415,000

### Main Structures

	Rooms	0	Deprec Schedule	RES VERY POOR DEPR
Main Structure 1	Bedrooms	0	Heated Sq Ft	26,044
	Cost/Heated SqFt	\$4.27	Constr Style	CONVENTIONAL
Main Structure Photo		Main Structure Sketch		



# Mecklenburg County, VA Real Estate



### Main Structure Attributes

Type	Code	# Of
OPENINGS	FIREPLACE OPENINGS	1
PLUMBING	2 FIXTURE BATHRRROM	14

### Main Structure Sections

Sec	% Cmpl	Description	HVAC	Ext Finish	Grade	Area	Story Hgt	Wall Hgt	Yr Built	Eff Yr
1-0	100	COMMERCIAL	WALL FURNACE	BRICK VENEER	D	9,656	1.00	1.00	1948	1970
2-0	100	COMMERCIAL	HOT WATER	BRICK VENEER	D	5,458	1.00	1.00	1948	1970
3-0	100	COMMERCIAL	HOT WATER/RADIATOR	BRICK VENEER	D	10,930	1.00	1.00	1948	1970

### Other Structures

Sec	Description	Grade	Area	Story Height	YearBit
-----	-------------	-------	------	--------------	---------

No data to display

Data last updated: 02/25/2019

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 Concise Systems, LLC \* www.concisesystems.com \* (540)776-1800 \* sales@concisesystems.com





# Mecklenburg County, VA Real Estate

**PROPERTY**

**Parcel Information**

Parcel Record Number (PRN) **25848** District **SOUTH HILL TOWN**

Account Name **GROOM SCHOOL APARTMENTS, LLC**

Address1 **406 EAST FOURTH ST**

Address2

City, State Zip **WINSTON SALEM, NC 27101**

Business Name

Location Address(es) **No data to display**

**Map Number**

Map Insert **078A16** Double Circle **A** Block Parcel Number **008**

Deed **LR-18-2449**

Will **NONE**

Plat **PL-DB-205-525**

Route

Legal Desc 1 **OLD PLANK RD**

Legal Desc 2 **SOUTH HILL PRIMARY**

Zoning **R2; RESIDENTIAL MEDIUM DENSITY DISTRICT**

State Class **MULTI FAMILY RESIDENTIAL**

Topology **LEVEL**

Utilities **ALL PUBLIC UTILITIES**

**Assessed Values**

Type	Current Value	Value for the 2018/2019 tax year
Land	\$11,000	\$11,000
Main Structures	\$0	\$0
Other Structures	\$0	\$0
<b>TOTALS</b>	<b>\$11,000</b>	<b>\$11,000</b>

**Sales History**

Grantor	Sale Price	Instrument	Sale Date
MECKLENBURG COUNTY, VIRGINIA,	\$150,000	DEED-18-2449	07/27/2018
SOUTH HILL YOUNG MEN'S, CHRISTIAN ASSOCIATION	\$20,000	DEED-16-375	02/08/2016
MECKLENBURG COUNTY, VIRGINIA	\$0	DEED-10-3328	09/01/2010

**Land Segments**

Seg	Description	Size	Value
1	RESIDENTIAL	2.00	\$11,000

**Main Structures**

No data to display

**Other Structures**

Sec	Description	Grade	Area	Story Height	YearBit
-----	-------------	-------	------	--------------	---------



# Mecklenburg County, VA Real Estate

Data last updated: 02/25/2019

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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: Groom School Apartments: A.R.

Address of Development: 1050 Plank Road, South Hill, VA 23970

Name of Owner: Groom School Apartments, 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:

24,974.18	(A) Total gross floor area in (sq. ft.) for the entire development
0.00	- (B) Unheated floor area (breezeways, balconies, storage)
0.00	- (C) Nonresidential, (commercial income producing) area
24,974.18	= (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	1,184.02		11		13,024.22
2 Bedrooms Garden	1,493.74		8		11,949.96
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	0.00		0		0.00
2+ Story 3 BR Townhouse	0.00		0		0.00
2+ Story 4 BR Townhouse	0.00		0		0.00
<b>Total</b>			<b>19</b>	<b>Total</b>	<b>24,974.18</b> **

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

**2. Net Rentable Square Feet \***

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

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

100.00%

	Unit Type	Floor Plan Square Feet	Number of Units This Floor Plan	Total
Mix 1	1 BR - 1 Bath	703.85	6	4223.1
Mix 2	1 BR - 1 Bath	739.95	1	739.95
Mix 3	1 BR - 1 Bath	558.58	1	558.58
Mix 4	1 BR - 1 Bath	682.25	2	1364.5
Mix 5	1 BR - 1 Bath	714.77	1	714.77
Mix 6	2 BR - 2 Bath	988.56	2	1977.12
Mix 7	2 BR - 2 Bath	1004.75	6	6028.5
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
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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
<b>Totals</b>			<b>19</b>	<b>15606.52</b>

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



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



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)

- TRUE 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

- 1 **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).

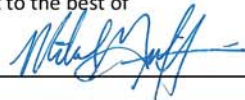
I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal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

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

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

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

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

Signed: 

Printed Name: Mikel Griffin

Title: Principal

Virginia Registration #: 009449

Phone: 434-847-6564

Date: 3/12/19

**NOTE TO ARCHITECT:** If representatons 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: Groom School Apartments: A.R.



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: 19

The total number of rental units in this development: 19

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.

X 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: [Signature]

Date: 3/7/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

# Home Energy Rating Certificate Projected Report

Rating Date: 2017-02-28  
Registry ID: Unregistered  
Ekotrope ID: bLb960M2

## HERS® Index Score:

**79**  
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](http://www.hersindex.com)

## Annual Savings

**\$332**

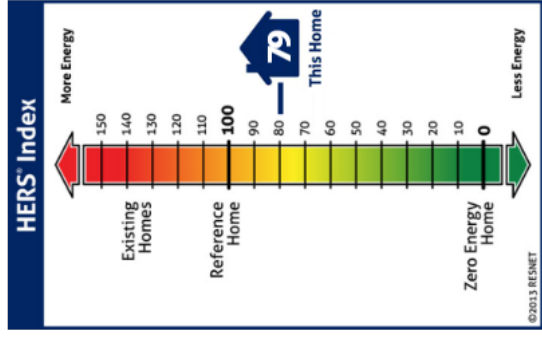
\*Relative to an average U.S. home

**Home:**  
1050 Plank Rd, South Hill, VA 23970  
**Builder:**

## Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	14.3
Cooling	2.1
Hot Water	4.5
Lights/Appliances	9.7
Service Charges	
Generation (e.g. Solar)	2.0
<b>Total:</b>	<b>30.6</b>

**This home meets or exceeds the criteria of the following:**



## Home Feature Summary:

Home Type:	Apartment, end unit
Model:	1BR Building 102 (AR)
Community:	Groom School Apts
Conditioned Floor Area:	680 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 11.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 20 SEER
Primary Water Heating:	Water Heater • Natural Gas • 0.9 Energy Factor
House Tightness:	5 ACH50
Ventilation:	35.0 CFM • 24.0 Watts
Duct Leakage to Outside:	34 CFM25 (5 / 100 s.f.)
Above Grade Walls:	R-2
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.53, SHGC: 0.6
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: 3/7/19 at 10:58 AM





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## INSTRUCTIONS FOR THE COMPLETION OF APPENDIX F ARCHITECT'S CERTIFICATION

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(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: Groom School Apartments: N.C.

Address of Development: 1050 Plank Road, South Hill, VA 23970

Name of Owner: Groom School Apartments, 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:

44,257.99	(A) Total gross floor area in (sq. ft.) for the entire development
0.00	- (B) Unheated floor area (breezeways, balconies, storage)
0.00	- (C) Nonresidential, (commercial income producing) area
44,257.99	= (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	1,137.21		20		22,744.10
3 Bedrooms Garden	1,344.62		16		21,513.89
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			36	Total	44,257.99 **

\* 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%

	<u>Unit Type</u>	<u>Floor Plan Square Feet</u>	<u>Number of Units This Floor Plan</u>	<u>Total</u>
Mix 1	2 BR - 2 Bath	901.05	17	15317.85
Mix 2	2 BR - 2 Bath	1004.9	3	3014.7
Mix 3	3 BR - 2 Bath	1161.93	4	4647.72
Mix 4	3 BR - 2 Bath	1111.41	12	13336.92
Mix 5				0
Mix 6				0
Mix 7				0
Mix 8				0
Mix 9				0
Mix 10				0
Mix 11				0
Mix 12				0
Mix 13				0
Mix 14				0
Mix 15				0
Mix 16				0
Mix 17				0
Mix 18				0
Mix 19				0
Mix 20				0
Mix 21				0
Mix 22				0
Mix 23				0
Mix 24				0
Mix 25				0
Mix 26				0
Mix 27				0
Mix 28				0
Mix 29				0
Mix 30				0
Mix 31				0
Mix 32				0
Mix 33				0
Mix 34				0
Mix 35				0
Mix 36				0
Mix 37				0
Mix 38				0
Mix 39				0
Mix 40				0
Mix 41				0
Mix 42				0
Mix 43				0
Mix 44				0
Mix 45				0
Mix 46				0
Mix 47				0
Mix 48				0
Mix 49				0
Mix 50				0
<b>Totals</b>			<b>36</b>	<b>36317.19</b>

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

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

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

- 3 **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).

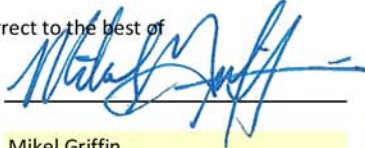
I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal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

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

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

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

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

Signed: 

Printed Name: Mikel Griffin

Title: Principal

Virginia Registration #: 009449

Phone: 434-847-6564

Date: 3/12/19

**NOTE TO ARCHITECT:** If representatons 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: Groom School Apartments: N.C.





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: 36

The total number of rental units in this development: 36

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").
- 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.
- 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

X New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

TRUE Earthcraft Certification - The development's design meets the criteria to obtain 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: [Signature]

Date: 3/7/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

# Home Energy Rating Certificate Projected Report

Rating Date: 2017-02-28  
Registry ID: Unregistered  
Ekotrope ID: j2rbew32

## HERS® Index Score:

# 63

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](http://www.hersindex.com)

## Annual Savings

# \$757

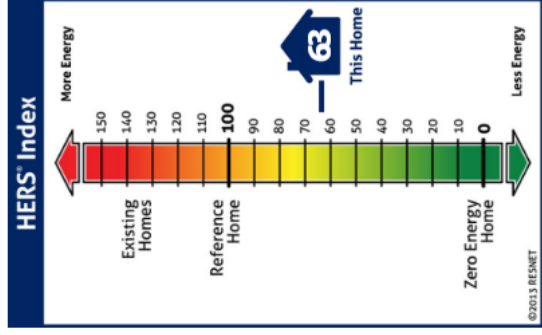
\*Relative to an average U.S. home

**Home:**  
1050 Plank Rd, South Hill, VA 23970  
**Builder:**

## Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	8.4
Cooling	1.6
Hot Water	6.3
Lights/Appliances	16.7
Service Charges	
Generation (e.g. Solar)	0.0
<b>Total:</b>	<b>33.0</b>

**This home meets or exceeds the criteria of the following:**



## Home Feature Summary:

Home Type:	Apartment, end unit
Model:	2BR Building 2 (NC)
Community:	Groom School Apts
Conditioned Floor Area:	1,025 sq. ft.
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 11.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 20 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	107.0 CFM • 250.0 Watts
Duct Leakage to Outside:	51.25 CFM25 (5 / 100 s.f.)
Above Grade Walls:	R-18
Ceiling:	Attic, R-38
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



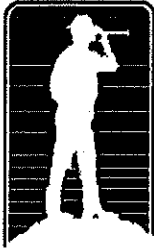
*Manon Shankle*

Manon Shankle, Certified Energy Rater  
Digitally signed: 3/7/19 at 10:56 AM

**G**

**Zoning Certification Letter**  
**(MANDATORY)**





You'll like the view from  
**South Hill**

# Town of South Hill

Incorporated 1901

## Zoning Certification

ADMINISTRATION  
(434) 447-3191

BUILDING AND CODE  
OFFICIAL  
(434) 447-5041

PUBLIC WORKS  
(434) 447-3228

**DATE:**

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

**RE: ZONING CERTIFICATION**

Name of Development: Groom School Apartments

Name of Owner/Applicant: Groom School Apartments, LLC

Name of Seller/Current Owner: Groom School Apartments, LLC

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

**DEVELOPMENT DESCRIPTION:**

Development Address:  
1050 Plank Road, South Hill, VA 23970  
\_\_\_\_\_  
\_\_\_\_\_

Legal Description:  
See Attached  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Proposed Improvements:**

<input checked="" type="checkbox"/> New Construction:	<u>36</u>	# Units	<u>2</u>	# Buildings	<u>44,257.99</u>	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Adaptive Reuse:	<u>19</u>	# Units	<u>1</u>	# Buildings	<u>24,974.18</u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.

**Zoning Certification, cont'd**

Current Zoning: R2-16 allowing a density of  
16 units per acre, and the following other applicable conditions: \_\_\_\_\_  
N/A

Other Descriptive Information:  
N/A

**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.

David Hash  
Signature

David Hash  
Printed Name

Code Compliance Official  
Title of Local Official or Civil Engineer

(434) 447-5041  
Phone:

3-5-2019  
Date:

**NOTES TO LOCALITY:**

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

EXHIBIT A

LEGAL DESCRIPTION

ATTACHED TO DEED DATED JULY 24, 2018  
CONVEYING PROPERTY FROM MECKLENBURG COUNTY, VIRGINIA  
TO GROOM SCHOOL APARTMENTS, LLC

PARCEL 1 - T.P. 78A16-(A)-7:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 8.35 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 526 AS 8.30 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN SET IN THE EASTERLY RIGHT OF WAY LINE OF SMITH STREET AT THE SOUTHWESTERN CORNER OF PARCEL 2 DESCRIBED BELOW OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 2 N 54 DEG. 13' 24" E 779.48' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF MECKLENBURG COUNTY, VIRGINIA, OR PARCEL 2 BELOW, AND ALONG THE PROPERTY LINE OF FRP1, LLC S 22 DEG. 14' 07" E 514.21' TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PLANK ROAD, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 3.80' BACK ON LINE; THENCE WITH THE RIGHT OF WAY LINE OF PLANK ROAD AND LEAVING THE PROPERTY OF FRP1, LLC S 55 DEG. 40' 47" W 191.43' TO A POINT; THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 1518.39', AN ARC LENGTH OF 129.05', A CHORD BEARING OF S 53 DEG. 14' 42" W, AND A CHORD DISTANCE OF 129.01' TO A POINT; THENCE CONTINUING WITH PLANK ROAD RIGHT OF WAY S 50 DEG. 48' 37" W 349.15' TO A NAIL SET AT THE INTERSECTION OF THE RIGHT OF WAY LINE OF PLANK ROAD AND THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING THE RIGHT OF WAY LINE OF PLANK ROAD AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 518.14' TO THE POINT OF BEGINNING AND CONTAINING 8.35 ACRES.

PARCEL 2 - T.P. 78A16-(A)-8:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 2.23 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 525 AS 2.00 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY RIGHT OF WAY OF SMITH STREET AT A BEND IN THE RIGHT OF WAY LINE OF SMITH STREET, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 21.20' UP ON THE BEARING LINE; THENCE WITH THE RIGHT OF WAY LINE OF SMITH STREET AND PARCELS NOW OR FORMERLY HATCHER, ROGERS, SKIPWITH AND KING N 61 DEG. 48' 51" E 818.59' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL NOW OR FORMERLY OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF KING, AND ALONG THE LINE OF FRP1, LLC S 08 DEG. 00' 11" E 75.64' TO AN IRON PIN FOUND AT THE NORTHEASTERN PROPERTY CORNER OF PARCEL 2 DESCRIBED BELOW AND OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 1 DESCRIBED ABOVE S 54 DEG. 13' 24" W 779.48' TO AN IRON PIN SET IN THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING PARCEL 1 DESCRIBED ABOVE AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 175.09' TO THE POINT OF BEGINNING, AND CONTAINING 2.23 ACRES.

INSTRUMENT 180002449  
RECORDED IN THE CLERK'S OFFICE OF  
MECKLENBURG COUNTY CIRCUIT ON  
July 27, 2018 AT 02:12 PM  
MICHELLE G. GORDON, CLERK  
RECORDED BY: CLW

*by clw*

H

Attorney's Opinion  
(MANDATORY)

## **BROCKMANN LAW**

17250 Lancaster Highway, Suite 608  
Charlotte, North Carolina 28277  
[www.brockmann.law](http://www.brockmann.law)  
704-541-5779

March 13, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Groom School Apartments  
Name of Owner: Groom School Apartments, LLC

Gentlemen:

The 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 13, 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.

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. Intentionally Deleted.

7. Intentionally Deleted.

8. Intentionally Deleted.

9. Intentionally Deleted.

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.

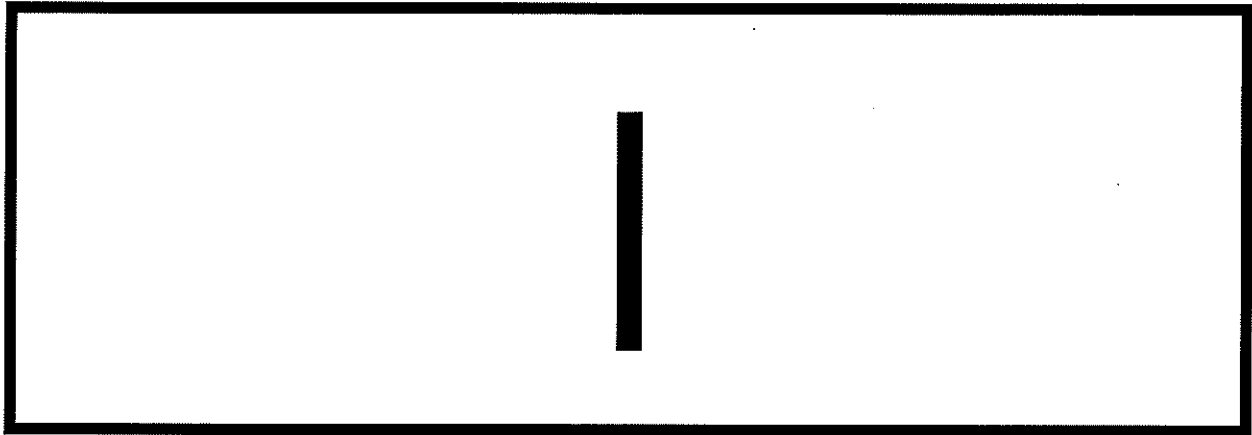
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

**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.**

Very truly yours,



Todd C. Brockmann, Esquire



# Nonprofit Questionnaire

(MANDATORY for points or pool)

**This Section is not  
Applicable**



**J**

# Relocation Plan

(MANDATORY, if tenants are displaced)

**This Section is not  
Applicable**

**K**

**Documentation of  
Development Location:**

**This Section is not  
Applicable**

**K.1**

Revitalization Area  
Certification



You'll like the view from  
**South Hill**

## Town of South Hill

Incorporated 1901

ADMINISTRATION  
(434) 447-3191

CODE COMPLIANCE  
OFFICIAL  
(434) 447-5041

PUBLIC WORKS  
(434) 447-3191

### Resolution

WHEREAS, pursuant to Section 36-55.30:2.A of the Code of Virginia of 1950, as amended, the Town Council of the Town of South Hill, Virginia, desires to designate the area (the "Area") described on Exhibit A attached hereto as a revitalization area;

NOW, THEREFORE, BE IT HEREBY DETERMINED AS FOLLOWS:

(1) the Area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in the Area are subject to one or more of the following conditions: dilapidation; obsolescence; overcrowding; inadequate ventilation, light or sanitation; excessive land coverage; deleterious land use; or faulty or inadequate design, quality or condition; and

(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the Area and will induce other persons and families to live within the Area and thereby create a desirable economic mix of residents in the Area.

NOW, THEREFORE, BE IT HEREBY RESOLVED that pursuant to Section 36-55.30:2.A of the Code of Virginia of 1950, as amended, the Area is hereby designated as a revitalization area.

APPROVED:

By: Dean Marion  
Dean Marion, Mayor

Attest: Anna B. Cratch  
Anna B. Cratch, Town Clerk

Date: November 14, 2016

# Exhibit A

PG0080 JUL 20 2009

PREPARED BY AND RETURN TO:

Russell O. Slayton, Jr.  
Post Office Box 580  
Lawrenceville, Virginia 23868

090002921

Grantor exempted from taxation pursuant to Virginia Code Section 58.1-811.C.4.  
Grantee exempted from taxation pursuant to Virginia Code Section 58.1-811.A.3.

**THIS DEED** is made this 6<sup>th</sup> day of February, 2009, by and between COUNTY SCHOOL BOARD OF MECKLENBURG COUNTY, VIRGINIA, Grantor, and MECKLENBURG COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia, c/o County Administrator, Post Office Box 307, Boydton, Virginia 23917, Grantee.

**WITNESSETH:** That for and in consideration of the sum of TEN DOLLARS (\$10.00), and other valuable consideration, cash in hand paid, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, bargains, sells, and conveys, with Special Warranty of title, to Mecklenburg County, Virginia, all the following described property, to-wit:

1. TAX MAP PARCEL NUMBER 078-A-16-A-007

All that certain tract or parcel of land situate in South Hill Magisterial District, Mecklenburg County, Virginia, shown as containing 8.3 acres on a certain plat thereof made by Drury H. Marrow, CLS, dated January 29, 1947, of record in the Clerk's Office of the Circuit Court for Mecklenburg County, in Deed Book 205 at page 526, which property is more particularly described in the belowmentioned deed as follows:

"All that certain tract or parcel of land, situate in South Hill Magisterial District, Mecklenburg County, Virginia, on the north side of Old Plank Road, about one mile west of the Town of South Hill, Virginia, and being more particularly described according to plat thereof, prepared by Drury H. Marrow on January 29, 1947, and to be recorded in the Clerk's Office of said County along with this deed...containing according to said survey, 8.3 acres."

The subject 8.3 acres is in all respects the identical property conveyed unto County School Board of Mecklenburg County, Virginia, by deed from F. E. Watkins and Ava W. Watkins, his wife, dated May 24, 1948, of record in the Clerk's Office aforesaid in Deed Book 128 at page 560.

LAYTON BAIN & CLARY  
411 S. HICKS STREET  
P.O. BOX 580  
LAWRENCEVILLE, VA 23868



2. TAX MAP PARCEL NUMBER 078-A-16-A-008

All that certain tract or parcel of land situate in South Hill Magisterial District, Mecklenburg County, Virginia, shown as containing 2.00 acres on a certain plat thereof made by Drewry H. Marrow, CLS, dated April 2, 1960, of record in the Clerk's Office of the Circuit Court for Mecklenburg County, Virginia, in Deed Book 205 at page 525, which property is more particularly described in the belowmentioned deed as follows:

"All that certain lot or parcel of land containing two acres, situate and being in South Hill Magisterial District, Mecklenburg County, Virginia, about one-fourth mile southwest of the Town of South Hill...and being shown on 'Plat of a part of F. E. Watkins Land located west of South Hill in Meckl. Co., Va.', surveyed April 2, 1960, by Drury H. Marrow, C.L.S., hereto attached and made a part of this deed, and to be recorded herewith."

The subject 2.00 acres is in all respects the identical property conveyed unto County School Board of Mecklenburg County, Virginia, by deed from F. E. Watkins and Ava W. Watkins, his wife, dated April 19, 1960, of record in the Clerk's Office aforesaid in Deed Book 205 at page 524.

This conveyance is made SUBJECT TO those easements, conditions and restrictions of record, as such may lawfully affect title to the subject property.

IN WITNESS WHEREOF, the County School Board of Mecklenburg County, Virginia, has caused this deed to be executed in its behalf pursuant to a resolution adopted at a duly convened meeting of the School Board on the October 20, 2008, a copy of which resolution is attached hereto for recordation herewith.

**SEE ATTACHED SIGNATURE PAGE**

**REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY**

PG0082 JUL 20 09

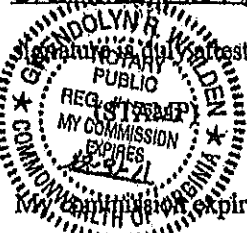
COUNTY SCHOOL BOARD OF  
MECKLENBURG COUNTY, VIRGINIA

By: [Signature] (SEAL)  
Chairman/Vice-Chairman

ATTEST:  
[Signature] (SEAL)  
Clerk

STATE OF VIRGINIA,  
COUNTY OF MECKLENBURG, to-wit:

The foregoing instrument was acknowledged before me this 20th day of  
February, 2009, on behalf of County School Board of Mecklenburg County, Virginia, by  
Glenn Barber, the Chairman/Vice-Chairman of said Board, whose



signature is hereby attested by Lynne Carter, the Clerk to said Board.  
[Signature]  
Notary Public

My commission expires: Dec 31, 2011  
Notary Registration Number: 155227

LAYTON BAIN & CLARY  
411 S. HICKS STREET  
P.O. BOX 560  
WRENCEVILLE, VA 23090

BOOK 205 PAGE 526

SMITH STREET

829-30' E  
518'

N 54-39' E  
228'

OLD PLANK ROAD

N 59-52' E

8.30 ACRES  
3 3/4'

S 59-00' E  
775'

N 16-18' W  
510'

Hazelwood Bros.

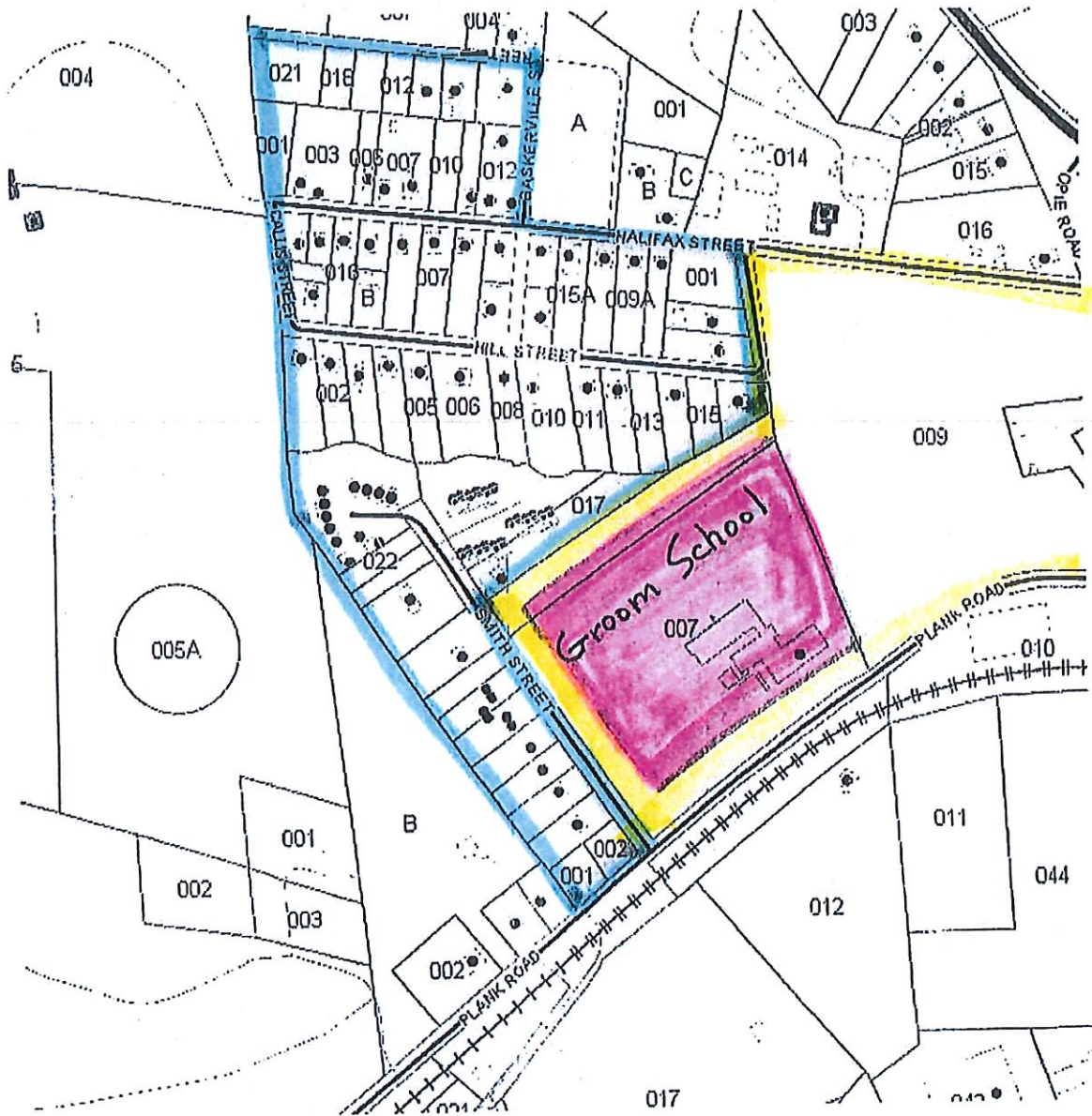
PLAT OF  
LAND NEAR SOUTH HILL, VA.  
BEING A PART OF W. L. SIMMONS EST.  
SURVEYED FOR F. S. WATKINS  
JANUARY 29, 1947  
SCALE - 1 INCH = 100 FEET




*Handwritten:*  
E. J. Mally  
Hutchinson  
9-17-69

VIRGINIA: In the Clerk's Office of Mecklenburg Circuit Court  
the 14 day of Aug 1969 at 4:30 P.M.  
The foregoing Instrument together with the certificate of  
acknowledgment thereon endorsed was this day admitted to  
record and all state and local taxes paid thereon.

Wester  
N.Y. Hutchinson Clerk





-  R1-10
-  R2-16
-  Rezone R1-10 to R2-16

# Council Meeting Minutes Pertaining To Revitalization



Councilman Taylor, Mr. Callis stated if this is approved, Hill Studio will be notified tomorrow. The next hearing of the DHR board is in March. For them to consider something, the information had to be in in October. After March, the next meeting is in June. They require most of the information in February for the June hearing. Councilwoman Jordan mentioned the expedited process might also be a factor in the amount. Councilwoman Bracey stated that in order for the elementary school project to go forward, we have to have this, so the architect should help with the cost. Mr. Callis commented it applies to so much more, and that one structure (out of the many) is not making a big difference in the amount of the fee.

A motion was made by Councilman Taylor, second by Councilman Moody, to appropriate \$25,000 for expenses related to achieving historic district designation along the Danville Street, Mecklenburg Avenue, and Franklin Street corridor. Motion carried unanimously.

**B. Groom School Virginia Housing Development Authority (VHDA) Revitalization Area and Rezoning**

Mr. Callis informed Council Landmark Development Company has made conditional offers to purchase both the former South Hill Elementary School on Franklin Street and the former John Groom School on Plank Road with plans to rehabilitate both properties into apartments. The purchase offers are contingent on both schools being located in or designated as historic properties so that the redevelopment can be financed in part through historic tax credits. The properties must also be designated as "revitalization areas" to secure VHDA financing.

The South Hill Elementary School property was previously designated as a revitalization area and work is well underway toward historic district designation. Landmark will pursue independent historic designation for the Groom School. For VHDA funding purposes, the attached resolution must be adopted by Council for the Groom School to be recognized by VHDA as a revitalization area. Revitalization area means it is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate for a number of reasons including dilapidation, obsolescence, overcrowding, inadequate ventilation, excessive land coverage, etc. For it to be considered revitalization, private enterprise and investment are not reasonably expected without the assistance of VHDA. It will meet the needs of low and moderate income persons and families in that area.

In order to get these historic tax credits, the developer does not gut the schools. They go in and try to keep the classrooms very much like they are. Closets, a lot of the chalkboards, and the same floors will remain in place. They try to maintain the architectural and historic character of the buildings. They are open to putting something there that recognizes the heritage.

To be used as multi-family housing apartments, the Groom School property must be rezoned from R1-10 to R2-16 (The former South Hill Elementary School is already zoned R2-16.) Landmark has submitted the appropriate rezoning application and paid related fees. The property adjacent to the Groom School along Smith Street is already zoned R2-16.

In answer to a question from Councilman Taylor, Mr. Callis stated we suggested most of the open area between Smith Street and the school should be used as green space. An area for green space is limited at the elementary school on Franklin Street. In both places, in addition to the existing structures, to make it financially feasible, the developer would probably build some additional apartments on the property that would resemble the existing structures.

A motion was made by Councilwoman Bracey, second by Councilman Taylor, to adopt the resolution designating the former John Groom School property on Plank Road as a VHDA revitalization area. A roll-call vote was requested and voiced as follows:

Councilman Allen-Aye  
Councilwoman Feggins-Boone-Aye  
Councilwoman Luster-Aye  
Councilman Sasser-Aye

Councilwoman Bracey-Aye  
Councilwoman Jordan-Aye  
Councilman Moody-Aye  
Councilman Taylor-Aye.

A further motion was made by Councilman Taylor, second by Councilman Sasser, to hold a public hearing at the December 12 Council meeting to hear comments related to the rezoning of the former John Groom School property on Plank Road to R2-16 for use as multi-family housing. A roll-call vote was requested and voiced as follows:

Councilman Allen-Aye  
Councilwoman Feggins-Boone-Aye  
Councilwoman Luster-Aye  
Councilman Sasser-Aye

Councilwoman Bracey-Aye  
Councilwoman Jordan-Aye  
Councilman Moody-Aye  
Councilman Taylor-Aye.

### C. DMV Property Maintenance

Mr. Callis stated that for over 20 years, the South Hill Industrial Development Authority (IDA) has owned the property on which the Department of Motor Vehicles (DMV) is located at 206 S. Brunswick Avenue. The IDA is working with the Virginia Attorney General's office to transfer ownership of this property to the DMV. The Attorney General and DMV have requested a letter from the Town of South Hill clarifying who is responsible for maintenance of certain areas beyond the boundary lines of the DMV property.

Mr. Callis presented Council with a draft letter explaining that the Town will maintain the curbs, gutters, and sidewalks located in our rights of way and that mowing, landscaping, and similar issues are the responsibility of the property owner, DMV. This is consistent with Town responsibilities at other locations.

A motion was made by Councilwoman Feggins-Boone, second by Councilman Sasser, to authorize the Town Manager to execute the letter clarifying that the Town will maintain the curbs, gutters, and sidewalks beyond the boundary lines of the DMV property at 206 S. Brunswick Avenue. Motion carried unanimously.

## 13. HUMAN RESOURCES REPORT

Kim Callis presented the following administrative news for the month of October 2016:

### A. Personnel Report

#### 1) Training

- Anna Cratch and Karen Lambert attended a webinar sponsored by the Virginia Coalition for Open Government entitled FOIA Basics on October 4.
- Benjamin Rhodes and Brandon Moore attended the Department of Environmental Quality's Basic Wastewater Licensure Review class October 11 through 14 at John Tyler Community College in Chester.

#### 2) Other

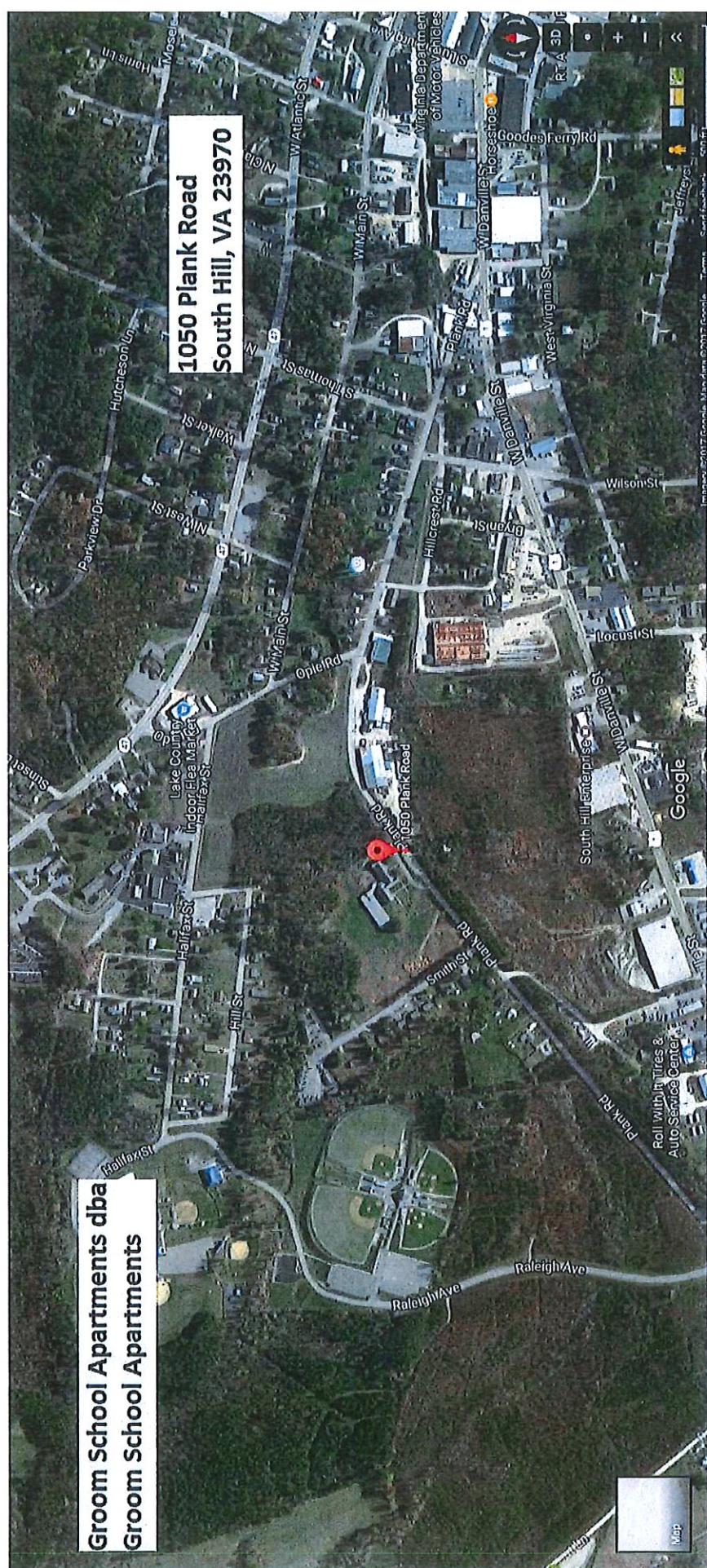


**K.2**

Location Map

Groom School Apartments dba  
Groom School Apartments

1050 Plank Road  
South Hill, VA 23970



# K.3

## Surveyor's Certification of Proximity to Public Transportation





**Surveyor's Certification of Proximity to Transportation**

DATE: 3/06/2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Groom School Apartments  
Name of Owner: Groom School Apartments, 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.

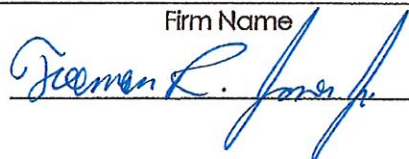
Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 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.

B&B Consultants

Firm Name

By:



Its: Professional Engineer

Title

2019

L

PHA/Section 8 Notification  
Letter

# PHA or Section 8 Notification Letter

**DATE:** 03/05/2019

**TO:** Pittsylvania Community Action Agency  
18 South Main Street  
Chatham, VA 24531

**RE:** PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Groom School Apartments

Name of Owner: Groom School Apartments, 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 12/1/2019 (date).

The following is a brief description of the proposed development:

Development Address:

1050 Plank Road, South Hill, VA, 23970

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>36</u>	# units	<u>2</u>	# Bldgs
<input checked="" type="checkbox"/> Adaptive Reuse:	<u>19</u>	# units	<u>1</u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u>          </u>	# units	<u>          </u>	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ <u>          </u>	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>348/448</u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>518/638</u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>592/730</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u>          </u>	/ month

Other Descriptive Information:

The proposed development consists of the adaptive reuse of the Historic John Groom School and the construction of two additional new construction apartment buildings. These apartments will serve affordable households based on the limits and regulations under the LIHTC program through VHDA.

## PHA or Section 8 Notification Letter

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We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (336)714-8910.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,



Lisa A. Sari

Name

Managing Member

Title

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

Seen and Acknowledged By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

## Tracking Summary


### Tracking Numbers

<b>Tracking Number:</b>	1Z 8R2 36E 03 9022 955 3
Type:	Package
Status:	<b>Delivered</b>
Delivered On:	03/07/2019 2:19 P.M.
Delivered To:	CHATHAM, VA, US
Received By:	POWELL
Service:	UPS Ground

Tracking results provided by UPS: 03/10/2019 11:57 A.M. ET

**NOTICE:** UPS authorizes you to use UPS tracking systems solely to track shipments tendered by or for you to UPS for delivery and for no other purpose. Any other use of UPS tracking systems and information is strictly prohibited.





# Shipment Receipt

Transaction Date: 05 Mar 2019

Tracking Number:

1Z8R236E0390229553

**① ADDRESS INFORMATION**

<b>Ship To:</b>	<b>Ship From:</b>	<b>Return Address:</b>
MS. EVERLENA ROSS PITTSYLVANIA COMMUNITY ACTION AGENC 348 NORTH MAIN STREET CHATHAM VA 24531-4406 Telephone:3367148941	LANDMARK ASSET SERVICES, INC TAMMY SIMMONS 406 E 4TH ST WINSTON SALEM NC 27101 Telephone:3367229871	LANDMARK ASSET SERVICES, INC TAMMY SIMMONS 406 E 4TH ST WINSTON SALEM NC 27101 Telephone:3367229871

**② PACKAGE INFORMATION**

	WEIGHT	DIMENSIONS / PACKAGING	DECLARED VALUE	REFERENCE NUMBERS
1.	1.0 lbs (1.0 lbs billable)	Other Packaging		Ref. 1 - GROOM SCHOOL

**③ UPS SHIPPING SERVICE AND SHIPPING OPTIONS**

Service:	UPS Ground Service
Shipping Fees Subtotal:	11.40 USD
Transportation	7.85 USD
Fuel Surcharge	0.75 USD
Delivery Area Surcharge - Extended	
Package 1	2.80 USD

**④ PAYMENT INFORMATION**

Bill Shipping Charges to: Shipper's Account 8R236E

Shipping Charges:	11.40 USD
Subtotal Shipping Charges:	11.40 USD
Total Charged:	11.40 USD

Note: This document is not an invoice. Your final invoice may vary from the displayed reference rates.

\* For delivery and guarantee information, see the UPS Service Guide ({}). To speak to a customer service representative, call 1-800-PICK-UPS for domes services and 1-800-782-7892 for international services.

**M**

Locality CEO Response  
Letter



You'll like the view from  
**South Hill**

# Town of South Hill

Incorporated 1901

ADMINISTRATION  
(434) 447-3191

BUILDING AND CODE  
OFFICIAL  
(434) 447-5041

PUBLIC WORKS  
(434) 447-3228

## Locality CEO Letter

03/05/2019

Date

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

VHDA Tracking Number:	<u>2019-C-67</u>
Development Name:	<u>Groom School Apartments</u>
Name of Owner/Applicant:	<u>Groom School Apartments, LLC</u>

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of The Town of South Hill, VA. Accordingly, The Town of South Hill, VA supports the allocation of federal housing tax credits requested by Groom School Apartments, LLC for this development.

Yours truly,

Signature  
Kim Callis

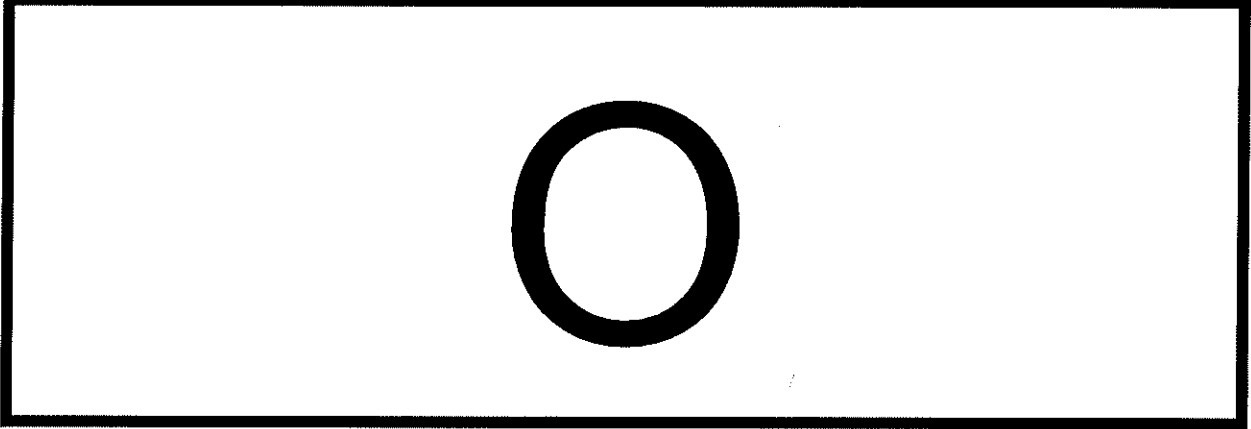
[CEO Name]  
Town Manager

[Title]

**N**

# Homeownership Plan

**This Section is not  
Applicable**



O

Plan of Development  
Certification Letter

**This Section is not  
Applicable**

P

Copies of 8609s to  
Certify Developer  
Experience and  
Partnership agreements



## VHDA Experienced LIHTC Developers

### Notes:

Updated: 2/26/2019

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 Franklin, Wendell C.	55 Orth, Kevin
2 Arista, Roberto	29 Friedman, Mitchell M.	56 Parent, Brian
3 Barnhart, Richard K.	30 Gardner, Mark E.	57 Park, Richard A.
4 Baron, Richard	31 Gunderman, Timothy L.	58 Park, William N.
5 Bennett, Vincent R.	32 Haskins, Robert G.	59 Pasquesi, R.J.
6 Burns, Laura P.	33 Heatwole, F. Andrew	60 Pedigo, Gerald K.
7 Chapman, Tim	34 Honeycutt, Thomas W.	61 Poulin, Brian M.
8 Cohen, Howard Earl	35 Hunt, Michael C.	62 Queener, Brad
9 Connelly, T. Kevin	36 Jester, M. David	63 Ripley, F. Scott
10 Connors, Cathy	37 Johnston, Thomas M.	64 Ripley, Ronald C.
11 Copeland, M. Scott	38 Jones Kirkland, Janice	65 Ross, Stephen M.
12 Copeland, Robert O.	39 Kirkland, Milton L.	66 Salazar, Tony
13 Copeland, Todd A.	40 Kittle, Jeffery L.	67 Sari, Lisa A.
14 Cordingley, Bruce A.	41 Koogler, David M.	68 Sinito, Frank T.
15 Counselman, Richard	42 Koogler, David Mark	69 Stockmaster, Adam J.
16 Crosland, Jr., John	43 Lancaster, Dale	70 Stoffregen, Phillip J.
17 Curtis, Lawrence H.	44 Lawson, Phillip O.	71 Surber, Jen
18 Daigle, Marc	45 Lawson, Steve	72 Valey, Ernst
19 Dambly, Mark H.	46 Leon, Miles B.	73 Uram, David
20 Deutch, David O.	47 Lewis, David R.	74 Woda, Jeffrey J.
21 Dischinger, Chris	48 Margolis, Robert B.	75 Wohl, Michael D.
22 Douglas, David D.	49 McCormack, Kevin	76 Wolfson, Ill, Louis
23 Edmondson, Jim	50 McNamara, Michael L.	
24 Ellis, Gary D.	51 Melton, Melvin B.	
25 Fekas, William L.	52 Midura, Ronald J.	
26 Fitch, Hollis M.	53 Mirmelstein, George	
27 Fore, Richard L.	54 Nelson, IV, John M.	

### NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Better Housing Coalition
- 5 Buckeye Community Hope Foundation
- 6 Community Housing Partners
- 7 Community Housing, Inc.
- 8 ElderHomes (dba Project: Homes)
- 9 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

Q

Documentation of Rental  
Assistance

# Historic Structure Incentives

## Town of South Hill, VA

**Structure Type:** Buildings eligible for Commonwealth of Virginia or Federal Historic Tax Credits

**Qualifications:** Renovation of a building designated as historic by the federal government or the Commonwealth of Virginia or located in a federal or state recognized historic district within the Town of South Hill with a minimum investment of \$5,000,000 **OR** the creation of the equivalent of five (5) full-time jobs. Investment will be established by evidence provided to the Code Compliance Official during the permitting process. To meet the job requirement, the business must create and maintain the equivalent of five (5) or more full-time employees for at least one year. The building must remain fully operational as a historic structure for incentives to remain in effect.

**Area:** Within the corporate limits of the Town of South Hill

### **Incentives:**

#### **Economic Stimulus Grant**

Rebate of the business, professional and occupation license (BPOL) tax for two years

Waiver of building permit fees

Rebate of Water/Sewer connection fees up to \$2,500

Grant equal to 100% of real estate taxes in Year 1

Grant equal to 75% of real estate taxes in Year 2

Grant equal to 50% of real estate taxes in Year 3

Grant equal to 25% of real estate taxes in Year 4

Kim Callis submitted the following report for the month of January 2017:

**A. Southern Virginia Food Hub Update**

Mr. Callis informed Council that Ann Taylor Wright and Deborah Gosney have made significant progress on making the Southern Virginia Food Hub a reality. The food hub will be located on West Danville Street in the space adjacent to the Colonial Center now occupied by the Farmers Bakers Market. Efforts are underway to identify a deli operator to prepare and serve meals.

While certain expense categories are still being finalized, grant funding of almost \$460,000 from the Tobacco Commission and the Department of Housing and Community Development is essentially in place. An application for additional funding of approximately \$100,000 from the Virginia Department of Agriculture and Consumer Services is in process.

A survey, which can be found at <https://www.surveymonkey.com/r/TMJJPYK>, is designed to solicit input on how the Southern Virginia Food Hub may best serve South Hill and the surrounding region. Residents of the Town and region are encouraged to complete the survey so that informed decisions can be made about providing food hub and deli services.

This agenda item was for informational purposes only; therefore, no Council action was taken.

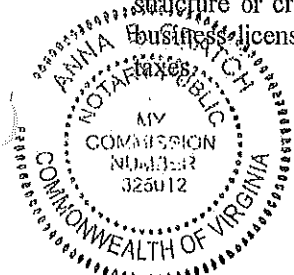
**B. Historic Structure Incentive**

Mr. Callis reported that the Budget and Finance Committee and Town staff recommend the adoption of a Historic Structure Incentive to encourage and support the redevelopment and rehabilitation of historic buildings within the Town limits.

To be financially feasible, most historic building redevelopment projects depend upon historic tax credits and other funding (grants and/or loans) from federal and state agencies such as the Virginia Housing and Development Authority. Almost without exception, funding agencies look more favorably upon applications which include financial support from the local government in which the historic structure is located.

Landmark Development has contingent offers to purchase both the former South Hill Elementary School on Franklin Street and the former John Groom School on Plank Road, with preliminary plans to invest a total of \$16 million to \$20 million to rehabilitate these two properties into elderly and multifamily apartments. The purchase offers are contingent upon Landmark's ability to obtain historic tax credits, VHDA financing and other low-interest funding.

The Town currently receives less than \$275 per year in real estate taxes on the South Hill Elementary School and no taxes on the John Groom School. These properties generate no other revenue for the Town and sometimes create expense in the form of mowing the grass. To help make Landmark's funding applications more competitive and to encourage the rehabilitation of these buildings into useful community purposes, the Budget and Finance Committee and Town staff recommend adoption of the attached Historic Structure Incentive. In summary, someone has to invest a minimum of \$5,000,000 per structure or create five full-time jobs. If they do those things, the Town will consider refunding some business license tax and working with them on permit fees, water/sewer connection fees, and real estate taxes.



County/City of Rockingham 1/3  
Commonwealth/State of Virginia  
I certify this to be a complete, full, true and exact reproduction of the original document.  
Certified this 14th day of Feb., 2017  
Anna B. Smith  
Notary Public  
My commission expires June 30, 2018

A motion was made by Councilwoman Bracey, second by Councilman Sasser, to adopt the Historic Structure Incentive effective immediately. A roll-call vote was requested and voiced as follows:

Councilman Allen-Aye  
Councilwoman Feggins-Boone-Aye  
Councilwoman Luster-Aye  
Councilman Sasser-Aye

Councilwoman Bracey-Aye  
Councilwoman Jordan-Aye  
Councilman Moody-Aye  
Councilman Taylor-Aye.

## 12. HUMAN RESOURCES REPORT

Kim Callis presented the following administrative news for the month of January 2017:

### A. Personnel Report

#### 1) Training

- Anna Cratch attended the Virginia Conflict of Interest and Ethics Advisory Council Required Training on January 5.
- Karen Lambert attended an OSHA Recordkeeping webinar by VML on January 19.
- All Town employees have been recertified in CPR.

#### 2) Other

- The Public Works Department held their monthly safety meeting on January 25. Topics included Major Causes of Workplace Accidents and Entering Underground Spaces/Gas Leak Protection.

This agenda item was for informational purposes only; therefore, no Council action was taken.

## 13. PUBLIC WORKS DIRECTOR'S REPORT

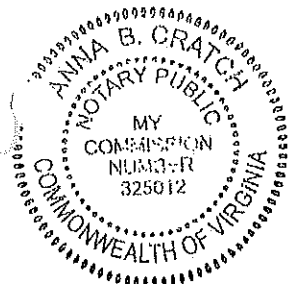
Bill Wilson submitted the following report for the month of January 2017:

### A. Projects/Operations Updates

#### 1) Softball Fields Maintenance

Mr. Wilson informed Council that in preparation for the upcoming baseball/softball season, the infields of Fields 3 and 4 at the softball complex, typically known for having a firm surface, have been tilled and approximately 35 tons of infield mix have been added to each. Base anchors (multiple positions) have to be reset due to this procedure. Softball signups began two weeks ago. The infield on Field 5 was reworked. This small field (130' deep) was conceptualized, designed and constructed by the Public Works Department in 2008.

#### 2) Information Sign at the Market Square



County/City of Northampton <sup>2/3</sup>  
Commonwealth/State of Virginia  
I certify this to be a complete, full, true and  
exact reproduction of the original document.  
Certified this 14<sup>th</sup> day of Feb, 2017  
Anna B. Cratch  
Notary Public  
My commission expires: June 30, 2016

R

Documentation of  
Operating Budget



# Change Request Notification

03/13/2019

02:11 PM

This notification is in response to your LIHTC Change Request submitted for the below-mentioned development. Please keep VHDA informed of the progress to complete this transaction.

<b>Change Request #</b>	02-OperatingExp-GSA		
<b>Deal Name</b>	Groom School Apartments	<b>VHDA #</b>	
<b>Address</b>		<b>Deal #</b>	2555
<b>Address cont</b>		<b>Request Date</b>	03/12/2019
<b>City</b>		<b>Regulation Year</b>	2018
<b>Zip</b>		<b>Status</b>	Approved w/cond.

**Customer Requestor** Sam Sari

**Define Requirement** (as stated on Request)

Per the VHDA Tax Credit Manual: "Per Unit Operating Expenses must be at least \$4,500 per unit excluding replacement reserves and assuming the tenant is paying their own utilities."

**Explanation of Request** (as stated on Request)

Groom School Apartments is a mixed construction development of 55 newly constructed/adaptive reuse units awarded 2017 LIHTC credits through VHDA. It is our intent to apply in 2019 for up to 10% more credits in order to offset rapidly rising construction and development costs.

We respectfully request that Groom School Apartments be allowed to remain under the 2017 minimum requirement of \$4,000 per unit in expenses excluding replacement reserves for the following reasons:

- The development has been substantially underwritten at \$4,157 per unit by our Equity Syndicators
- VHDA Lending issued a forward REACH commitment contingent upon at least \$4,041 per unit.
- The higher \$4,500 per unit threatens the feasibility of the development, as we would be forced to raise rents considerably and thus lessen affordability in an attempt to meet it.
- We own many comparable properties in our portfolio, which includes over 20 adaptive reuse schools in rural areas. Based on our experience and the data available to us, we strongly believe we can meet the currently underwritten expense amount of \$4,157 per unit.

**Status: Approved w/cond.**

**Comments**

This waiver is approved only if this application is only for an additional 10% increase in previously allocated credits.

If you have any further questions, please contact the VHDA Tax Credit Allocation department.

JD Bondurant  
Director of LITHC Programs

## Groom School – Utility Allowance Explanation

For this project, there will be two utility allowances due to differences in water heating between the two building types. The Adaptive Reuse building which contains 19 one and two bedroom units will heat water utilizing a central recirculating gas water heating system to supply hot water to these apartments. The property will pay for the cost of heating the water for this system. The New Construction buildings which contain 36 two and three bedroom units will use individual electric hot water heaters and the tenants will pay the cost for heating the water in their respective apartment.

Since the application does not provide for more than one allowance, we have reflected the electric hot water utility allowance for the two and three bedroom units since they represent the majority of those unit types and we have used the central recirculating gas utility allowance for the one bedroom units.





## 36 New Construction Units Utility Allowance (Electric Water Heating - Tenant Paid)

**Virginia Housing Development Authority**  
Housing Choice Voucher Program

Allowances for  
Tenant-Furnished Utilities  
and Other Services

Family Name: _____
Unit Address: _____
Voucher Size*: _____ Unit Bedroom Size*: _____
<i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 2 Exposed Walls					Effective Date: 07/01/2018			
Utility	Usage	Monthly Dollar Amount								
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR	
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Bottled Gas	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00	
	Home Heating	\$49.00	\$68.00	\$88.00	\$107.00	\$137.00	\$156.00	\$175.00	\$195.00	
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00	
Electricity	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00	
	Home Heating	\$19.00	\$26.00	\$34.00	\$41.00	\$51.00	\$59.00	\$66.00	\$74.00	
	Other Electric	\$10.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00	
	Water Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00	
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	
	Home Heating	\$11.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00	
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00	
Oil	Home Heating	\$38.00	\$53.00	\$67.00	\$82.00	\$104.00	\$120.00	\$134.00	\$149.00	
	Water Heating	\$16.00	\$22.00	\$28.00	\$34.00	\$43.00	\$50.00	\$56.00	\$62.00	
Sewer	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00	
Trash Collection	Other	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	
Water	Other	\$17.00	\$23.00	\$30.00	\$36.00	\$46.00	\$53.00	\$59.00	\$66.00	
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$ 82	\$ 101	\$	\$	\$	\$	



## 19 Adaptive Reuse Units Utility Allowance (Gas Water Heating - Owner Paid)

**Virginia Housing Development Authority**  
Housing Choice Voucher Program

Allowances for  
Tenant-Furnished Utilities  
and Other Services

Family Name: _____
Unit Address: _____
Voucher Size*: _____ Unit Bedroom Size*: _____
<i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 2 Exposed Walls					Effective Date: 07/01/2018			
Utility	Usage	Monthly Dollar Amount								
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR	
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
<b>Bottled Gas</b>	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00	
	Home Heating	\$49.00	\$68.00	\$88.00	\$107.00	\$137.00	\$156.00	\$175.00	\$195.00	
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00	
<b>Electricity</b>	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00	
	Home Heating	\$19.00	\$26.00	\$34.00	\$41.00	\$51.00	\$59.00	\$66.00	\$74.00	
	Other Electric	\$10.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00	
	Water Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00	
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	
	Home Heating	\$11.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00	
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00	
<b>Oil</b>	Home Heating	\$38.00	\$53.00	\$67.00	\$82.00	\$104.00	\$120.00	\$134.00	\$149.00	
	Water Heating	\$16.00	\$22.00	\$28.00	\$34.00	\$43.00	\$50.00	\$56.00	\$62.00	
<b>Sewer</b>	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00	
<b>Trash Collection</b>	Other	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	
<b>Water</b>	Other	\$17.00	\$23.00	\$30.00	\$36.00	\$46.00	\$53.00	\$59.00	\$66.00	
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$ 51	\$ 66	\$	\$	\$	\$	\$	

S

Supportive Housing  
Certification

**This Section is not  
Applicable**

T

# Funding Documentation

Construction Loan

FOR BANK USE ONLY:	
Loan # _____ Obligor # _____ Future Oblig. # _____ Current Oblig. # _____	Name and Address in Which Account will be Booked:

**PROMISSORY NOTE**

\$5,000,000.00

December 14, 2018

FOR VALUE RECEIVED, **GROOM SCHOOL APARTMENTS, LLC**, a Virginia limited liability company (jointly and severally, if more than one, "Borrower"), promises to pay to the order of **FIRST-CITIZENS BANK & TRUST COMPANY**, a North Carolina banking corporation ("Lender"), at its Loan Operations Center located at 100 East Tryon Road, Raleigh, North Carolina, or at such other place as the holder hereof may from time to time designate in writing, in collected funds or U.S. legal tender, the principal sum of **FIVE MILLION DOLLARS (\$5,000,000.00)**, together with interest accrued from the date hereof on the unpaid principal balance at the interest rate or rates per annum specified below, until paid in full.

This Note is made pursuant to the terms of the Construction Loan Agreement dated of even date herewith by and between Borrower and Lender (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"). The Loan Agreement contemplates advancement of funds under this Note in amounts, at the times, on conditions and pursuant to the terms set forth in the Loan Agreement. Accordingly, this is a future advance Note and Borrower agrees to accept and shall be obligated for the repayment of all advances of principal, with interest thereon, made under this Note, as shown on Lender's books and records, which shall be prima facie evidence of the amount of principal outstanding from time to time hereunder. The maximum principal amount that may be advanced under this Note is set forth in the Loan Agreement and such amount shall not exceed the face amount of this Note. Once amounts are advanced and repaid, they may not be re-borrowed by Borrower under this Note unless Lender agrees otherwise in writing, as determined in Lender's sole and absolute discretion.

Each of the undersigned Borrowers also promises to pay (i) late charges, prepayment penalties, and other fees and charges as specified herein, and (ii) the cost of all fees paid or to be paid to public officials for recording, perfecting, maintaining, canceling and/or releasing any security interest in any Collateral securing this Note. Interest is to be accrued and principal and interest are to be paid as follows:

- INTEREST RATE.** Unless and until a "default rate" described in section 7 below applies, interest shall accrue on the outstanding principal balance at the variable interest rate of two and twenty-five hundredths percent (2.25%) above the one-month London Interbank Offered Rate (LIBOR); provided, however, the interest rate will not at any time fall below the minimum rate of three and fifty hundredths percent (3.50%). The interest rate as of the date of this Note stated in simple interest terms is [ \_\_\_\_\_ percent ( \_\_\_\_\_ %)]. The interest rate is subject to change on a monthly basis, with interest rate changes becoming effective on first day of each calendar month based on the latest one-month LIBOR rate as published in the Money Rates table of *The Wall Street Journal* on the last business day of the preceding calendar month. If the LIBOR rate becomes unavailable, Lender may designate a substitute index and/or margin after notice to Borrower to effect a comparable rate.

All interest on this Note will be calculated on an "actual/360" daily simple interest basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. This interest calculation method results in a higher effective interest rate than the stated numeric interest rate. Accrued but unpaid interest may be added to the outstanding principal balance and accrue interest at the then current rate of interest due under this Note from time to time.

**2. MATURITY; PAYMENT TERMS.**

- This Note shall be due and payable in full on June 14, 2021 (hereafter referred to as "Maturity Date"). On the Maturity Date, one final payment of the entire balance of principal, interest, fees, premiums, charges and costs and expenses then outstanding on this Note shall be due and payable in full.

- (b) Interest on the outstanding principal balance shall be payable monthly beginning January 10, 2019 and consecutively on the same day of each such calendar period thereafter.
3. [INTENTIONALLY OMITTED].
4. **FEES.** Loan fees and/or discount points in the aggregate amount of \$37,500 are due and payable to Lender upon the signing of this Note. This sum may be included as part of the loan amount and is payable in addition to interest as provided in this Note.
5. **LATE CHARGE.** Unless the principal and interest are to be paid in one single payment, Borrower will pay a late charge of 4% of the unpaid portion of any payment past due for 15 days or more.
6. **RETURNED CHECK FEE.** Borrower will pay a \$25.00 processing fee to Lender each time a check, preauthorized charge or other form of remittance given for payment on this Note is dishonored or returned unpaid.
7. **INTEREST AFTER DEFAULT.** After an event of default occurs (including failure to pay at maturity, whether such maturity occurs by acceleration or on the Maturity Date), Lender may, at its option, increase the interest rate on this Note one or more times to a rate or rates (each a "default rate") to be determined by Lender in its sole discretion. However, (a) the default rate shall never exceed the lesser of 12% per annum or the maximum interest rate permitted by applicable law; (b) Lender will not increase the interest rate to a default rate if doing so is prohibited by applicable law; and (c) Lender will not increase the interest rate to a default rate without first giving Borrower at least 10 days prior written notice of the occurrence of the event of default and of Lender's intent to increase the interest rate pursuant to this provision, during which 10-day period Borrower may cure the default and thereby avoid an increase in the interest rate to a default rate. If the default is subsequently cured after the imposition of a default rate, Lender may, at its option and without notice to any obligor, reduce the interest rate on this Note to the rate that would then have applied had no event of default occurred. To the extent permitted by applicable law, the interest rate provided for in this Note (including any default rate then in effect) or the legal rate of interest on judgments; whichever is greater, shall apply to any indebtedness due following the entry of a judgment relating to the collection of this Note.
8. [INTENTIONALLY OMITTED].
9. **PREPAYMENT; PREPAYMENT PENALTY.**
- (a) This Note may be prepaid in part or in full at any time without penalty.
- (b) A partial prepayment of this Note will not, unless permitted by Lender, relieve Borrower of Borrower's obligation to continue making payments as and when due under the terms of this Note. Except as otherwise required by applicable law, all loan fees and other prepaid finance charges are earned fully as of the date of this Note and will not be subject to refund upon early payment (whether voluntary or as a result of a default).
10. **PAYMENTS.**
- (a) Unless otherwise noted, each consecutive payment is due on the same day of the calendar period specified.
- (b) Lender shall apply payments to this Note as of the business day Lender receives U.S. legal tender or collected funds. U.S. legal tender shall be deemed received on the business day it is in fact received by Lender. Collected funds shall be deemed received on the business day the funds are cleared or otherwise irrevocably available to Lender. "Business day" shall mean the business day for Lender's transactions between the applicable cut-off times on consecutive banking days.
- (c) Any item delivered to Lender as payment hereunder which is returned or charged back to Lender shall be considered as not having been received by Lender.
- (d) Payments received will be applied to the following in the order specified: (i) unpaid interest accrued to the date of payment or the date payment is due (at Lender's option); (ii) the unpaid principal component of any payment then due; (iii) unpaid late charges, returned check fees, prepayment penalties, collection costs, and other charges then due; and (iv) the unpaid principal balance. Applying payments in the foregoing manner, Lender may, at its option, satisfy sums owing in the order in which they were billed, assessed, charged, or accrued.



- (e) Borrower agrees not to send Lender payments marked "Paid in Full," "Without Recourse," or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further sums owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First-Citizens Bank & Trust Company, Loan Servicing Department-DAC20, P.O. Box 26592, Raleigh, NC 27611-6592.

11. **WAIVER OF JURY TRIAL.** To the extent permitted by applicable law, Lender and each obligor voluntarily and knowingly waive the right to a jury trial in any action, proceeding or counterclaim brought by Lender or any obligor against the other or others arising out of or in any way related to this Note or any of the related Loan Documents.

12. **WAIVERS.** To the extent permitted by law, each obligor on this Note (whether a Borrower, maker, accommodation maker, guarantor, or endorser) hereby (a) waives notice of delinquency, notice of default, notice of intent to accelerate, notice of acceleration, demand for payment, presentment for payment, notice of protest, protest, notice of nonpayment, and notice of dishonor; (b) agrees that any extension of time for the payment of this Note shall not release or reduce the liability of any obligor, and further waives all notice of each such extension; (c) waives the benefits of any statutory or common law provision limiting the liability of, or requiring the discharge or exoneration of, a guarantor or surety, and all benefits, claims, rights and defenses based on the law of suretyship or impairment of collateral, including any benefits, claims, rights or defenses any obligor may have pursuant to § 8.3A-419, § 8.3A-605, or Chapter 3 of Title 49 of the Code of Virginia, as amended from time to time, and the corresponding provisions of any other state or federal law; (d) waives the benefits of any statutory or common law provision that releases, discharges, or limits the liability of a remaining obligor following the release of a co-obligor; (e) waives any homestead or exemption laws and any rights thereunder with respect to any Collateral taken as security for repayment of this Note; (f) waives the benefits of any legal or equitable doctrine or principle of marshalling; (g) waives the benefits of any statutory or common law provision limiting the right of Lender to recover a deficiency judgment or otherwise proceed against any obligor after the foreclosure, sale or other disposition of any security for this Note; and (h) agrees that none of the following shall release or reduce the liability of any obligor in any manner whatsoever: (i) the release of any one or more of the obligors or any settlement or compromise with any one or more of the obligors with respect to this Note, any Security Instrument or any of the other Loan Documents; (ii) the taking or compromise, modification, substitution, exchange, impairment, waiver, release or surrender of any Collateral or Security Instrument taken as security for this Note or for performance under any Security Instrument or any of the other Loan Documents; or (iii) the amendment, modification, extension, renewal, increase, or consolidation of this Note, any Security Instrument or any of the other Loan Documents, and each obligor waives notice of each such release, settlement, compromise, taking, substitution, exchange, impairment, waiver, surrender, amendment, modification, extension, renewal, increase, or consolidation. Lender shall have no duty whatsoever to monitor or verify the use of the proceeds of this Note or to ensure or verify that any loan proceeds are used for the purpose described in any of the Loan Documents. Each obligor hereby waives and agrees not to assert against Lender any claim or defense whatsoever based on (a) the actual use of loan proceeds, (b) the failure of any loan proceeds to be used for any purpose described in any of the Loan Documents, and/or (c) Lender's knowledge that loan proceeds were not used for the purpose described in any of the Loan Documents. Lender may delay or forego enforcing any of its rights or remedies under this Note without being deemed to have waived or forfeited such rights.

12. **EVENTS OF DEFAULT.** This Note, each Security Instrument and the other Loan Documents shall be in default upon the happening of any of the following "events of default":

- (a) Any payment is not made within five (5) days of the same being due according to the terms of this Note;
- (b) The occurrence of an Event of Default (as that term is defined in the Loan Agreement) under the Loan Agreement;
- (c) Any voluntary or involuntary bankruptcy, reorganization, insolvency proceeding, receivership, or other similar proceeding is commenced by or against Borrower as debtor under any federal or state law, or Borrower becomes insolvent, makes any assignment for the benefit of creditors, or conveys substantially all of its assets (provided, however, that an involuntary proceeding commenced against Borrower shall not constitute an Event of Default if the same is dismissed within thirty (30) days of commencement); or
- (d) Any voluntary or involuntary bankruptcy, reorganization, insolvency proceeding, receivership, or other similar proceeding is commenced by or against any guarantor as debtor under any federal or state law, or any guarantor becomes insolvent, makes any assignment for the benefit of creditors, or conveys substantially all of its assets (provided, however, that (1) an involuntary proceeding commenced against a guarantor shall not constitute an Event of Default if the same is dismissed

within thirty (30) days of commencement, and (2) none of the foregoing shall constitute an Event of Default if such affected guarantors are replaced with one or more guarantors reasonably acceptable to Lender and such replacement guarantors, within 60 days of the above event: (i) execute a replacement guaranty in a form reasonably acceptable to Lender; and (ii) deliver such organizational and other documents, resolutions and opinions reasonably required by Lender to confirm such replacement guarantors' authority to enter into such guaranty); or

(e) The entry of any final monetary judgment or the assessment and/or filing of any tax lien against any Borrower or guarantor that is not satisfied, released or discharged within 60 days of entry unless the same is being contested in good faith by such parties and enforcement of the same is stayed pending such contest.

13. **NOTICE OF DEFAULT AND RIGHT TO CURE.** Borrower shall be entitled to the cure rights contained in the Loan Agreement, which provisions are in addition to and do not supersede or limit the application of any controlling provisions of the law of the Commonwealth of Virginia concerning notice of default, the right to cure, or the right to reinstate, and nothing in this Note shall be deemed a waiver of those provisions; provided, however, that such provisions and any such Virginia law shall run concurrently. Notwithstanding any rights Borrower may have to notice of default and opportunity to cure, Lender will have no obligation to advance funds under this Note if: (a) Borrower is in default under the terms of this Note or any agreement that Borrower has with Lender, including any agreement made in connection with the signing of this Note, (b) Borrower or any guarantor is in default under the terms of any instrument securing repayment of this Note, (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note, or (d) Borrower has applied funds advanced pursuant to this Note for purposes other than those authorized by Lender.
14. **ACCELERATION.** If (a) an event of default occurs and Borrower is not entitled under the preceding Section to notice of default and the opportunity to cure, or (b) an event of default occurs and the default is not cured during any applicable cure period following the giving of any required notice of default, then this Note shall, at Lender's option, become due and payable in full without demand or notice of any kind. In addition, if Lender has the right to accelerate this Note under the provisions of any Security Instrument as a result of Collateral being sold, transferred, conveyed or encumbered, Lender shall not be further obligated to advance loan proceeds and this Note shall, at Lender's option following the giving of any required notice and opportunity to cure, become due and payable in full without further demand or notice of any kind. Lender's failure to exercise any of the foregoing options shall not constitute a waiver of the right to exercise such options. Waiver by Lender of any default or right to accelerate shall not operate as a waiver of any other default or right to accelerate or of the same default or right to accelerate on a future occasion. Except to the extent Virginia law permits a default to be cured and the obligation evidenced by this Note reinstated as though no acceleration had occurred, acceptance by Lender of payment of less than the entire unpaid balance after acceleration of this Note shall not cure a default or waive an acceleration, and Lender shall be entitled to proceed with its rights and remedies as note holder (and as secured party, if applicable). If an event of default occurs or this Note is accelerated, interest shall continue to accrue on the unpaid balance.
15. **COLLECTION COSTS/ATTORNEYS' FEES.** To the extent permitted by applicable law, Borrower promises to pay to Lender all of Lender's reasonable collection costs and expenses actually incurred, including, but not limited to, (a) court costs; (b) Lender's reasonable attorneys' fees actually incurred if this Note is referred for collection to an attorney who is not a salaried employee of Lender, whether or not there is a lawsuit; and (c) expenses incurred to (i) trace and/or locate any obligor; (ii) collect this Note in whole or in part and, where applicable, reinstate the loan; (iii) trace, locate, recover, repossess, transport, store, hold, and assess any Collateral (including environmental assessments and appraisal expenses); and (iv) protect Collateral and Lender's interest in the Collateral, including the cost of any bonds. Attorneys' fees recoverable under this Section include, but are not limited to, attorneys' fees at trial, for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and on appeal. Costs and expenses recoverable by Lender under this Section shall include sums that may not be taxable as court costs, including, without limitation, all costs and expenses incident to appellate, bankruptcy, post-judgment and alternative dispute resolution proceedings. Borrower shall be liable for the payment of all such costs and expenses as an additional obligation under this Note. All such costs and expenses shall be due and payable to Lender immediately upon Lender's payment of the same, may be added to the principal balance due and, to the extent permitted by law, shall bear interest at the rate specified in this Note. The repayment of such costs and expenses shall be secured by all Collateral and by each Security Instrument. Lender shall have no duty to release Collateral until all such costs and expenses, in addition to all other obligations secured by the Collateral, are paid in full.
16. **SETOFF.** Lender has the right of setoff provided by law and/or as provided by any deposit account agreement or other agreement any obligor has or may hereafter have with Lender. Following and during the continuance of any event of default, Lender may exercise its right of setoff against all accounts, deposits, monies, securities and other property of each obligor now or hereafter in

Lender's possession or on deposit with Lender, whether held in general or special accounts or deposits, whether held alone or jointly with others and whether held for safekeeping or otherwise. However, Lender may not exercise a right of setoff against IRA, Keogh, agency, fiduciary or trust accounts for which setoff is prohibited by law. Lender may exercise its right of setoff without demand upon or notice to any obligor.

17. [INTENTIONALLY OMITTED].

18. **INFORMATION ABOUT OTHER OBLIGATIONS.** Lender is authorized to obtain such information about each Borrower's other obligations as Lender may reasonably request from the creditors of each Borrower. The information requested may include, but is not limited to, Borrower's credit limit, the amount then owing to the creditor, the terms of repayment, whether the obligation is being paid as agreed, whether Borrower is entitled to obtain additional credit advances, and the current payoff amount. The creditors of each Borrower are authorized and directed to promptly provide to Lender the information requested by Lender.

19. **BORROWER'S FINANCIAL INFORMATION.** For purposes of this Section, "Financial Information" means information relating to a Borrower's finances. Each Borrower covenants and agrees with Lender that, until this Note is paid in full and Borrower is no longer entitled to obtain credit advances, Borrower will furnish Lender with such Financial Information at such times and in such detail as set forth in the Loan Agreement.

Each Borrower warrants and represents that (a) all Financial Information Borrower has provided and that has been provided on Borrower's behalf to date is true and accurate in all material respects and fairly presents Borrower's financial condition and business transactions as of the date of the Financial Information provided, and (b) Financial Information Borrower provides and that is provided on Borrower's behalf in the future will be true and accurate in all material respects and will fairly present Borrower's financial condition and business transactions as of the date of the Financial Information provided. Each Borrower further warrants and represents that, except as specifically disclosed in the Financial Information, (a) Borrower has no direct or contingent liabilities; (b) title to all assets listed in the Financial Information is solely in Borrower's name, and no other person or entity has an interest in such assets, other than residential tenants holding leasehold interests in apartment units; (c) there exist no liens, encumbrances, or defects in or upon the assets listed in the Financial Information; (d) all taxes owed by Borrower have been fully paid and discharged, except taxes not yet delinquent; (e) there are no claims, actions, or proceedings pending or threatened against Borrower or any of Borrower's property; and (f) there are no judgments or liens against Borrower or any of Borrower's property. With respect to each copy of Borrower's tax returns given to Lender, Borrower warrants and represents that (a) the copy is a true and accurate copy of the return, as filed; (b) the original of the return was properly signed or electronically authenticated by Borrower or on Borrower's behalf and submitted to the appropriate tax authority; and (c) the return accurately states Borrower's income, deductions and tax liability for the period stated. Borrower acknowledges that Lender has relied and will rely on Borrower's Financial Information.

Borrower covenants and agrees to send written notice to Lender within ten (10) business days after the occurrence of any change that is both material and adverse in (a) Borrower's financial condition or business transactions, (b) Borrower's ability to perform Borrower's obligations to Lender, or (c) Financial Information previously given.

Borrower authorizes Lender and its affiliates to make such credit, employment, and investigative inquiries about Borrower from time to time as Lender and its affiliates deem reasonably appropriate to evaluate Borrower's financial strength, character, and credit history, to administer this loan, and to collect any sums owing. Lender is authorized to verify information about Borrower and obtain consumer report(s) about each individual who signs this Note as a Borrower or in a representative capacity on behalf of a Borrower.

20. **MISCELLANEOUS.** This Note shall be the joint and several obligation of each Borrower. The proceeds of this Note shall be used solely for business, commercial, or agricultural purposes and not for any personal, family, or household use. Lender may delay or forego enforcing any of its rights or remedies under this Note without being deemed to have waived or forfeited them. No waivers or modifications of the terms of this Note shall be valid unless they are reduced to writing and duly executed by the party to be charged therewith. This Note is subject to the provisions of the Loan Agreement, the terms and conditions of which are incorporated herein by reference. Any failure to comply with the terms and conditions of the Loan Agreement shall be an additional "event of default" under the terms of this Note. If the terms of the Loan Agreement conflict with the terms of this Note, the terms of this Note shall control. This Note, each Security Instrument and all other Loan Documents shall be binding upon each obligor and their respective heirs, executors, administrators, successors and assigns, and shall inure to the benefit of and be enforceable by Lender and its successors, transferees and assigns. This Note and all guaranties and endorsements of this

Note have been entered into in the Commonwealth of Virginia and shall be deemed to have been made under and shall be governed by federal law and, except to the extent preempted by federal law, by the laws of the Commonwealth of Virginia in all respects, including matters of construction, validity and performance, but without giving effect to those principles of conflict of laws that might otherwise require the application of the laws of another jurisdiction. Any action, suit or proceeding relating to this Note or any guaranty or endorsement of this Note may be instituted and prosecuted in the state or federal courts of the Commonwealth of Virginia, and each obligor waives any and all defenses relating to the jurisdiction and venue of such courts. Any photocopy, microfilm, microfiche or optical image of this Note may be presented as evidence in lieu of the original in any legal proceeding to enforce the terms of this Note and shall have the same validity as the original. Lender may sell, transfer, assign, or grant participations in all or any part of this Note, and in connection therewith disclose information (including financial information) relating to each obligor.

21. **DEFINITION OF TERMS.** As used herein, (a) "Borrower" means each person or entity that signs this Note as a maker or borrower, jointly and severally; (b) "guarantor" means each guarantor who guarantees the payment of all or any portion of this Note; (c) "obligor" means each Borrower, maker, guarantor, endorser, and surety of all or any portion of this Note; (d) this "Note" refers to this instrument, each related addendum, and the indebtedness evidenced by this instrument; (e) "Security Instrument" includes each and every pledge, assignment, security agreement, guaranty, mortgage, deed to secure debt, deed of trust, hypothecation, or other security instrument or arrangement given to secure repayment of all or any portion of this Note or performance under any of the Loan Documents, whether now existing or hereafter arising; (f) "Collateral" means any collateral that secures repayment of this Note; (g) "Loan Documents" include all documents executed and delivered in connection with the loan transaction evidenced by this Note (including this Note, each Security Instrument, the Loan Agreement, and all loan application documents), whether now existing or hereafter arising; (h) "Lender" means First-Citizens Bank & Trust Company and its successors and assigns; and (i) capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement. The terms "Note," "Security Instrument," and "Loan Documents" include all amendments, modifications, extensions and renewals thereof. If the terms of any related loan commitment letter or any of the Loan Documents conflict with the terms of this Note, the terms of this Note shall control.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned Borrower has hereunto set his or her hand or caused this Note to be signed in its name by a person or persons duly authorized, under seal, all as of the date of this Note.

WITNESS:

BORROWER:

**GROOM SCHOOL APARTMENTS, LLC,**  
a Virginia limited liability company

By: Groom School Managing Member, LLC,  
a Virginia limited liability company,  
its Managing Member/Manager

By: Landmark Asset Services, Inc.,  
a North Carolina corporation,  
its Managing Member/Manager

Tracy Snow Lurie  
Print Name: Tracy Snow Lurie

By: Lisa A. Sari (SEAL)  
Print Name: Lisa A. Sari  
Title: President

**For Bank Audit Purposes Only:**

Initials of Responsible Sales Associate: \_\_\_\_\_

Sales Associate No. \_\_\_\_\_ Cost Center \_\_\_\_\_

Town of South Hill Loan

LOAN AGREEMENT

THIS LOAN AGREEMENT is made effective as of the 14<sup>th</sup> day of December, 2018, by and between TOWN OF SOUTH HILL, VIRGINIA ("Lender"), and GROOM SCHOOL APARTMENTS, LLC, a Virginia limited liability company ("Borrower").

WITNESSETH:

WHEREAS, Lender has received a \$197,500 grant pursuant to the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (the "VBAF"); and

WHEREAS, the VBAF is related to the environmental clean-up activities on the former John Groom School site in South Hill, Virginia, which shall be redeveloped by Borrower into affordable housing (the "Project"); and

WHEREAS, as a condition of the VBAF, Lender is subject to that certain Performance Agreement dated as of January 8, 2018 (a true and correct copy of which is attached hereto as Exhibit B and is referred to as the "Performance Agreement"); and

WHEREAS, Lender has agreed to loan the sum of \$197,500 to Borrower as more particularly described herein (the "Loan").

NOW THEREFORE, for and in consideration of mutual benefits derived by the parties, it is agreed as follows:

1. Lender agrees to make the Loan to Borrower.
2. The Loan shall be evidenced by a promissory note in the form attached hereto as Exhibit A (the "Promissory Note"). The loan shall bear no interest and shall be repaid in accordance with the Section 6, below. The Promissory Note is secured by a deed of trust in the form attached hereto as Exhibit C (the "Deed of Trust").
3. Proceeds of the Loan shall be disbursed from time-to-time as environmental cleanup costs are incurred by Borrower. Disbursements shall be made directly to Borrower based on invoices evidencing the expenditures for environmental cleanup costs.
4. The term of the Loan (the "Term") shall be eighteen (18) years from the date hereof.
5. During the Term of the Loan, Borrower agrees to use its best efforts to assist Lender in its compliance obligations under the Performance Agreement. In the event of a default under the Performance Agreement by Lender due solely to the acts or omissions of Borrower, Lender shall give Borrower written notice of such default outlining the act or omission of Borrower causing such default as well as a proposed solution for curing such default. Borrower shall thereafter have a reasonable time to cure such default (not to exceed 120 days). In the event Borrower is unable to timely cure such default, then Borrower shall be in default hereunder ("Borrower Performance Default").
6. The Loan shall be repaid in full at the end of the Term.
7. Borrower and Lender agree to execute any and all instruments, now or in the future, in order to effectuate the terms of this Agreement or otherwise comply with the requirements of any governmental or financial entity involved in the Project.
8. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and constructed and interpreted in accordance with, the laws of the Commonwealth of Virginia.

9. Neither this agreement, nor any provision hereof, may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

10. The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any of its members nor any other party shall have personal liability for repayment of the Loan. The sole recourse of Lender under the loan documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.

11. Copies of all notices to Borrower shall be provided to RED STONE EQUITY-2017 NATIONAL FUND, L.P. and RED STONE EQUITY MANAGER, LLC (collectively, "Investor Members") at the address provided below:

c/o Red Stone Equity Partners, LLC  
1100 Superior Avenue, Suite 1640  
Cleveland, OH 44114  
Attn: Managing Director & General Counsel

12. In the event of any default by the Borrower under this agreement, the Promissory Note and/or the Deed of Trust, Investor Members shall have the right and opportunity, but not the obligation, to cure such default within a reasonable amount of time after notice of such default.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



IN WITNESS WHEREOF, Borrower has executed this instrument as of the date first above written.

GROOM SCHOOL APARTMENTS, LLC,  
a Virginia limited liability company

By Its Manager:

GROOM SCHOOL MANAGING MEMBER, LLC,  
a Virginia limited liability company

By Its Manager:

LANDMARK ASSET SERVICES, INC.,  
a North Carolina corporation

By: Lisa A. Sari  
Lisa A. Sari, President

IN WITNESS WHEREOF, Lender has executed this instrument as of the date first above written.

TOWN OF SOUTH HILL, VIRGINIA

By: Kim Callis  
Name: Kim Callis  
Title: Town Manager

Exhibit A

PROMISSORY NOTE

\$197,500.00

*December 14, 2018*

FOR VALUE RECEIVED, the undersigned, GROOM SCHOOL APARTMENTS, LLC, a Virginia limited liability company ("Maker"), promises to pay to the order of TOWN OF SOUTH HILL, VIRGINIA ("Holder") at *211 S. Meeklenburg Av, South Hill, VA* or at such other place or to such other person as the Holder may, from time to time, designate in writing, the principal sum of ONE HUNDRED NINETY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$197,500.00) or so much as may be advanced from time-to-time. Interest shall be accrued at the rate of zero percent (0%) per annum on the unpaid balance until paid. This Promissory Note has been made pursuant to that certain Agreement by and between Maker and Holder dated as of an even date herewith (the "Loan Agreement"). Payments shall be made in accordance with the Loan Agreement.

If there is a default in the payment of any part of the principal due under this Promissory Note as the same becomes due and payable or if there is a default in the performance of any covenant, agreement or condition contained in the Loan Agreement, then, in any such event, the Holder shall have the option of declaring the entire unpaid principal balance of this Promissory Note immediately due and payable. If, after a default under this Promissory Note, it becomes necessary for Holder to place this Promissory Note in the hands of an attorney for collection, Maker agrees to pay reasonable attorneys' fees and all other costs that may be reasonably incurred by Holder in the collection of sums due under this Promissory Note, including any costs incurred by Holder in connection with the filing by Maker of a petition under the United States Bankruptcy Code.

If any payment received by Holder under this Promissory Note is rescinded, avoided or for any reason returned by Holder because of any adverse claim or threatened action, the returned payment shall remain payable as an obligation of all persons liable under this Promissory Note as though such payment had not been made.

This Promissory Note shall be governed by and construed under the laws of the Commonwealth of Virginia without regard to that state's conflict of laws principles.

IN WITNESS WHEREOF, the undersigned Maker has caused this Note to be executed as of the date first above written.

GROOM SCHOOL APARTMENTS, LLC,  
a Virginia limited liability company

By Its Manager:

GROOM SCHOOL MANAGING MEMBER, LLC,  
a Virginia limited liability company

By Its Manager:

LANDMARK ASSET SERVICES, INC.,  
a North Carolina corporation

By: *Lisa A. Sari*  
Lisa A. Sari, President

Exhibit B

True and Correct Copy of the Performance Agreement

(attached)

**VIRGINIA BROWNFIELDS RESTORATION  
AND ECONOMIC REDEVELOPMENT ASSISTANCE FUND**

**SITE REMEDIATION GRANT**

**PERFORMANCE AGREEMENT**

This **PERFORMANCE AGREEMENT** is entered into this 8<sup>th</sup> day of January, 2018, by and between the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** (“VEDP”) and the **TOWN OF SOUTH HILL, VIRGINIA** (“Grantee” or the “Authority”).

The Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (the “VBAF”) was established pursuant to § 10.1-1237 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to promote the restoration and redevelopment of brownfield sites in the Commonwealth and to address environmental problems or obstacles to reuse so that such sites can be effectively marketed to new economic development prospects;

The VBAF is administered by the Virginia Resources Authority (“VRA”), and VEDP directs the distribution of grants from the VBAF;

VEDP, in consultation with the Virginia Department of Environmental Quality (“DEQ”), has established guidelines for awarding Site Remediation Grants from the VBAF;

The Grantee submitted an application to VEDP for a Site Remediation Grant to assist with the costs associated with the remediation and/or removal of ASTM Scope and Non-Scope Recognized Environmental Conditions (RECs) identified by Phase I and Phase II Environmental Site Assessments (the “Project”) at the former John Groom School (the “Site”);

VEDP, in consultation with DEQ, awarded a grant from the VBAF to the Grantee in the amount of \$197,500 (“Site Remediation Grant”) and directs VRA to disburse the Site Remediation Grant to the Grantee subject to the following terms and conditions:

**1. Scope of Work; Investment.**

(a) **Scope of Work:** The Grantee will cause activities related to the Project to be performed at the Site (“Scope of Work”). The Scope of Work is set forth on Exhibit A to this Agreement and further described in the Grantee’s application. The Grantee is expected to complete the Scope of Work on or before May 1, 2019 (the “Performance Date”). As noted on Exhibit A, the Scope of Work is expected to be performed in accordance with all applicable state and federal asbestos and lead based paint abatement laws and regulations.

(b) **Investment:** The expenditures by or on behalf of the Grantee estimated for the Project (“Investment”), including the Site Remediation Grant proceeds and the Local Match, are set forth on Exhibit A and further described in the Grantee’s application. The

Grantee is expected to make or be committed to make the Investment on or before the Performance Date.

2. **Disbursement of Grant; Use of Grant Proceeds.**

(a) **Disbursement:** The Grantee will submit to VEDP, no more frequently than monthly, a requisition letter with all receipts, invoices, statements or other evidence of actual payment made or payment due on the Investment, as outlined on Exhibit A hereto. The requisition letter should provide a brief summary of the Grantee's progress on the Project. Such requisition letter and supporting documentation may be submitted no later than the 5th day of each month, beginning February 2018.

VEDP, in consultation with DEQ, promptly will review the requisition letter and supporting documents. Upon satisfactory review and approval, VEDP will forward the requisition letter and supporting documentation to VRA, together with a direction to disburse the approved amount of the Grant proceeds from the VBAF to the Grantee. Upon receipt of the requisition letter and supporting documents, VRA will disburse such funds to the Grantee within one week.

(b) **Use of Grant Proceeds:** The proceeds of the Site Remediation Grant may only be used as permitted by § 10.1-1237 of the Virginia Code and as part of the Investment outlined on Exhibit A hereto.

3. **Performance; Revisions to Exhibit A; Responsibility for Costs.**

(a) **Performance:** The Grantee is expected to complete the Project on or before the Performance Date. If VEDP, in consultation with DEQ, find that good faith and reasonable efforts have been made and are being made by the Grantee to complete the Project, the Performance Date may be extended, and the date to which the Performance Date has been extended shall be the "Performance Date" for purposes of this Agreement.

(b) **Revisions to Exhibit A.** The Grantee will notify VEDP of any necessary revisions to the Scope of Work and Investment and promptly will provide a revised Exhibit A. Except for revisions impacting, in the aggregate, less than 10% of the Scope of Work or Investment, no revisions may be made without prior written approval of VEDP, in consultation with DEQ.

(c) **Local Match:** The Investment includes the required one-to-one cash match of the total amount of the Site Remediation Grant ("Local Match") by the Grantee. Evidence provided by the Grantee demonstrates that the Grantee will make or will be committed to make the Local Match on or before the Performance Date. The Grantee also is responsible for any costs of the Scope of Work in excess of the Site Remediation Grant and the Local Match.

(d) **Possible Additional Grant:** If the Site Remediation Grant is to allow the Grantee to complete the Scope of Work or other associated work identified through the results of the Scope of Work, an additional grant in an amount of up to 20% of the Site Remediation Grant may be awarded. Such additional grant may be awarded only if: (i) the amount of the original Site Remediation Grant and the additional grant totals no more than \$500,000; (ii) the additional grant, plus other identified funds, will be sufficient to allow completion, and (ii) there are uncommitted monies available in the VBAF. If such an additional grant is awarded, the Grantee must provide an additional Local Match.

4. **Reporting.**

(a) **Grant Report:** The Grantee may submit a written detailed report reasonably satisfactory to VEDP and DEQ on the completion of the Scope of Work and the Investment ("Grant Report") at any time prior to the Performance Date, but no later than 60 days after the Performance Date. The Grant Report must be submitted in an electronic format. The Grant Report will include the information set forth on Exhibit B to this Agreement, including an electronic copy of the final remediation report.

(b) **Status Report:** After the Performance Date, the Grantee will submit in electronic format a report providing an update on the Site ("Status Report") at such time as VEDP and DEQ may reasonably require. The Status Report will include whether the Site was successfully marketed to a new economic development prospect and generated any additional private investment and job creation.

(c) **Costs of Reporting:** The cost of reporting will be borne by the Grantee.

5. **Repayment Obligation.**

(a) **If the Investment is Less than Expected:** If the Grant Report indicates that the Site Remediation Grant proceeds exceed or will exceed the Local Match, the Grantee will repay to VEDP that amount of the Site Remediation Grant proceeds already received that are equal to the excess amount, or the Grantee will receive any final disbursement in an amount reduced to reflect the excess amount, as applicable.

(b) **If Site Remediation Grant Proceeds Misspent:** If the Grant Report indicates or any evidence obtained by VEDP reveals that the Site Remediation Grant proceeds were expended on anything other than the Scope of Work, the Grantee will repay to VEDP that amount of the Site Remediation Grant proceeds already received that are equal to the amount misspent, or the Grantee will receive any final disbursement in an amount reduced to reflect the amount misspent, as applicable.

(c) **Failure to Complete:** If it is reasonably determined that the Grantee is unable or unwilling to complete the Scope of Work and make or be committed to make the Investment by the Performance Date, the Grantee will repay to VEDP the all Site

Remediation Grant proceeds previously disbursed to the Grantee and no further disbursements will be made.

(d) **Repayment:** Within 60 days of receipt of written notice from VEDP of any repayment due under this Agreement, the Grantee will make the repayment to VEDP. Any repayment received by VEDP will be promptly transferred by VEDP to the VRA for redeposit in the VBAF.

6. **Notices.**

Written notices and communications between the Parties may be given by: (i) personal service, effective upon receipt; (ii) delivery by a document delivery service providing a receipt showing date and time of delivery, effective upon receipt; (iii) mailing, first class postage prepaid or certified providing a receipt showing date and time of delivery, effective the second business day following deposit in the United States mail; or (iv) delivery by electronic mail with transmittal and delivery confirmation; effective the next business day. Such written notices and communications shall be addressed to:

If to the Grantee, to:

Kim Callis  
Town Manager  
Town of South Hill, Virginia  
211 S. Mecklenburg Avenue  
South Hill, Virginia 23970  
Email:kcallis@southhillva.org

Joyce French  
The French Connection

Email: jf.frenchconnection@gmail.com

if to VEDP, to:

with a copy to:

Virginia Economic Development  
Partnership  
901 East Cary Street, Suite 900  
Post Office Box 798 (zip: 23218-  
0798)  
Richmond, Virginia 23219  
Email: jloftus@yesvirginia.org  
Attention: Sites and Building Manager

Virginia Economic Development  
Partnership  
901 East Cary Street, Suite 900  
Post Office Box 798 (zip: 23218-  
0798)  
Richmond, Virginia 23219  
Email: khart@yesvirginia.org  
Attention: Assistant General Counsel

7. **Miscellaneous.**

(a) **Entire Agreement; Amendments:** This Agreement constitutes the entire agreement between the Parties as to the Site Remediation Grant, and may not be amended or modified, except in writing, signed by each of the Parties. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns. The Grantee may



not assign its rights and obligations under this Agreement without the prior written consent of VEDP.

(b) **Governing Law; Venue:** This Agreement is made and intended to be performed in the Commonwealth and will be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement lies in and will only be brought in the Circuit Court of the City of Richmond. If this Agreement is subject to litigation, the Parties each will be responsible for its own attorney's fees.

(c) **Counterparts:** This Agreement may be executed in one or more counterparts, each of which will be an original, and all of which together will be one and the same instrument.

(d) **Severability:** If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the Parties as nearly as possible in accordance with applicable law.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

ACCEPTED AND AGREED TO:

VIRGINIA ECONOMIC  
DEVELOPMENT PARTNERSHIP  
AUTHORITY

By *John K. Loftus*  
Name: John K. Loftus  
Title: Sites and Building Manager  
Date: January 8, 2018

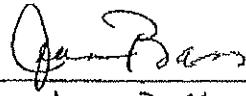
TOWN OF SOUTH HILL, VIRGINIA

By *Kim Callis*  
Name: Kim Callis  
Title: Town Manager  
Date: January 8, 2018

**SEEN AND ACKNOWLEDGED:**

**VIRGINIA RESOURCES AUTHORITY**

**VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY**

By   
Name: Jean Bass  
Title: Asst. Exec. Director  
Date: 2-8, 2018


By   
Name: James J. Golden  
Title: Director of Operations  
Date: January 17, 2018

Exhibit A: Investment

**EXHIBIT A**

**SCOPE OF WORK AND INVESTMENT**

Activity <sup>1</sup>	Estimated Amount
ASTM Scope Drum Removal	\$ 1,000*
ASTM Non-Scope REC ACM	115,000*
ASTM Non-Scope LBP	20,000*
ASTM Non-Scope Radon	15,500*
ASTM Non-Scope Septic Tank Closure	19,000*
ASTM Non Scope Erosional Gulying	25,000*
ASTM Non-Scope Noise Assessment Survey	2,000*
Site Acquisition	150,000
Architectural Design	185,000
<b>Total</b>	<b>\$ 529,500</b>

\* The VBAF Site Remediation Grant proceeds will be used for these activities.

**LOCAL MATCH**

Source	Amount
Site Acquisition	\$ 150,000
Portion of Architectural Design	47,500
<b>Total</b>	<b>\$ 197,500</b>

<sup>1</sup> Projects involving the removal of asbestos-containing material ("ACM") and lead abatement may require that specific permitting and licensing requirements be met. Please check with the Virginia Department of Labor and Industry at (804) 371-2327 regarding notification requirements and the Virginia Department of Professional and Occupational Regulation at (804) 367-8595 regarding licensing requirements. Removal of ACM and lead abatement must be conducted pursuant to applicable federal and state laws and regulations, including but not limited to, the National Emission Standards for Hazardous Pollutants (NESHAP), Occupational Safety and Health Administration (OSHA), Residential Lead-Based Paint Hazard Reduction Act of 1992, Toxic Substances Control Act of 1976, Virginia Occupational Health and Safety Compliance Program (VOSH), Virginia Regulations for Asbestos Emissions Standards for Demolition and Renovation Construction Activities and the Disposal of Asbestos-Containing Construction Wastes, and Virginia Hazardous Waste Management Regulations.

**EXHIBIT B**  
**GRANT REPORT**

The Grant Report must include:

- (a) a summary of the outcome of the Project;
- (b) any revisions to the Scope of Work and Investment;
- (c) documentation that (i) the Site Remediation Grant proceeds have been fully expended on the Scope of Work, or (ii) the Local Match is at least equal to the Site Remediation Grant proceeds;
- (d) documentation that the Local Match and any balance of the costs of the Scope of Work have been or will be paid;
- (e) a statement that data collected reflects certification by the Virginia Environmental Laboratory Accreditation program ("VELAP");
- (f) whether or not the Site may be effectively marketed to new economic development prospects; and
- (g) any revised plans for marketing the Site and/or a description of any new interest from prospective economic development projects.

Exhibit C  
DEED OF TRUST  
(attached)

180004136

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**Prepared Outside of the Commonwealth  
of Virginia By and Return to:**

Todd C. Brockmann, Esq.  
Brockmann Law  
17250 Lancaster Highway  
Suite 608  
Charlotte, NC 28277

COMMONWEALTH OF VIRGINIA  
COUNTY OF MECKLENBURG

Tax Parcel Nos. 78A16-(A)-7 and 78A16-(A)-8

**DEED OF TRUST**

**THIS IS A CREDIT LINE DEED OF TRUST**

**The maximum aggregate amount of principal to be secured  
hereby at any one time is \$197,500.00**

**The name and address of Noteholder secured hereby is:**

**Town of South Hill, Virginia  
211 S. Mecklenburg Avenue  
South Hill, Virginia 23970  
Attn: Town Manager**

**THIS DEED of TRUST** ("Deed of Trust") dated as of December 14 2018, is made by **GROOM SCHOOL APARTMENTS, LLC**, a Virginia limited liability company ("Grantor"), whose address for notice purposes is 406 East 4th Street, Winston-Salem, North Carolina 27101, to **JAMES A. BUTTS, III** and **CHARLES G. BUTTS, JR.**, (collectively, "Trustee"), whose address for notice purposes is P.O. Box 446, South Hill, Virginia 23970, for the benefit of **TOWN OF SOUTH HILL, VIRGINIA** ("Lender"), whose address for notice purposes is: Attn: Town Manager, 211 S. Mecklenburg Avenue, South Hill, Virginia 23970. Lender is sometimes referred to as "Beneficiary" and Grantor is sometimes referred to as "Borrower" in this Deed of Trust.

For recording purposes, Trustee and Lender are grantees.

**CONVEYANCE AND GRANT.** For valuable consideration, Grantor conveys, transfers, encumbers and pledges and assigns to Trustee for the benefit of Lender as Beneficiary, all of Grantor's present and future right, title, and interest in said real property being more particularly described in Exhibit A attached hereto and made a part hereof, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all declarant rights or special declarant rights belonging to Grantor pursuant to statute or restrictive and protective covenants; and all rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters (said property collectively being referred to herein as the "Real Property" and collectively with personal property, being referred to herein as the "Property").

In addition, Grantor presently, absolutely, and irrevocably assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in personal property and rents.

**OBLIGATIONS SECURED.** Subject to the maximum aggregate amount of principal that may be secured by this Deed of Trust at any one time as stated at the beginning of this Deed of Trust, this Deed of Trust (including the assignment of rents and the security interest in the rents and personal property) secures payment of the following, with interest thereon as specified therein:

- A. Grantor's obligations under the Promissory Note dated of even date herewith, in the original principal amount of ONE HUNDRED NINETY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$197,500.00) from Grantor to Lender, together with all renewals, extensions, modifications, amendments, restatements, consolidations, replacements, and refinancings of, and substitutions for, such instrument; and
- B. Grantor's obligations under the Loan Agreement by and between Grantor and Lender, dated of even date herewith, as may be amended, restated or replaced from time to time.

In addition, this Deed of Trust secures (a) all extensions, renewals, modifications, amendments, restatements, consolidations, substitutions, increases, and/or refinancings of or for any or all of the foregoing indebtedness, (b) the performance by Grantor of Grantor's obligations under this Deed of Trust, and (c) all payments made, sums advanced and expenses incurred by Lender (plus interest thereon at the same rate as the principal indebtedness secured hereby) (i) to protect its interest under this Deed of Trust, (ii) to preserve and protect the value or condition of the collateral, or (iii) to perform any of Grantor's covenants, agreements or obligations contained in this Deed of Trust. Future advances need not be evidenced by written instruments or notations signed by Borrower stipulating that such advances are secured by this Deed of Trust.

**THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Grantor shall perform all of the obligations required of the Grantor under this Deed of Trust as and when due. In addition, Grantor, if a Borrower, shall pay all of the obligations secured by this Deed of Trust as and when due. Any Grantor that is not a Borrower executes this Deed of Trust solely to convey Grantor's interest in the Property as security for the obligations secured by this Deed of Trust, and by signing this Deed of Trust such Grantor assumes no personal liability for payment of Borrower's debts or for the performance of Borrower's obligations. Nothing in this Deed of Trust, however, diminishes, limits or affects Grantor's liability to Lender under any separate guaranty or any other instrument. Grantor agrees that Lender and any Borrower may extend, modify, forbear, or make any other accommodations with regard to the terms of any of the obligations secured by this Deed of Trust without Grantor's knowledge or consent and without releasing Grantor or diminishing, modifying or affecting Grantor's obligations under this Deed of Trust.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of



Trust, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the highest rate charged under any Note secured by this Deed of Trust from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will: (1) be payable on demand; (2) be added to the balance of any Note secured by this Deed of Trust and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy, or (ii) the remaining term of the Note; or (3) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon default.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** To further secure the repayment and performance of the indebtedness and other obligations secured by this Deed of Trust, Grantor hereby grants and conveys to Lender a Uniform Commercial Code security interest in personal property. This instrument shall constitute a Security Agreement as to personal property, and Lender shall have all of the rights with respect thereto of a secured party under the Uniform Commercial Code as enacted and amended from time to time in the Commonwealth of Virginia. Lender is authorized to file at Grantor's expense such financing statements and other filings as Lender shall deem appropriate to perfect and continue Lender's security interest in personal property. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach any personal property from the Real Property, and Grantor shall assemble all personal property not affixed to the Real Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three days after receipt of written demand from Lender to the extent permitted by applicable law. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this instrument may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust. This provision is in addition to (and does not supersede) any other provision of this Deed of Trust granting Lender a security interest in personal property.

**FURTHER ASSURANCES.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under any Note secured by this Deed of Trust or this Deed of Trust, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**FULL PERFORMANCE.** If all the indebtedness is paid as and when due and all of the obligations imposed upon Grantor under this Deed of Trust are performed as and when due, Lender shall execute and deliver to Trustee a request for full reconveyance and shall at Grantor's request execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in rents and personal property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

**EVENTS OF DEFAULT.** This Deed of Trust shall be in default upon the happening of any of the following "Events of Default":

- A. The indebtedness or any other obligation secured by this Deed of Trust is not paid or performed as and when due or is otherwise in default.
- B. Grantor fails to keep, perform or observe any covenant, agreement, term or condition that Grantor is required to keep, perform, or observe under this Deed of Trust, or Grantor fails to perform any of Grantor's obligations or duties under the terms of this Deed of Trust beyond, without duplication, any applicable cure period or cure

provisions provided in the Loan Agreement.

**RIGHT TO CURE.** Prior to accelerating the indebtedness secured by this instrument, Lender shall give such notice and opportunity to cure as may be required by the Note secured by this instrument. The provisions of this section shall not supersede or limit the application of any controlling provisions of state law concerning notice of default, the right to cure, or the right to reinstate, and nothing in this instrument shall be deemed a waiver of those provisions; provided, however, that the provisions of the Note or Credit Agreement and any such state law requirements shall run concurrently.

**NOTICES.** Notices required or permitted by this Deed of Trust must be given in writing. Any notice to Grantor or Lender shall be deemed given when (i) mailed by first class or certified mail to Grantor or Lender at Grantor's and Lender's address stated in the Loan Agreement or at any other address Lender has for Grantor in Lender's records, or (ii) when actually received by Grantor or Lender, whichever first occurs.

**FUTURE ADVANCES.** This instrument secures not only existing indebtedness and advances made contemporaneously with the execution of this instrument, but also future advances, whether obligatory, optional, or both, and whether made under open-end credit agreements or otherwise, to the same extent as if such future advances were made contemporaneously with the execution of this instrument, even if no advance is made at the time of the execution of this instrument and even if no indebtedness is outstanding at the time any advance is made. Any advances (whether obligatory, optional, or both) made by Lender under the terms of any Note, Credit Agreement or other instrument or obligation secured by this instrument, and any modification, amendment, extension, or renewal thereof, together with interest thereon, shall be secured by this instrument with a priority as of the date this instrument is recorded.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Governing Law.** This Deed of Trust will be governed by, construed and enforced in accordance with federal law and the laws of the Commonwealth of Virginia. This Deed of Trust has been accepted by Lender in the Commonwealth of Virginia.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the

indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the Commonwealth of Virginia as to all indebtedness secured by this Deed of Trust.

**SUBORDINATION.** This Deed of Trust is hereby made expressly subordinate and junior to the construction loan provided by First-Citizens Bank & Trust Company (the "Senior Lender") to Grantor in the original principal amount of \$5,000,000.00 (as the same may be amended, restated, increased or otherwise modified from time to time, the (the "Senior Debt") and each of the notes, construction loan agreements, deeds of trust and other documents and agreements evidencing and/or securing the Senior Debt (collectively, the "Senior Debt Documents"). Irrespective of (i) the date, time, method, manner or order of attachment or perfection of any liens Grantor has granted to Lender in the Property or any other collateral securing the Senior Debt, (ii) the usual application of the priority provisions of the Uniform Commercial Code or any other applicable laws or agreements, (iii) whether the liens granted to Senior Lender in the Property or any other collateral securing the Senior Debt are properly perfected, (iv) whether arising pre-petition or post-petition, (v) whether granted pursuant to any Senior Debt Documents or the post-petition use of cash collateral by Grantor, (vi) any understanding between Lender and Grantor, any liens in the Property or any other collateral for the Senior Debt in favor of or for the benefit of Lender whether now existing or arising in the future, are hereby expressly made subordinate and junior in priority and right of enforcement to any liens in the Property and any other collateral securing the Senior Debt both now existing and arising in the future, securing any of the Senior Debt. Lender shall not enforce any rights or remedies Lender has or may have under this Deed of Trust so long as any of the Senior Debt remains unpaid or outstanding.

(a) **Enforcement Actions.** Lender agrees that, until the Senior Debt is paid in full, it will not commence any collection actions against Grantor or commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interest in or realize upon, the Property or any other collateral that secures the Senior Debt.

(b) **Notices to Senior Lender.** Until the Senior Debt is repaid in full, Senior Lender shall be copied on all notices provided to Grantor under this Deed of Trust and the other documents and agreements evidencing the debt secured hereby in the manner set forth in this Deed of Trust. Senior Lender's address for such purposes is:

First-Citizens Bank & Trust Company  
P.O. Box 26592  
Raleigh, North Carolina 27611-6592  
Attn: Loan Servicing Department – DAC20

*With a Copy to:*  
Poyner Spruill LLP  
301 Fayetteville Street  
Suite 1900  
Raleigh, North Carolina 27601  
Attn: Brian Corbett

(c) **Senior Lender is a Third Party Beneficiary.** By its acceptance of this Deed of Trust, Lender acknowledges and agrees that Senior Lender is a third party beneficiary of this Section and that such section may not be modified without the prior written consent of Senior Lender so long as any Senior Debt remains outstanding.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.**

**THIS DEED OF TRUST IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS DEED OF TRUST IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.**

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has hereunto set his or her hand and seal or caused this Deed of Trust to be signed and sealed in its name by a person duly authorized, all as of the date of this Deed of Trust.

WITNESS:

GRANTOR:

GROOM SCHOOL APARTMENTS, LLC,  
a Virginia limited liability company

Print Name: \_\_\_\_\_

By: Groom School Managing Member, LLC,  
a Virginia limited liability company,  
its Managing Member/Manager

By: Landmark Asset Services, Inc.,  
a North Carolina corporation,  
its Managing Member/Manager

*Tracy Snow Levine*  
Print Name: ~~Tracy Snow Levine~~  
*Tracy Snow Levine*

By: *Lisa A. Sari* (SEAL)  
Print Name: Lisa A. Sari  
Title: President

STATE OR COMMONWEALTH OF North Carolina  
CITY/COUNTY OF Forsyth

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of December, 2018, by Lisa A. Sari the President of Landmark Asset Services, Inc., a North Carolina corporation, the managing member/manager of Groom School Managing Member, LLC, a Virginia limited liability company, the managing member/manager of Groom School Apartments, LLC, a Virginia limited liability company.

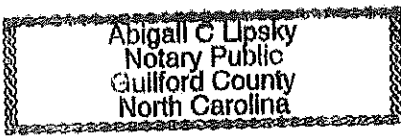
*Abigail C Lipsky*, Notary Public

(Official Seal)

*Abigail C Lipsky*  
Printed or typed name

My commission expires: 05-01-2022

Notary Registration No. \_\_\_\_\_



## Exhibit A

Description of Real Property

PARCEL 1 - T.P. 78A16-(A)-7:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 8.35 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 526 AS 8.30 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN SET IN THE EASTERLY RIGHT OF WAY LINE OF SMITH STREET AT THE SOUTHWESTERN CORNER OF PARCEL 2 DESCRIBED BELOW OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 2 N 54 DEG. 13' 24" E 779.48' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF MECKLENBURG COUNTY, VIRGINIA, OR PARCEL 2 BELOW, AND ALONG THE PROPERTY LINE OF FRP1, LLC S 22 DEG. 14' 07" E 514.21' TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF PLANK ROAD, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 3.80' BACK ON LINE; THENCE WITH THE RIGHT OF WAY LINE OF PLANK ROAD AND LEAVING THE PROPERTY OF FRP1, LLC S 55 DEG. 40' 47" W 191.43' TO A POINT; THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 1518.39', AN ARC LENGTH OF 129.05', A CHORD BEARING OF S 53 DEG. 14' 42" W, AND A CHORD DISTANCE OF 129.01' TO A POINT; THENCE CONTINUING WITH PLANK ROAD RIGHT OF WAY S 50 DEG. 48' 37" W 349.15' TO A NAIL SET AT THE INTERSECTION OF THE RIGHT OF WAY LINE OF PLANK ROAD AND THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING THE RIGHT OF WAY LINE OF PLANK ROAD AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 518.14' TO THE POINT OF BEGINNING AND CONTAINING 8.35 ACRES.

PARCEL 2 - T.P. 78A16-(A)-8:

ALL THAT CERTAIN PARCEL OF LAND WITH ALL IMPROVEMENTS AND APPURTENANCES THEREUNTO BELONGING, SITUATE, LYING AND BEING IN THE TOWN OF SOUTH HILL, MECKLENBURG COUNTY, VIRGINIA CONTAINING 2.23 ACRES, AS SHOWN ON ALTA/NSPS LAND TITLE SURVEY PREPARED BY LARRY E. HARTSOE, DATED APRIL 18, 2018, REVISED JULY 16, 2018, AND BEING SHOWN ON A PLAT RECORDED IN DEED BOOK 205, PAGE 525 AS 2.00 ACRES, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY RIGHT OF WAY OF SMITH STREET AT A BEND IN THE RIGHT OF WAY LINE OF SMITH STREET, SAID POINT BEING REFERENCED BY AN IRON PIN FOUND 21.20' UP ON THE BEARING LINE; THENCE WITH THE RIGHT OF WAY LINE OF SMITH STREET AND PARCELS NOW OR FORMERLY HATCHER, ROGERS, SKIPWITH AND KING N 61 DEG. 48' 51" E 818.59' TO AN IRON PIN FOUND IN THE PROPERTY LINE OF A PARCEL NOW OR FORMERLY OWNED BY FRP1, LLC; THENCE LEAVING THE PROPERTY OF KING, AND ALONG THE LINE OF FRP1, LLC S 08 DEG. 00' 11" E 75.64' TO AN IRON PIN FOUND AT THE NORTHEASTERN PROPERTY CORNER OF PARCEL 2 DESCRIBED BELOW AND OWNED BY MECKLENBURG COUNTY, VIRGINIA; THENCE WITH PARCEL 1 DESCRIBED ABOVE S 54 DEG. 13' 24" W 779.48' TO AN IRON PIN SET IN THE RIGHT OF WAY LINE OF SMITH STREET; THENCE LEAVING PARCEL 1 DESCRIBED ABOVE AND ALONG THE RIGHT OF WAY LINE OF SMITH STREET N 34 DEG. 41' 33" W 175.09' TO THE POINT OF BEGINNING, AND CONTAINING 2.23 ACRES.

INSTRUMENT 180004136  
RECORDED IN THE CLERK'S OFFICE OF  
MECKLENBURG COUNTY CIRCUIT ON  
DECEMBER 14, 2018 AT 04:19 PM  
MICHELLE G. GORDON, CLERK  
RECORDED BY: CLW

6176046

Del. to Blanche Cairns

by clwde

VHDA REACH Loan

VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MORTGAGE LOAN COMMITMENT - CONVENTIONAL  
MULTI-FAMILY RENTAL HOUSING DEVELOPMENT

Re: Development: Groom School Apartments  
VHDA Development No.: 9834/Deal 3269  
Mortgagor: Groom School Apartments, LLC

TO: Groom School Apartments, LLC  
c/o Mr. Sam Sari  
406 E. 4th Street  
Winston Salem, North Carolina 27101

The Virginia Housing Development Authority (the "Authority") hereby notifies you of the Authority's approval of your application for a mortgage loan (the "Mortgage Loan") for the financing of the captioned proposed multi-family rental housing development (the "Development"), located or to be located on certain property more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"), subject to your full and timely compliance with all applicable provisions of the Virginia Housing Development Authority Act, being Chapter 1.2 of Title 36 of the Code of Virginia of 1950, as amended (the "Act"), the Rules and Regulations of the Authority, and the following terms and conditions:

1. Principal Amount of Mortgage Loan.

Subject to the terms hereof, the principal amount of the Mortgage Loan shall be the lesser of One Million Three Hundred Thousand Dollars and Zero Cents (\$1,300,000.00) or Ninety-Five percent (95%) of the Total Development Cost of the Development as determined by the Authority in accordance with Section 9 hereof.

2. Mortgage Loan Interest Rate (Taxable Bond, 100% REACH Financing).

The interest rate on the Mortgage Loan shall be Two and Ninety-Five Hundredths percent (2.95%) per annum.

3. Repayment of Mortgage Loan (Permanent Financing).

The first payment of principal and interest on the Mortgage Loan shall be due on the first day of the second month following the month in which the Deed of Trust is executed; provided, however, that if the Deed of Trust is executed on the first day of any month, such first payment shall be due on the first day of the next succeeding month. The Mortgage Loan shall be payable on a level annuity basis by Three Hundred Sixty (360) equal payments of principal and interest in such amount as shall be established by the Authority. The maturity and final payment date of the Mortgage Loan shall be Twenty-Nine (29) years and Eleven (11) months following the due date of the first payment of principal and interest.

4. Mortgage Loan Closing (Permanent Financing).

a. As a condition precedent to the Closing of the Mortgage Loan hereunder, the following requirements shall be satisfied:

(1) The proposed Development shall be completed in accordance with the plans and specifications or work write-up prepared by CJM Architecture, P.A. and submitted to and approved by the Authority and in accordance with all applicable zoning, building, housing and other laws, codes, ordinances and regulations and all covenants and restrictions affecting the Property and the proposed Development. No change to such plans and specifications or work write-up shall be made without the prior written consent of the Authority.

(2) Prior to the Closing, at least 47 units shall be occupied at rents which will sustain the annual operating expenses and debt service of \$317,590.00.

(3) The Mortgagor shall be in compliance with the hereinbelow described provisions of the Regulatory Agreement relating to the leasing and occupancy of units in the Development.

and

b. As a condition precedent to the Closing of the Mortgage Loan hereunder, each of the following shall be delivered to the Authority in form and substance satisfactory to the Authority:

(1) Deed of Trust Note (VHDA Form No. CD-200 Conv) executed by the Mortgagor (Taxable Financing). Under the terms of the Deed of Trust Note, the Mortgagor shall covenant not to pay the debt evidenced by the Deed of Trust Note or any part thereof prior to or in advance of the payment schedule described therein until the date (the "Prepayment Date") which is ten years after the date on which fifty percent (50%) of the units in the Development are first occupied, as determined by the Authority. Subsequent to the Prepayment Date, the Mortgagor shall have the right to prepay, in whole



but not in part, the debt evidenced by the Deed of Trust Note; provided, however, that the Mortgagor in connection with such prepayment shall pay, in addition to all amounts due under the Deed of Trust Note, a prepayment fee equal to the greater of either (i) six percent (6%) of the then outstanding principal balance of the Mortgage Loan reduced by one percentage point for each twelve month period that has expired since the Prepayment Date, but in no event less than one percent (1%) of the then outstanding principal balance, or (ii) the total of (a) all fees, costs or other sums required to be paid under the resolutions adopted by the Authority to authorize the notes or bonds which are then financing the Mortgage Loan, (b) all other costs paid or to be paid by the Authority in connection with the issuance and retirement of such notes or bonds and any other notes or bonds theretofore issued to finance the Mortgage Loan, and (c) any other costs of the Authority relating to the financing of the Mortgage Loan. For further requirements regarding prepayment of the Mortgage Loan, see the Deed of Trust Note enclosed herewith.

(2) Deed of Trust (VHDA Form No. CD 210-Conv) executed by the Mortgagor and securing the Mortgage Loan, conveying the Property and constituting a first lien thereon.

(3) {Construction Loan Agreement or Disbursement Agreement - Deleted}

(4) Regulatory Agreement (VHDA Form No. CD 230-Conv) to permit the Authority's regulation of the Mortgagor pursuant to the Act and the Authority's Rules and Regulations. (Taxable Financing; REACH Virginia Financing; LIHTC). This Regulatory Agreement shall require the maintenance of a Reserve Fund for Replacements and monthly deposits thereto in the amount of One Thousand Three Hundred Seventy-Five Dollars and Zero Cents (\$1,375.00), subject to such reductions or increases as provided therein. In this Regulatory Agreement, the Mortgagor shall covenant and agree that (i) the units in the Development that are subject to the extended low-income housing commitment required by subsection (h)(6) of Section 42 of the Internal Revenue Code of 1986, as heretofore and hereafter amended, or any successor provision, shall be occupied or held available for occupancy by individuals and families whose incomes do not exceed as of the date of their initial occupancy of such units the applicable income limitation under such commitment and (ii) the units (if any) in the Development that are not subject to such commitment (and, upon any termination of such commitment, all of the units in the Development) shall be occupied or held available for occupancy by individuals and families whose adjusted family incomes, as determined in accordance with the Authority's Rules and Regulations in effect on the date of such determination, do not exceed as of the date of their initial occupancy of such units one hundred fifty percent (150%) of the area median gross income as then determined by the Authority (without adjustments for family size). For further terms and conditions regarding the above covenants, see the Regulatory Agreement enclosed herewith.

(5) {Construction Contract - Deleted}

(6) {General Conditions of the Contract for Construction - Deleted}

(7) {Assurance of Completion of Construction - Deleted}

(8) {Trade Payment Breakdown - Deleted}

(9) {Drawings and Specifications or Work Write-up - Deleted}

(10) {Owner-Architect Agreement - Deleted}

(11) Mortgagor's Certificate of Actual Costs (VHDA Form No. 100) and Closing Determinations (VHDA Form No. CD 1500B-Conv). In the Mortgagor's Certificate of Actual Costs, the Mortgagor shall certify as to the costs incurred in the construction or rehabilitation of the Development in accordance with the Authority's Cost Certification Guide for Mortgagor's, Contractors and Certified Public Accountants (the "Cost Certification Guide"), dated February 1, 1981, as amended through the date of the Closing. If required by the Cost Certification Guide, the Mortgagor's Certificate of Actual Costs shall include a completed and executed Accountant's Certificate and Opinion in the form required by the Cost Certification Guide and set forth in the above referenced form of Mortgagor's Certificate of Actual Costs. In the Closing Determinations, the Authority shall determine the Total Development Cost, the principal amount of the Mortgage Loan, the Mortgagor's equity investment in the Development, and other matters specified therein. At the Closing, the Mortgagor shall pay to the Authority for deposit into escrow under the Regulatory Agreement such amounts as the Authority estimates are necessary to pay taxes and insurance premiums before they become due.

(12) Title Insurance Policy, in an amount equal to the maximum principal amount of the Mortgage Loan, insuring the Authority's interest in the Property which shall show that title to the Property on the date of the Closing of the Mortgage Loan is vested in the Mortgagor free of encumbrances other than the Deed of Trust and the Regulatory Agreement, and free from all objections to title, except such as are specifically determined to be acceptable by the Authority. The Title Insurance Policy shall be issued by a title insurance company acceptable to the Authority and shall contain such terms and conditions and shall provide such coverage (including coverage against mechanics' and materialmen's liens) as shall be satisfactory to the Authority. The title insurance company shall issue an insured closing protection letter acceptable to the Authority with respect to the Mortgagor's counsel.

(13) Financing Statement(s) securing the Mortgage Loan, naming the Authority as the secured party, and covering certain tangible and intangible personal property used in, arising out of or relating to the Development. Such Financing Statement(s) shall be prepared and filed in accordance with the Instructions for Preparation and Filing of Financing Statement(s) enclosed herewith. The Mortgagor's Attorney's Opinion required by subparagraph (30) of this subsection b shall include an opinion that no prior financing statements shall have been filed in the name of the Mortgagor with respect to such personal property; provided, however, that in lieu of such opinion as to prior financing statements, the Mortgagor may submit a UCC search report, in form and substance satisfactory to the Authority, addressed to the Authority by a firm acceptable to the Authority or by the applicable filing office(s) and showing no prior filed financing statements in the name of the Mortgagor with respect to such personal property as of the date and time of the filing of the above referenced Financing Statement(s). Within thirty (30) days after Closing, the Mortgagor shall also submit a Statement of Fact issued by each state filing office in which the filing of the above referenced Financing Statement(s) is required by the Authority, which Statement of Fact shall indicate that no prior financing statements shall have been filed in the name of the Mortgagor with respect to such personal property as of the date and time of the filing of the above referenced Financing Statement(s).

(14) Certificate of Mortgagor's Attorney (VHDA Form No. CD 372).

(15) Such certificates of the Mortgagor and principals therein as is necessary, in the opinion of the Authority or its counsel, to evidence their legal capacity to execute the documents described in this Section 4.

(16) {Building permit(s) - Deleted}

(17) All certificates of occupancy or other approvals required by law, ordinance or regulation for use, occupancy, and operation of the Development. Such certificates and approvals must be issued by the appropriate authorities having jurisdiction thereof without any conditions or qualifications unacceptable to the Authority.

(18) An ALTA survey and Surveyor's Certificate (VHDA Form No. CD-360) addressed to the Authority, both certified as of a date within ninety (90) days of the date of the Closing, showing no easements, encroachments or other matters pertaining to the Property except as may be acceptable to the Authority.

(19) {Escrow Agreement for Incomplete On-Site Improvements - Deleted}

(20) Latent Defect Agreement (VHDA Form No. CD 334-Conv) providing for the correction of latent defects in the construction or rehabilitation of the Development and for the assurance thereof by an unconditional, irrevocable letter of credit issued to the Authority, by a commercial bank acceptable to the Authority, in the form required by the Authority and in the amount of One Hundred Forty-Five Thousand Dollars and Zero Cents (\$145,000.00).

(21) The Mortgagor shall deliver to the Authority evidence satisfactory to the Authority of the existence of all policies of insurance necessary to comply with the Authority's minimum insurance requirements as amended from time to time. Reference is hereby made to the Minimum Insurance Requirements for Closing of VHDA Financed Developments form enclosed with this Mortgage Loan Commitment. The Mortgagor shall maintain insurance coverage at all times throughout the life of the Mortgage Loan in accordance with the terms of the Regulatory Agreement and in compliance with the Authority's minimum insurance requirements, as amended.

(22) {Certificates of Insurance for General Contractor - Deleted}

(23) If the Development is in an area that has been identified by HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Mortgagor shall provide a certificate of insurance evidencing such flood insurance coverage of the Development as is satisfactory to the Authority and as is required by the Flood Disaster Protection Act of 1973.

(24) {Initial Equity Escrow Agreement - Deleted}

(25) A copy of the Deed conveying the Property to the Mortgagor.

(26) A Housing Management Agreement (VHDA Form No. CD 610-Conv.) providing for the management of the Development. The fee to be paid the Authority-approved Management Agent, if any, shall be equal to Six percent (6.00%) of gross rent collections received during each month as determined by the Authority.

(27) Phase I Assessment as described in the Environmental Hazards Management Procedures of the Federal National Mortgage Association for its Multifamily Delegated Underwriting and Servicing Product Line, which Assessment shall be performed by an independent, competent and qualified engineer satisfactory to the Authority, shall be dated not more than sixty (60) days prior to

Closing, and shall indicate no environmental conditions or other matters unacceptable to the Authority. Such Phase I Assessment shall be addressed to the Authority; or pursuant to a separate agreement with or letter from such engineer, the Authority shall be entitled to rely upon such Phase I Assessment without any limitations or conditions unacceptable to the Authority.

(28) [Confirmations of Resident Eligibility - Deleted]

(29) Mortgagor's Attorney's Opinion addressed to the Authority indicating, among other things, compliance with all legal requirements in the formation of the Mortgagor and the execution of documents.

(30) One of the following: (a) a copy of the written staff determination received by the Mortgagor from the locality in which the Development is to be located in form and substance acceptable to the Authority stating that the Development is consistent with current zoning and other land use regulations, (b) a written certification from the Mortgagor that such locality failed to respond to the Mortgagor's written request for such a written staff determination within 30 days after the locality's receipt of such written request or (c) a copy of the building permit(s) issued by such locality for the construction or rehabilitation (if any) of the Development to be completed after the date hereof. If paragraph (16) of this subsection 4b requires the delivery of the building permit(s) for the construction or rehabilitation of the Development, the delivery of such building permit(s) at or prior to the Closing shall satisfy the requirement of this paragraph (30); however, compliance with (a) or (b) of this paragraph (30) shall not be deemed to satisfy the requirement (if any) for the building permit(s) in paragraph (16) of this subsection 4b.

(31) Completed IRS Form SS-4 Application for Employer Identification Number or W-9 Request for Taxpayer Identification Number and Certification.

(31) [Closing Statement- Deleted]

5. Processing Fee and Financing Fee.

Prior to or simultaneously with the acceptance of this Commitment pursuant to Section 14 hereof, the Mortgagor shall have paid to the Authority a processing fee (the "Processing Fee") in the amount of Six Thousand Five Hundred Dollars and Zero Cents (\$6,500.00) of which No Dollars and Zero Cents (\$0.00) has been paid prior to the date hereof. The Processing Fee shall be non-refundable in the event the Mortgagor does not proceed with the Closing of the Mortgage Loan and the Authority is prepared to proceed with the financing of the Mortgage Loan. The portion of the Processing Fee equal to costs paid or incurred to third parties by the Authority in connection with its processing of the application for the Mortgage Loan shall be non-refundable in all cases. Prior to or simultaneously with the acceptance of this Commitment pursuant to Section 14 hereof, the Mortgagor shall pay to the Authority a financing fee (the "Financing Fee") in the amount of Six Thousand Five Hundred Dollars and Zero Cents (\$6,500.00) of which No Dollars and Zero Cents (\$0.00) has been paid prior to the date hereof.

6. Tenant Certification.

With respect to any units in the Development which shall hereafter be leased by the Mortgagor to tenant applicants prior to the Closing or for which leases with existing tenant applicants shall hereafter be renewed or extended (or permitted to be renewed or extended) by the Mortgagor prior to the Closing, the Mortgagor shall have such tenant applicants and existing tenants certify on Tenant Income Certifications processed using the Authority's web compliance management system (WCMS) and executed by the tenants and management agent or owner representative as to their incomes and other matters relating to their eligibility for occupancy of such units. The Mortgagor shall examine and determine the income and eligibility of each such tenant applicant and each such existing tenant. Furthermore, the Mortgagor shall require each such existing tenant to so certify as a precondition to any renewal or extension of his lease and shall not renew or extend (or permit the renewal or extension of) the lease of any such existing tenant who fails to so certify. The lease of any such existing tenant who does not satisfy the Authority's eligibility requirements and criteria (applied as if the initial occupancy of such tenant will commence upon the expiration of the term of the lease) shall not be renewed or extended by the Mortgagor, or, at the option of the Authority, such tenant shall be required to pay a rental surcharge prescribed by the Authority. Each such existing tenant whose lease is to be renewed or extended will be required, as a precondition to such renewal or extension, to execute a new lease which shall incorporate the VHDA form of Addendum to Lease (VHDA Form No. MD 225-Conv) enclosed herewith. Any units in the Development which are leased by the Mortgagor prior to the Closing shall be leased only to tenant applicants who satisfy the Authority's eligibility criteria and requirements, and the lease of each such tenant applicant shall incorporate the VHDA form of Addendum to Lease (VHDA Form No. MD 225-Conv) enclosed herewith.

7. Rate of Return.

The Authority has determined, in accordance with the applicable provisions of the Act and the Authority's Rules and Regulations, that there shall be no limitation on the annual distributions which may be made by or to the Mortgagor in respect of the Development.

8. Development Cost Analysis.

Attached hereto and made a part hereof is a Development Cost Analysis setting forth the Authority-approved estimated Total Development Cost, annual operating expenses and cash flow analysis, and the schedule of minimum rents intended to be charged to occupants.

9. Determination of Total Development Cost, Principal Amount of Mortgage Loan and Equity Investment; Records; Inspection (Permanent Financing; No Disbursement Agreement).

The Total Development Cost, the principal amount of the Mortgage Loan and the Mortgagor's equity investment shall be determined by the Authority at the Closing of the Mortgage Loan. The Total Development Cost shall be determined by the Authority in accordance with the Authority's Cost Certification Guide. The Principal Amount of the Mortgage Loan shall be determined in accordance with Section I hereof. The equity investment shall be determined to be the difference between (i) the Total Development Cost and (ii) the principal amount of the Mortgage Loan.

The Mortgagor shall establish, keep, and maintain accounts, books and records for the Development and to make same available for examination and copying by representatives of the Authority upon request. The records shall include, without limitation, all books, contracts, invoices, billings, receipts, canceled checks, and other evidence of disbursement of funds relating to the construction or rehabilitation (as may be applicable), ownership and operation of the Development. The books and records shall be kept for a period of one year from the closing of the Mortgage Loan. The Authority and its agents shall have the right of entry and free access to the Development and the right to inspect all structures, the construction or rehabilitation (as may be applicable) work, and all materials, equipment and fixtures furnished, installed or stored in and about the Development. Any inspection under this Section by the Authority shall be for the sole benefit and protection of the Authority, and neither the Mortgagor nor any other party shall be entitled to rely upon such inspection or the results therefrom for any purpose whatsoever, including without limitation the assertion of (i) any claim or defense with respect to any failure by the Mortgagor to perform in accordance with the terms of this Commitment or (ii) any waiver or modification of the rights of the Authority or the obligations of the Mortgagor hereunder.

10. Scheduling of Closing; Closing Attorney.

The date of the Closing of the Mortgage Loan will be scheduled by the Authority upon receipt, at the Authority Offices, from the Mortgagor of a complete set of draft copies of all documents required to be delivered at the Closing.

The Mortgagor agrees that the attorney(s) who will represent the Mortgagor in the Closing of the Mortgage Loan shall not be on the Authority's list of attorneys who are debarred from closing the Authority's multi-family mortgage loans. A copy of such list may be obtained from the Authority's General Counsel.

11. Assignment or Transfer of Commitment.

This Commitment shall not be assignable or transferable by the Mortgagor without the prior written consent of the Authority.

12. Term of Commitment.

This Commitment shall terminate on July 1, 2020, unless the Closing shall have occurred prior to such date in accordance with the terms hereof or unless this Commitment is renewed or extended by the Authority.

13. Litigation and Change in Circumstances.

In the event that (i) litigation commences or a change occurs in the circumstances, facts, conditions or assumptions upon which this Commitment is based and (ii) the Authority determines that such litigation or change would adversely affect (a) the financial feasibility of the Development, (b) the ability of the Mortgagor to construct or rehabilitate (as may be applicable) or to own and operate the Development in accordance with the documents required hereunder to be submitted at Closing, (c) the security of the Mortgage Loan or (d) the Authority's interests, rights or obligations with respect to the Development, then in any such event the Authority shall have the right to terminate or suspend this Commitment by giving the Mortgagor written notice thereof. In the event of suspension, the Authority shall not be obligated to consummate the Closing or to make the Mortgage Loan in accordance herewith until such time as the Authority determines to its satisfaction that the above described adverse effects will not occur, and the Authority may at any time after suspension terminate this Commitment by written notice to the Mortgagor.

Any change in any person or entity who is to act as a general partner, member, or principal in the Mortgagor or as General Contractor (if any), Architect (if any), or Management Agent (if any) with respect to the Development shall be subject to the prior written approval of the Authority.

14. Effectiveness of Commitment.

This Commitment shall not become effective unless one of the accompanying duplicate copies hereof (together with the all or the remaining balance of Processing Fee and all or the remaining balance of Financing Fee, if any, described in Section 5 above) is returned to the Authority Attention: Ms. Stephanie Benson, Construction Loan Accountant, within fifteen (15) days from the date hereof (or such later date as the Authority may approve) with acceptance endorsed thereon by the signature of an authorized agent of the party or parties indicated below. By execution hereof the Mortgagor

and Sponsor acknowledge receipt of all of the hereinabove referenced VHDA Form Closing documents and understand and agree that the Mortgage Loan shall be made subject to and in accordance with the terms and conditions therein.

15. Requirements with Respect to the Authority's Bonds (Taxable Financing).

The Mortgagor shall submit, at such time or times prior to the Closing as the Authority may require, any documents or instruments (in addition to those described in Section 4 hereof) which are required by the Authority's bond counsel as a result of obligations imposed upon the Authority by contract or agreement relating to the notes or bonds issued by the Authority to finance the Mortgage Loan.

16. Organizational Documents.

Upon the request of the Authority, the Mortgagor shall, prior to Closing, provide to the Authority true and complete copies of the organizational documents of the Mortgagor and entities having any direct or indirect ownership interest in the Mortgagor.

17. Receipt of Documents.

By execution hereof, the Mortgagor acknowledges receipt of all of the hereinabove referenced VHDA form documents and understand and agree that the Mortgage Loan shall be made subject to and in accordance with the terms and conditions therein.

18. Third Parties.

It is understood and agreed that the provisions of this Commitment are not intended, and shall not be construed, to benefit or protect any person or entity other than the parties hereto and their successors and assigns or to provide any such person or entity with any rights or remedies against the parties hereto. It is further understood and agreed that no such person or entity shall be entitled to rely on the implementation or enforcement of any provision of this Commitment by the parties hereto.

19. Public Communication.

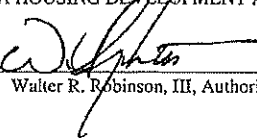
The Mortgagor shall give the Authority reasonable notice of and right to approve in advance all communication to the press or the general public (including, without limitation, press releases, public announcements, advertisements, promotional materials, signage, interviews in newspapers or on television or radio, and promotional and publicity events) by or on behalf of the Mortgagor regarding the Development or the financing provided by the Authority pursuant to this Commitment. Such right of approval shall include, but not be limited to, the right to approve the content, appearance, timing, manner of release or distribution, recipients, participants, and location, as applicable, of each such communication. The Mortgagor shall give the Authority the opportunity to participate in all releases and distributions of such communication, all interviews in newspapers or on television or radio, and all promotional and publicity events regarding the Development or such financing and shall otherwise coordinate and cooperate with the Authority with respect to all such communication. This Section shall survive the Closing.

20. Additional or Special Conditions.

This Commitment is subject to the additional or special conditions set forth in Attachment A which is attached hereto and is made a part hereof.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

By:



Walter R. Robinson, III, Authorized Officer

Dated: 12/12/18

Accepted this 14<sup>th</sup> day of December, 2018

GROOM SCHOOL APARTMENTS, LLC

By:



Its:

Vice President

Date:

12/14/2018

EXHIBIT A

Property Description

That multifamily development property located west of downtown South Hill. The site is 10.58 acres.

ATTACHMENT A

Special Conditions:

1. Prior to Closing, an appraisal of the proposed Development satisfactory to the Authority shall have been performed and shall have been received by the Authority. If the appraised value is less than \$1,444,444.00 the maximum amount of the Mortgage Loan shall be reduced to an amount equal to 90% of the greater of (a) such appraised value or (b) the value of the proposed Development as determined by the Authority based upon its review of such appraisal. No adjustment shall be made if the appraised value is equal to or greater than \$1,444,444.00.
2. Prior to Closing, the Mortgagor shall execute and deliver to the Authority a Tenant Selection Plan in accordance with the requirements of the Act and the Authority's Rules and Regulations and in form and substance acceptable to the Authority.
3. Prior to Closing, the Authority must have inspected the Property and Development and determined that their condition is satisfactory to the Authority in its sole discretion.
4. Prior to Closing, the Mortgagor shall provide to the Authority sufficient evidence that equity from the Town of South Hill, LIHTC Investors, Federal Historic Tax Credits, State Historic Tax Credits, all as shown on the attached DCA, will be invested into the deal towards the Authority defined equity as reflected in the Total Development Costs at Closing.
5. Prior to Closing, the Authority must have reviewed the Architectural and Engineering plans and specifications for the Development and determined they are satisfactory to the Authority in its sole discretion.
6. Prior to Closing, evidence of soil treatment by a pest control company acceptable to the Authority and at least a one-year guarantee against infestation must be provided.
7. Prior to the Closing, at least 47 units shall be occupied at rents which will sustain the annual operating expenses and debt service of \$317,590.00.



**Development Cost Analysis**

Deal Name Groom School Apartments, LLC  
Deal # 3269  
VHDA # 9834

**SOURCES OF FUNDS**

Funding Source	Program	Source Type	Amount	Per Unit	Interest Rate	Term	Debt Service	Per Sq Ft
REACH - Core	REACH1-Strat	Internal	\$ 1,300,000	\$ 23,635.36	2.95%	360	\$ 65,350	18.55
DHCD - HOME Comm.	FHOME	Other	\$ 450,000	\$ 8,181.82		360	\$ 13,500	6.42
Town of South Hill	No Program	NI External	\$ 197,500	\$ 3,590.91		216	\$ -	2.82
LIHTC Syndication	Equit No Program	NI External	\$ 5,218,956	\$ 94,890.11			\$ -	74.48
Fed. Historic Tax Credits	No Program	NI External	\$ 472,890	\$ 8,588.91			\$ -	6.74
State Historic Tax Credit	No Program	NI External	\$ 516,728	\$ 9,395.05			\$ -	7.37
Differed Developer Fee		Internal	\$ 339,599	\$ 6,174.53			\$ -	4.85
Equity		Internal	\$ 16,000				\$ -	
<b>TOTAL SOURCES</b>			<b>\$ 8,511,173</b>	<b>\$ 154,748.60</b>			<b>\$ 78,850</b>	<b>121.47</b>

**USES OF FUNDS**

	Cost	Per Unit	Per Sq Ft
Land Improvements	\$ 642,587	\$ 11,683.40	9.170905
Structures	\$ 4,423,800	\$ 80,432.73	63.13581
General Requirements, Overhead & Profit	\$ 733,612	\$ 13,338.40	10.47
Owner Soft Costs	\$ 2,561,174	\$ 46,566.80	36.55269
Acquisition	\$ 150,000	\$ 2,727.27	2.140778
<b>TOTAL USES</b>		<b>\$ 8,511,173</b>	<b>\$ 154,748.60</b>

**SUMMARY**

Total Units	55
Total Square Footage	70,068
Estimated Value	\$ 5,027,000
Expected Fees	\$ 13,000
Avg Sq Ft Per Unit	\$ 1,273.96
Debt Per Unit	\$ 31,818
Construction Funding	\$ 4,600,000
Existing Mortgages (not incl. in Sources)	\$ -

**EQUITY INVESTMENT**

Debt Coverage Ratio	1.39
Total Development Costs	\$ 8,511,173
Permanent Debt (VHDA)	\$ (1,300,000)
Permanent Debt (Other)	\$ (450,000)
Equity Required	\$ 6,761,173
Equity Sources	INPUT \$ -
Net Equity	\$ 6,761,173

**CONTRACTOR HARD COSTS**

Structures (expected budget)	\$ 4,423,800
Accessory Structures	\$ -
Demolition	\$ -
Other (1), specify	\$ -
Other (2), specify	\$ -
Other (3), specify	\$ -
<b>Total Structures</b>	<b>\$ 4,423,800</b>
Earthwork	\$ -
Site Utilities	\$ -
Roads & Walks	\$ -
Site Improvements	\$ 642,587
Lawns/Planting	\$ -
Engineering	\$ -
Off-Site Improvement	\$ -
Site Environmental Mitigation	\$ -
Structure and Debris Removal	\$ -
Other Work	\$ -
<b>Total Land Improvements</b>	<b>\$ 642,587</b>
General Requirements	6.00% \$ 303,983
Overhead	2.12% \$ 107,407
Profit	6.36% \$ 322,222
<b>Total Contractors Hard Costs</b>	<b>\$ 5,799,999</b>

**INCOME**

UNIT TYPE(BR/B)	# of Units	ANNUAL INCOME
Efficiency		\$ -
1BR	11	\$ 48,768
2BR	28	\$ 202,128
3BR	16	\$ 117,216
4+BR		\$ -
Subtotal	55	\$ 368,112
Other Income		\$ 6,600
<b>Total Income</b>		<b>\$ 374,712</b>
Vacancy	7%	\$ 26,230
Credit Loss		\$ -
<b>Estimated Gross Income</b>		<b>\$ 348,482</b>

Details on  
Income Tab

**OPERATING EXPENSES**

	Per Unit	
Administrative	\$ 1,221	\$ 67,132
Utilities	\$ 747	\$ 41,071
Operating & Maintenance	\$ 1,109	\$ 60,982
Taxes & Insurance	\$ 965	\$ 53,055
<b>Total Operating Expenses</b>		<b>\$ 222,240</b>
Replacement Reserves	\$ 300	\$ 16,500
<b>Total Expenses</b>	<b>\$ 4,341</b>	<b>\$ 238,740</b>

**OWNER SOFT COSTS**

Building Permits	\$ -
Design Engineering	\$ 55,000
Design Architect	\$ 180,000
Architect Supervision	\$ 32,500



Tap Fees	\$	-
Environmental	\$	197,500
Construction Interest	\$	190,000
Taxes	\$	12,000
Insurance (Hazard)	\$	-
Insurance (Builders Risk & Liability)	\$	35,000
VHDA Processing Fee 0.5%	\$	6,500
VHDA Financing Fee 1.5%	\$	6,500
Certification	\$	15,000
Title & Recording	\$	35,000
Legal	\$	40,000
Mortgage Banker	\$	-
Tax Credit Fee	\$	45,000
Soil Borings	\$	-
Appraisal	\$	8,000
Market Study	\$	3,500
Fixtures, Furniture & Equipment	\$	60,000
Contingency	\$	394,400
<b>SUBTOTAL</b>	<b>\$</b>	<b>1,313,900</b>

CASH FLOW	
Estimated Gross Income (EGI)	\$ 348,482
Operating Expenses	\$ 238,740
<b>Net Income</b>	<b>\$ 109,742</b>
Debt Service	\$ 78,850
<b>Cash Distribution</b>	<b>\$ 30,892</b>
Loan to Cost	15%
Loan to Value	28%

Accounting	\$	-
Construction Management	\$	-
Consultants	\$	-
Development Management	\$	-
Earthcraft	\$	25,000
Equity Financed	\$	-
Geotechnical Engineer	\$	-
Latent Defect Letter of Credit Fee	\$	14,000
Loan Prepayment Fee	\$	-
Marketing and General Lease up	\$	20,000
Monitoring/Lease up Res.	\$	16,500
Organizational Costs	\$	6,000
Proffers	\$	-
RR funding	\$	-
Security	\$	-
Site Engineering/Survey	\$	8,000
Tenant Relocation	\$	-
Utilities	\$	-
Water Permit	\$	-
Est. Remaining Equity	\$	-
Other Costs 1, specify Other Design Fee	\$	10,000
Other Costs 2, specify Lender Inspections	\$	11,700
Other Costs 3, specify Construction Loan Origin Fee	\$	37,500
Other Costs 4, specify Nitrogen Offset credits SWP	\$	35,574
Other Costs 5, specify Lender Due Diligence	\$	20,000
Other Costs 6, specify Counsel's Fee	\$	20,000
Other Costs 7, specify Historic Fees	\$	30,000
Other Costs 8, specify Construction Testing Fee	\$	16,000
Other Costs 9, specify Developer's Fee	\$	818,205
Other Costs 10, specify Operating Reserve	\$	158,795
<b>SUBTOTAL - Additional Section</b>	<b>\$</b>	<b>1,247,274</b>
<b>Total Owner Soft Costs</b>	<b>\$</b>	<b>2,561,174</b>

VHDA Fees Expected      Is this REACH Funds Only?      TRUE

Fee Type	% of Fee	Loan Amt	Fee Amount
Application Fee		\$ -	\$ -
Processing Fee	0.50%	\$ 1,300,000	\$ 6,500
Financing Fee (Permanent)	0.50%	\$ 1,300,000	\$ 6,500
Fin. Fee (Construction/Gap)	1.50%	\$ -	\$ -
Fin. Fee Const (over 7.5 Million)	0.625%	\$ -	\$ -
Other Fee		\$ -	\$ -
<b>Total Expected Fees</b>			<b>\$13,000</b>

Current Exp. Fees:      \$11,000

TOTAL DEVELOPMENT COST	
Total Contractor's Hard Costs	\$ 5,799,999
Improvement Acquisition	\$ 50,000
Land Acquisition	\$ 100,000
Owner Soft Costs	\$ 2,561,174
<b>Total Development Cost</b>	<b>\$ 8,511,173</b>

HOME Loan



**Affordable and Special Needs Housing Program  
HOME Program Agreement**

**THIS HOME PROGRAM AGREEMENT** made and entered into this 13<sup>TH</sup> day of November 20 18 and between Landmark Asset Services, Inc. (hereinafter referred to as "the Project Developer/Owner") and the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (hereinafter referred to as "DHCD").

**DEFINITIONS**

**A. DEVELOPER/SPONSOR** – is hereby defined as Landmark Asset Services, Inc., who will develop the project and is hereinafter referred to as "Developer".

**B. PROJECT OWNER** – is hereby defined as Groom School Apartments, LLC and is hereinafter referred to as "Owner".

**C. PROJECT**- is hereby defined as Groom School Apartments, a DHCD-assisted Affordable and Special Needs Housing project, and is hereinafter referred to as the "Project".

**D. PARTICIPATING JURISDICTION** – is hereby defined as the Virginia Department of Housing and Community Development, an agency of the Commonwealth of Virginia, the funding entity for Affordable and Special Needs Housing funds, including HOME Investment Partnerships Program and National Housing Trust Fund funds, and is hereinafter referred to as "DHCD".

**WITNESSETH:**

**WHEREAS**, the Project Developer has applied to DHCD for permanent finance funding for the Project; and

**WHEREAS**, based upon the representations, statements and warranties contained in the Application, exhibits, HOME underwriting and subsidy analysis and amendments thereto filed with, and accepted by, DHCD, DHCD has approved funding for the Project; and

**WHEREAS**, Developer/Sponsor and DHCD desire to work together to provide such funding assistance in the amount and subject to the terms and conditions set forth below in the area to be served as set forth by this agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties agree as follows:

1. **Reservation of Funds**

The funds provided through this Agreement have been awarded to the Participating Jurisdiction by the U. S. Department of Housing and Urban Development (HUD) through the Federal HOME Investment Partnership Program (hereinafter throughout this document referred to as "HOME Program"). The Project Developer and Owner hereby accepts the total reservation of **Four Hundred Fifty Thousand Dollars (\$450,000.00)** in HOME funds.

2. **Project Description and Requirements**

DHCD's underwriting has been performed using supporting data provided by the Project Developer for the following Project:

- **Project Developer/Sponsor** - Landmark Asset Services, Inc.
- **Project Owner** - Groom School Apartments, LLC
- **Project Name** - Groom School Apartments
- **Project Address** - 1050 Plank Road, South Hill, VA 23970
- **Property Manager(s)** - Landmark Property Management Company
- **Award Amount and Source** - \$450,000.00 in state HOME funds will be reserved to fill a long-term permanent financing gap for the development costs of this project
- **Project Scope, Units and Required HOME Units** – The scope of the Project is to develop an affordable housing project that provides 55 units of affordable housing units with 11 HOME assisted units in the Town of South Hill, Virginia (the "Locality").
- **Required Accessible Units**: The project must include five percent (minimum one) of the units for physically impaired tenants with accessibility needs, and two percent (minimum one) for sensory impaired tenants.

**AN UPDATED DEVELOPMENT BUDGET, OPERATING PROFORMA, AND DETAILED TIMELINE MUST BE ATTACHED AS EXHIBITS WHEN EXECUTED BY THE DEVELOPER.**

3. **Affordability Period**

In accordance with 24 CFR 92.254(a), the Affordability Period will begin on the date that DHCD receives notification that construction has been completed, a complete and accurate HOME completion report including beneficiary data for the project and that information is entered into HUD's Integrated Disbursement & Information System, and HOME funds have been 100% disbursed by DHCD.

For rental projects, the required length of the affordability period depends on the amount of HOME assistance to the project and the nature of the activity funded. The Project Developer and/or Owner must assure that the property will meet all HOME program requirements and those specified within this agreement for a minimum of 15 years in the case of rehabilitation OR 20 years in the case of

new construction from the completion of the HOME-assisted project (the "Affordability Period").

Any HOME-assisted units as identified below must provide affordable housing for low income and/or very low-income households for the duration of the Affordability Period. If there are any vacant HOME-assisted units six months following the commencement of the Affordability Period, the Project Developer must submit documentation to DHCD to demonstrate how it will market the unit. If any unit remains vacant 18 months from project completion, this will be considered a breach of contract (failure to provide affordable housing) and the Project Developer will be required to repay any HOME funds that were invested in this(these) unit(s).

**The required minimum affordability period as defined by the HOME Rule for this project shall be:**

New Construction   X   (20 years)

#### 4. Unit Designation

In rental projects with five or more HOME-assisted rental units, twenty (20) percent of the HOME-assisted units must be occupied by very low-income families and meet one of following rent requirements:

1. The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under 24 CFR 92.252(a), then the maximum rent for units under this paragraph is that calculated under 24 CFR 92.252(a).
2. The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

The required HOME-assisted unit mix shall be maintained throughout the entire Affordability Period. Noncompliance is allowable on a temporary basis only if a tenant's income increases. Rents may need to be adjusted if tenant income exceeds limits. The HOME-assisted units are floating units within the project and consist of the following unit mix:

- The HOME-Assisted units must comply with the following rent limits:
- High HOME rent units   9
- Low HOME rent units   2
- All of the HOME units will target at or below 60 percent AMI.
- 6   of the Project units will be fully-accessible HUD 504 units
- 2   of the Project units will be equipped for sensory impaired

<b>HOME Unit Mix</b>		
<i>Number of Bedrooms</i>	<i>Number OF HOME-Assisted</i>	<i>Type of unit (Low or High)</i>
One-Bedroom Units	2	2
Two Bedroom Units	4	4
Three Bedroom Units	<u>5</u>	<u>5</u>
<b><u>Total HOME-assisted units</u></b>	<b>11</b>	<b>11</b>

**5. Rent Limits**

HOME Rent limits are inclusive of all rent a client and/or tenant-based voucher pays, and utilities that must be paid by the tenant. The Project Developer may not charge any rents that are higher than the applicable HUD-issued HOME Program rent limits. HUD-issued rents HOME Program rent limits include utilities. This means that if the tenant is paying any utilities, the Project Developer must deduct the applicable utility allowance (discussed in the following section) from the applicable HUD-issued HOME Program rent limits in order to determine the maximum amount of rent that can be charged for each unit type. **Rents are based on the Rent Schedule included in Exhibit A and are approved as follows:**

<b>HOME Units Rents (rent includes utilities)</b>			
<i>Number of Bedrooms</i>	<i>Approved Pro-forma rent</i>	<i>Low HOME Unit Rent</i>	<i>High HOME Unit Rent (if applicable)</i>
One-Bedroom Units	\$499	\$500	\$575
Two Bedroom Units	\$600	\$600	\$663
Three Bedroom Units	\$693	\$693	\$829

**6. Rents during the Affordability Period**

Each year, HUD issues updated rent limits for the HOME Program. DHCD will notify the Project Developer when these updates are issued. At no time can the rents be increased above the applicable HOME rent limits that are in effect, throughout the Affordability Period. DHCD must approve any rent increase for these units throughout the Affordability Period.

The current HOME Rent limits are available on the HOME Program website at [https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_RentLimits\\_State\\_VA\\_2017.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_VA_2017.pdf)

**7. Utility Allowances**

The Project Owner must submit to DHCD a project-specific utility allowance using HUD's Utility Schedule Model which is available at <http://www.huduser.org/resources/utilmodel.html>. The property Owner is required to annually update the utility schedule and submit the updated schedule

to DHCD for annual review.

#### **8. Property Standards**

All units being constructed must comply with local and applicable State Codes and Ordinances. Prior to expending the HOME funds, and before the occupancy, the State will require a Certificate of Occupancy from the local building official and/or local code enforcement authority in the locality where the Project is located for all rental units. A copy of the Certificate of Occupancy will be kept in the State's HOME project file to document that the property standards requirement under the HOME Program has been met.

Federal accessibility standards of Section 504 of the Rehabilitation Act of 1973 apply to the Project in all accessible units and common spaces. The Project must meet the minimum number of accessible and sensory impaired equipped units identified in section 4 of this Agreement for residents with mobility and sensory impairments. The accessible units and the common spaces must meet the Uniform Federal Accessibility Standards (UFAS) throughout the entire Affordability Period. These standards are available online at <http://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>.

The Project is not subject to the lead-based paint requirements of 24 CFR Part 35 Subparts A, B, J, K, M, and R for pre-1978 units. For all pre-1978 properties, the owner must disclose any known or potential lead-based paint risks to each tenant at move-in and lease renewal; the tenant must sign the notice to document receipt. In addition, visual inspections must be conducted annually or at unit turnover (whichever is sooner) to check for peeling, flaking, or deteriorating paint. For more information on the lead-based paint requirements, please see the *Lead Safe Housing Policies and Procedures* guide on DHCD's website at: <http://www.dhcd.virginia.gov/images/Housing/Lead-Safe-Housing-Rule-Procedures.pdf>.

DHCD reserves the right to inspect the property and any HOME-assisted units at any point throughout the Affordability Period. It expects to conduct onsite property inspections upon project completion and at a minimum of every three years and will include property common areas for all project buildings and a sample of HOME-assisted units. All HOME-assisted projects must maintain the property standards applicable (state and local codes and ordinances) at the time of project completion throughout the required Affordability Period. Project Owner must submit an annual certification to DHCD that each building and all HOME-assisted units in the project are suitable for occupancy, in consideration of these property standards requirements.

#### **9. Income Eligibility**

HOME program regulations require income verification for all prospective tenants of HOME-assisted units. DHCD's Affordable and Special Needs Housing program rules specify that owners of HOME-assisted rental properties use the Section 8/Part 5 definition of income for income verification. State officials will monitor the income verification process to ensure that the initial occupants comply with HOME Program requirements. HUD will adjust the HOME program

income limits annually. Incomes are required to be verified annually. Property owners are required to use source documentation to verify an applicant's income upon initial occupancy and every 6<sup>th</sup> year of the Affordability Period. Income recertification should occur on either:  
The anniversary date of initial verification; or

- Lease renewal date; or
- An annual date established for all tenant incomes in the project to be verified.

For years when the Project Owner is not required to use source documentation, it must require tenants to self-support and certify their income. Tenants are considered over-income if their incomes rise above the applicable income limit for the type of HOME unit they lease (High HOME rent or Low HOME rent unit).

In the event tenant incomes rise or fall at the time of annual income re-certification, the Project Owner must maintain the original HOME-assisted unit mix and/or adjust unit rents to remain in compliance with HOME program regulations. HUD has issued guidance on how to manage the rental unit mix under HOME which is available in the model guide *Compliance in HOME Rental Projects: A Guide for Property Owners* which is available here: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/library/modelguides/2009/2009homerentalpo](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/library/modelguides/2009/2009homerentalpo).

In projects with both HOME funds and Low Income Housing Tax Credits, a tenant is not considered over-income until their income is greater than 140 percent of the applicable current qualifying income limit for the household size. For more information on HOME and the Low Income Housing Tax Credit program, please see the *HOME and the Low Income Housing Tax Credit Guidebook*.

#### 10. Maximum HOME Income Limits

The HOME Program publishes income limits on an annual basis. DHCD will provide the property manager with the annually updated HOME income limits at the time they are published by HUD. The income limits and occupancy restrictions are established for the HOME Program and will be enforced on the HOME-assisted units. Income calculations are based on the Section 8 income definition. The following table shows the 2017 HOME income limit for the HOME-assisted units is 60 percent of the AMI (area median income) for MECKLENBURG COUNTY, VA for the High HOME units, respectively (if applicable) :

2017 HUD Income Limits @ or below 60 Percent AMI (Mecklenburg County, VA)							
1 Person	2 Person	3 Person	4 person	5 Person	6 Person	7 Person	8 Person
\$22,440	\$25,620	\$28,800	\$31,980	\$34,560	\$37,140	\$39,660	\$42,240

These limits are the maximum amount of annual gross income a household can have and be eligible to occupy a HOME-assisted unit. Annual income limits are published at: [https://www.hudexchange.info/resource/reportmanagement/published/HOME\\_IncomeLmts\\_State\\_VA\\_2017.pdf](https://www.hudexchange.info/resource/reportmanagement/published/HOME_IncomeLmts_State_VA_2017.pdf).



**11. Projects/Units with Tenant-based rental assistance**

For households that receive *tenant-based* rental assistance, the maximum allowable rent for HOME-assisted units is the High applicable HOME Rent Limit minus the applicable utility allowance (if the tenant pays their own utilities). Therefore, the tenant's rental assistance payment plus their own contribution towards their rent cannot exceed the applicable HOME rent limit for the HOME-assisted unit.

Federal regulations also prohibit owners of assisted rental housing from charging higher rents to tenants with housing choice vouchers than the rents charged to tenants without vouchers in comparable units. This means that if a unit occupied by a tenant without tenant-based housing assistance is paying rent lower than the HUD-published HOME rent limit, this rent is the maximum rent that could be charged to a voucher holder.

**12. Projects/units with Project-based rental assistance**

For projects that receive *project-based* assistance, the owner of the rental project is allowed to charge up to the project-based program rent limit provided:

- The unit is a Low HOME rent unit;
- The unit receives project-based assistance;
- The unit is occupied by a Very Low Income tenant; and
- Tenant does not pay more than 30 % of adjusted income for housing.

**13. Lease requirements and prohibited lease terms**

The lease between a tenant and an owner of rental housing assisted with HOME funds must be in writing and for not less than one year, unless by mutual agreement between the tenant and the owner. All tenants in DHCD-funded HOME rental projects must sign the Virginia Department of Housing and Community Development HOME Unit Lease Addendum, which is attached as Exhibit [B], when they sign the lease for their HOME-assisted unit. Termination of tenancy may only be for good cause, in accordance with 92.253(c).

The lease must not contain any of the following prohibited lease terms:

- (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
- (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

- (5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
- (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (9) Mandatory services. The tenant may not be required to participate in any services as part of tenancy in a HOME-assisted unit unless the housing is specifically designed as transitional housing.

**14. Prohibition against Unreasonable Fees**

The Project Owner may not impose any fees on low-income applicants or tenants of the project, other than those that are reasonable and customary for non-assisted housing in the area (such as a credit report fee).

**15. Tenant Selection**

The Project Owner must adopt written tenant selection policies and criteria that:

- (1) Are consistent with the purpose of providing housing for very low-income and low-income families;
- (2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
- (3) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- (4) Give prompt written notification to any rejected applicant of the grounds for any rejection.

**16. Marketing Accessible Units**

The Project Owner must offer accessible units to the following potential occupants who might require or benefit from the accessibility feature(s) of the unit, in this order of priority: (1) a current occupant of the property; (2) an eligible qualified applicant on the waiting list; (3) the disabled community at-large; and (4) a nondisabled person on the waiting list. Note, a nondisabled tenant may rent an accessible unit *only* when the property manager has made all reasonable efforts to attract a tenant with a disability, and has followed the above steps.

**17. Monitoring**

Requirements include compliance with annual rent and occupancy reporting, annual financial reporting, and housing quality standard/inspections depending on project size. DHCD will verify rent and occupancy reporting and HOME program compliance through onsite file reviews and monitoring. Project Owners that are unable to remedy events of noncompliance following notice and opportunity to cure as set forth in Section 8 of this agreement will not be eligible for additional funding through DHCD and may be required to return the full amount of the original HOME investment. For projects that become with operating costs that significantly exceed operating revenue within the Affordability Period, DHCD reserves the right to require one or more of the following as resolutions:

- Development of improved management procedures;
- Technical assistance for specific issues provided by DHCD, HUD, or a HUD-provided consultant;
- Project financial reporting and monitoring;
- Additional owner funds commitment;
- Change in property management agency;
- Utilization of project reserves;
- Modification of HOME financing terms;
- Transfer of project ownership;
- Foreclosure.

#### **18. Other Federal Requirements**

The Project Developer certifies that it will comply with all other applicable federal regulations.

These regulations are specified in the current DHCD Affordable and Special Needs Housing Program guidelines at:

<http://www.dhcd.virginia.gov/images/Housing/Affordable-Housing-Program-Manual.docx>;

and by HOME regulation at:

<http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/fedreq/>

These other federal requirements include but are not limited to the following: The Project Owner certifies that it will comply with the following:

1. All HOME requirements at 24 CFR Part 5, Subpart A
2. Performance Reporting requirements;
3. Affirmative Marketing at 24 CFR 92.351;
4. Displacement, relocation, an acquisition at 24 CFR 92.353;
5. Federal labor standards at 24 CFR 92.354 (if applicable);
6. Conflict of Interest requirements at 24 CFR 92.3569(f);
7. Nondiscrimination and Civil Rights requirements at 24 CFR 92.350;
8. Uniform Administrative requirements:

- (a) Governmental entities. The requirements of OMB Circular No. A-87 and the following requirements of 24 CFR part 85 apply to the participating jurisdiction,

State recipients, and any governmental sub-recipient receiving HOME funds: §§ 85.6, 85.12, 85.20, 85.22, 85.26, 85.32 through 85.34, 85.36, 85.44, 85.51, and 85.52.

(b) Non-profit organizations. The requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84 apply to sub-recipients receiving HOME funds that are nonprofit organizations that are not governmental sub-recipients: §§ 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73.

[If Developer is a non-profit, (b) above applies]

9. Equal Participation of Religious Organizations requirements; and
10. Drug-Free Workplace requirements.

The Project Owner agrees to make available all agency and program participant records to the Commonwealth of Virginia, HUD and Inspector General upon request.

#### **19. Repayment Provision**

If the Project Owner fails to comply with all applicable HOME program requirements, throughout the Affordability Period, and such failure comes after any notice and cure period provided for under Section 8 of this Agreement, DHCD may require the Project Owner to return the full amount of the HOME assistance to DHCD.

#### **20. Term of Agreement**

The project must complete within two (2) years from the date of execution. No choice-limiting activity can commence on the project prior to execution of this Agreement. Environmental Record Review requirements must be documented and all funding contingencies must be finalized prior to the execution of this agreement. DHCD reserves the right to de-obligate this fund reservation at any time in the case of a project not making sufficient progress towards project completion and meeting the terms of this agreement. This funding reservation will expire one year after the execution of this Agreement when construction has failed to commence.

This HOME program Agreement will remain in effect throughout the Affordability Period, are required by 24 CFR 92.504(c)(3)(ix).

#### **21. Funds Disbursement**

HOME regulations require that the Project Developer cannot request funds until they are needed for payment of HOME eligible costs; and, the amount of disbursement is limited to the amount needed.

DHCD funds are provided as must-pay permanent finance gap funding and will not be disbursed until the property's Certificate of Occupancy, certifying that the property meets all local and state

codes and DHCD rehabilitation standards as applicable has been provided by the local building official.

## **22. Records and Reports**

The Project Owner is required to submit the following reports to DHCD:

- (1) Annual rent and occupancy reports, including information on any unit substitutions that were made in order to maintain unit mix (in either February or September),
- (2) Annual financial reports that are in sufficient detail that DHCD can fairly evaluate the financial condition of the property, and
- (3) Annual certification that each building and all HOME-assisted unit sin the project are suitable for occupancy.

The annual rent and occupancy and financial reports must be submitted electronically to DHCD through the HOME Rental Project Monitoring system and/or through DHCD's CAMS website.

Throughout the construction period, the project Owner must submit quarterly progress reports to DHCD through the CAMS website to demonstrate appropriate timeline milestones are being met.

The Project Owner shall maintain records as prescribed by DHCD. The Project Owner shall give DHCD and HUD unrestricted access to records, files, books, papers, and documents related to the administration of the HOME program. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the Affordability Period. Records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five year period, until five years after the Affordability Period terminates. Initial lease up information must be retained and accessible for at least five years after the end of the Affordability Period. In the event any litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD's satisfaction. DHCD reserves the right to change the reporting requirements for the HOME program as needed to ensure regulatory compliance.

The Project Owner shall record in its accounting system all project payments received by it pursuant to the HOME Fund and all other funds provided for, accruing to, or otherwise received on account of the HOME Fund. All costs, including paid services contributed by the Project Owner, charged to the project shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing the nature and propriety of the charges. All checks, payrolls, invoices, contract, vouchers, orders or other accounting documents pertaining in whole or in part to any project activity funded with the Fund shall be clearly identified, readily accessible, and separate and distinct from all other such documents. All accounting records shall reside at the project Owner's office.

## **23. Enforcement**

In accordance with 24 CFR 85.43, DHCD reserves the right to modify, amend, suspend or terminate this Agreement at any time during the term of this Agreement due to material failure of

the Project Developer and/or Owner to comply with the terms and conditions of this Agreement and other Documents set forth by reference herein. DHCD will notify the Project Developer and/or Owner in writing of any potential or perceived breach of this agreement within 30 days of DHCD's knowledge of same. The Project Owner will be provided 30 days from the date of the notice to correct and/or respond to the breach. In the event that the Project Developer and/or Owner cannot implement a remedy for the breach that is acceptable to DHCD, DHCD may initiate any such action outlined in Section 2 of this Agreement, permitted by the HOME program regulations, or at law or equity.

Project Developer and/or Owner with unresolved findings or compliance issues will not be eligible for additional funding through DHCD and may be required to return the full amount of the original HOME investment.

This Agreement will be enforced by a covenant running with the land, deed restriction and/or deed rider which describes the process for ownership transfer of the project and in the event of default that remains uncured following any applicable notice and cure period, repayment of the HOME funds expended on the unit(s) during the Affordability Period.

Deed restrictions will be incorporated into any notes or mortgages between the State and Developer and/or Owner as a condition of funding for this development. These provisions must be enforced through deed restrictions, covenants running with the land, or similar legal mechanisms.

The terms and conditions of this Agreement shall extend and inure to the benefit of and be binding upon the respective successors, heirs, and assigns of the parties hereto. All indemnifications contained in this Agreement shall survive the completion of activities funded with HOME funds pursuant to this Agreement, until the expiration or termination of this Agreement.

#### **24. Hold Harmless Provision**

The Project Owner shall, within limitations placed on such entities by state law, hold harmless the Commonwealth of Virginia, DHCD and their respective agents, officers, and employees from all claims and actions, all expenses defending same, that are brought as a result of any injury or damage sustained by any person or property in consequence of any act or omission by the Project Owner. Any contractor hired in connection with the administration of the HOME Funds shall, within limitations placed on such entities by state law, save harmless the Commonwealth of Virginia, DHCD and their respective agents, officers, and employees from any claim or amount recovered as a result of infringement of patent, trademark or copyright or from any claim or amounts arising or recovered under Workers' Compensation Law or any other law. In any agreement with any subcontractor or any agent for Contractor, Contractor will specify that such subcontractors or agents shall hold harmless the Commonwealth of Virginia, DHCD, and their respective agents, officers, and employees for all the hereinbefore described expenses, claims, actions, or amounts recovered consistent with the conditions herein.

#### **25. Audit**

The Project Owner must submit an annual audit to DHCD in accordance with federal audit standards. Audit thresholds and requirements are outlined in OMB Circular A-133.

**26. Financial Management**

The Project Owner agrees to comply with Federal financial management guidelines, as outlined in 24 CFR Part 85, for the duration of the project period.

**27. Miscellaneous**

This Agreement constitutes the entire and final agreement between the parties with respect to the reserved funds and supersedes all prior negotiations. This Agreement is contingent upon the availability of HOME funds. This Agreement may be amended only in writing signed by DHCD and the Project Owner. In accordance with 24 CFR 85.44 this Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.

**28. Provisions for Community Housing Development Organizations (CHDOs)**

If this Project is being funded through DHCD HOME CHDO set-aside funds, all federal regulations related to CHDO set aside funds at 24 CFR 92.300, 24 CFR 92.301, 24 CFR 92.302, and 24 CFR 92.303 apply to this project.

The CHDO recipient (Developer/Owner/Owner) of these funds must demonstrate its financial accountability standards conform to the requirements detailed in 24 CFR 82.21, "Standards for Financial Management Systems," by one of the following methods:

- Providing a notarized statement by the president or chief financial officer of the organization.
  - Furnishing a certification from a certified public accountant.
- OR**
- Supplying HUD with an approved audit summary.

The CHDO must adhere to a fair lease and grievance procedure and follow its tenant participation plan in making management decisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, by their duly authorized representatives, as of the day and year first above written.

Landmark Asset Services, Inc.

By: Samuel J Sari Its: Vice president

Signature: Samuel J Sari Date: 11/7/2018

State of North Carolina  
COMMONWEALTH OF Forsyth COUNTY/CITY OF  
TO WIT:

Subscribed, sworn to and acknowledged before me by Samuel J Sari this  
9th day of November, 2018

My Commission Expires: 10/23/2021

Tammy R Simmons  
Notary Public of Virginia  
North Carolina

Tammy R Simmons  
Notary Public  
Surry County, NC  
My Commission Expires 10/23/2021

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: Willie Fobbs, III Its: Associate Director of the Housing Division

Signature: Willie Fobbs Date: 11/13/18

COMMONWEALTH OF Virginia COUNTY/CITY OF  
Richmond TO WIT:

Subscribed, sworn to and acknowledged before me by Willie Fobbs this  
13th day of November, 2018.

My Commission Expires: 5/31/2019

Sandra G Davis  
Notary Public of Virginia

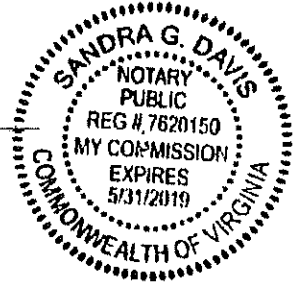




Exhibit A



Groom School Apartments – Project Name  
Groom School Apartment LLC – Project Owner  
Landmark Asset Services, Inc. - Project Sponsor/Developer  
South Hill, Virginia

2018

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**Purpose**

The U. S. Department of Housing and Urban Development's (HUD) HOME Investment Partnership Program regulations in Title 24 CFR Part 92.250(b) and HUD CPD Notice 98-01 require an underwriting and subsidy layering review before committing HOME funds to a project. The state is proposing funding this from the fall half of the **2017-18 AFFORDABLE AND SPECIAL NEEDS HOUSING PROGRAM SUBMISSIONS**. The project does X /does not \_\_\_\_\_ have commitments of Low Income Housing Tax Credits. The state performed a review prior to committing the State HOME funds and believed the project was acceptable. This is the formal Subsidy Layering Analysis for this development which clearly establishes that the HOME Program funds are needed funds to complete the financial funding for this project.

This Subsidy Layering Analysis is being performed to document the review process and to insure that the state did not invest any more HOME funds, in combination with other governmental assistance, than was necessary to provide affordable housing. The state is conducting this Subsidy Layering Analysis to determine whether the amount of state HOME funds provided was the least amount necessary to accomplish the affordable housing objectives of the project.

<p>The Commonwealth of Virginia will make a 2017-18 <b>AFFORDABLE AND SPECIAL NEEDS HOUSING PROGRAM</b> funding commitment to the project.</p> <p>DHCD anticipates providing the \$450,000 in HOME funds as a deferred principle loan at 3% interest only, throughout the 20-year compliance period. The deferred loan will have a 30 year amortization, with a balloon at the end of the compliance period unless otherwise negotiated by DHCD.</p>	<p>Amount \$450,000</p>
<p>The total development costs are <u>\$8,563,038</u> for all <u>55</u> units.</p> <p>Average development cost per unit is <u>\$155,692</u></p> <p>The other funds provided to this development are as listed below:  <b>LIHTC Equity: \$5,218,956</b>  <b>REACH (VHDA): \$1,300,000</b>  <b>Federal Historic Tax Credit Equity: \$481,944</b>  <b>State Historic Tax Credit Equity: \$527,231</b>  <b>Town of South Hill Loan: \$197,500</b>  <b>Dev Equity: \$387,407</b></p> <p>The total HOME funds committed by the State and Local entities in comparison to the total development budget provided by the Owner translates to a minimum of <u>5</u> percent of the units need to be HOME assisted. That translates into at least <u>3</u> HOME-assisted units designated in the development. The State and the Sponsor has determined that they will designate <u>11 units as HOME-assisted units</u> in this development.</p> <p>Based on the documentation provided, verification of funds @ <u>\$8,563,038</u> and documented expenses @ <u>\$8,563,038</u> the financing package results in no subsidy shortfall.</p>	
<p>221 D(3) limit for HOME Maximum per unit</p> <p>0BR- \$140,107  1BR- \$160,615  2BR- \$195,304  3BR- \$252,662  4+BR- \$277,344</p> <p>The project will consist of total of 11 – 1, 2, and 3 bedroom HOME assisted units (2 x \$160,615 = \$321,230) + (4 x \$195,304 = \$781,216) + (5 x \$252,662 = \$1,263,310) = total per unit max subsidy of \$2,365,756 which is maximum HOME subsidy limit for the project. The \$450,000 HOME investment (state and local combined) is well under the maximum HOME subsidy limit.</p>	

<b>TOTAL AMOUNT OF HOME FUNDS REQUIRED</b>	<b>\$450,000</b>
<b>AMOUNT NEEDED TO FILL THE GAP</b>	<b>\$450,000</b>
<b>GAP REMAINING</b>	<b>-0-</b>

**Underwriting Criteria**

Maximum HOME per Unit Subsidy (by HUD regulations)

Based on the 2013 HUD-established 221(d) (3) limits for the area, \$2,365,756 is the maximum allowable HOME subsidy for this project was calculated to insure that the amount of HOME funds the State is providing is within the allowable federal limits.

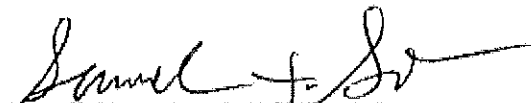
**CERTIFICATION OF GOVERNMENTAL ASSISTANCE**

**Groom School Apartments  
South Hill, VA**

The undersigned Project Sponsor hereby certifies to the Commonwealth of Virginia that the only additional forms of governmental assistance and private endowments to the project other than the State HOME funds (\$450,000) are as follows:

1. LIHTC Equity: \$5,218,956
2. REACH (VHDA): \$1,300,000
3. Federal Historic Tax Credit Equity: \$481,944
4. State Historic Tax Credit Equity: \$527,231
5. Town of South Hill Loan: \$197,500
6. Dev Equity: \$387,407

This certification is made as of this 7<sup>th</sup> day of November, 2018

  
\_\_\_\_\_  
Vice President

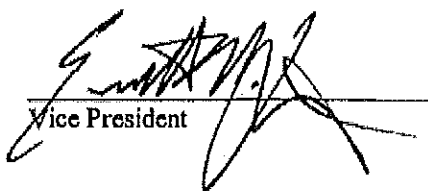
  
\_\_\_\_\_  
Attest,

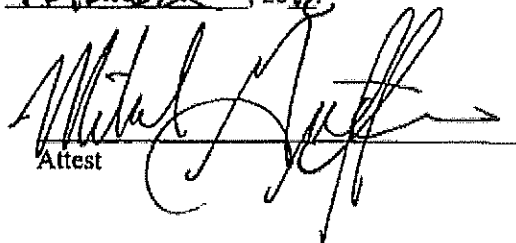
**ARCHITECT CERTIFICATION SECTION 504 COMPLIANCE**

**Groom School Apartments  
South Hill, Virginia**

The undersigned Project Architect hereby certifies to the Commonwealth of Virginia that the common spaces of all buildings associated with this rental project are in compliance with the Uniform Federal Accessibility Standards (UFAS), as required by Section 504 of the Rehabilitation Act of 1973. In addition, 6 units have been developed to be accessible to persons with mobility impairments and 2 units have been developed to be accessible to persons with sensory impairments, in accordance with UFAS.

This certification is made as of this 7<sup>th</sup> day of November, 2010

  
\_\_\_\_\_  
Vice President

  
\_\_\_\_\_  
Attest

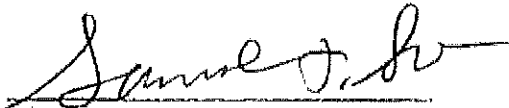
**CERTIFICATION ACCURACY**

**Groom School Apartments**

**South Hill, Virginia**

The undersigned Project Developer hereby certifies to the Commonwealth of Virginia that the project information contained in the HOME Subsidy Analysis is accurate.

This certification is made as of this 7<sup>th</sup> day of November, 2018.

  
\_\_\_\_\_  
Vice President

  
\_\_\_\_\_  
Attest

**CERTIFICATION Partnership Composition**

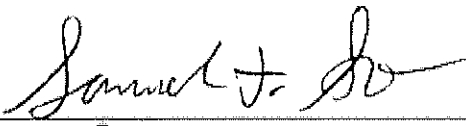
**Groom School Apartments  
South Hill, Virginia**

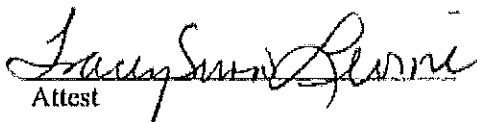
The undersigned Project Owner hereby certifies to the Commonwealth of Virginia that the Groom School Apartments, LLC. is composed of the following members:

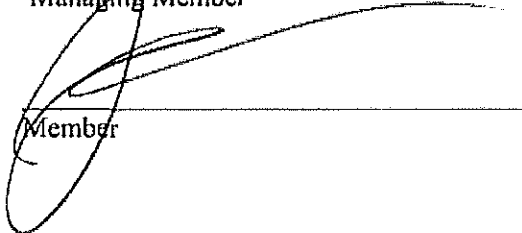
Names	Type of Ownership	% Ownership
Landmark Asset Services, Inc.	Managing Member	90%
Sari Investments, LLC	Member	10%

This certification is made as of this 7<sup>th</sup> day of November, 2018.

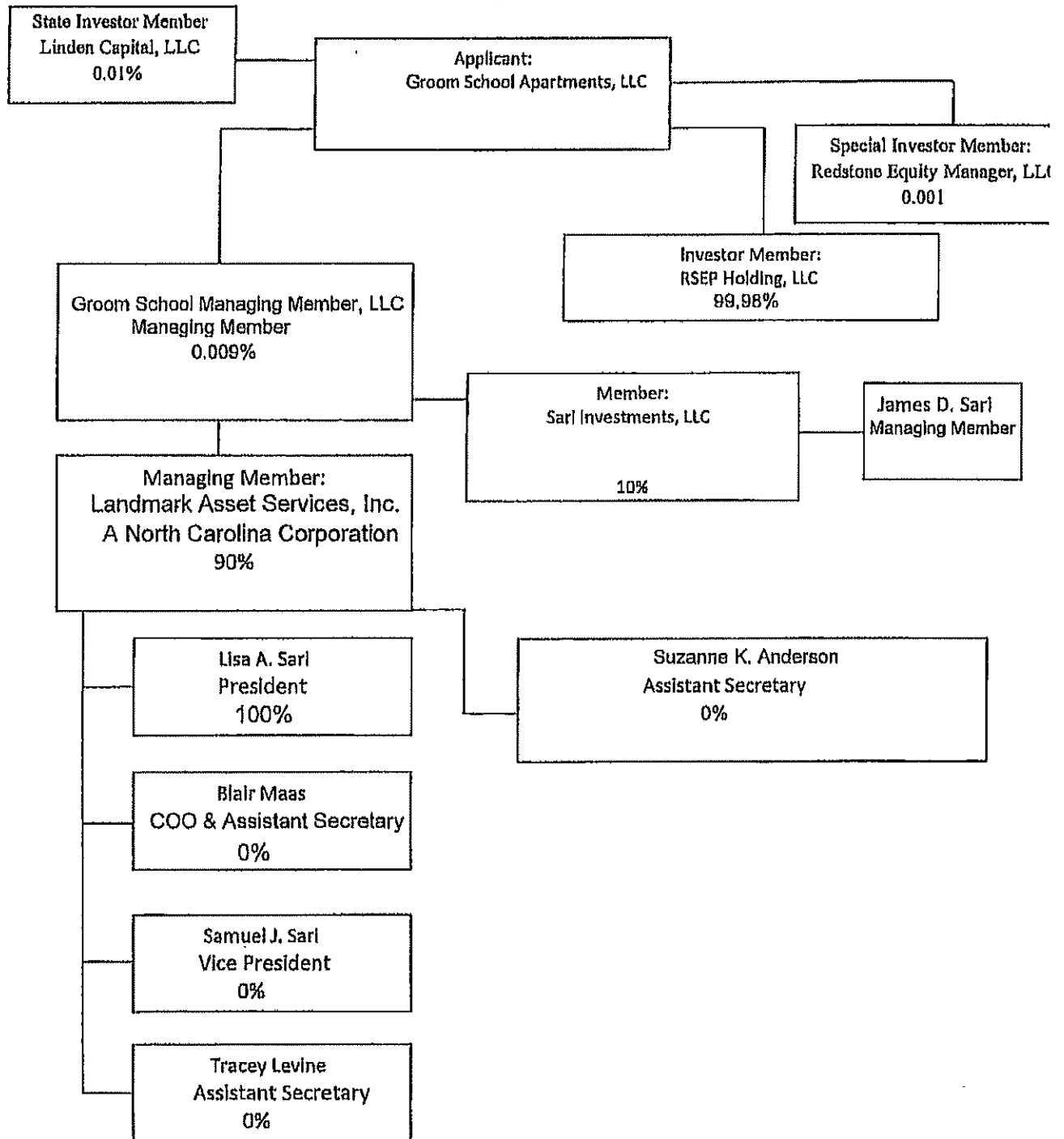
  
\_\_\_\_\_  
Attest

  
\_\_\_\_\_  
Managing Member

  
\_\_\_\_\_  
Attest

  
\_\_\_\_\_  
Member

## Owner Organization Chart





Groom School Apts  
 South Hill VA  
 Mecklenburg County

Note: Duplin Co. was low income in 2012 QAP.

Type of Project:

Family	Elderly
X	

**APARTMENT RENTAL ANALYSIS**

**RENT SCHEDULE**

Bedroom Type	# of Units	Income Limit Set-Aside	Unit Size	Unit Rent	Utility Allowance	Gross Unit Rent	Maximum Housing Allowed	Fair Market Rents	Monthly Rent Potential	Annual Rent Potential	Check
1	6	40%	700	\$ 324	\$ 75	\$ 399	\$ 399	\$ 575	\$ 1,944	\$ 23,328	OK
1	5	50%	700	\$ 424	\$ 75	\$ 499	\$ 499	\$ 575	\$ 2,120	\$ 25,440	OK
1	0	60%	700	\$ 524	\$ 75	\$ 599	\$ 599	\$ 575	\$ -	\$ -	OVER FMR
2	0	40%	900	\$ 383	\$ 97	\$ 480	\$ 480	\$ 665	\$ -	\$ -	OK
2	5	50%	900	\$ 503	\$ 97	\$ 600	\$ 600	\$ 665	\$ 2,515	\$ 30,180	OK
2	23	60%	900	\$ 623	\$ 97	\$ 720	\$ 720	\$ 665	\$ 14,329	\$ 171,948	OVER FMR
3	0	40%	1,100	\$ 437	\$ 117	\$ 554	\$ 554	\$ 825	\$ -	\$ -	OK
3	12	50%	1,100	\$ 576	\$ 117	\$ 693	\$ 693	\$ 825	\$ 6,912	\$ 82,944	OK
3	4	60%	1,100	\$ 714	\$ 117	\$ 831	\$ 831	\$ 825	\$ 2,856	\$ 34,272	OVER FMR
Studio		40%	571	\$ 318	\$ 55	\$ 373	\$ 373	\$ 548	\$ -	\$ -	OK
Studio		50%	571	\$ 411	\$ 55	\$ 466	\$ 466	\$ 548	\$ -	\$ -	OK
Studio		60%	571	\$ 504	\$ 55	\$ 559	\$ 559	\$ 548	\$ -	\$ -	OVER FMR
			50,500						\$ 30,676	\$ 368,112	

LIHTC	55	100%
Market	0	0%
Total	55	100%

<i>Commercial</i>	
SF	0
Rent per SF	0.0000
Monthly Rent Potential	0

Bedrooms -- 115

*Summary by Bedroom Type*

Type	#	%
Studio	0	0.0%
1	11	20.0%
2	28	50.9%
3	16	29.1%

*Summary by Income Limit Set Aside*

Set-Aside	#	%
Market	0	0.0%
30%	0	0.0%
40%	6	10.9%
50%	22	40.0%
60%	27	49.1%
HOME	0	0.0%

Check QAP Requirements: 0% of units  
 At or below 50%  
 OK

Comments/Notes:

Redstone Has Diff UA 1br-64 2br-82 3br-101

**UTILITY ALLOWANCES**

Source: VA UA 2 exposed walls

Date:

	Paid By: (Y/N)		Number of Bedrooms					
	Tenant	Project	Studio	1	2	3	4	5
Heating	Y	N	\$22.00	\$30.00	\$39.00	\$47.00		
A/C	Y	N	\$6.00	\$8.00	\$11.00	\$13.00		
Cooking	Y	N	\$3.00	\$4.00	\$5.00	\$7.00		
Other Electrical	Y	N	\$13.00	\$18.00	\$23.00	\$27.00		
Water Heating	Y	N	\$11.00	\$15.00	\$19.00	\$23.00		
Water	N	Y						
Sewer	N	Y						
Trash Collection	N	Y						
Range	Y	N						
Refrigerator	Y	N						
Tenant Totals:			\$55.00	\$75.00	\$97.00	\$117.00	\$0.00	\$0.00
Project Totals:			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Check Totals:			OK	OK	OK	OK	OK	OK

Groom School Apts  
 South Hill VA  
 Mecklenburg County  
**OPERATING AND MAINTENANCE EXPENSES**

TOTAL EXP & RES	238,898	4,344
ADJUSTED TOTAL	222,398	4,044
# of Units:	55	

**OPERATING AND MAINTENANCE EXPENSE**

Total Annual Expense: Per Unit:

Comments/Notes:

**ADMINISTRATIVE**

Accounting	Per Mo:	300			3,600
Advertising					1,500
Auditing					4,510
Bad Debts					2,400
Legal					708
Management Fees	% of EOI:	6.0%			20,909
Management Salary	Hours/Wk:	30	Pay Rate:	13.80	20,280
Office Supplies					5,300
Telephone	Per Mo:	450			5,400
Travel & Training					1,000
Other					
Sub-Total					66,207

1,186

**MAINTENANCE**

Decorating Contract	Cost:	1,700	% Units/yr:	5%	4,675
Decorating Supplies	Cost:	1,700	% Units/yr:	2.5%	2,338
Elevator Maintenance	Per Mo:	347	# Elev:	1	4,279
Exterminator Contract					1,210
Exterminator Supplies					150
Fire Alarm / Sprinkler					3,080
Grounds Contract					7,000
Grounds Supplies					1,000
HVAC Maintenance					2,800
Janitor / Cleaning Contract	Hours/Wk:	-	Pay Rate:	8.00	0
Janitor / Cleaning Supplies					1,500
Parking Lot					500
Repairs Contract	Per Unit:	70			3,850
Repairs Payroll	Hours/Wk:	30	Pay Rate:	12.50	19,500
Repairs Supplies	Per Unit:	40			2,200
Security					0
Snow Removal					700
Trash Removal					4,200
Other					0
Sub-Total					60,982

1,101

**UTILITIES**

Fuel					0
Electrical	Per Mo:	1,500			18,000
Water					10,986
Sewer					12,085
Natural Gas					0
Other					0
Sub-Total					41,071

747

**FIXED**

State (pick from drop down):		VA			
Fidelity Bond Insurance					75
License/Permits					300
Payroll Taxes	Rate:	0.1378			5,482
Property / Liability Insurance					14,279
Property Taxes					27,800
Workmen's Comp	Mgmt. Rate:	1.34	Maint Rate:	3.15	886
Healthcare	Per Mo. Per Empl:	133	# Empl:	2	3,192
Other					
Sub-Total					53,014

948

**SUPPORTIVE SERVICES**

Service Coordinator					0
Service Supplies					1,200
Tenant Association Funds					0
Other	VIIIDA Monitoring Fees				1,925
Sub-Total					3,125

57

**TOTAL O & M EXPENSES**

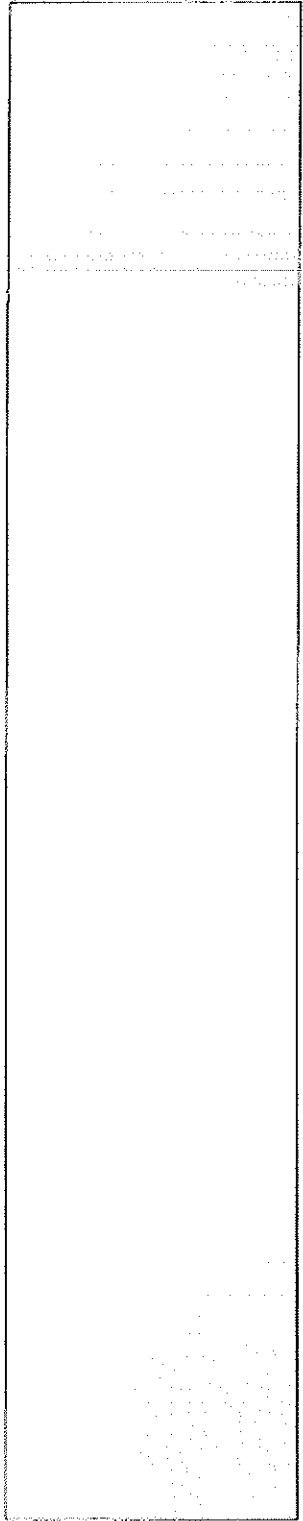
222,398 4,044

**RESERVES**

Replacement Reserves	Per Unit:	300			16,500
Other					0
Sub-Total					16,500

300

	From QAP	Over/(Under)	TOTAL EXP & RES	238,898	4,344
Minimum per unit:	4,000	44	ADJUSTED TOTAL	222,398	4,044
Maximum per unit:		4,044	(Total less property tax, reserves, support serv.)		



**Groom School Apts  
South Hill V.A.  
Mecklenburg County  
CONSTRUCTION COSTS**

Number of Units: 55  
Residential SF: 50,500

	Sq. Footages	Cost/SF	Total Cost	Cost/Unit	Check To Include In (Y/N)				
					Gen'l Req.	Cont. OH	Cont. Profit	Cont. Contract	Contingency
New Construction	30,300	89.50	2,710,113	49,275	Y	Y	Y	Y	Y
Rehabilitation	20,200	89.50	1,807,500	32,864	Y	Y	Y	Y	Y
Common Area SF	16,602	0.00	0	0	Y	Y	Y	Y	Y
Community Room SF	1,000	0.00	0	0	Y	Y	Y	Y	Y
Storage & Maint.	0	0.00	0	0	Y	Y	Y	Y	Y
Increase from P-P to Gross	4,000	0.00	0	0	Y	Y	Y	Y	Y
Unheated SF	0	15.00	0	0	Y	Y	Y	Y	Y
Commercial SF	0	89.50	0	0	Y	Y	Y	Y	Y
<b>Subtotal Construction Hard Cost</b>		<b>62.66</b>	<b>4,517,613</b>	<b>82,138</b>	N	N	N	N	N
Site Work		9.26	667,369	12,134	Y	Y	Y	Y	Y
Demolition		0.00	0	0	Y	Y	Y	Y	Y
General Requirements		4.30	310,062	5,637	N	Y	Y	Y	Y
Bldg. Permits		0.00	0	0	N	Y	Y	Y	Y
F&P Bonds (Y/N)	n	0.00	0	0	N	Y	Y	Y	Y
Tap Fees		0.00	0	0	N	Y	Y	Y	Y
<b>Total Gross (Heated SF)</b>	<b>72,102</b>	<b>76.21</b>	<b>5,495,044</b>	<b>99,910</b>	N	N	N	N	N
Contractor Overhead		1.44	103,700	1,885	N	N	N	N	N
Contractor Profit		4.31	311,099	5,656	N	N	N	N	N
<b>Total Construction Contract</b>		<b>81.97</b>	<b>5,909,843</b>	<b>107,452</b>					
Construction Contingency		8.20	590,984	10,745					
Additional Contingency		4.10	295,492	5,373					
<b>Total Contract Plus Contingency</b>		<b>94.26</b>	<b>6,796,319</b>	<b>123,569</b>					

Min Hard Cost Per Unit:	69,000
Max Hard Cost Per Unit:	88,000
Actual Hard Cost Per Unit:	82,138
	OK???
	YES

	Residential	Non-residential
Number of Existing Buildings:	0	0
Number of Buildings Upon Completion:	1	0

Groom School Apts  
 South Hill VA  
 Mecklenburg County  
**SOURCES AND USES OF FUNDS**

<b>Total Cost and Basis</b>	<b>8,563,038</b>	<b>7,971,695</b>	<b>50,000</b>	<b>541,343</b>	<b>3,012,751</b>
	<b>Total Cost</b>	<b>LIHTC Basis</b>	<b>LIHTC Acquisition</b>	<b>Non-Basis</b>	<b>Historic Basis</b>

<b>Land and Buildings</b>					
Land	100,000			100,000	
Existing Structure	50,000		50,000		
Other:	0	0	0	0	0
<b>Sub-Total</b>	<b>150,000</b>	<b>0</b>	<b>50,000</b>	<b>100,000</b>	<b>0</b>

<b>Site Work</b>					
Demolition	667,369	600,000		67,369	
<b>Sub-Total</b>	<b>667,369</b>	<b>600,000</b>	<b>0</b>	<b>67,369</b>	<b>0</b>

<b>Rehabilitation &amp; New Construction</b>					
60%	2,710,568	2,710,568			
40%	1,807,045	1,807,045			1,741,045
Commercial Space	0				0
Furnishings	30,000	30,000			
General Requirements	310,062	310,062			124,025
Building Permits	0				0
Payment / Performance Bonds	0				0
Tap Fees	0				0
Contractor Overhead	103,700	103,700			41,480
Contractor Profit	311,099	311,099			124,440
Impact Fees	0				0
Environmental Abatement	197,500	197,500			152,500
<b>Sub-Total</b>	<b>5,469,974</b>	<b>5,469,974</b>	<b>0</b>	<b>0</b>	<b>2,863,490</b>

<b>Contingency</b>					
AR Contingency	209,699	209,699			209,699
Other NC Contingency	381,283	190,643			0
<b>Sub-Total</b>	<b>400,342</b>	<b>400,342</b>	<b>0</b>	<b>0</b>	<b>209,699</b>

<b>Professional Fees</b>					
Architect Fee - Design	180,000	180,000			100,000
Architect Fee - Supervision / Inspection	32,500	32,500			13,000
Other Design Fee	10,000	10,000			4,000
Engineering Fees	55,000	55,000			22,000
Soil Borings	9,400	9,400			0
Survey	8,000	8,000			3,200
Cost Certification Fees	15,000	15,000			6,000
Real Estate Attorney	40,000	30,000		10,000	12,000
<b>Sub-Total</b>	<b>381,283</b>	<b>381,283</b>	<b>0</b>	<b>10,000</b>	<b>152,200</b>

Construction Contract: 5,959,843

75%

**CROWN POINT, INC.**  
**SUBSIDIARY**  
**REGULATORY COSTS**  
**SOURCES AND USES OF FUNDS**

PSB Cost and Basis	5,543,818	7,871,195	56,898	511,347	3,812,553
Total	LSTC Basis				Historic
	Cost	Relay/New	Appropriates	New-Basis	Basis
Fixed Expenses	11,200	27,200			2,300
Operating Expenses	51,130	37,550			3,500
Other Expenses	377,122	271,122		18,000	22,500
<b>Total</b>	<b>439,452</b>	<b>675,872</b>		<b>18,000</b>	<b>28,300</b>

Per Unit (¢)

Category	Per Unit	Relay/New	Appropriates	New-Basis	Historic
Fixed Expenses	0.077	0.137			0.035
Operating Expenses	0.312	0.227			0.040
Other Expenses	1.383	0.975		0.002	0.011
<b>Total</b>	<b>1.772</b>	<b>0.342</b>		<b>0.002</b>	<b>0.086</b>

Other: 100% Reliance

PSB Basis

Category	PSB Basis	Relay/New	Appropriates	New-Basis	Historic
Fixed Expenses	11,200	27,200			2,300
Operating Expenses	51,130	37,550			3,500
Other Expenses	377,122	271,122		18,000	22,500
<b>Total</b>	<b>439,452</b>	<b>675,872</b>		<b>18,000</b>	<b>28,300</b>

Clawson School Bldg.  
 South Hill VA  
 Arlington County  
**SPURGEONLANDS OFFHAPS**

Total Cost and Basis		2-5-83	1-27-85	2-8-85	5-13-85	3-31-85
		LYTIC Basis	LYTIC Basis	LYTIC	Year-Basis	Historic Basis
		Cost	Reliab/View	Acquisition		Basis
<b>Outstanding Fees and Expenses</b>						
Property Appraisal		1,200				1,200
Architectural		1,500				1,500
Engineering Study		1,500				1,500
Permit Fees		1,500				1,500
Cost of Interest / Underwrite		18,000				18,000
Title and Recording		3,000				3,000
Contractor's Fee		3,000				3,000
Other		24,000				24,000
	Sub-Total					
<b>Self Costs</b>						
Property Appraisal		1,200				1,200
Architectural		1,500				1,500
Engineering Study		1,500				1,500
Permit Fees		1,500				1,500
Cost of Interest / Underwrite		18,000				18,000
Title and Recording		3,000				3,000
Contractor's Fee		3,000				3,000
Other		24,000				24,000
	Sub-Total					
<b>Specialization Costs</b>						
Operational (Personnel)		1,000				1,000
Supplies, Fuel & Expenses		1,000				1,000
Travel Expenses		1,000				1,000
Other		1,000				1,000
	Sub-Total					
<b>Project Reserve</b>						
Contingency Reserve		15,000				15,000
Operating Reserve - see explanation		18,000				18,000
Other		17,000				17,000
	Sub-Total					
<b>Total</b>		<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Developer's Fee</b>						
31.25% Developer's Overhead		23,250				23,250
50.00% Developer's Fee		37,500				37,500
	Sub-Total					

Green School, Inc.  
 1000 1st St N  
 North Platte, NE 69101  
 408-635-1234  
 SOURCES AND FRIENDS

Year	Total	Gift	Subst/Nov	Acquisition	New-Start	Balance	Debit
2011	5,543.83	5,543.83				5,543.83	
2012	7,971.69	7,971.69				7,971.69	
2013	58,868	58,868				58,868	
2014	541,343	541,343				541,343	
2015	3,812,791	3,812,791				3,812,791	
<b>Total</b>	<b>10,528,384</b>	<b>10,528,384</b>				<b>10,528,384</b>	

Minimum Dn. Fee per Qtr (Chk or Gift Month)  
 Sub-Total: 12.00

Year	Total	Gift	Subst/Nov	Acquisition	New-Start	Balance	Debit
2011	5,543.83	5,543.83				5,543.83	
2012	7,971.69	7,971.69				7,971.69	
2013	58,868	58,868				58,868	
2014	541,343	541,343				541,343	
2015	3,812,791	3,812,791				3,812,791	
<b>Total</b>	<b>10,528,384</b>	<b>10,528,384</b>				<b>10,528,384</b>	

Minimum Dn. Fee per Qtr (Chk or Gift Month)  
 Sub-Total: 12.00

Year	Total	Gift	Subst/Nov	Acquisition	New-Start	Balance	Debit
2011	5,543.83	5,543.83				5,543.83	
2012	7,971.69	7,971.69				7,971.69	
2013	58,868	58,868				58,868	
2014	541,343	541,343				541,343	
2015	3,812,791	3,812,791				3,812,791	
<b>Total</b>	<b>10,528,384</b>	<b>10,528,384</b>				<b>10,528,384</b>	

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2012	7,971.69	7,971.69				7,971.69	
2013	58,868	58,868				58,868	
2014	541,343	541,343				541,343	
2015	3,812,791	3,812,791				3,812,791	
<b>Total</b>	<b>10,528,384</b>	<b>10,528,384</b>				<b>10,528,384</b>	

**Greenwood Park  
Seattle, WA 98107  
Victrola Brewing Co., Inc.  
SOURCES AND USES OF FUNDS**

<b>Total Cost and Basis</b>	8,500,000	2,471,492	50,000	54,134.3	3,412,253
Total		LP/TC Basis	LP/TC	Non-Basis	Historic
Cost		Reb./N/nc	Acquisition		Debit
	7	20%	40%	30%	2
					622,560

**70% or Greater Total By-Product Credit Adjustment**

Other Basis Adjustments					
- Adjusted LP/TC Debit	2,418,144	2,348,144	50,000		
* Applicable Fraction (and cost basis)	1,000	1,000			
* DCT Adjustment					0.25
- Adjusted LP/TC Debit	5,379,821	5,379,821			0
* Tax Credit Percentage	41.0%	41.0%			31.8%
* Tax Credit Per Year Available	2,220,000	2,220,000			
Source Calculations					

**Source Calculations**

70% or Greater Total By-Product Credit Adjustment	602,000	% of	11.27%
Total Credit Per Year Available (Sum Of Above)	602,000	% of	11.27%
Syndication Ownership Percentage	602,000	% of	11.27%
Syndication Equity Federal LP/TC	3,218,944	% of	60.3%
Syndication Equity State LP/TC	0	% of	0.0%
Syndication Equity FIC	621,044	% of	11.8%
Syndication Equity LP/TC	271,011	% of	5.2%
Syndication Equity Non-TC	0	% of	0.0%
GP Equity Contributions	0	% of	0.0%

70% or Greater Total By-Product Credit Adjustment	602,000	3.1%	11.27%
Total Credit Per Year Available (Sum Of Above)	602,000	3.1%	11.27%
Syndication Ownership Percentage	602,000	3.1%	11.27%
Syndication Equity Federal LP/TC	3,218,944	60.3%	11.27%
Syndication Equity State LP/TC	0	0.0%	0.0%
Syndication Equity FIC	621,044	11.8%	11.27%
Syndication Equity LP/TC	271,011	5.2%	11.27%
Syndication Equity Non-TC	0	0.0%	0.0%
GP Equity Contributions	0	0.0%	0.0%
Total Credit Per Year Available	602,000	3.1%	11.27%

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Syndication Equity LP/TC	271,011	5.2%	11.27%
Syndication Equity Non-TC	0	0.0%	0.0%
GP Equity Contributions	0	0.0%	0.0%
Total Credit Per Year Available	602,000	3.1%	11.27%



Green Street Vets  
 South 123 AV  
 Philadelphia, PA 19106  
**SUBJECTS AND ACCOUNTS**

Fund Code and Description	SALARIES		BENEFITS		REVENUE		Historic Balance
	Total	Cost	LTIC Base	LTIC Acquisition	New Starts	Bank	
Land and Buildings	124,878	124,878	124,878	124,878	52,119	66,994	
Salaries	44,378	44,378	44,378	44,378	44,378	44,378	
Retirement & New Contributions	5,444,574	5,444,574	5,444,574	5,444,574	5,444,574	5,444,574	
Commuting	400,340	400,340	400,340	400,340	400,340	400,340	
Professional Fees	472,124	472,124	472,124	472,124	472,124	472,124	
Utilities Costs	254,550	254,550	254,550	254,550	254,550	254,550	
Insurance Fees and Expenses	74,480	74,480	74,480	74,480	74,480	74,480	
Staff Costs	54,520	54,520	54,520	54,520	54,520	54,520	
Amortization Costs	4,000	4,000	4,000	4,000	4,000	4,000	
Capital Expenses	173,374	173,374	173,374	173,374	173,374	173,374	
Construction (Net in Rev. Fund)	411,255	411,255	411,255	411,255	411,255	411,255	
Administrative (Net in Rev. Fund)	-	-	-	-	-	-	
<b>SALARIES</b>							

**TAX CREDIT CALCULATION - EQUITY GAP METHOD**

Special Use Valuation	8,615,518
Gain on Voluntary Transfer	765,487
State Income Tax Credit	82,190
<b>Total</b>	<b>9,463,195</b>

Annual Tax Credit Allocation	400,000
Final Delivery of Credits	314,667
Over/Under Delivering Credits	185,627

Greene School APIS  
South Hill VA  
Metabolism County  
**PROPORMA**

Rent & Income Increase Annually 2.0%  
Expense Increase Annually 3.0%  
Vacancy Rate - Residential 7.0%  
Vacancy Rate - Commercial 23.0%  
Reserves Increase Annually 3.0%  
Number of Units 55

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
368,112	375,474	382,984	390,543	398,156	406,823	414,554	422,345	431,302	439,928	448,226	457,201	465,853	474,192	482,116	489,716
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	0	0	0	0
368,112	375,474	382,984	390,543	398,156	406,823	414,554	422,345	431,302	439,928	448,226	457,201	465,853	474,192	482,116	489,716

5,808 6,732 7,667 8,604 9,541 10,478 11,414 12,351 13,288 14,225 15,161 16,100 17,038 17,976 18,914 19,851

374,712 382,206 389,850 397,647 405,600 413,713 421,987 430,426 439,035 447,816 456,772 465,907 475,225 484,730 494,425

(24,230) (26,754) (29,392) (32,129) (34,968) (37,908) (40,949) (44,092) (47,337) (50,685) (54,136) (57,689) (61,344) (65,100) (68,957) (72,914)

(26,230) (28,754) (31,392) (34,129) (36,968) (39,908) (42,949) (46,092) (49,337) (52,685) (56,136) (59,689) (63,344) (67,100) (70,957) (74,914)

344,482 355,452 366,561 377,708 388,912 400,181 411,525 422,944 434,438 446,007 457,645 469,353 481,131 492,980 504,899 516,878

(222,397) (229,070) (235,943) (243,020) (250,311) (257,820) (265,557) (273,531) (281,727) (290,149) (298,884) (307,850) (317,060) (326,521) (336,236) (346,208)

(16,500) (16,955) (17,405) (17,851) (18,293) (18,732) (19,168) (19,601) (20,032) (20,461) (20,887) (21,310) (21,730) (22,148) (22,563) (22,976)

106,584 109,387 109,134 108,262 106,727 104,537 101,791 106,442 105,674 104,761 103,739 102,603 101,349 99,969 98,461 96,927

(13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500) (13,500)

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30,734 30,537 30,284 29,912 29,477 28,984 28,341 27,652 26,824 25,891 24,859 23,729 22,498 21,119 19,610

1,39 1,39 1,38 1,38 1,37 1,37 1,36 1,35 1,34 1,33 1,32 1,30 1,29 1,27 1,25

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1,39 1,39 1,38 1,38 1,37 1,37 1,36 1,35 1,34 1,33 1,32 1,30 1,29 1,27 1,25

1,39 1,39 1,38 1,38 1,37 1,37 1,36 1,35 1,34 1,33 1,32 1,30 1,29 1,27 1,25

1,39 1,39 1,38 1,38 1,37 1,37 1,36 1,35 1,34 1,33 1,32 1,30 1,29 1,27 1,25

1,39 1,39 1,38 1,38 1,37 1,37 1,36 1,35 1,34 1,33 1,32 1,30 1,29 1,27 1,25

Net Operating Income  
The following 4 lines are for prepayment table

Prepaid	Amount (\$)	Time (yr)	Rate	Hard Sell (HS)
HA	420,000	20	1.000%	H
HB	0	0	0.000%	H
HC	0	0	0.000%	H
HD	0	0	0.000%	H
HE	420,000	20	2.000%	H

The following 4 lines are for variable prepayment table

HA	420,000	20	1.000%	H
HB	0	0	0.000%	H
HC	0	0	0.000%	H
HD	0	0	0.000%	H
HE	420,000	20	2.000%	H

Net Operating Income

Cash Flow

Debt Coverage Ratio

Debt Coverage Ratio Total Project (includes Self Debt Payments)

**Green School Apis  
South Hill VA  
Miscellaneous Costs  
PROFORMA**

2.0%
3.0%
7.0%
25.0%
1.0%
55
Year

- + Potential Increase Annuity
- Expense Increase Annuity
- + Vacancy Rate - Residential
- Vacancy Rate - Commercial
- + Reserve Increase Annuity
- Number of Units

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
495,430	505,339	515,446	525,755	536,270	546,995	557,935	569,094	580,476	592,085	603,927	616,005	628,325	640,892	653,710	666,830
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	0	0	0	0
495,430	505,339	515,446	525,755	536,270	546,995	557,935	569,094	580,476	592,085	603,927	616,005	628,325	640,892	653,710	666,830
1,883	9,060	9,242	9,426	9,615	9,807	10,003	10,203	10,408	10,618	10,833	11,054	11,281	11,515	11,757	12,007
504,313	514,399	524,697	535,181	545,885	556,802	567,938	579,297	590,883	602,701	614,755	627,030	639,531	652,262	665,237	678,430
(14,302)	(16,008)	(16,726)	(17,453)	(18,192)	(18,946)	(19,716)	(20,503)	(21,307)	(22,129)	(22,969)	(23,827)	(24,704)	(25,601)	(26,518)	(27,456)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(14,302)	(16,008)	(16,726)	(17,453)	(18,192)	(18,946)	(19,716)	(20,503)	(21,307)	(22,129)	(22,969)	(23,827)	(24,704)	(25,601)	(26,518)	(27,456)
469,011	478,331	487,959	497,818	507,923	518,266	528,833	539,626	550,648	561,899	573,380	585,091	597,032	609,203	621,604	634,230
(346,483)	(346,823)	(347,163)	(347,503)	(347,843)	(348,183)	(348,523)	(348,863)	(349,203)	(349,543)	(349,883)	(350,223)	(350,563)	(350,903)	(351,243)	(351,583)
(25,706)	(26,478)	(27,250)	(28,022)	(28,794)	(29,566)	(30,338)	(31,110)	(31,882)	(32,654)	(33,426)	(34,198)	(34,970)	(35,742)	(36,514)	(37,286)
96,816	95,031	93,246	91,461	89,676	87,891	86,106	84,321	82,536	80,751	78,966	77,181	75,396	73,611	71,826	70,041
-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500	-13,500
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	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350	-65,350
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	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17,966	16,180	14,394	12,608	9,914	7,500	4,912	2,143	(814)	(1,960)	(3,822)	(5,684)	(7,546)	(9,408)	(11,270)	(13,132)
1.23	1.21	1.18	1.15	1.13	1.10	1.06	1.03	0.99	0.95	0.91	0.86	0.81	0.76	0.71	0.66
1.23	1.21	1.18	1.15	1.13	1.10	1.06	1.03	0.99	0.95	0.91	0.86	0.81	0.76	0.71	0.66

**Groom School Apts**  
**South Hill VA**  
**Mecklenburg County**  
**CONSTRUCTION LOAN CALCS**

Interest Rate: 5.00%  
 Monthly Rate: 0.42%  
 Total Cost: 8,563,038

Equity Installment:  
 Choose From Drop Down This Row  
 Month:

Equity Pay-In Schedule		Duration	
Installment	Capital	Dev. Fee	Months
Closing	1	25%	1
50%	2	40%	13
75%	3	40%	4
100%	4	65%	3
Stabilization	5	100%	21

Uses	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Land and Building	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Site Work	-	333,685	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369
Rehabilitation & New Construction	-	420,767	841,534	1,262,302	1,683,069	2,103,836	2,524,603	2,945,371	3,366,138	3,786,905	4,207,672	4,628,439
Contingency	-	30,796	61,591	92,387	123,182	153,978	184,773	215,569	246,364	277,160	307,955	338,751
Professional Fees	-	422,174	844,348	1,266,522	1,688,696	2,110,870	2,533,044	2,955,218	3,377,392	3,800,000	4,222,608	4,645,216
Interest Costs	-	37,500	53,967	70,433	86,900	103,367	119,833	136,300	152,767	169,233	185,700	202,167
Financing Fees and Expenses	-	74,500	74,500	74,500	74,500	74,500	74,500	74,500	74,500	74,500	74,500	74,500
Soft Costs	-	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500
Stabilization Costs	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Project Reserves	-	175,374	-	-	-	-	-	-	-	-	-	-
Available Developer's Fees	-	430,798	172,319	172,319	172,319	172,319	172,319	172,319	172,319	172,319	172,319	172,319
Deferred Developer Fees	-	387,407	-	-	-	-	-	-	-	-	-	-
Miscellaneous (Not in Dev. Fees)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Uses</b>	<b>942,093</b>	<b>1,743,807</b>	<b>2,545,521</b>	<b>3,012,550</b>	<b>3,481,580</b>	<b>3,949,609</b>	<b>4,417,639</b>	<b>4,885,668</b>	<b>5,353,697</b>	<b>5,821,727</b>	<b>6,289,756</b>	<b>6,757,786</b>

SOURCES	100%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Equity Funding:	521,896	521,896	521,896	521,896	521,896	521,896	521,896	521,896	521,896	521,896	521,896	521,896
Syndication Equity Federal LHFC	-	-	-	-	-	-	-	-	-	-	-	-
Syndication Equity State LHFC	-	-	-	-	-	-	-	-	-	-	-	-
Syndication Equity FHFC	-	-	-	-	-	-	-	-	-	-	-	-
Syndication Equity SHFC	-	-	-	-	-	-	-	-	-	-	-	-
Syndication Equity Mill Credits	-	-	-	-	-	-	-	-	-	-	-	-
Workforce Housing Loan Programs	-	-	-	-	-	-	-	-	-	-	-	-
GP Equity Contribution	-	-	-	-	-	-	-	-	-	-	-	-
HOME Pledge	-	-	-	-	-	-	-	-	-	-	-	-
VHDA Reach	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan	-	-	-	-	-	-	-	-	-	-	-	-
<b>Errors Or (Construction Loss)</b>	<b>(371,003)</b>	<b>(1,172,717)</b>	<b>(1,974,431)</b>	<b>(2,944,960)</b>	<b>(3,181,019)</b>	<b>(3,181,019)</b>	<b>(2,793,914)</b>	<b>(3,261,943)</b>	<b>(3,729,972)</b>	<b>(4,198,002)</b>	<b>(4,676,031)</b>	<b>(5,154,060)</b>

Construction Loan	371,003	1,172,717	1,974,431	2,944,960	3,181,019	3,181,019	2,793,914	3,261,943	3,729,972	4,198,002	4,676,031	5,154,060
Balance (Revolving)	-	-	-	-	-	-	-	-	-	-	-	-
Balances (Non-Revolving + Max)	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Interest Payment	1,546	4,386	8,227	9,354	11,304	13,254	11,641	13,591	15,542	17,492	19,442	21,392
<b>Calculated Maximum Loan</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>
<b>Calculated Maximum Loan</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>	<b>4,746,935</b>
<b>Assumed Construction Loan Amount</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

Groom School Apts  
 South Hill VA  
 Mecklenburg County  
**CONSTRUCTION LOAN CALCS**

Interest Rate: 5.00%  
 Monthly Rate: 0.42%  
 Total Cost: 8,563,038  
 Equity  
 Choose From Drop Down

Uses	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Land and Building	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Site Work	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369	667,369
Rehabilitation & New Construction	5,049,207	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974	5,469,974
Contingency	369,546	400,342	400,342	400,342	400,342	400,342	400,342	400,342	400,342	400,342	400,342	400,342
Professional Fees	422,174	422,174	422,174	422,174	422,174	422,174	422,174	422,174	422,174	422,174	422,174	422,174
Interest Costs	235,100	251,567	268,033	284,500	284,500	284,500	284,500	284,500	284,500	284,500	284,500	284,500
Financing Fees and Expenses	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600
Soft Costs	79,500	94,500	94,500	94,500	94,500	94,500	94,500	94,500	94,500	94,500	94,500	94,500
Specialized Costs	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Project Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Available Developer's Fees	172,319	301,559	301,559	301,559	301,559	301,559	301,559	301,559	301,559	301,559	301,559	301,559
Deferred Developer Fees	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous (Not in Dev. Fees)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Uses</b>	<b>7,225,815</b>	<b>7,838,084</b>	<b>7,854,550</b>	<b>7,871,017</b>	<b>7,871,017</b>	<b>7,887,517</b>	<b>7,887,517</b>	<b>7,887,517</b>	<b>7,887,517</b>	<b>8,046,591</b>	<b>8,175,631</b>	<b>8,175,631</b>
<b>Sources</b>	<b>40%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>
Steadfast Equity Federal LIHTC	2,887,582	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321	3,392,321
Steadfast Equity State LIHTC	-	-	-	-	-	-	-	-	-	-	-	-
Steadfast Equity FHIC	192,777	313,263	313,263	313,263	313,263	313,263	313,263	313,263	313,263	313,263	313,263	313,263
Steadfast Equity SHIC	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Steadfast Equity Mill Credits	-	-	-	-	-	-	-	-	-	-	-	-
Workforce Housing Loan Program	-	-	-	-	-	-	-	-	-	-	-	-
GP Equity Contribution	-	-	-	-	-	-	-	-	-	-	-	-
HOME Funds	-	-	-	-	-	-	-	-	-	-	-	-
VHDA Ranch	-	-	-	-	-	-	-	-	-	-	-	-
VBAF Loan	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500
<b>Extra OR (Construction Loan)</b>	<b>(4,746,955)</b>	<b>(3,933,999)</b>	<b>(3,950,466)</b>	<b>(3,966,932)</b>	<b>(3,966,932)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>	<b>(3,983,432)</b>
<b>Construction Loan</b>	<b>4,746,955</b>	<b>3,933,999</b>	<b>3,950,466</b>	<b>3,966,932</b>	<b>3,966,932</b>	<b>3,983,432</b>	<b>3,983,432</b>	<b>3,983,432</b>	<b>3,983,432</b>	<b>3,983,432</b>	<b>3,983,432</b>	<b>3,983,432</b>
Balance (Revolving)	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955	4,746,955
Balance (Non-Revolving = Max)	19,779	16,392	16,460	16,529	16,598	16,667	16,736	16,805	16,874	16,943	17,012	17,081
Monthly Interest Payment	-	-	-	-	-	-	-	-	-	-	-	-
Calculated Maximum Loan	-	-	-	-	-	-	-	-	-	-	-	-
Calculated Maximum Loan	-	-	-	-	-	-	-	-	-	-	-	-
Assumed Construction Loan Amount	-	-	-	-	-	-	-	-	-	-	-	-

Check

387,407

387,407

687,407

U

Documentation to  
Request Exception to  
Restriction-Pools with  
Little/No Increase in Rent  
Burdened Population



# Change Request Notification

03/13/2019

02:10 PM

This notification is in response to your LIHTC Change Request submitted for the below-mentioned development. Please keep VHDA informed of the progress to complete this transaction.

<b>Change Request #</b>	01-Points-GSA		
<b>Deal Name</b>	Groom School Apartments	<b>VHDA #</b>	
<b>Address</b>		<b>Deal #</b>	2555
<b>Address cont</b>		<b>Request Date</b>	03/11/2019
<b>City</b>		<b>Regulation Year</b>	2018
<b>Zip</b>		<b>Status</b>	Approved

**Customer Requestor** Sam Sari

**Define Requirement** (as stated on Request)

Per the VHDA Tax Credit Manual: "Any proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) that is located in an area identified by VHDA as an area with little or no increase in rent burdened population will be assessed up to negative 20 points."

**Explanation of Request** (as stated on Request)

Groom School Apartments is a mixed construction development of 55 newly constructed/adaptive reuse units awarded 2017 LIHTC credits through VHDA. It is our intent to apply in 2019 for up to 10% more credits in order to offset rapidly rising construction and development costs. According to the requirement, the development should be assessed -20 points as it is in an area with little or no increase in rent-burdened population. Groom was previously granted a waiver from this provision back in 2017.

I have attached letters from Kim Callis, Town Manager of South Hill as well as the Market Analyst explaining the strong need for affordable apartments in the area, as the existing housing stock is older and lacks modern accessibility features. Furthermore all other affordable housing developments in the area are full and have long waiting lists.

**Status: Approved**

**Comments**

This waiver is approved.

If you have any further questions, please contact the VHDA Tax Credit Allocation department.

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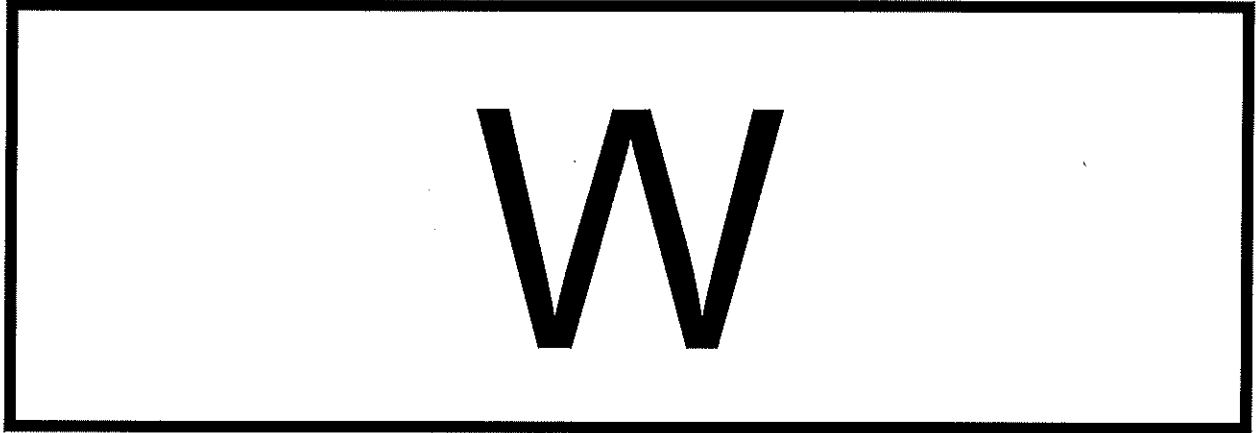
JD Bondurant  
Director of LITHC Programs

**V**

**Nonprofit or LHA Purchase  
Option or Right of First  
Refusal**

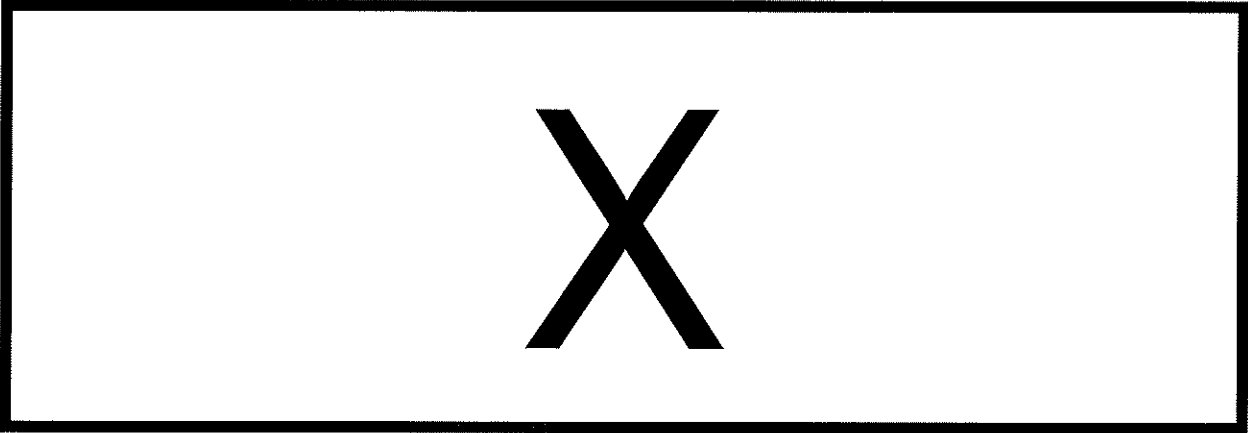


**This Section is not  
Applicable**



(Reserved)

**This Section is not  
Applicable**



X

# Marketing Plan

For units meeting accessibility requirements of HUD section

504

Groom School Apartments  
Groom School Apartments, LLC  
South Hill, VA

Presented By:



Landmark Property Management Company

For The Purposes Of:

Low-Income Housing Tax Credit Application for Reservation

And

Meeting the VHDA Accessibility Requirements for Section 504 of the Rehabilitation Act

## MARKETING PLAN FOR ACCESSIBLE UNITS

### **OVERVIEW:**

The proposed development consists of 55 units, combining both the adaptive reuse of the historic John Groom School as well as new construction units.

### **SELECTED MANAGEMENT AGENT:**

Landmark Property Management Company, referred to herein as LPMC, has been contracted to serve as the management agent for this development.

### **OWNER'S INTENT (to be executed by Management Agent):**

Groom School Apartments intends to include six (6) accessible units for prospects in need of rental housing with accessibility. First preference will be given to person(s) with a developmental disability and/or other targeted populations having state rental assistance and identified in inter-agency MOUs and referred to the development by an Authority approved referring agency. LPMC will commit to no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by residents receiving rental assistance. Any unit which is designated as a unit for people with disabilities that conforms to Section 504 of the Rehabilitation Act will be held vacant for sixty days (60). LPMC will document its marketing efforts to find households with qualified disabilities during this time period. If no qualified tenant is found, the marketing evidence will be submitted to VHDA's Program Compliance Officer along with a request to rent the unit to any income-qualified household. If the request is approved, the lease contains a provision stating that the household must agree to move to another vacant unit if a household including a person with a disability applies for the unit. The move will be paid for by the owner.

LPMC as was directed by the Owner will also be providing a first preference on its waiting list for six units (10%) for persons with a developmental disability and/or other targeted populations having state rental assistance and identified in inter-agency MOU's and referred to the development by an Authority approved referring agency.

## **IMPLEMENTATION OF OWNER'S INTENT:**

LPMC will rent accessible units only to those qualified households. If a qualified tenant cannot be found during the sixty (60) day marketing effort, concentrated marketing efforts will occur in addition to standard marketing strategies, to insure qualified individuals are aware of the availability of accessible units.

## **CONCENTRATED MARKETING EFFORTS:**

**VirginiaHousingSearch.com** – LPMC will insure Groom School Apartments is listed on virginiahousingsearch.com We will communicate the fact that the development has accessible units.

**Virginia Department of Medical Assistance Services (VDMAS) or Virginia Department of Behavioral Health and Development Services (VDBHDS)** – LPMC will obtain referrals from Virginia Department of Medical Assistance Services (VDMAS) or Virginia Department of Behavioral Health and Developmental Services (VDBHDS) during the initial lease-up process. LPMC will notify VDMAS 120 days ahead of anticipated receipt of certificates of occupancy to allow VDMAS referral prospects ample time to tour and apply to live at the community.

**Local physical therapy offices** – LPMC will contact local physical therapy offices throughout the region to communicate the availability of accessible units at Groom School Apartments.

**Local hospitals** – LPMC will partner with discharge departments at local hospitals to communicate the availability of accessible units at Groom School Apartments.

**Independence Center Inc.** – LPMC is committed to establishing a relationship with this entity to insure the common area of the community is in compliance with ADA laws. We plan to have discussions with their housing specialists to assist them in identifying prospective tenants who may have a desire to live at Groom School Apartments and need ADA compliant living.

**The Community Services Board** – LPMC, throughout its' history has communicated with The Community Services Board of several cities to identify housing needs and inform them of availability of accessible units. We will continue to communicate with them to identify units available at Groom School Apartments.

**Local Social Services Departments** – LPMC will communicate with the local municipalities' social services departments to inform them of the availability of accessible units at Groom School Apartments.

**Neighboring Housing Authorities' Housing Choice Voucher Departments** – LPMC will communicate with the Neighboring Housing Authorities that Groom School Apartments accepts Housing Choice Vouchers for their accessible units. The property may also be available for qualified households on the Housing Choice Voucher waiting lists.

**Orthopedic and Prosthetic Offices** – LPMC will market to orthopedic and prosthetic offices to communicate the availability of accessible units at Groom School Apartments.

**AccessVA.org. and other supportive non-profit organizations** – LPMC will communicate with accessibility-minded organizations to inform them of the availability of accessible units at Groom School Apartments.

**VHDA** – Insure VHDA representatives charged with accessible unit outreach are aware of the availability of these units at our property.

**Inter-Portfolio Advertising** – LPMC welcomes applicants which were referred to our communities via word of mouth of those residents living successfully at other LPMC communities throughout our portfolio. With 11

communities across the State of Virginia and over 3500 total units encompassing 8 states, LPMC will be able to effectively notify the management within our portfolio of the availability of accessible units at the Groom Apartments as the need may arise.

**SPECIFIC MARKETING DEVICES:**

**Industry Specialized Advertising** – LPMC routinely markets properties in the Apartment Guide. Additionally, listings on Apartments.Com and For Rent in the Groom region when marketing conditions necessitate the expenditure have been enacted. These ILS agents reach a vast number of individuals interested in apartment living. We will identify the fact that Groom School Apartments has accessible units available at the community.

**Residents Newsletters** – Groom School Apartments will continue to send out periodic newsletters via LPMC's 3<sup>rd</sup> party newsletter production partner to the residents of the community. In future publications LPMC will communicate the presence of accessible units at the community.

**SPECIFIC LOCAL REFERENCES FOR MARKETING PURPOSES:**

**Virginia Office of Veterans Affairs**  
1361 W Danville Street  
South Hill, VA 23970

**Virginia Disability Determination Services (DDS)**  
8004 Franklin Farms Drive  
Richmond, VA 23229

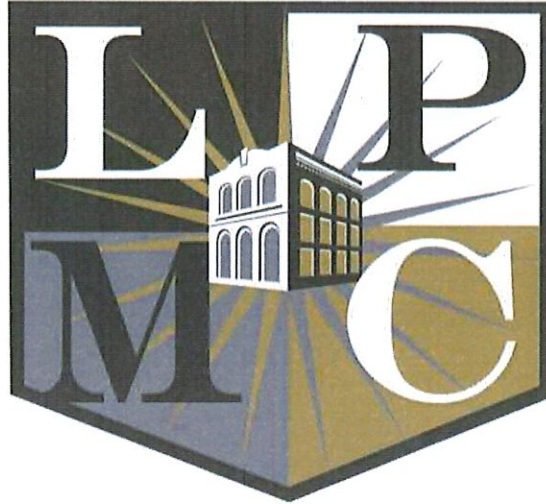
**Mecklenburg County Department of Social Services**  
911 Madison Street  
Boydton, VA 23917

**Southside Health District Headquarters**  
Mecklenburg County Health Department  
969 Madison Street  
Boydton, VA 23917

**PLAN SYNOPSIS:**

LPMC will not be restricted solely to the marketing means identified above, but will continue to explore other marketing means ensuring that there is a significant imprint exhibited by Groom School Apartments and the fact that the community does possess units with ample, ADA compliant accessibility.

LPMC will run newspaper ads and internet advertisements at least annually or as needed to assure the property identifies the availability of the accessible units.



TENANT PROCESSING, TENANT SELECTION, AND UNIT ASSIGNMENT POLICIES AND  
PROCEDURES

LANDMARK PROPERTY MANAGEMENT COMPANY  
Groom School Apartments

South Hill, VA

Revised: March 2019



A. Procedure for accepting applications and screening tenants

All tenant selection will be as established and regulated by applicable Federal and State Program rules and regulations (LIHTC/HUD/HOME/RD). Anyone selected for occupancy must meet the qualifications for these programs as they apply to the complex.

Applications will be available at the on-site office and will be accepted from all interested parties. Assistance will be provided on an as needed basis in the preparation of applications. If an application is incomplete or if additional information is needed, the applicant will be promptly notified of the deficiency.

Each applicant will be interviewed by a representative of the apartment complex as a part of the screening process. Information gained from this interview and the application form will be used to help management gain access to the following criteria that will then be utilized to determine the acceptance or rejection of an applicant.

1. Demonstrated ability to pay rent on time.
2. Ability to meet the requirements applicable to the LIHTC/HUD/HOME/RD Program and the Management Agent's guidelines which are outlined within this document.
3. References from former landlords and employers.
4. Credit reports and criminal records.

A. Fair Housing, Equal Opportunity Requirements and compliance with the Violence Against Women and Justice Department Reauthorization Act of 2005

It is the policy of the complex and the management agent to comply with all Federal, State, or local fair housing laws, as well as all Equal Opportunity requirements and LIHTC Program requirements and administrative procedures.

The complex and management agent will not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of a lease agreement or other good cause for termination of assistance, tenancy or occupancy rights of a victim of abuse.

The complex and management agent will not consider criminal activity directly relating to abuse, engaged in by a member of the tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim of that abuse.

B. Student Status for Qualifying Tax Credit Units

Tenant understands and certifies that the household meets the following student criteria: If the occupant(s) of a unit are full-time students, the unit will not be considered a qualifying tax credit unit unless one full time student is:

1. A single parent with children, none of which are declared as dependents on another person's tax return.
2. Married and filing a joint tax return.

3. Receiving AFDC payments on behalf of minor children.
4. Enrolled in a job training program receiving assistance under the Job Training Partnership Act or funded by a state or local government agency.
5. If all of the occupants of the unit are full-time students, at least one must have received foster care assistance.

C. Acceptance of Applicants

The following criteria must be met to be considered eligible:

1. The family must meet the specified LIHTC/HUD/HOME/RD Program requirements.
2. The household's adjusted annual income must fall at or under the applicable income limit or the applicant is otherwise ineligible as established by LIHTC. For properties that fall under the LIHTC (IRS Section 42) requirements, should a household's gross annual income exceed the income limits established by LIHTC (IRS Section 42) but fall at or under income limits established by RD, then the household will be notified of such and that they are still eligible for other RD financed properties. The household can still remain in place on the waiting list and should their income meet LIHTC (IRS Section 42) at a later date, be considered for occupancy if they so desire.
3. The applicant's total housing expenses (rent plus utility allowance) in the Building cannot exceed the specified income set aside set forth via the funding source the unit selected, of the specific area median income percentage being targeted.
4. The family size must be appropriate for the units available based on the following occupancy standards:

Number of Bedrooms	Occupants Max
1	2
2	4
3	6

5. The applicant must have acceptable landlord references (if applicable) and must meet the credit policy requirements. See Landlord Reference Policy

D. Withdrawal of Applicants

Applicant will be withdrawn if:

1. After reasonable attempts, the applicant cannot be contacted.
2. The applicant, having refused an apartment once and moved to the bottom of the waiting list because they wished to remain on the list, refuses an apartment for a second time. Note: In cases of hardship for reasons such as health problems, the applicants name will remain on the waiting list in chronological order and will not be subject to being moved to the bottom of the list.

E. Preferences and priorities

1. A *master waiting list* will be maintained chronologically, in order of date of application, indicating current income status code, bedroom size as needed and whether they qualify for a Federal Preference - (applies to HUD related complexes only). All eligible applicants will be admitted chronologically, in order of date and time of application. To be eligible, household income must fall under the applicable limits established by LIHTC / HUD/HOME/RD programs, and all data must remain accurate and current.

#### F. Unit assignment

1. Applicants will be given a choice of any correct size unit at the time of their admission. Should an applicant be housed in a unit that is handicapped designed due to the unavailability of non-handicapped units, but does not need the type features found in a handicapped designed unit, the applicant must agree to transfer to the first available non-handicapped unit should an applicant be approved for housing which needs the handicapped designed unit.

#### G. Applicant Decision Appeals Process

1. Applicants who are denied for failure to meet the criteria set forth in the tenant selection plan are eligible to file an appeal via the management agent's appeals process.

For credit based denials:

- Applicant must furnish management agent with a written statement of appeal accompanied by a copy of the applicant's credit report.

For criminal record based denials:

- Applicant must furnish management agent with a written statement of appeal accompanied by a copy of the applicant's criminal record (if applicable) for review.

- See Addendum B for further clarification on the Applicant Appeals Process.

#### H. Income Set Aside

1. Qualifying applicants must meet the income set aside requirements for compliance with LIHTC standards.
2. Income limits can be found via the following methods:
  - Via visiting the site and reviewing the rent schedule available for viewing by the public.
  - Income limits are posted and updated on the management company's website by property.
  - Income limits are posted on the individual community websites.
  - Applicants may inquire by phone regarding income limits versus family composition.

#### II. Minimum Income Calculation - Per Household

A minimum income calculation is set by the management company to reduce the threat of "rent

overburden.” The management company uses a universal calculation across all communities to ensure consistency and compliance in accordance with Fair Housing Guidelines and standards set forth by federal and state agencies. The calculation is as follows:

**HOUSEHOLD MONTHLY INCOME MUST EQUAL = (UNIT RENT x 2)  
+ UTA**

Ex: Unit rent is \$500. Utility allowance is \$50. Per the calculation, the minimum income required for the household to not be considered overburdened is \$1050 per month.

***\* Reliance on State and Federal Vouchers will not be grounds for acceptance or denial when determining income eligibility for housing.***

**Effective Date: 4/1/2018**

Mecklenburg County, VA  
FY 2018 MFI: 51900

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
VERY LOW INCOME	19600	22400	25200	27950	30200	32450	34700	36900
60% INCOME LIMIT	23520	26880	30240	33540	36240	38940	41640	4428

Mecklenburg County

MSA: Mecklenburg County, VA  
Median Income: \$51,900.00

Rent Calc Factor	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
30% of 40%	\$392.00	\$420.00	\$504.00	\$581.00	\$649.00	\$716.00
30% of 50%	\$490.00	\$525.00	\$630.00	\$726.00	\$811.00	\$895.00
30% of 60%	\$588.00	\$630.00	\$756.00	\$872.00	\$973.00	\$1,074.00
25% of 50%	\$408.00	\$437.00	\$525.00	\$605.00	\$676.00	\$745.00

## I. Reasonable Accommodation/Modification Request Process:

Landmark Property Management Company communities operate under the guidelines of *Section 504 of the Rehabilitation Act of 1973* and the *Fair Housing Amendment Act of 1988*. In part, these acts allow persons with disabilities to request reasonable accommodations and/or modifications to afford a disabled person equal opportunity to use and enjoy their apartment and the common areas. In order to evaluate an applicant/tenant request, said applicant/tenant can complete a request for reasonable accommodation/modification. Once the request is submitted via verbal request or via the suggested form herein, a meeting is scheduled with the onsite staff. Reasonable accommodations/modifications will be made when a disabled applicant can demonstrate a nexus between their disability and the requested accommodation/modification. The goal of this process is to allow the applicant to have an equal opportunity to use and enjoy their housing of choice. Management may request of the applicant/tenant to provide the name of a qualified third party professional where the request, verbal or otherwise can be sent for evaluation. A qualified third-party professional includes, but is not limited to: a doctor, psychiatrist, social worker, etc. **Once the evaluation is completed by the qualified third-party professional, it will be reviewed and the applicant/tenant will receive a written response to the request within fourteen (14) calendar days.**

**If the request is denied, the applicant will be notified in writing and be given five (5) calendar days to appeal management's decision.**

### **SAMPLE FORM (ATTACHMENT 1)**

Reasonable Accommodation: A request for physical alterations necessary for an applicant/tenant to have equal access to their unit or common areas. Please describe the physical accommodations needed to afford you equal opportunity to use the property and the purpose for such a request:

Reasonable Modification: A request to modify rules, policies or procedures that would afford you equal opportunity to use the property. Please describe the modification(s) you request to the rules, policies or procedures that would afford you equal opportunity to use the property and the purpose for such a request:

**Reasonable Modification:** Request for a "Supportive (Service) Animal". *Please be* specific in your request as to what type of animal are you requesting and why you believe this request is necessary to afford you equal opportunity to live in the complex.

Type of Animal: \_\_\_\_\_

Why is the request necessary? \_\_\_\_\_

Rental Assistance Program and DD Target Units:

VA Housing Development Agency (VHDA) and VA Department of Behavioral Health and Development Services (VDBHDS) have partnered to create quality, affordable apartments for persons with disabilities.

All Housing Credit projects awarded, target ten percent (10%) of the total units (Targeted Units) to households referred through VDBHDS by local human service agencies pursuant to a Targeting Plan. Certain other affordable rental projects target ten to twenty percent of total units (including projects awarded Preservation Loan Program (PLP) and/or other Program funding).

Housing Credit projects with federal project-based rental assistance (PBRA) must target at least five units. The Targeted Units do not establish an upper limit for the number of persons with disabilities that can or might live in any project.

Persons with disabilities who can afford the rent and/or have Section 8 rental assistance should be encouraged to apply to the project as any other tenant without being referred. Projects are not required to provide onsite supportive services or a services coordinator, and participation in supportive services is voluntary and not a condition of tenancy.

After the award of Housing Credits, PLP funding or Program funding, owners must submit a Targeting Plan to VDBHDS that identifies a Local Lead Agency. B. Accessible vs. Targeted Units The legally required accessible units or additional accessible units with curb-less showers (required by the QAP) in Housing Credit projects are NOT necessarily the same as the Targeted Units, and are not required to be held solely for referrals from VDBHDS during lease up.

Some households referred under a Targeting Plan may have disabilities that require an accessible unit. Others will have disabilities that are not physical in nature. Similarly, some households may not be qualified for a Targeted Unit, and need an accessible unit.

***\*See property specific details regarding participation in this program, found via Addendum D, page 14 of this tenant selection plan***



## Addendum B

### Description of the Credit and Criminal Policy for Applicants

#### Applicant Process & Application Submission

Applicants may submit an initial screening request for occupancy via the following methods:

- Submission of form SC1 in written form.
- Submission of online application form via [www.lpmcliving.com](http://www.lpmcliving.com)

Applicants must submit for credit and criminal screening via methods described herein and such application must be accompanied by the applicable fee. As of the date of this addendum, the applicable fee is **\$16 per adult applicant over the age of 18.**

*Applicants referred by the DHHS targeting program, including those applicants participating in the Transition to Community Living Initiative will have such fee waived in accordance with the guidelines set forth by the NCHFA (Rev. 12-2015).*

#### Credit Worthiness Policy

Applicants must meet the minimum credit worthiness standards set forth under the tenant selection plan in order to be eligible for residency at the community. Worthiness standards include:

- No outstanding landlord debt and/or proof of resolution of said landlord debt.
- No outstanding required utility debt and/or proof of resolution of said utility debt.
  - o Ex: An applicant would be categorically denied for unpaid debt to an electric utility provider.
  - o Ex: An applicant would be eligible for residency despite unpaid debt to a cable television provider.
- No outstanding federally funded education loans and/or proof of deferment of said loan.
- Applicant cannot be within current bankruptcy filing and/or be in the process of petitioning for bankruptcy.
- “Credit criteria will be waived for applicants participating in any programs or receiving assistance which provides the landlord with the ability to recover economic losses related to tenancy.”

#### Landlord Reference Policy

All applicants must meet a minimum requirement of Acceptable Landlord Reference, beyond that of outstanding landlord debt as referenced within the Credit Worthiness Policy.

Upon approval of the credit and criminal background check, applicants will undergo a previous Landlord Reference Check. This check will allow management to obtain rental history for the applicant(s) and continue the application process. A landlord reference will be required to be obtained on all applicants who are renting from a third-party which does not include living with family members or friends.

To the extent that the landlord reference is negative due to unpaid rent or money owed, the applicant will not be held liable if they are currently participating in any programs or receiving assistance which provides the landlord with the ability to recover any economic losses related to impending tenancy.

## Criminal Record Acceptance Policy

Landmark Property Management Company will conduct a criminal background check on each adult member of an applicant household. An adult means a person 18 or older.

If the criminal background report reveals negative information about a household member and the management company proposes to deny admission due to the negative information, the subject of the record (and the applicant, if different) will be provided notice of the proposed adverse action and an opportunity to dispute the accuracy of the record. The notice will include the name, address, and telephone number of the agency that composed the criminal record report and inform the applicant of his or her right to dispute the accuracy of the criminal record report as well as his or her right to a free copy of the criminal record report.

If the applicant does not contact the management company to dispute the accuracy of the criminal record within 10 days, the management company will send a written notice of ineligibility to the applicant stating the specific reason for denial. If the applicant did not contact the management company within the specified time period due to a disability, the management company will provide a reasonable accommodation extending the dispute period as is reasonable.

### Admissions Criteria

*If a member of an applicant household has been convicted of a felony offense involving the sale or manufacture of a controlled substance, the management company: Will deny admission if the conviction, or exit from incarceration, occurred within 5 years of application;*

- a. May deny admission if the conviction, or exit from incarceration, occurred more than 5 years but within 10 years of application;
- b. Will not deny admission if the conviction, or exit from incarceration, occurred more than 10 years before application.

*If a member of an applicant household has been convicted of a violent felony offense, the management company:*

- c. Will deny admission if the conviction, or exit from incarceration, occurred within 5 years of application; and
- d. May deny admission if the conviction, or exit from incarceration, occurred more than 5 years before application.

*If a member of an applicant household has been convicted of a nonviolent felony offense, the management company:*

- e. May deny admission if the conviction, or exit from incarceration, occurred within 7 years of application;
- f. Will not deny admission if the conviction, or exit from incarceration, occurred more than 7 years before application.

*If a member of an applicant household has been convicted of a violent misdemeanor, the management company*



- g. Will deny admission if the conviction, or exit from incarceration, occurred within 2 years of application;
- h. May deny admission if the conviction, or exit from incarceration, occurred more than 2 years before application.

If a member of an applicant household has been convicted of a nonviolent misdemeanor offense, the management company

- i. May deny admission if the conviction, or exit from incarceration, occurred within 5 years of application; and
- j. Will not deny admission if the conviction, or exit from incarceration, occurred more than 5 years before application.

- A violent felony is a Class A, B, C, D, E, F, or G felony or any felony requiring registration on the sex offender registry. A nonviolent felony is a Class H or I felony.
- A violent misdemeanor is a Class A1 misdemeanor or a misdemeanor requiring registration on the sex offender registry. A nonviolent misdemeanor is a Class 1, 2, or 3 misdemeanor.
- The management company will not consider an arrest or charge that was resolved without conviction. In addition, the management company will not consider expunged or sealed convictions. The management may deny admission if an applicant has pending charges at the time of application.
- Where the management company “may deny” admission to a household based on a criminal conviction or pending criminal charge, the management company will conduct an individualized assessment of the criminal record and its impact on the household’s suitability for admission.

This individualized assessment (to be done by the appeals committee) will include consideration of the following factors:

- (1) The seriousness of the criminal offense;
- (2) The relationship between the criminal offense and the safety and security of residents, staff, or property;
- (3) The length of time since the offense, with particular weight being given to significant periods of good behavior;
- (4) The age of the household member at the time of the offense;
- (5) The number and nature of any other criminal convictions;
- (6) Evidence of rehabilitation, such as employment, participation in a job training program, education, participation in a drug or alcohol treatment program, or recommendations from a parole or probation officer, employer, teacher, social worker, or community leader; and
- (7) Tenancy supports or other risk mitigation services the applicant will be receiving during tenancy.

- If the applicant’s criminal conviction was related to his or her disability, the management company will consider a reasonable accommodation.

## Applicant Decision Appeals Process

Applicants who are denied for failure to meet the criteria set forth in the tenant selection plan are eligible to file an appeal via the management agent's appeals process.

- For credit based denials:
  - Applicant must furnish management agent with a written statement of appeal accompanied by a copy of the applicant's credit report.
- For criminal record based denials:
  - Applicant must furnish management agent with a written statement of appeal accompanied by a copy of the applicant's criminal record (if applicable) for review.

All appeals are heard and/or reviewed by the Director of Property Management. In some cases, the Director of Property Management will chair an appeals committee in which a 3 part review will occur. The Appeals Committee may request for a phone review with the applicant in order to make a final determination regarding applicant eligibility.

### Statement of Non-Discriminatory Practices

Landmark Property Management Company, with its mission to provide affordable housing to those in need of it, does so under *The Fair Housing Act* (Title VIII of the *Civil Rights Act of 1968*) which introduced meaningful federal enforcement mechanisms as it pertains to the process by which rental housing is provided. As such, Landmark Property Management and its communities abide by the following and will under no circumstances:

- Refuse to sell or rent a dwelling to any person because of race, color, religion, sex, handicap status, familial status or national origin.
- Discriminate against any said person based on race, color, religion or national origin in the terms, conditions or privilege of the sale or rental of a dwelling.
- Advertise the sale or rental of a dwelling indicating preference of discrimination based on race, color, religion or national origin.
- Coerce, threaten, intimidate, or interfere with a person's enjoyment or exercise of housing rights based on discriminatory reasons or retaliate against a person or organization that aids or encourages the exercise or enjoyment of fair housin

or gender identity, the following:

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or,
2. A group of persons residing together, and such group includes, but is not limited to:
  - a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
  - b. An elderly family.
  - c. A near-elderly family.
  - d. A disabled family.
  - e. A displaced family and/or
  - f. The remaining member of a tenant family.

As such, Groom School Apartments carries the following requisites in order to qualify for residency at the community. Those requisites are as follows:

- 100% of all units must be occupied by tenants that fall under the above designations as governed by the Equal Access Rule which states that any group of people that present together for housing at this community and identify themselves as a family, regardless of age or relationship or other factors, are considered to be a family and must be served together as such.
- In addition, Groom School Apartments participates in the VDBHDS Targeting Program, units designated for applicants/tenants enlisted/referred by this program.

#### **Participation in the Targeting Program -VBHDS Referrals**

Groom School Apartments participates in the ID/DD Targeting Program presented by the Virginia Housing and Development Agency and of Department of Behavioral Health and Development Services. As such:

This property participates in a State program in which **ten percent (10%) of the units** within the property are set aside as they become available to house eligible applicants via receiving a referral form from the Virginia Department of Health and Human Services. **Until the percentage of required units is reached, those applicants will be offered units ahead of anyone else on the property's waiting list.** Applicants are eligible for the ID/DD Targeting Program preference if the property has received a Targeting Program Letter of Referral from VDBHDS for the applicant.

### Addendum C

#### Listing of Virginia Entities Administered Under This Plan

The following communities participate and adhere to the Tenant Selection Plan referenced herein as members of the Landmark Property Management Company portfolio and in accordance with the guidelines set forth under Section 42 of the IRS code as it relates to administering LIHTC/Affordable Housing in addition to those regulations set forth by the State of Virginia and any other regulatory agencies.

Douglas School Apartments – Bristol, Virginia  
Jefferson Brookville Apartments Newport News, Virginia  
Kemper Loft Apartments – Lynchburg, Virginia  
Lynn Street Lofts Apartments– Danville, Virginia  
Martinsville Lofts Apartments – Martinsville, Virginia  
Noland Green Apartments – Newport News, Virginia  
Skyline Manor Apartments – Glasgow, Virginia  
Taylor Lofts Apartments – South Boston, Virginia  
Westmoreland Schoolfield Apartments – Danville, Virginia

### Addendum D

#### *Addendum to the existing Tenant Selection Plan, specific to:*

**Groom School  
Apartments**

**Groom School  
Apartments, LLC**

**1050 Plank Road  
South Hill, Virginia  
23970**

The purpose of this addendum is to affirm that Groom School Apartments, professionally managed by Landmark Property Management Company, complies with all parameters referenced within the Tenant Processing, Tenant Selection and Unit Assignment Policies and Procedures.

Groom School Apartments is governed by the following:

#### **Housing for Families as defined by Housing and Urban Development**

*Family* includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation,