
2019 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

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

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2019 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@vhda.com	(804) 343-5725
Hope Coleman Rutter	hope.rutter@vhda.com	(804) 343-5574
Sheila Stone	sheila.stone@vhda.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@vhda.com	(804) 343-5939
Pamela Freeth	pamela.freeth@vhda.com	(804) 343-5563
Jovan Burton	Jovan.burton@vhda.com	(804) 343-5518

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2019 Low-Income Housing Tax Credit Application For Reservation

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

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

1. Development Name: Laurel Ridge Apartments

2. Address (line 1): 620 West Grayson St
 Address (line 2): _____
 City: Hillsville State: VA Zip: 24343

3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)

4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Carroll County

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

6. Development is located in the census tract of: 802.00

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** FALSE

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

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

	3%	10%	12%
	FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 10
 Planning District: 3
 State Senate District: 19
 State House District: 6

Click on the following link for assistance in determining the districts related to this development:
[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

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

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

9% LIHTC Acq/rehab of 56 units, all of which are covered by a section 8 HAP contract.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/14/2019

16. Local Needs and Support

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

Chief Executive Officer's Name: Ms. Retta N. Jackson
 Chief Executive Officer's Title: Town Manager Phone: 276-728-2128
 Street Address: P.O. Box 545 / 410 North Main Street
 City: Hillsville State: VA Zip: 24343

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

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

Chief Executive Officer's Name: Mr. Steve Truitt
 Chief Executive Officer's Title: County Administrator Phone: 276-730-3010
 Street Address: 605 Pine Street
 City: Hillsville State: VA Zip: 24343

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

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

B. RESERVATION REQUEST INFORMATION

1. **Requesting Credits From:**

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

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:**

Acquisition/Rehab

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

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

FALSE

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

FALSE

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

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

FALSE

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

6. **Extended Use Restriction**

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

Must Select One: 50

Definition of selection:

Development will be subject to an extended use agreement of 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.

Owner Name: SP Laurel Ridge LLC

Developer Name: Southport Development, Inc.

Contact: M/M ▶ Mr. First: PJ MI: Last: Hornik

Address: 5403 W Gray St

City: Tampa St. ▶ FL Zip: 33609

Phone: (813) 288-6988 Ext. Fax:

Email address: PJHornik@SPHome.com

Federal I.D. No. 83-3934252 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Liability Company Formation State: ▶ FL

Additional Contact: Please Provide Name, Email and Phone number.
Dylan Ames, dames@sphome.com, 813-288-6988

- 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>J. David Page</u>	<u>813-288-6988</u>	<u>GP</u>	<u>60.000%</u>
<u>Stephen W. Page</u>	<u>813-288-6988</u>	<u>GP</u>	<u>10.000%</u>
<u>Paul W. Page</u>	<u>813-288-6988</u>	<u>GP</u>	<u>10.000%</u>
<u>Scott Seckinger</u>	<u>813-288-6988</u>	<u>GP</u>	<u>10.000%</u>
<u>Michael Molinari</u>	<u>813-288-6988</u>	<u>GP</u>	<u>10.000%</u>
<u>Brianne Heffner</u>	<u>813-288-6988</u>	<u>VP</u>	<u>0.000%</u>
			<u>0.000%</u>

needs

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

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

C. OWNERSHIP INFORMATION

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

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

Select Type: Purchase Contract

Expiration Date:

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

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

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

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

D. SITE CONTROL

3. Seller Information:

Name: Hillsville Associates, a Virginia limited partnership

Address: 4623 Country Club Rd

City: Winston-Salem St.: NC Zip: 27104

Contact Person: Bob Watson Phone: (336) 760-8100

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

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

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

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

2019 Low-Income Housing Tax Credit Application For Reservation

E. DEVELOPMENT TEAM INFORMATION

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

- | | | | |
|--------------------------|---|---------------------------|-------------------------|
| 1. Tax Attorney: | <u>David O. Cantu</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Pepple Cantu Schmidt PLLC</u> | | |
| Address: | <u>2430 Estancia Boulevard, Suite 114, Clearwater, FL 33761</u> | | |
| Email: | <u>dcantu@pcslegal.com</u> | Phone: | <u>(727) 724-3222</u> |
| 2. Tax Accountant: | <u>G. Matthew Rettig</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Rettig Flyte Company, P.S.</u> | | |
| Address: | <u>1901 65th Ave West, Ste 100, Fircrest, WA 98466</u> | | |
| Email: | <u>mrettig@rf-co.com</u> | Phone: | <u>253-564-4993</u> |
| 3. Consultant: | <u>Ryne Johnson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Astoria, LLC</u> | Role: | <u>LIHTC Consultant</u> |
| Address: | <u>Richmond, VA</u> | | |
| Email: | <u>rynejohnson@astoriallc.com</u> | Phone: | <u>804-320-0585</u> |
| 4. Management Entity: | <u>Brian Alexander</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Edgewood Management</u> | | |
| Address: | <u>9711 Washingtonian Blvd., Suite 200, Gaithersburg, Maryland 20878</u> | | |
| Email: | <u>balexander@emcmgmt.com</u> | Phone: | <u>(301) 562-1722</u> |
| 5. Contractor: | <u>Benjamin J. Tullis</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Empire Corporation of Tennessee, Inc.</u> | | |
| Address: | <u>3600 Henson Road, Knoxville, TN 37921</u> | | |
| Email: | <u>btullis@EmpireIncTN.com</u> | Phone: | <u>865-228-9424</u> |
| 6. Architect: | <u>Kris Ainsworth</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Wallace Architects L.L.C.</u> | | |
| Address: | <u>302 Campusview Dr., Ste. 208, Columbia, MO 65201</u> | | |
| Email: | <u>krisa@wallacearchitects.com</u> | Phone: | <u>(573)256-7200</u> |
| 7. Real Estate Attorney: | <u>David Cantu</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Pepple Cantu Schmidt PLLC</u> | | |
| Address: | <u>2430 Estancia Boulevard, Suite 114, Clearwater, FL 33761</u> | | |
| Email: | <u>dcantu@pcslegal.com</u> | Phone: | <u>(727) 724-3222</u> |
| 8. Mortgage Banker: | <u>Ryne Johnson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Astoria, LLC</u> | | |
| Address: | <u>Richmond, VA</u> | | |
| Email: | <u>rynejohnson@astoriallc.com</u> | Phone: | <u>804-320-0585</u> |
| 9. Other: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |

F. REHAB INFORMATION

1. Acquisition Credit Information

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

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

a. Credits are being requested for rehabilitation expenditures..... TRUE

b. Minimum Expenditure Requirements

- i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... TRUE
- ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
- iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
- iv. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

4. Request For Exception

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

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... 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]

G. NONPROFIT INVOLVEMENT

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

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

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	56	bedrooms	117
Total number of rental units in development	56	bedrooms	117
Number of low-income rental units	56	bedrooms	117
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	56	bedrooms	117
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			74,468.03 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			12,746.47 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			61,721.56 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	7.000		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			TRUE
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	621.67	SF	14	14
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	1166.85	SF	28	28
2+ Story 3BR Townhouse	1372.07	SF	9	9
2+ Story 4BR Townhouse	1599.55	SF	5	5
			56	56

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

3. Structures

- a. Number of Buildings (containing rental units)..... 14
- b. Age of Structure:..... 39 years
- c. Number of stories:..... 2

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

e. Commercial Area Intended Use: _____

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

- i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
- ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
- iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

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

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

h. Development contains an elevator(s).	FALSE
If true, # of Elevators.	0
Elevator Type (if known)	

i. Roof Type	▶	Pitched
j. Construction Type	▶	Frame
k. Primary Exterior Finish	▶	Vinyl

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Rental office, meeting room, community laundry, playground & play court

m. Number of Proposed Parking Spaces.....	97
Parking is shared with another entity	FALSE

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

H. STRUCTURE AND UNITS INFORMATION

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	11.30%
Project Wide Capture Rate - Market Units	NA
Project Wide Capture Rate - All Units	7.70%
Project Wide Absorption Period (Months)	4

J. ENHANCEMENTS

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

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

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

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

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

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 0.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- TRUE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

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

J. ENHANCEMENTS

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

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

- | | | | |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|
| <input type="checkbox"/> FALSE | Zero Energy Ready Home Requirements | <input type="checkbox"/> FALSE | Passive House Standards |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|

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

- FALSE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.
- b. Number of Rental Units constructed to meet VHDA's Universal Design standards:
 % of Total Rental Units

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

If not, please explain:

I. UTILITIES

1. Describe the Heating/AC System:

Electric

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	32	42	54	56
Air Conditioning	Electric	Tenant	0	32	42	54	56
Cooking	Electric	Tenant	0	11	14	18	19
Lighting	Electric	Tenant	0	11	14	18	19
Hot Water	Electric	Tenant	0	11	14	18	19
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	\$95	\$127	\$163	\$169

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

TRUE

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

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

Note: Subsidies may apply to any units, not only those built to satisfy Section 504. (60 points)

FALSE

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

FALSE

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

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

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

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

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

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

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

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

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: _____

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..... FALSE

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

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: _____ 14

% of total Low Income Units _____ 25%

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

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

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

FALSE

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

d. Number of units receiving assistance:

40

How many years in rental assistance contract?

40.00

Expiration date of contract:

10/31/2019

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 (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
56	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
56	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
6	10.71%	40% Area Median
22	39.29%	50% Area Median
28	50.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
56	100.00%	Total

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

2. Unit Detail

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	6	4	566.43	\$565.00	\$3,390
Mix 2	1 BR - 1 Bath	50% AMI	1	0	566.43	\$565.00	\$565
Mix 3	1 BR - 1 Bath	60% AMI	7	0	566.43	\$565.00	\$3,955
Mix 4	2 BR - 1.5 Bath	40% AMI	0	0	1072.89	\$725.00	\$0
Mix 5	2 BR - 1.5 Bath	50% AMI	14	0	1072.89	\$725.00	\$10,150
Mix 6	2 BR - 1.5 Bath	60% AMI	14	0	1096.73	\$725.00	\$10,150
Mix 7	3 BR - 1.5 Bath	40% AMI	0	0	1273.82	\$850.00	\$0
Mix 8	3 BR - 1.5 Bath	50% AMI	5	0	1273.82	\$850.00	\$4,250
Mix 9	3 BR - 1.5 Bath	60% AMI	4	0	1273.82	\$850.00	\$3,400
Mix 10	4 BR - 2 Bath	40% AMI	0	0	1488.30	\$950.00	\$0
Mix 11	4 BR - 2 Bath	50% AMI	2	2	1488.30	\$950.00	\$1,900
Mix 12	4 BR - 2 Bath	60% AMI	3	0	1488.30	\$950.00	\$2,850
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

L. UNIT DETAILS

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
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Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0

2019 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

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
TOTALS			56	6	13,228.16	\$9,270	\$40,610

Total Units	56	Net Rentable SF:	TC Units	57,210.58
			MKT Units	0.00
			Total NR SF:	57,210.58

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$11,200
2. Office Salaries			\$67,200
3. Office Supplies			\$0
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$30,831
<u>6.61%</u> of EGI	<u>\$550.55</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$1,000
9. Auditing			\$8,500
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$1,960
13. Miscellaneous Administrative			\$0
Total Administrative			\$120,691

Utilities

14. Fuel Oil			\$0
15. Electricity			\$7,621
16. Water			\$46,128
17. Gas			\$0
18. Sewer			\$0
Total Utility			\$53,749

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$0
23. Trash Removal			\$62
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$5,000
27. Grounds Contract			\$3,600
28. Maintenance/Repairs Payroll			\$10,248
29. Repairs/Material			\$15,000
30. Repairs Contract			\$10,000
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$0
Totals Operating & Maintenance			\$43,910

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$16,860
39. Payroll Taxes	\$0
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$16,800
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$33,660

Total Operating Expense	\$252,010
--------------------------------	------------------

Total Operating Expenses Per Unit	\$4,500	C. Total Operating Expenses as % of EGI	54.05%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$16,800
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Total Expenses	\$268,810
-----------------------	------------------

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

2019 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	2/6/2019	SP Laurel Ridge LLC
b. Site Acquisition	8/30/2019	SP Laurel Ridge LLC
c. Zoning Approval		
d. Site Plan Approval		
2. Financing		
a. Construction Loan		
i. Loan Application	3/14/2019	SP Laurel Ridge LLC
ii. Conditional Commitment	6/1/2019	VHDA
iii. Firm Commitment	7/1/2019	VHDA
b. Permanent Loan - First Lien		
i. Loan Application	3/14/2019	SP Laurel Ridge LLC
ii. Conditional Commitment	6/1/2019	VHDA
iii. Firm Commitment	7/1/2019	VHDA
c. Permanent Loan-Second Lien		
i. Loan Application	3/14/2019	SP Laurel Ridge LLC
ii. Conditional Commitment	6/1/2019	VHDA
iii. Firm Commitment	7/1/2019	VHDA
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	3/1/2019	SP Laurel Ridge LLC
3. IRS Approval of Nonprofit Status		
4. Closing and Transfer of Property to Owner	8/30/2019	SP Laurel Ridge LLC
5. Plans and Specifications, Working Drawings	3/14/2019	Wallace / SP Laurel Ridge LLC
6. Building Permit Issued by Local Government	8/30/2019	City of Hillsville
7. Start Construction	10/1/2019	SP Laurel Ridge LLC
8. Begin Lease-up	10/1/2019	SP Laurel Ridge LLC
9. Complete Construction	10/1/2020	SP Laurel Ridge LLC
10. Complete Lease-Up	10/1/2020	SP Laurel Ridge LLC
11. Credit Placed in Service Date	10/1/2019	SP Laurel Ridge LLC

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	2,184,000	0	0	2,184,000
c. Non Residential Structures	149,750	0	0	149,750
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	2,333,750	0	0	2,333,750
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	56,000	0	0	56,000
p. Other Site work	0	0	0	0
Total Land Improvements	56,000	0	0	56,000
Total Structure and Land	2,389,750	0	0	2,389,750
q. General Requirements	143,385	0	0	143,385
r. Builder's Overhead (2.0% Contract)	47,795	0	0	47,795
s. Builder's Profit (6.0% Contract)	143,385	0	0	143,385
t. Bonds	28,090	0	0	28,090
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Contingency	275,000	0	0	275,000
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$3,027,405	\$0	\$0	\$3,027,405

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	27,500	0	0	27,500
b. Architecture/Engineering Design Fee \$2,000 /Unit)	112,000	0	0	112,000
c. Architecture Supervision Fee \$0 /Unit)	0	0	0	0
d. Tap Fees	0	0	0	0
e. Environmental	10,000	0	0	10,000
f. Soil Borings	0	0	0	0
g. EarthCraft/LEED	35,000	0	0	35,000
h. Appraisal	7,500	0	0	7,500
i. Market Study	7,500	0	0	7,500
j. Site Engineering / Survey	35,000	0	0	35,000
k. Construction/Development Mgt	25,000	0	0	25,000
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest (0.0% for 0 months)	0	0	0	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (3.0%)	78,600	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	25,000	0	0	25,000
u. Accounting	0	0	0	0
v. Title and Recording	20,160	0	0	20,160
w. Legal Fees for Closing	75,000	0	0	37,500
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	32,987			
z. Tenant Relocation	42,000	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	215,100	0	0	0
ad. Contingency	0	0	0	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
(1) Other* specify: RR	16,800	0	0	0
(2) Other* specify: HUD Legal	50,000	0	0	50,000
(3) Other* specify: LIHTC Legal	25,000	0	0	0
(4) Other* specify: Lender Legal	25,000	0	0	12,500
(5) Other * specify: 3rd Party Reports	15,000	0	0	15,000
(6) Other* specify:		0	0	0

O. PROJECT BUDGET - OWNER COSTS

(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$880,147	\$0	\$0	\$419,660
Subtotal 1 + 2 (Owner + Contractor Costs)	\$3,907,552	\$0	\$0	\$3,447,065
3. Developer's Fees	740,826	245,040		495,786
4. Owner's Acquisition Costs				
Land	224,000			
Existing Improvements	1,792,000	1,792,000		
Subtotal 4:	\$2,016,000	\$1,792,000		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$6,664,378	\$2,037,040	\$0	\$3,942,851

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

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$740,826

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

\$119,007 **Meets Limits**
\$62 **Meets Limits**
\$199,972

2019 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	6,664,378	2,037,040	0	3,942,851
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		2,037,040	0	3,942,851
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				394,285
Total Adjusted Eligible basis			0	4,337,136
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		2,037,040	0	4,337,136
7. Applicable Percentage <i>(Beginning with 2016 Allocations, use the standard 9% rate.) (For tax exempt bonds, use the most recently published rates.)</i>		3.27%	0.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$66,611	\$0	\$390,342
			\$456,953 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.	VHDA	03/14/19		\$1,500,000	Ryne Johnson & Bennett Atwill
2.	VHDA REACH	03/14/19		\$1,120,000	Ryne Johnson & Bennett Atwill
3.					
Total Construction Funding:				\$2,620,000	

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	3/14/2019		\$1,500,000	\$105,043	5.75%	30.00	30.00
2.	VHDA REACH	3/14/2019		\$1,120,000	\$56,302	2.95%	30.00	30.00
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$2,620,000	\$161,345			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

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	\$1,120,000
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$1,500,000
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

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

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

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

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

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

- b. 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..... TRUE

2019 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit					
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	=	\$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	=	\$0
b. Equity that Sponsor will Fund:					
i. Cash Investment	\$0				
ii. Contributed Land/Building	\$0				
iii. Deferred Developer Fee	\$23,192	(Note: Deferred Developer Fee cannot be negative.)			
iv. Other:	\$0				
Equity Total	\$23,192				

2. Equity Gap Calculation

a. Total Development Cost	\$6,664,378	
b. Total of Permanent Funding, Grants and Equity	-	\$2,643,192
c. Equity Gap		\$4,021,186
d. Developer Equity	-	\$404
e. Equity gap to be funded with low-income tax credit proceeds		\$4,020,782

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	TBD		
Contact Person:		Phone:	
Street Address:			
City:		State:	
		Zip:	
b. Syndication Equity			
i. Anticipated Annual Credits		\$456,953.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.880	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$456,907	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$4,020,782	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$4,020,782

5. Net Equity Factor

Must be equal to or greater than 85% 87.9999500695%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$6,664,378</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$2,643,192</u>
3. Equals Equity Gap		<u>\$4,021,186</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.9999500695%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$4,569,533</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$456,953</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$456,953</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$66,611</u>
	For 70% PV Credit:	<u>\$390,342</u>
Credit per LI Units	<u>\$8,159.8750</u>	
Credit per LI Bedroom	<u>\$3,905.5812</u>	
	Combined 30% & 70% PV Credit Requested	\$456,953

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units	\$40,610
Plus Other Income Source (list): <u>Laundry & Tenant Charges</u>	<u>\$286</u>
Equals Total Monthly Income:	<u>\$40,896</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$490,754</u>
Less Vacancy Allowance <u>5.0%</u>	<u>\$24,538</u>
Equals Annual Effective Gross Income (EGI) - Low Income Units	<u>\$466,216</u>

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

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$466,216
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$466,216
d. Total Expenses	\$268,810
e. Net Operating Income	\$197,406
f. Total Annual Debt Service	\$161,345
g. Cash Flow Available for Distribution	\$36,061

T. CASH FLOW

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	466,216	475,540	485,051	494,752	504,647
Less Oper. Expenses	268,810	276,874	285,181	293,736	302,548
Net Income	197,406	198,666	199,871	201,016	202,099
Less Debt Service	161,345	161,345	161,345	161,345	161,345
Cash Flow	36,061	37,321	38,526	39,671	40,754
Debt Coverage Ratio	1.22	1.23	1.24	1.25	1.25

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	514,740	525,035	535,536	546,246	557,171
Less Oper. Expenses	311,624	320,973	330,602	340,520	350,736
Net Income	203,116	204,062	204,933	205,726	206,435
Less Debt Service	161,345	161,345	161,345	161,345	161,345
Cash Flow	41,771	42,717	43,588	44,381	45,090
Debt Coverage Ratio	1.26	1.26	1.27	1.28	1.28

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	568,315	579,681	591,275	603,100	615,162
Less Oper. Expenses	361,258	372,096	383,259	394,757	406,599
Net Income	207,057	207,585	208,016	208,344	208,563
Less Debt Service	161,345	161,345	161,345	161,345	161,345
Cash Flow	45,712	46,240	46,671	46,999	47,218
Debt Coverage Ratio	1.28	1.29	1.29	1.29	1.29

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 14

Total Qualified Basis should equal total on Elig Basis Tab

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

DO NOT use the CUT feature

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				
1	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
2	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
3	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
4	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
5	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
6	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
7	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
8	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
9	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
10	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
11	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
12	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
13	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
14	TBD	4	0	620 West Grayson		Hillsville	VA	24343	\$145,503	10/01/19	3.27%	\$4,758				\$0	\$309,795	10/01/19	9.00%	\$27,882				
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				
		56	0	Totals from all buildings					\$2,037,042				\$66,611				\$0			\$4,337,130				\$390,342

Qualified basis should equal values on Elig Basis.

Number of BINS: 14

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: SP Laurel Ridge LLC
by SP Laurel Ridge Manager LLC
by J. David Page

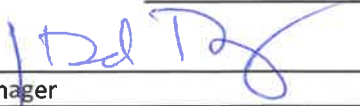
By: _____
Its: Manager
(Title)

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or VHDA regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
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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: SP Laurel Ridge LLC
by SP Laurel Ridge Manager LLC
by J. David Page

By: 
Its: Manager (Title)

W. **LIHTC SELF SCORE SHEET**

Self Scoring Process

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

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

MANDATORY ITEMS:

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

1. READINESS:

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

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	N	0 or up to 5	0.00
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	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
Total:			45.00

2019 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			28.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet VHDA's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	Y	up to 20	17.60
i. Historic Structure	N	0 or 5	0.00
Total:			<u>115.60</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$47,300	\$55,900

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	25.00%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	10.71%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	50.00%	Up to 50	50.00
Total:			<u>60.00</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	84.69
b. Cost per unit		Up to 100	38.25
Total:			<u>122.94</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	0 or 10	0.00
Total:			<u>50.00</u>

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

TOTAL SCORE: 443.54

Amenities:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	0.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		28.00
 All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		0.00
Total amenities:		28.00

X. Development Summary

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

Deal Name: Laurel Ridge Apartments

Cycle Type: 9% Tax Credits **Requested Credit Amount:** \$456,953
Allocation Type: Acquisition/Rehab **Jurisdiction:** Carroll County
Total Units: 56 **Population Target:** General
Total LI Units: 56 **Owner Contact:** PJ Hornik
Project Gross Sq Ft: 74,468.03
Green Certified? TRUE

Total Score
443.54

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$2,620,000	\$46,786	\$35	\$161,345

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$2,389,750	\$42,674	\$32	35.86%
General Req/Overhead/Profit	\$334,565	\$5,974	\$4	5.02%
Other Contract Costs	\$303,090	\$5,412	\$4	4.55%
Owner Costs	\$880,147	\$15,717	\$12	13.21%
Acquisition	\$2,016,000	\$36,000	\$27	30.25%
Developer Fee	\$740,826	\$13,229	\$10	11.12%
Total Uses	\$6,664,378		\$119,007	

Total Development Costs	
Total Improvements	\$3,907,552
Land Acquisition	\$2,016,000
Developer Fee	\$740,826
Total Development Costs	\$6,664,378

Proposed Cost Limit/Unit: \$119,007
Applicable Cost Limit/Unit: \$199,972
Proposed Cost Limit/Sq Ft: \$62
Applicable Cost Limit/Sq Ft: \$120

Income		
Gross Potential Income - LI Units		\$490,754
Gross Potential Income - Mkt Units		\$0
Subtotal		\$490,754
Less Vacancy %	5.00%	\$24,538
Effective Gross Income		\$466,216

Rental Assistance? TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	14
# of 2BR	28
# of 3BR	9
# of 4+ BR	5
Total Units	56

Expenses		
Category	Total	Per Unit
Administrative	\$120,691	\$2,155
Utilities	\$53,749	\$960
Operating & Maintenance	\$43,910	\$784
Taxes & Insurance	\$33,660	\$601
Total Operating Expenses	\$252,010	\$4,500
Replacement Reserves	\$16,800	\$300
Total Expenses	\$268,810	\$4,800

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	6
50% AMI	0	22
60% AMI	56	28
>60% AMI	0	0
Market	0	0

Income Averaging? TRUE

Extended Use Restriction? 50

Cash Flow	
EGI	\$466,216
Total Expenses	\$268,810
Net Income	\$197,406
Debt Service	\$161,345
Debt Coverage Ratio (YR1):	1.22

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$100.86** Credits/SF = **7.403458** Const \$/unit = **\$54,060.8036**

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

11000
600
3

600
3

*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	621.67	0.00	0.00	0.00	1,166.85	1,372.07	1,599.55
NUMBER OF UNITS	0	14	0	0	0	28	9	5
PARAMETER-(COSTS>=35,000)	0	142,800	0	0	0	176,325	207,182	215,998
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS>=50,000)	0	142,800	0	0	0	176,325	207,182	215,998
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	142,800	0	0	0	176,325	207,182	215,998
PROJECT COST PER UNIT	0	62,702	0	0	0	117,689	138,388	161,332
PARAMETER-(CREDITS>=35,000)	0	9,975	0	0	0	14,250	16,744	17,456
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	9,975	0	0	0	14,250	16,744	17,456
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	9,975	0	0	0	14,250	16,744	17,456
PROJECT CREDIT PER UNIT	0	4,603	0	0	0	8,639	10,158	11,842
COST PER UNIT POINTS	0.00	14.02	0.00	0.00	0.00	16.63	5.34	2.26
CREDIT PER UNIT POINTS	0.00	26.93	0.00	0.00	0.00	39.38	12.64	5.74

TOTAL COST PER UNIT POINTS **38.25**

TOTAL CREDIT PER UNIT POINTS **84.69**

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	142,800	0	0	0	176,325	207,182	215,998
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	142,800	0	0	0	176,325	207,182	215,998

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	9,975	0	0	0	14,250	16,744	17,456
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	9,975	0	0	0	14,250	16,744	17,456

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
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	142,800	0	0	0	176,325	207,182	215,998
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	142,800	0	0	0	176,325	207,182	215,998

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	9,975	0	0	0	14,250	16,744	17,456
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	9,975	0	0	0	14,250	16,744	17,456

A

Partnership or Operating Agreement

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

Organizational Chart

**SP Laurel Ridge LLC,
a Florida limited liability company
EIN 83-3934252**

**Manager
SP Laurel Ridge Manager LLC,
a Florida limited liability company
EIN _____**

**Members
J. David Page 99.99%
SP Laurel Ridge Manager LLC 0.01%**

**Manager
J. David Page
SP and MS LLC**

**Vice Presidents
Scott Seckinger
Michael Molinari
Brienne Heffner**

**Member
SP and MS LLC,
a Florida limited
liability company 100%
EIN 46-3671320**

**Managers
J. David Page**

**Vice Presidents
Scott Seckinger
Michael Molinari
Brienne Heffner**

**Members
J. David Page 60%
Michael Molinari 10%
Scott Seckinger 10%
Stephen W. Page 10%
Paul W. Page 10%**

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
SP LAUREL RIDGE LLC**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT is entered into among SP Laurel Ridge Manager LLC, a Florida limited liability company ("**Laurel Ridge Manager**"), and J. David Page ("**Page**"), as Members of this Limited Liability Company. This Agreement replaces all prior oral and written operating agreements between the Members with respect to the Company.

The parties agree as follows:

ARTICLE 1. DEFINITIONS

As used in this Agreement, the following defined terms shall have the meanings specified below:

"Act" means the Florida Revised Limited Liability Company Act, Title XXXVI, Chapter 605, as amended and/or replaced.

"Adjusted Tax Basis" means, with respect to any Company asset at a particular date (a) the cost or other basis of such asset for federal income tax purposes, *reduced by* (b) accumulated Tax Depreciation with respect to such asset as of that date.

"Affiliate" means each person who and entity which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with a Member or a Manager, each authorized representative (whether as an officer, director, manager, partner, member or otherwise) of a Member or a Manager, and each other person having decision-making authority for a Member or a Manager.

"Book Depreciation" means, with respect to any Company asset, the depreciation computed for financial accounting purposes using the Book Value of the asset and either (i) the same method and useful life used by the parties for computing Tax Depreciation, or (ii) any other method or useful life elected by the Manager for financial accounting purposes.

"Book Item" means, with respect to any Company asset, Book Depreciation, amortization, book gain or loss, or other similar item computed in accordance with the method of financial accounting used by the Company.

"Book Value" means, with respect to any Company asset at a particular date (a) the Initial Book Value of the asset, *reduced by* (b) the Book Depreciation accumulated with respect to the asset as of such date.

"Capital Account" means the account established for each Member on the books of the Company pursuant to Section 4.6. Any reference to the Capital Account of a Member shall include the Capital Account of a predecessor holder of the interest of the Member.

"Capital Contribution" means the total amount of money and the fair market value of property (net of liabilities secured by such property that the Company is considered to assume or take subject to under Code Section 752) actually contributed 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 the Member.

"Capital Transaction" means (i) the sale, exchange or other disposition, including casualty or condemnation, of the Property or a substantial portion of the Property, or (ii) obtaining financing encumbering the Property.

"Certificate" means the separate certificate of formation which is required, under the Act, to be executed and filed in the office of the Department of State of the State of Florida to form the Company as a Limited Liability Company under the laws of the State of Florida.

"Code" means the Internal Revenue Code of 1986, as amended; and "Regulations" means the Treasury Regulations promulgated under the Code.

"Company" means this Limited Liability Company.

"Company Minimum Gain" has the same meaning as the term "partnership minimum gain" in Regulation Sections 1.704-2(b) and 1.704-2(d).

"Contributing Member" means a Member who has contributed property to the Company.

"Deficit Capital Account" means with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

- (i) credit to such Capital Account any amount that such Member is obligated to restore to the Company under Regulation Section 1.704-1(b)(2)(ii)(c), as well as any addition thereto pursuant to the next to last sentences of Regulation Sections 1.704-2(g)(1) and (i)(5); and
- (ii) debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

This definition is intended to comply with the provisions of the Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

"Economic Interest Member" means a Unit owner who has not been admitted as a full Member with full voting rights. An Economic Interest Member's Units shall be Units with an economic interest only and shall not have any right to vote on any Company matter (and shall be considered non-voting Units), and such Units shall not be counted or considered in determining the percentage of Units voting (or entitled to vote) on any Company matter.

"Initial Book Value" means (i) with respect either to any Company asset contributed to the Company by a Member, the fair market value of the asset determined as of the date of contribution, or (ii) with respect to any other Company asset, the cost of the asset to the Company.

"Interim Capital Transaction" means the sale of a portion of the Property or obtaining financing encumbering the Property.

"Liquidator" means the party designated to wind up the affairs of the Company by written consent of Members owning a majority of Units owned by all Members in the event the Company is dissolved because of the withdrawal, resignation, or removal of the last Manager.

"Manager(s)" means Laurel Ridge Manager, any person or other entity substituted for it, and any additional Manager admitted to the Company pursuant to this Agreement. As long as a Manager is a Member, the Manager shall be considered a Member for all purposes under this Agreement, except when this Agreement specifically refers to "Non-Manager Members".

"Member(s)" means the persons or entities who are admitted to the Company as a Member.

"Member Minimum Gain" has the same meaning as the term "partner nonrecourse debt minimum gain" in Regulation Section 1.704-2(i)(2).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Regulation Sections 1.704-2(i)(1) and (2). The amount of Member Nonrecourse Deductions for a Company fiscal year shall be determined in accordance with Regulation Section 1.704-2(i)(2).

"Net Cash Flow" means, in any fiscal period: (i) all cash (and items immediately convertible to cash without substantial discount) received by the Company as Revenue from Operations; reduced by (ii) all cash expenses incurred by the Company in connection with the operation of its business; and reduced further by (iii) payments of principal and interest on any Company indebtedness; and reduced further by (iv) amounts set aside by the Manager as reserves or contingency funds.

"Non-Manager Members" means the persons or entities who are admitted to the Company as Members pursuant to this Agreement, but who are not also a Manager.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a Company fiscal year shall be determined pursuant to Regulation Section 1.704-2(c).

"Optional Loan" means any loan made by a Member to the Company pursuant to Section 4.5.

"Percentage Interest" means, for any Member, the number of Units owned by the Member divided by the aggregate number of Units owned by all Members.

"Person" means an individual, partnership, limited liability company, trust, estate, association, corporation or other entity.

"Prime Rate" means the prime lending rate reported from time to time in the *Wall Street Journal*, or if that rate is unavailable, the prime lending rate of any bank located in Florida selected by the Manager.

"Property" or **"Project"** means any real property owned by the Company.

"Revenue from Operations" means revenues received by the Company from the rental of property or the provision of services in the ordinary course of the Company's business. The term does not include Sale or Financing Proceeds, Capital Contributions, loan proceeds, repayments of loans previously made by the Company, amounts received as security deposits, or any other amounts received other than from the sale or rental of property or the provision of services in the ordinary course of the Company's business.

"Sale or Financing Proceeds" means (i) the gross proceeds resulting from a Capital Transaction, reduced by (ii) the expenses of the Company incident to the Capital Transaction, and reduced further by (iii) the amount of any mortgage indebtedness, including principal, prepayment fees, if any, and accrued interest paid as a result of the Capital Transaction.

"Tax Depreciation" means, with respect to any Company asset, depreciation, or cost recovery deductions computed for federal income tax purposes pursuant to the applicable provisions of the Code, under such elections as to method and useful life or recovery period as may be determined by the Manager.

"Tax Item" means, with respect to any Company asset, tax depreciation, amortization, Tax Gain or Loss, or other similar item as computed for federal income tax purposes.

"Tax Matters Partner" or **"Tax Matters Member"** means J. David Page.

"Terminating Capital Transaction" means a "Capital Transaction" which is not an "Interim Capital Transaction."

"Unit" means an ownership interest in the Company held by the Members.

"Unrealized Appreciation" or "Unrealized Depreciation" means, with respect to any asset contributed to the Company, the positive or negative difference, if any, between the Initial Book Value and Adjusted Tax Basis of such asset, determined as of the time of contribution.

"Voting Units" means Units excluding those that are owned by an Economic Interest Member and therefore have no voting rights.

ARTICLE 2. ORGANIZATION

2.1. **Formation.** The parties agree to form a Limited Liability Company pursuant to the Act and pursuant to the terms and conditions contained in this Agreement. Except as otherwise provided in this Agreement, the rights and liabilities of the Members will be governed by the Act.

2.2. **Name.** The name of the Company will be "SP Laurel Ridge LLC". The Manager may change the name of the Company at any time.

2.3. **Principal Place of Business, Registered Office, and Agent.** The Company's principal place of business will be located at 5403 W. Gray Street, Tampa, Florida 33609. The Manager may from time to time designate a different principal place of business or establish additional places of business either within or outside the State of Florida. The Company will maintain an office at its principal place of business at which it will maintain all records it is required to maintain pursuant to the Act. Trustee and Corporate Services, Inc., will be the Company's agent for service of process in the State of Florida. The registered agent's address for that purpose is 2430 Estancia Blvd., Ste 114, Clearwater, Florida 33761. The registered office and registered agent may be changed from time to time by the Manager.

2.4. **Term.** The term of the Company began on the date the Certificate was filed in the office of the Department of State of the State of Florida, and will continue in perpetuity, unless the Company is terminated earlier pursuant to the provisions of Section 11.1 below.

ARTICLE 3. PURPOSES OF THE COMPANY

3.1. Purposes. The Company may engage in any business permitted by law.

3.2. Authority of the Company. In order to carry out its purposes and subject to the other provisions of this Agreement, the Company is authorized to do all of the following:

3.2.1. Borrow money for Company purposes, issue evidences of indebtedness, and grant security for such debt, including but not limited to recourse and nonrecourse mortgages on the Property in amounts and on terms and conditions approved pursuant to this Agreement.

3.2.2. Grant security interests in the Property and/or other assets to secure Company debt.

3.2.3. Apply for, hold, and maintain all licenses and permits necessary to own and operate the business of the Company.

3.2.4. Acquire, finance, develop, build, hold, operate, manage, maintain, renovate, remodel, lease, grant easements and licenses with respect to, sell, transfer, or otherwise convey, any Property and/or other assets.

3.2.5. Make interim investments in savings and checking accounts, certificates of deposit, savings certificates, bankers' acceptances, governmental obligations, and other accounts.

3.2.6. Bring and defend actions at law or in equity.

3.2.7. Purchase, cancel, or otherwise retire or dispose of the interest of any Member pursuant to the express provisions of this Agreement.

3.2.8. Employ persons, firms, or companies for the operation and management of the business and property of the Company.

3.2.9. File federal, state, and local tax returns and make such elections as are required or permitted under federal, state, or local tax laws, including, but not limited to, elections under Section 754 of the Code or similar provision of any future federal revenue law. Determine the appropriate accounting method or methods to be used by the Company.

3.2.10. Invest funds.

3.2.11. Hold bank accounts in the name of the Company, and to authorize and delegate to others the right to open bank accounts in the name of the Company. The Manager may authorize signatories thereon.

3.2.12. Designate the depository or depositories in which all bank accounts of the Company may be kept, and the person or persons upon whose signature or signatures withdrawals from such accounts may be made.

3.2.13. Appoint officers, such as Vice Presidents, Secretary, and Treasurer, and to assign to officers duties, responsibilities, and authority.

3.2.14. Engage in activities, enter into agreements and contracts, incur expenses, and take actions in furtherance of the Company business.

3.3. Title to Company Property. All property owned by the Company, whether real or personal, tangible or intangible, will be deemed to be owned by the Company as an entity, and no Member, individually, will have any ownership of such property. The Company may hold any of its assets in its own name or in the name of one or more individuals, partnerships, limited liability companies, trusts or other entities, as nominee for the Company.

ARTICLE 4. PERCENTAGE INTERESTS; CAPITAL CONTRIBUTIONS

4.1. Percentage Interests. The Percentage Interests and Units in the Company of the Members are as follows:

Member	Percentage Interest	Units
Page	99.99%	9999
Laurel Ridge Manager	0.01%	1

4.2. No Withdrawals of Capital. A Member will have no right to withdraw any part of its Capital Contributions or Capital Account or to receive any distribution from the Company, except in accordance with the provisions of this Agreement.

4.3. No Interest on Capital. A Member will not be entitled to receive interest on any portion of its Capital Contributions or Capital Account. A Member will, however, be entitled to receive interest on Optional Loans it makes to the Company pursuant to Section 4.5 below.

4.4. Additional Contributions.

4.4.1. Except as provided in this Section 4.4, no Member will be required to make any additional Capital Contributions.

4.4.2. The Members may be required to make additional Capital Contributions in accordance with the provisions of this Section 4.4 for the purposes of preserving or maintaining Company assets or of funding operating deficits of the Company. Any such assessment must be levied upon all Members in proportion to the number of Units held by each.

4.4.3. The Manager shall have the authority to assess upon the Members the requirement to make additional Capital Contributions. Upon a determination of an assessment, each Member shall be notified in writing of the amount of the additional Capital Contribution assessed per Unit. Each Member shall be required to contribute the assessed amount multiplied by the number of Units it owns within ten (10) days after the date of the notice.

4.4.4. If a Member fails to pay an assessed additional Capital Contribution when due, the Member will be required to pay interest on the unpaid balance. Interest will accrue on the unpaid balance from the date payment is due until fully paid at a rate which exceeds the Prime Rate by three percent (3%) per annum, compounded annually.

4.4.5. If a Member fails to pay an assessed additional Capital Contribution when due, the Company may (i) retain distributions to which the Member would otherwise be entitled,

and such retained distributions shall be applied against the additional Capital Contribution due (including interest), and/or (ii) at the Manager's election, sell the Member's Units (the "**Sale Units**"). In either event, the Company may apply the retained distributions or the proceeds of sale to pay the unpaid assessment obligation together with any accrued interest. If the Company elects to sell a defaulting Member's Sale Units, the sale may be accomplished at either a public or private sale. The defaulting Member will bear all expenses of the sale. All interest of the defaulting Member in the Company will terminate upon any such sale. Each Member agrees that a private sale of such Sale Units upon ten (10) days' prior written notice sent only to existing Members will be a commercially reasonable sale. If the Manager cannot, in its judgment, sell the Sale Units in a transaction not involving a public offering, the Members may purchase the Sale Units at a price equal to fifty percent (50%) of the defaulting Member's Capital Account balance, if positive, and \$50 if negative. (Each Member may purchase that number of the Sale Units which is in the same proportion to the total Sale Units as the number of Units owned by the Member bears to the total number of Units owned by all Members who elect to purchase the Sale Units, or such other number of Sale Units as may be agreed upon among the Members exercising the purchase rights.) In the event of any sale of a Member's Units pursuant to this Section 4.4.5, the Company will be entitled to retain the amount of the unpaid assessment, plus interest accrued on the unpaid balance as provided in Section 4.4.4, and all costs of sale. Any excess of the price received for the Units over the amount which the Company is entitled to retain pursuant to the provisions of this Section 4.4.5 will be paid to the party which proves that it is entitled thereto. If the price received for Units is not sufficient to cover the amount which the Company is entitled to retain pursuant to the provisions of this Section 4.4.5, the defaulting Member will remain liable for the deficiency. The Company will be entitled to collect the deficiency, together with attorneys' fees and costs of collection, pursuant to the provisions of 4.4.6.

4.4.6. If the Manager elects not to sell the Units of a defaulting Member pursuant to the provisions of Section 4.4.5, or if the Manager elects to sell the Units, but the price received for the Units is not sufficient to satisfy all amounts to which the Company is entitled pursuant to the provisions of Section 4.4.5, the defaulting Member will remain liable for the entire unpaid balance of the assessment, plus interest accrued pursuant to Section 4.4.4 plus all costs of sale, if any, reduced by the price received for any Units that are sold. The Company will be entitled to collect any such amounts, together with attorneys' fees and costs of collection, from the defaulting Member.

4.5. Optional Loans by Members. If the Company requires funds in excess of any amounts the Manager determines can reasonably be raised by means of assessments of additional Capital Contributions pursuant to Section 4.4, the Manager, or any Member authorized in writing by the Manager, may advance to the Company as Optional Loans monies in excess of its required Capital Contributions. No such Optional Loan will result in an increase in the number of Units owned by the lending Member. The amount of any Optional Loan will not be credited to the lending Member's Capital Account. An Optional Loan will be an obligation of the Company to the lending Member and will be repaid to the lending Member before any amount may be distributed to any Member with respect to Units. Each Optional Loan will bear interest from and after the date of the loan advance at a rate equal to three percent (3%) per annum in excess of the Prime Rate. Interest on Optional Loans shall be payable without regard to the profits or losses of the Company and will be treated as a transaction with a Member other than in its capacity as a member of the Company pursuant to Section 707(a) of the Code. All Optional Loans will be repayable solely from the Company's assets and represented by promissory notes executed by the Company.

4.6. Capital Accounts.

4.6.1. Accounts. The Company will establish on its books a Capital Account for each Member. Capital Accounts will be maintained in accordance with the provisions of this Agreement and the requirements of Section 1.704-1 of the Regulations.

4.6.2. Basic Capital Account Adjustments. A Member's Capital Account (1) *will be increased by* (A) the Member's Capital Contribution (including the fair market value of any property contributed to the Company, net of liabilities assumed by the Company and liabilities to which the contributed property is subject), and (B) the Member's distributive share of Company income and gains (or items thereof), including income or gains exempt from tax; and (2) *will be reduced by* (A) all distributions to the Member of cash or property (computed at the fair market value of any distributed property and net of liabilities assumed by the Member and liabilities to which the distributed property is subject), and (B) the Member's distributive share of Company expenses, losses, and deductions (or item thereof), including the Member's share of expenses which are not deductible in computing taxable income; and (3) *will be further adjusted* in certain circumstances as provided in Sections 4.6.3 and 4.6.4, or as otherwise may be necessary to satisfy the requirements of Section 1.704-1 of the Regulations.

4.6.3. Special Adjustment Upon Liquidation. If Company assets are distributed in kind to one or more Members as a result of the liquidation and winding up of the Company or the termination of a Member's interest in the Company, the Members' Capital Accounts will be adjusted to reflect the manner in which the unrealized gain or loss, or any other item of income or deduction inherent in the distributed property (that has not been reflected in the Capital Accounts previously) would be allocated among the Members if the Company sold the distributed property for its fair market value on the date of distribution.

4.6.4. Adjustments to Capital Accounts Where Book Value Differs from Adjusted Tax Basis. As provided in Section 4.6.2, a Member's Capital Account will be increased by the fair market value of any property the Member has contributed to the Company. In such case, an asset's Book Value may differ from its Adjusted Tax Basis, and the Capital Accounts of the Members will have been adjusted at the time of the contribution to reflect the Book Values of Company assets, rather than Adjusted Tax Basis. In those circumstances, in order to account for the differences between Book Values and Adjusted Tax Basis, the Members' Capital Accounts will be adjusted in accordance with Section 1.704-1(b)(2)(iv)(g) of the Regulations for subsequent allocations to the Members of Book Items of depreciation, depletion, amortization, and gain or loss, with respect to the contributed property. In all other cases, the Capital Account adjustments required by Section 4.6.2 will be made with reference to Tax Items. For these purposes, Book Items of depreciation and amortization with respect to Company property may be computed in accordance with any reasonable method selected by the Manager.

4.7. No Creditor or Third Party Rights. This Agreement is entered into among the Company and the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. No creditor or third party shall have any rights under this Agreement, or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise. No creditor of this Company, nor any creditor of any Member, shall have any rights to enforce any obligations of the Members to make Capital Contributions to this Company.

ARTICLE 5. ALLOCATIONS; DISTRIBUTIONS

5.1. Allocations.

5.1.1. Determination of Profits and Losses. Except as otherwise stated, for purposes of this Agreement, Company "profits," "gains," and "losses" will include both Book Items (for purposes of certain Capital Account adjustments to be based on Book Items under the provisions of Section 4.6) and Tax Items (for purposes of determining the Members' distributive shares of taxable income, gain, or loss pursuant to Section 704 of the Code and the Regulations). Except where Tax Items differ from Book Items as provided in Section 4.6.4, all Tax Items and Book Items of profit, gain, or loss will be allocated in the same manner.

5.1.2. Allocation of Net Profits and Net Losses.

5.1.2.1. Generally. Except as otherwise provided in this Section 5.1, all profits and losses from Company operations and all other items of deduction, credit, preference and the like (both Book Items and Tax Items) will be allocated among the Members in proportion to their Percentage Interests.

5.1.2.2. Special Allocation of Tax Depreciation for Contributed or Revalued Property. If the Initial Book Value of a Company asset differs from its Adjusted Tax Basis because it was contributed to the Company at a time when its fair market value differed from its Adjusted Tax Basis, then Tax Items of income, gain, loss, and deduction will be allocated first among the Members so as to account for the variation between the Adjusted Tax Basis and the Initial Book Value of the asset at the time of contribution, in accordance with Section 704(c) of the Code and Paragraph (b)(2)(iv)(b) of Section 1.704-1 of the Regulations. Corresponding Book Items will nonetheless be allocated in accordance with Section 5.1.2.1 above.

5.1.3. Allocation of Income, Gain, or Loss Resulting from a Capital Transaction. All income, gain, or loss recognized by the Company as the result of an Interim Capital Transaction or a Terminating Capital Transaction will be allocated among the Members in the same manner as is provided for the allocation of net profits and net losses in Section 5.1.2. If a Capital Transaction involves Company assets having either Unrealized Appreciation or Unrealized Depreciation, the resultant Book Gain or Loss will be allocated as provided generally in this Section 5.1.3. However, Tax Gain or Loss recognized by the Company in any such Capital Transaction will be allocated as follows:

5.1.3.1. Gain. If gain results from a Capital Transaction involving an asset with respect to which there is Unrealized Appreciation, then Tax Gain will first be allocated entirely to the Contributing Member(s) in the manner contemplated by Section 704(c) of the Code and the corresponding Regulations, until an amount of Tax Gain has been allocated which is equal to the amount of the Unrealized Appreciation or until all Tax Gain is allocated, whichever occurs first. The Capital Account of a Contributing Member will not be adjusted in the manner provided in Section 4.6.2 with respect to the amount of Tax Gain so allocated. Any Tax Gain in excess of the amount of the Unrealized Appreciation, and any Tax Gain resulting from a Capital Transaction involving an asset with respect to which there is Unrealized Depreciation will be allocated in the same manner as Book Gain with respect to such asset is allocated pursuant to of this Section 5.1.3.

5.1.3.2. Loss. If loss results from a Capital Transaction involving an asset with respect to which there is Unrealized Depreciation, then Tax Loss will first be allocated

entirely to the Contributing Member(s), in the manner contemplated by Section 704(c) of the Code and the corresponding Regulations, until an amount of Tax Loss has been allocated which is equal to the amount of such Unrealized Depreciation or until all Tax Loss is allocated, whichever occurs first. The Capital Accounts of the Contributing Member(s) will not be adjusted in the manner provided in Section 4.6.2 with respect to the amount of Tax Loss so allocated. Any Tax Loss in excess of the amount of Unrealized Depreciation and any Tax Loss resulting from a Capital Transaction involving an asset with respect to which there is Unrealized Appreciation will be allocated in the same manner as Book Loss is allocated pursuant to of this Section 5.1.3.

5.1.4. Limitation. The Loss allocated to each Member for any Company fiscal year pursuant to this Section 5.1 shall not exceed the maximum amount of Loss that can be so allocated without causing such Member to have a Deficit Capital Account at the end of the fiscal year.

5.1.5. Further Special Allocations. The following special allocations shall be made for any fiscal year of the Company in the following order:

5.1.5.1. Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(g)(2). The items to be so allocated, and the manner in which those items are to be allocated among the Members, shall be determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(g)(2). This Section 5.1.5.1 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted and applied accordingly.

5.1.5.2. Member Minimum Gain Chargeback. If there is a net decrease in Member Minimum Gain during any Company fiscal year, each Member who has a share of that Member Minimum Gain, determined in accordance with Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(5). The items to be so allocated, and the manner in which those items are to be allocated among the Members, shall be determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(g)(2). This Section 5.1.5.2 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(i)(4) and shall be interpreted and applied accordingly.

5.1.5.3. Qualified Income Offset. In the event that any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Member in an amount and in a manner sufficient to eliminate as quickly as possible, to the extent required by Regulation Section 1.704-1(b)(2)(ii)(d), the Deficit Capital Account of the Member (which Deficit Capital Account shall be determined as if all other allocations provided for in this Agreement have been tentatively made as if this Section 5.1.5.3 were not in this Agreement).

5.1.5.4. Nonrecourse Deduction. Nonrecourse Deductions shall be allocated among the Members in accordance with their respective Percentage Interests.

5.1.5.5. Member Nonrecourse Deductions. Any Member Nonrecourse Deductions shall be specially allocated among the Members in accordance with Regulation Section 1.704-2(i).

5.1.6. Corrective Allocations.

5.1.6.1. Allocations to Achieve Economic Agreement. The allocations set forth in Section 5.1.5 are intended to comply with certain regulatory requirements under Code Section 704(b). The Members intend that, to the extent possible, all allocations made pursuant to such Sections will, over the term of the Company, be offset either with other allocations pursuant to Section 5.1.5 or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.1.6.1. Accordingly, the Members agree to make offsetting allocations of Company income, gain, loss or deduction under this Section 5.1.6.1 in whatever manner the Manager determines is appropriate, to the extent permitted by the Treasury Regulations, so that, after such offsetting special allocations are made, the Capital Accounts of the Members are, to the extent possible, equal to the Capital Accounts each would have if the provisions of Section 5.1.5 were not contained in this Agreement.

5.1.6.2. Waiver of Application of Minimum Gain Chargeback. The Members shall request from the Commissioner of the Internal Revenue Service a waiver, pursuant to Regulation Section 1.704-2(f)(4), of the minimum gain chargeback requirements of Regulation Section 1.704-2(f) if the application of such minimum gain chargeback requirement would cause a permanent distortion of the economic arrangement of the Members.

5.1.7. Certain Allocation Rules.

5.1.7.1. Any income recognized pursuant to Sections 1245 or 1250 of the Code, and any investment credit recapture recognized pursuant to Section 47 of the Code, or successor provisions then in effect, shall be allocated to the Members in the same proportions that the tax depreciation deductions and investment credits giving rise to such income or recapture were allocated to such Members and their respective predecessors in interest, if any.

5.1.7.2. The share of each Member in any allocation made to the Members shall be in the same ratio as the number of Units owned by that Member bears to the number of Units owned by all Members entitled to share in that allocation.

5.1.7.3. For the year during which an additional Member is admitted to the Company, the additional Member shall be allocated a share of the profits and losses which is calculated using either of the following methods, in the discretion of the Manager:

5.1.7.3.1. ratably on a daily basis with respect to the period that the additional Member is a Member of the Company; or

5.1.7.3.2. by dividing the Company fiscal year into two or more segments and allocating profits and losses in each segment among the persons who were Members during that segment.

Any allocation under this Section 5.1.7.3 must be consistent with the methods authorized by Section 706 of the Code and the corresponding Regulations. If neither of the methods described above is consistent with the methods authorized by Section 706 of the Code and the

corresponding Regulations, the Manager may allocate profits and losses to the additional Member in any manner that is consistent with such methods.

5.1.7.4. In any year in which a Member sells, assigns, or transfers all or any portion of a Unit to any person who, during such year, is admitted as a substitute Member, the share of all profits and losses with respect to the transferred Unit will be divided between the assignor and the assignee on the basis of the number of days in the year before, and the number of days on and after, the execution by the assignee of this Agreement. The assignor and the assignee may, by agreement, make special provisions for the allocation of items of profit, gain, loss, deduction, or credit as may from time to time be permitted under the Code and for the distributions under this ARTICLE 5, but such provisions for allocations and distributions will bind the Company only after it has received notice from the assignor and assignee.

5.1.7.5. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulation Section 1.752-3(a)(3), the Members' interests in the Company's profits shall be determined for each tax year by the Members in accordance with Regulation Section 1.752-3(a)(3).

5.1.7.6. The income, gains, losses, deductions and expenses of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gain, losses, deductions and expenses among the Members for computing their Capital Accounts, except that if such allocation is not permitted by the Code or other applicable law, the Company's subsequent income, gains, losses, deductions and expenses shall be allocated among the members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

5.2. Distributions.

5.2.1. Net Cash Flow. At any time or times determined by the Manager, the Manager shall cause the Company to distribute all Net Cash Flow which the Manager determines to be available for distribution as follows:

5.2.1.1. First, to pay the interest due on any Optional Loans made by any of the Members to the Company pursuant to Section 4.5, prorata in accordance with the respective amounts of all Optional Loans.

5.2.1.2. Next, to repay the principal of any such Optional Loans, prorata in accordance with the respective amounts of all Optional Loans.

5.2.1.3. Then, to each Member pro rata in proportion to its Percentage Interest.

5.2.2. Distribution of Proceeds of a Capital Transaction. Sale or Financing Proceeds resulting from a Capital Transaction will be applied and distributed as provided in Sections 5.2.2.1 and 5.2.2.2 of this Section 5.2.2.

5.2.2.1. Interim Capital Transaction. Sale or Financing Proceeds resulting from an Interim Capital Transaction will be applied and distributed:

5.2.2.1.1. First, to repay all debts and liabilities of the Company then due other than Optional Loans.

5.2.2.1.2. Next, to pay any interest due on Optional Loans previously made by the Members to the Company pursuant to Section 4.5, prorata in accordance with the respective amounts of all Optional Loans.

5.2.2.1.3. Next, to repay the principal of any such Optional Loans, prorata in accordance with the respective amounts of all Optional Loans.

5.2.2.1.4. Next, to the Members having positive Capital Account balances to each such Member in the proportion that the positive Capital Account balance of the Member bears to the positive Capital Account balances of all such Members until all such Proceeds have been distributed or all Members' Capital Account balances have been reduced to zero, whichever occurs first.

5.2.2.1.5. Finally, the balance, if any, to each Member pro rata in accordance with its Percentage Interest.

5.2.2.2. Terminating Capital Transaction. After making the allocations of gain or loss required by Section 5.1 and the Members' Capital Accounts required by Section 4.6 and Section 1.704-1 of the Regulations, Sale or Financing Proceeds resulting from a Terminating Capital Transaction will be applied and distributed by the end of the taxable year in which the Company is liquidated, or if later, within 90 days of liquidation, as follows:

5.2.2.2.1. First, to repay all outstanding debts and liabilities of the Company other than Optional Loans.

5.2.2.2.2. Next, to pay the interest due on any Optional Loans previously made by the Members to the Company pursuant to Section 4.5, prorata in accordance with the respective amounts of all Optional Loans.

5.2.2.2.3. Next, to repay the principal of any such Optional Loans, prorata in accordance with the respective amounts of all Optional Loans.

5.2.2.2.4. Next, to set up any reserves which the Manager reasonably deems necessary for contingent, unmatured, and unforeseen liabilities or obligations of the Company.

5.2.2.2.5. Next, to the Members having positive Capital Account balances to each such Member in the proportion that the positive Capital Account balance of the Member bears to the positive Capital Account balances of all such Members until all such Proceeds have been distributed or all Members' Capital Account balances have been reduced to zero, whichever occurs first.

5.2.2.2.6. Finally, remaining Proceeds will be distributed among the Members, to each pro rata in proportion to its Percentage Interest.

Any remaining reserves under Section 5.2.2.2.4 shall be distributed to the Members, at such time as the Manager determines their retention is no longer necessary, in the same manner as they would have been distributed had they not been retained.

ARTICLE 6. COMPANY EXPENSES; REIMBURSEMENT OF EXPENSES

6.1. Company Expenses. The Company will be responsible for the payment of all costs and expenses of the Company, whether such costs and expenses are paid to the Manager, one of its Affiliates, or to third parties. Company costs and expenses may include, but are not limited to:

6.1.1. All organizational expenses incurred in the formation of the Company and the selling of interests in the Company, and all expenses incurred in revising, amending, converting, modifying, or terminating the LLC Agreement.

6.1.2. All costs of personnel employed by the Company.

6.1.3. All costs of borrowed money, taxes and assessments on Company property, and other taxes applicable to the Company.

6.1.4. Legal, audit, accounting, brokerage, and other fees.

6.1.5. All amounts incurred on behalf of the Company, and any operating expenses of the Company.

6.1.6. The cost of insurance obtained in connection with the business of the Company.

6.1.7. Costs and expenses incurred in any litigation, including any examinations or audits by regulatory agencies.

6.2. Reimbursement. The Company will reimburse to any Manager all funds it reasonably advances to pay Company expenses.

ARTICLE 7. RIGHTS, POWERS, AND OBLIGATIONS OF THE MANAGER

7.1. Management of the Company. The Manager will have the exclusive right and power to manage, operate, and control the Company and to take all actions and make all decisions necessary or appropriate to carry on the business and affairs of the Company. In clarification and not in limitation of the foregoing, the Manager will have the power and authority, on behalf and in the name of the Company, to take all actions on behalf of the Company pursuant to Section 3.2 above.

7.2. Manager. All decisions made for and on behalf of the Company by the Manager will bind the Company and the Members. Except as expressly otherwise set forth elsewhere in this Agreement, the Manager (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by this or other provisions of this Agreement, will, in its sole discretion, have the right, power, and authority in the management of the Company business to do any and all things necessary to carry out the purpose of the Company. No person dealing with the Manager will be required to determine the Manager's authority to execute any document on behalf of the Company or make any undertaking on behalf of the Company, or to determine any facts or circumstances bearing upon the existence of such authority.

7.3. Transactions with Affiliates. At the discretion of the Manager, the Company may enter into transactions with Affiliates of the Manager or a Member if such transactions are on

commercially reasonable terms. Regardless of the reasonableness of the terms, however, the Company may not lend any money to a Member or an Affiliate.

7.4. Delegation of Authority. The Manager may delegate all or any of its powers, rights, and obligations under this Agreement, and may employ or contract with any person, including any Affiliate of any Member, to carry out the business of the Company. Under supervision of the Manager, the person employed or contracted with may perform any acts or services for the Company that the Manager approves.

7.5. Other Activities. Any Manager and any Affiliate of any Manager may engage in or possess interests in other business ventures of any kind or description for its own account. In particular, and without limiting the general statement contained in the preceding sentence, a Manager or its Affiliates may serve as a manager, officer, director, member, owner, shareholder, or partner of other entities, even if the business of such other entities is in direct competition with the business of the Company. Neither the Company nor any of the Members will have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits they generate.

7.6. Compensation. The Manager will not be entitled to receive from the Company compensation for the management services it renders as Manager.

7.7. Manager's Duty of Care. In carrying out its duties and exercising its powers under this Agreement, the Manager will be required to exercise reasonable skill, care, and business judgment. A Manager will be deemed to be exercising reasonable care and business judgment in relying on the advice of counsel or public accountants experienced in a particular matter, and will not be liable to the Company or any Member for any action taken or omitted on behalf of the Company in good faith and in reliance on any such advice.

7.8. Limitation of Liability. A Member or Manager shall not have personal liability to the Company or the Members or Managers for monetary damages for conduct as a Member or Manager, provided that such limitation shall not eliminate or limit the liability of a Member or Manager for acts or omissions that involve intentional misconduct or a knowing violation of law by the Member or Manager, for conduct of the Member or Manager violating the Act, or for any transaction from which the Member or Manager will personally receive a benefit in money, property, or services to which the Member or Manager is not legally entitled. A Member shall not be personally liable for monetary damages to the Company, its Members, or any other person for any statement, vote, decision, or failure to act regarding management or policy decisions by that Member (including acts by the President or any other officer), except as required by the Act.

7.9. Indemnification. The Company shall indemnify any Member or Manager from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which such Member or Manager is a party because he or she is, or was, a Member or a Manager, provided that no such indemnity shall indemnify a Member or a Manager from or on account of acts or omissions of the Member or Manager finally adjudged to be intentional misconduct or a knowing violation of law by the Member or Manager, conduct of the Member or Manager adjudged to be in violation of the Act, or any transaction with respect to which it was finally adjudged that such Member or Manager received a benefit in money, property, or services to which such Member or Manager was not legally entitled. The Manager is authorized, but not required, to purchase insurance in reasonable amounts to fund the Company's indemnification obligation. The Company shall indemnify any Member from and against any judgments, settlements, penalties, fines or expenses incurred in a proceeding to which an individual is a party because he

or she is, or was, a Member (including as President or any other officer), except to the extent prohibited by the Act.

7.10. Manager. J. David Page is the a Manager of the Company. If J. David Page resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Stephen W. Page shall be a Manager. If Stephen W. Page resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Scott Seckinger shall be a Manager. If Scott Seckinger resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Michael Molinari shall be a Manager. If Michael Molinari resigns as the Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Paul C. Fortino shall be the Manager.

ARTICLE 8. RIGHTS AND OBLIGATIONS OF NON-MANAGER MEMBERS

8.1. Management of the Company. No Non-Manager Member, in its capacity as such, may take part in the management or control of the business of the Company or transact any business in the name of the Company. No Non-Manager Member, in its capacity as such, has the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Non-Manager Member, in its capacity as such, will have any power or authority with respect to the operation of the Company or its business.

8.2. Liability of Non-Manager Members. A Non-Manager Member will be liable for, and will have the duty to pay as and when due any additional Capital Contributions required pursuant to Section 4.4. Except for such Capital Contributions, a Non-Manager Member will not be required to make any further Capital Contributions or loans to the Company, and will not be personally liable for any obligations of the Company, except as may be required by the Act.

8.3. Other Activities. A Non-Manager Member may engage in or possess interests in other business ventures of any kind or description, independently or with others, whether or not any such venture is in direct competition with the business of the Company. Neither the Company nor any of the Members will have any rights as a result of this Agreement in or to such other business ventures or the income or profits derived from such ventures.

ARTICLE 9. ACCOUNTING; BOOKS AND RECORDS

9.1. Accounting. The Company will keep its accounting records, and will report for federal income tax purposes on the cash or accrual basis, as determined by the Manager. All decisions concerning accounting principles and elections, methods of depreciation or capital cost recovery, and working capital requirements, whether for book or tax purposes (such decisions may be different for each such purpose), will be made by the Manager. The Manager will have full authority to pay or contest any tax or assessment, as they deem to be in the best interest of the Company.

9.2. Fiscal Year. The fiscal year of the Company will be the calendar year.

9.3. Books and Records. During the term of the Company, the Manager will keep, or cause to be kept, records and books of the Company. All books and records of the Company required to be kept by the Act will be available for reasonable inspection and examination by the Members or their duly authorized representatives during ordinary business hours.

9.4. Tax Returns; Income Tax Information.

9.4.1. Tax Returns. The Manager will prepare, or cause to be prepared, all federal, state, and local income and other tax returns of the Company. The Manager will promptly furnish copies of the returns to any Member upon request.

9.4.2. Reports. The Manager will prepare and distribute, or cause to be prepared and distributed, to each Member, a report (including Form K-1) informing each Member of the Company's taxable income or loss for the preceding taxable year; the amount of each class of income, profit, loss, or deduction which is relevant to the reporting of Company items for federal income tax purposes; and the Member's distributive share of each class of income, gain, loss, or deduction.

9.5. Tax Elections. The Manager is authorized to cause the Company to make or revoke such elections for federal income tax purposes as it, in its sole discretion, deems necessary or advisable. The Manager's authority with respect to the making of tax elections specifically includes, but is not limited to, the authority to elect, pursuant to Section 754 of the Code (or corresponding provisions of succeeding law), to adjust the basis of Company assets if there has been a transfer of Units. Each Member agrees to furnish the Company, upon request, all information necessary to give effect to any such election.

9.6. Bank Accounts. The Company will maintain a separate bank account or accounts in the name of the Company to be used for the purposes of the Company. Funds deposited in the Company's account or accounts may be withdrawn as determined by the Manager.

9.7. Tax Matters Member. The person identified in the definitions is hereby designated as the "**Tax Matters Partner**" as such term is defined in Section 6231(a)(7) of the Code), and the "**partnership representative**" of the Company under Section 6223 of the Code (as modified by the Bipartisan Budget Act of 2015, as amended (and any comparable provisions of state or local tax law) (the "**BB Act**") (in either capacity, the "**Tax Matters Member**"). The Tax Matters Member shall have the responsibility and authority to exercise all functions provided for in the Code and the BB Act or in Regulations promulgated thereunder. The Tax Matters Member shall keep the Members fully informed of all tax matters and shall forward to the Members within fourteen (14) days of receipt any and all correspondence received by him from the Internal Revenue Service.

ARTICLE 10. TRANSFERS OF UNITS; WITHDRAWAL AND ADMISSION OF MEMBERS

10.1. Transfers of Units by Members; Withdrawal and Admission of Members.

10.1.1. Prohibition on Transfer. Except as otherwise provided in this Section 10.1, a Member may not in any way transfer or encumber any Units it owns. Any purported transfer or encumbrance not expressly permitted by and in compliance with the provisions of this Section 10.1 will be void and of no force or effect. If a Member is a corporation, partnership, limited liability company, or other entity, a transfer (whether individually or in the aggregate since the date of this Agreement) of more than forty-nine percent (49%) of the voting or beneficial interests in such entity shall constitute a transfer of Units requiring compliance with this Section.

10.1.2. Investment Purposes. Each Member represents and warrants to the Manager and to the Company that any Units it has acquired or will acquire in the future have been

and will be acquired by such Member as principal for its own account, for investment purposes only, and not with a view to the resale or distribution of any of the Units.

10.1.3. Permitted Transfers without Refusal Rights. Subject to the conditions contained in Section 10.1.5, a Member may, with thirty (30) days' prior written notice to the Manager, transfer any or all of the Units it owns to any one or more persons or entities described below:

10.1.3.1. Any Member.

10.1.3.2. A transfer to any person or entity when the Manager has consented to such transfer in writing.

10.1.4. Other Transfers Subject to Refusal Rights. If a Member (a "**Transferring Member**") receives a bona fide third party offer ("**Third Party Offer**") from a person who is not described in Section 10.1.3 (the "**Purchaser**") to purchase some or all of the Transferring Member's Units and the Transferring Member wishes to sell such Units to the Purchaser, the Transferring Member must first offer to sell the Units to the other Members ("**Remaining Members**") on the same terms as the Third Party Offer. In such event, the Transferring Member must notify the Manager and each Remaining Member in writing of the Third Party Offer. The notice must include a copy of the Third Party Offer. The Remaining Members then shall have the right, for a period of thirty (30) days, to purchase, in the aggregate, all (but no lesser portion) of the Units which are the subject of the Third Party Offer. During that period, each Member may purchase, on the terms set forth in the Third Party Offer, that number of the offered Units which is in the same proportion to the total number of offered Units as the number of Units owned by the Member bears to the total number of Units owned by all Members exercising the refusal rights described in this Section, or such other number of Units as may be agreed upon among the Members exercising the refusal rights. To exercise the right of refusal, a Member must notify the Transferring Member of its election to that effect within thirty (30) days after receiving the Transferring Member's notice of the Third Party Offer, and must simultaneously send a copy of its notice of election to the Manager. Any Member that does not timely notify the Transferring Member of its election to exercise the refusal right described in this Section will be deemed to have elected to purchase none of the offered Units. If the Members, as a group, fail to timely exercise the right to purchase all, but no lesser portion, of the offered Units, then, subject to the conditions contained in Section 10.1.5, the Transferring Member shall have the right, for a period of sixty (60) days, to sell the offered Units to the Purchaser on the terms specified in the Transferring Member's initial notice to the Members of the Third Party Offer. The Transferring Member may not transfer any of the offered Units (i) after the sixty (60) day period, or (ii) to any person or entity other than the Purchaser, or (iii) on terms in any way different from those disclosed in the notice of the Third Party Offer, without first offering to sell the Units to the Members in accordance with the provisions of this Section 10.1.4.

10.1.5. Conditions Precedent to Any Transfer or Encumbrance. Notwithstanding any contrary provision contained in this Agreement, no Member may transfer or encumber any Units:

10.1.5.1. Without first notifying the Manager, in writing, thirty (30) days in advance of any proposed transfer or encumbrance;

10.1.5.2. If deemed necessary by the Manager, unless and until the Company has received an opinion of counsel for the Company, prepared at the Member's

expense, stating that the proposed transfer or encumbrance will not cause the termination of the Company for federal income tax purposes; and

10.1.5.3. Unless and until the transferor has made all Capital Contributions required under this Agreement.

10.1.6. Effect of Transfer. If any purported transfer of a Member's Units does not comply with the various requirements and restrictions contained in this Section 10.1, it will be void and of no force or effect. If any such purported transfer complies with the various requirements and restrictions contained in this Section 10.1, then effective on the date of the transfer, the transferor will cease to be a Member with respect to the transferred Units and, whether or not the transferee is admitted to the Company as a substitute Member pursuant to the provisions of Section 10.1.7, the transferee will be entitled to receive all future distributions to which the transferor would otherwise be entitled. The Manager will be entitled to treat the transferor as the record owner of the transferred Units until the effective date, and will incur no liability for distributions made in good faith to the transferor prior to the effective date. No such transfer will relieve the transferor of its existing obligations under this Agreement.

10.1.7. Substitute Members.

10.1.7.1. A transferee of a Member's Units will not be admitted to the Company as a substitute Member unless:

10.1.7.1.1. The transfer complies with all requirements of Section 10.1;

10.1.7.1.2. The transferor gives the transferee the right to be substituted in its place;

10.1.7.1.3. The Manager has consented in writing to the admission of the transferee as a substitute Member; and

10.1.7.1.4. The transferee has agreed in writing to be bound by all of the terms and conditions of this Agreement, and has paid all expenses of the Company incurred in connection with the transfer.

10.1.7.2. If the transferee of a Member's Units is at that time a Member with respect to other Units, the transferee shall automatically be a substitute Member with respect to the transferred Units.

10.1.7.3. Upon admission to the Company as a substitute Member, a transferee shall succeed to all rights and obligations of its transferor under this Agreement. If a transferee is not admitted as a substitute Member, then notwithstanding any other provision of this Agreement, the transferee shall be an Economic Interest Member.

10.1.8. Death, Incompetency of a Member. The death, legal incompetency, bankruptcy, insolvency, withdrawal, expulsion, dissolution, or other disability (a "**Dissociating Event**") of a Member (a "**Dissociating Member**") will not dissolve or terminate the Company; the Company shall continue without a dissolution. Upon any Dissociating Event, the estate, legal representative, guardian, or other successor to such Dissociating Member's interests will have all rights to receive distributions which otherwise would be made to the Dissociating Member, and

will succeed to all obligations of such Dissociating Member under the terms of this Agreement. Subject to the terms and conditions of this Agreement, any such successor may be, but is not required to be, admitted to the Company as a substitute Member. If not admitted as a substitute Member, the successor shall be an Economic Interest Member.

10.1.9. No Resignation or Withdrawal. A Member may not resign or withdraw as a Member of the Company.

10.2. Transfers of Units by a Manager; Withdrawal and Admission of Manager.

10.2.1. Transfer of Units. Except as otherwise provided in this Section 10.2, a Manager may transfer or encumber its Units to the same extent and subject to the same restrictions and limitations as set forth in Section 10.1. If a Manager wishes to transfer or encumber some or all of its Units it must notify each other Member and Manager no less than thirty (30) days in advance of the proposed transfer or encumbrance. A Manager may not transfer or encumber any Units unless and until the Company has received an opinion of counsel for the Company, prepared at such Manager's expense, stating that the proposed transfer or encumbrance will not cause the termination of the Company for federal income tax purposes.

10.2.2. Events of Withdrawal of Manager. A Manager will cease to be a Manager of the Company if and when:

10.2.2.1. The Manager resigns as Manager of the Company as provided in Section 10.2.3;

10.2.2.2. The Manager is removed as Manager in accordance with the provisions of Section 10.2.4, or

10.2.2.3. The Manager dies, is declared incompetent, becomes insolvent or bankrupt, or is dissolved.

10.2.3. Resignation of Manager. A Manager may resign as a manager of the Company upon ninety (90) days' notice to the Company and to each Manager and Member. In any such event, the Manager may retain any or all of its Units. From and after the effective date of the Manager's resignation, it will be treated as a Non-Manager Member with respect to any Units it owns.

10.2.4. Removal of Manager. A Manager may be removed as manager of the Company either with or without cause by the affirmative vote of Members holding more than fifty percent (50%) of all Voting Units including any Voting Units held by such Manager. In the event of such removal, such Manager will not be relieved of any obligations or liabilities to the Company or to any of its Members resulting from events occurring prior to the date of removal. From and after the date of removal, such Manager will cease to be a Manager of the Company, and will be treated as a Non-Manager Member with respect to any Units it continues to hold.

10.2.5. Additional or Substitute Manager. If a Manager ceases to be manager of the Company for any of the reasons described in Section 10.2.2, and as a result the Company no longer has a Manager, and if the Company is continued pursuant to Section 10.2.6, then Members owning Units constituting, in the aggregate, more than fifty percent (50%) of the Voting Units may admit one or more persons or entities to the Company as successor Manager(s). At any other time, an additional Manager may be admitted to the Company as a manager only with the consent

of each Manager and Members owning more than fifty percent (50%) of the Voting Units. In no event may any person or entity be designated an additional or successor Manager unless and until such person or entity has agreed in writing to be bound by the terms and conditions of this Agreement.

10.2.6. Continuation of Company. If a Manager ceases to be a manager of the Company for any of the reasons described in Section 10.2.2, this Company shall continue without a dissolution. If, as a result of the event which causes a Manager to cease to be a manager of the Company, the Company no longer has a Manager, this Company shall continue without a dissolution, and the successor Manager(s) shall be determined pursuant to Section 10.2.5 above.

ARTICLE 11. DISSOLUTION, WINDING UP, AND TERMINATION

11.1. Events Causing Dissolution. The Company will be dissolved and its affairs will be wound up upon the happening of the first to occur of the following:

11.1.1. The dissolution of the Company by the decision of the Manager.

11.1.2. The entry of a decree of judicial dissolution pursuant to the Act.

11.2. Winding Up. Upon dissolution of the Company for any reason, the Manager or the Liquidator will have the authority and responsibility to wind up the affairs of the Company and to liquidate its assets.

11.2.1. Conduct Pending Liquidation. The Members will continue to share income, gains, expenses, losses, and all other items during the period of liquidation in the same proportion as before the dissolution. The Manager or the Liquidator will have the full right and unlimited discretion to determine the time, manner, and terms of any sale or sales of Company property pursuant to the liquidation. Pending the sales, the Manager or the Liquidator may continue to operate and otherwise deal with the assets of the Company.

11.2.2. Time for Liquidation. A reasonable time will be allowed for the orderly winding up of the business of the Company and the liquidation of its assets and the discharge of its liabilities to creditors so as to enable the Manager or the Liquidator to minimize the normal losses attendant upon a liquidation, having due regard to the activity and condition of the relevant markets for the Company properties and general financial and economic conditions.

11.2.3. Right of Member to Purchase. Any Member may be a purchaser of any properties of the Company upon liquidation of the Company's assets, including, without limitation, any liquidation conducted pursuant to a judicial dissolution or otherwise under judicial supervision; provided, however, that the purchase price and terms of sale must be fair and reasonable to the Company.

11.2.4. Cooperation. In the course of any such winding up, any signature required of a Member (or the trustee, receiver, estate, personal representative, surviving spouse, or successor of a deceased, incapacitated, or insolvent Member) for the transfer of title to any property, real or personal, which has previously been owned by the Company, will not be unreasonably withheld. If any Member, representative, surviving spouse, or successor unreasonably withholds its signature, then the Manager or the Liquidator may sign the Member's name.

11.2.5. Method of Liquidation; Distributions.

11.2.5.1. Method. The person having authority to wind up may liquidate the Company by either or both of the following methods:

11.2.5.1.1. Selling the Company's assets.

11.2.5.1.2. Distributing the Company's assets to the Members in kind, with each Member receiving an undivided interest in the Company's assets, subject to its liabilities, based upon the priority of distributions under Section 11.2.5.2.

11.2.5.2. Priority of Distribution. The proceeds of any dissolution or liquidation (after the payment of Company liabilities or reservation of amounts for that purpose), and/or any distribution in kind, will be applied and distributed in the order of priority (to the extent that such order of priority is consistent with the laws of the State) specified in Section 5.2.2.2 above, in satisfaction of the Member's interest in the Company.

11.2.5.3. In-Kind Distributions. If any assets are to be distributed in kind, rather than in cash, they will be distributed on the basis of fair market values, and the Members' respective Capital Accounts will be adjusted for the gain or loss that would have been recognized by them in accordance with Section 1.704-1 of the Regulations had such assets actually been sold at fair market value as of the date of distribution. If the Members cannot agree on the fair market values of the Company's assets for purposes of this Section 11.2.5.3, the matter will be submitted to arbitration in accordance with Section 13.12.

11.2.5.4. Dissolution. Upon completion of the liquidation, the Company will be deemed completely dissolved and terminated, and the person responsible for winding up will file in the office of the Department of State of the State of Florida a certificate of cancellation, as required by the Act.

11.3. Distribution Limited to Company Assets. Neither the Manager nor any other Member will be personally liable to any Member for any deficit in the Member's Capital Account or for the return of all or any part of the Capital Contributions or advances of the Member. Any such return shall be made solely from the Company assets.

11.4. Statement to Members. The person responsible for winding up shall furnish to each of the Members a statement, prepared at Company expense, which sets forth the assets and liabilities of the Company at the commencement of liquidation and an accounting with respect to the liquidation.

ARTICLE 12. VOTING RIGHTS OF MEMBERS

12.1. Voting on Amendments. This Agreement may not be amended in any respect which would (a) increase the liability, (b) increase the required Capital Contributions, or (c) adversely affect the rights or interests in the profits, losses, or distributions of this Company, of any Member, without the consent of each Member so affected. This Agreement may be amended in any other respect by the Manager.

12.2. Limitation on Voting Rights. Except as specifically provided in this Agreement, or as otherwise required under the Act, the Members shall have no right to vote on any Company matter.

ARTICLE 13. MISCELLANEOUS

13.1. Notice. Any notice, offer, acceptance, demand, request, consent, or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given or made: (a) upon delivery, if personally delivered to a party; (b) on the date of dispatch, if by facsimile transmission to a party with confirmation of successful transmission; (c) one (1) business day after deposit, if sent to a party by a nationally recognized courier service offering guaranteed overnight delivery; or (d) three (3) business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested addressed to a party. A communication will be deemed to be properly addressed if sent to the Company at the registered address specified in Section 2.3 or if sent to a Member or a Manager at the address shown for the Member or Manager on the books of the Company. The Company or any Member or Manager may at any time during the term of this Agreement change the address to which notices and other communications directed to it must be sent by providing written notice of a new address within the United States to the Company and the Manager in the manner required by this Section.

13.2. Governing Law. This Agreement will be construed and the rights, duties, and obligations of the parties will be determined in accordance with the laws of the State of Florida.

13.3. Successors and Assigns. This Agreement will bind and benefit the parties and their respective heirs, executors, legal representatives, and permitted successors and assigns.

13.4. Headings. Headings used in this Agreement have been included for convenience and ease of reference only and will not in any manner influence the construction or interpretation of any provision of this Agreement.

13.5. Entire Agreement. This Agreement represents the entire understanding of the parties with respect to its subject matter. There are no other prior or contemporaneous agreements, either written or oral, among the parties with respect to this subject.

13.6. Waiver. No right or obligation under this Agreement will be deemed to have been waived unless evidenced by a writing signed by the party against whom the waiver is asserted, or its duly authorized representative. Any waiver will be effective only with respect to the specific instance involved, and will not impair or limit the right of the waiving party to insist upon strict performance in any other instance, in any other respect, or at any other time.

13.7. Number and Gender. When required by the context, (a) the singular will include the plural and vice versa, (b) the masculine will include the feminine and neuter genders, and vice versa, and (c) the word "person" will include trust, corporation, firm, partnership, company, or other form of association or entity. If there is more than one Manager or Member, the term "Manager" or "Member" will refer to the plural, as appropriate.

13.8. Attorneys' Fees. If any litigation or other dispute resolution proceeding is commenced between parties to this Agreement to enforce or determine the rights or responsibilities of such parties, the prevailing party or parties in any such proceeding will be entitled to receive, in addition to such other relief as may be granted, its reasonable attorneys' fees, expenses, and costs incurred preparing for and participating in such proceeding.

13.9. Counterparts; Facsimile. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will

constitute a single agreement. Delivery of a facsimile or other copy of this Agreement has the same effect as delivery of an original.

13.10. Waiver of Action for Partition. For the term of the Company and for the period of the winding up of its business following dissolution, each party irrevocably waives any right it may have to maintain any action for partition with respect to any of the Company's assets.

13.11. Appraisal Rights. All Members expressly waive appraisal rights under Section 605.1006 of the Act, as amended and/or replaced.

13.12. Arbitration. Any dispute arising under or in connection with this Agreement will be settled by arbitration as set forth in this Section 13.12. No legal right of action may arise out of any such dispute until arbitration has been completed. Each party, however, will have full access to the courts to compel compliance with these arbitration provisions, to enforce an arbitration award or to seek injunctive relief, whether or not arbitration is available or under way. The arbitration will take place pursuant to the applicable rules of the Revised Florida Arbitration Code with a single arbitrator. Subject to the provisions of Section 13.8, in any arbitration each party will pay its own costs, witness fees, and attorneys' fees. The fees charged by the arbitrator and the costs of the proceeding shall be borne equally.

[Signatures on following page]

DATED effective March 1, 2019.



J. David Page

SP LAUREL RIDGE MANAGER LLC, a Florida
limited liability company, its Manager

By: 

J. David Page, Manager

**Electronic Articles of Organization
For
Florida Limited Liability Company**

L19000059937
FILED 8:00 AM
March 01, 2019
Sec. Of State
jafason

Article I

The name of the Limited Liability Company is:

SP LAUREL RIDGE LLC

Article II

The street address of the principal office of the Limited Liability Company is:

5403 WEST GRAY STREET
TAMPA, FL. 33609

The mailing address of the Limited Liability Company is:

2430 ESTANCIA BOULEVARD, SUITE 114
CLEARWATER, FL. 33761

Article III

The name and Florida street address of the registered agent is:

TRUSTEE AND CORPORATE SERVICES, INC.
2430 ESTANCIA BOULEVARD, SUITE 114
CLEARWATER, FL. 33761

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: JEFFREY C STEINERT, VP

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
SP LAUREL RIDGE MANAGER LLC
5403 WEST GRAY STREET
TAMPA, FL. 33609

L19000059937
FILED 8:00 AM
March 01, 2019
Sec. Of State
jafason

Signature of member or an authorized representative

Electronic Signature: JEFFREY C STEINERT, AGENT

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

State of Florida

Department of State

I certify from the records of this office that SP LAUREL RIDGE LLC, is a limited liability company organized under the laws of the State of Florida, filed electronically on March 01, 2019.

The document number of this company is L19000059937.

I further certify that said company has paid all fees due this office through December 31, 2019, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 190311120546-700325682097#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Eleventh day of March, 2019



Laurel M. Lee
Laurel M. Lee
Secretary of State

Date of this notice: 03-13-2019

Employer Identification Number:
83-3934252

Form: SS-4

Number of this notice: CP 575 B

SP LAUREL RIDGE LLC
J DAVID PAGE MBR
5403 W GRAY ST
TAMPA, FL 33609

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 83-3934252. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

03/15/2020

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**OPERATING AGREEMENT
OF
SP LAUREL RIDGE MANAGER LLC**

This Operating Agreement ("**Agreement**") of SP Laurel Ridge Manager LLC ("**Company**") is made by SP and MS LLC, a Florida limited liability company ("**Member**").

ARTICLE 1. DEFINITIONS

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

"Act" means the Florida Limited Liability Company Act, Title XXXVI, Chapter 608, as amended.

"Affiliate" means, with respect to any Person, (i) any other Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling fifty one percent (51%) or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, or holder of fifty one percent (51%) or more of the voting interests of any Person described in clauses (i) through (iii). For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean 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.

"Capital Contribution" means any contribution to the capital of the Company in cash or property by the Member whenever made.

"Certificate of Formation" means the certificate of formation pursuant to which the Company was formed, as originally filed with the office of the Secretary of State as amended from time to time.

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

"Company" means SP Laurel Ridge Manager LLC.

"Entity" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural person.

"Manager" means, individually and together, J. David Page and SP and MS LLC. The Manager may also use the title "President" and such title shall have the same meaning as "Manager".

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

"Property" means any real or personal property, tangible or intangible, owned by the Company, or by any Subsidiary of the Company.

"Secretary of State" means the Department of State of the State of Florida.

"Subsidiary" means any entity which is owned, in whole or in part, by the Company.

ARTICLE 2. FORMATION OF COMPANY

2.1. Formation. The Member forms this Limited Liability Company pursuant to the Act and pursuant to the terms and conditions contained in this Agreement. Except as otherwise provided in this Agreement, the rights and liabilities of the Member will be governed by the Act.

2.2. Name. The name of the Company is **"SP Laurel Ridge Manager LLC"**.

2.3. Principal Place of Business. The principal place of business of the Company shall be 5403 W. Gray Street, Tampa, Florida 33609. The Company may locate its place of business at any other place or places as the Manager may from time to time deem advisable.

2.4. Registered Office and Registered Agent. The Company's initial registered agent is Trustee and Corporate Services, Inc., a Washington corporation, and the address of its initial registered office in the State of Florida is 2430 Estancia Boulevard, Suite 116, Clearwater, Florida 33761. The registered office and registered agent may be changed from time to time by the Manager.

2.5. Term. The term of the Company will begin on the date the Certificate is filed in the office of the Secretary of State, and will continue in perpetuity unless the Company is terminated earlier pursuant to the provisions of ARTICLE 9.

ARTICLE 3. BUSINESS OF COMPANY

The Company may engage in any business or activity permitted by law, as determined by the Manager.

ARTICLE 4. NAME AND ADDRESS OF MEMBER

The name of the sole member of the Company is SP and MS LLC, a Florida limited liability company, whose address is 5403 W. Gray Street, Tampa, Florida 33609.

ARTICLE 5. MANAGEMENT; RIGHTS AND DUTIES

5.1. Management. The business and affairs of the Company shall be managed exclusively by the Manager. If there is more than one Manager, then each Manager has the authority to act alone. Without limiting the generality of the foregoing, the Manager shall have the power and authority, on behalf of the Company and on behalf of any Subsidiary:

5.1.1. To acquire property from any Person as the Manager may determine, and the fact that the Manager is an Affiliate of such Person shall not prohibit the Manager from dealing with that Person.

5.1.2. Become a member, partner, or owner of any Subsidiary, and to enter into agreements for the formation and operation of any Subsidiary, and take any action as a member, partner, or owner of any Subsidiary.

5.1.3. To borrow money from any party, including but not limited to, the Manager, or Affiliates of the Manager on such terms as the Manager deems appropriate, and in connection therewith to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums.

5.1.4. To purchase liability and other insurance to protect the Company's property and business.

5.1.5. To acquire, develop, plat, permit, construct, improve, manage, charter, operate, sell, transfer, exchange, encumber, pledge or dispose of any assets of the Company, or to permit any other person or entity to pledge, assign, deliver, or transfer any assets of the Company.

5.1.6. To invest Company funds in time deposits, short-term governmental obligations, commercial paper or other short-term investments, as well as any other investments the Manager deems in the best interests of the Company.

5.1.7. To execute instruments and documents, including without limitation, checks, drafts, notes and other negotiable instruments; mortgages or deeds of trust; security agreements or agreements consenting to the pledge, assignment, delivery, or transfer by anyone or any entity of any assets of the Company securing any financial or banking accommodations whether of the Company, or such other person or entity; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements; operating agreements of other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to the business of the Company.

5.1.8. To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds.

5.1.9. To enter into any and all other agreements with any other Person for any purpose, in such form as the Manager may approve.

5.1.10. To open bank accounts in the name of the Company, and to authorize and delegate to others the right to open bank accounts in the name of the Company. The Manager shall be a signatory on all such accounts, and may authorize other signatories thereon.

5.1.11. To appoint officers of the Company, such as Vice Presidents, Secretary, and Treasurer, and to assign to officers duties, responsibilities, and authority as the Manager shall determine.

5.1.12. To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business.

5.2. Reimbursement for Expenses. The Manager shall be reimbursed by the Company for reasonable out-of-pocket expenses incurred by the Manager in connection with the Company's business, including without limitation expenses incurred in the organization of the Company.

5.3. Member. Except as provided for the Manager, the Member shall have no vote on any matters related to the business or operation of the Company.

5.4. Manager. J. David Page is the a Manager of the Company. If J. David Page resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Stephen W. Page shall be a Manager. If Stephen W. Page resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Scott Seckinger shall be a Manager. If Scott Seckinger resigns as a Manager in writing, dies, is declared incompetent, or becomes bankrupt, then Mike Molinari shall be a Manager.

ARTICLE 6. LIABILITY OF MEMBER

6.1. Limitation of Liability. The Member's liability shall be limited as set forth in this Agreement and the Act.

6.2. Liability for Company Obligations. The Member shall not be personally liable for any debts, obligations or liabilities of the Company beyond its Capital Contributions.

ARTICLE 7. CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

The Member shall make an initial Capital Contribution and additional Capital Contributions as determined by the Manager. A Capital Account for the Member shall be maintained in accordance with the requirements of Section 1.704-1 of the Regulations promulgated under the Code.

ARTICLE 8. ACCOUNTING, BOOKS, AND RECORDS

8.1. Accounting Principles. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as the Manager determines is in the best interest of the Company.

8.2. Accounting Period. The Company's accounting period shall be the calendar year.

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

ARTICLE 9. DISSOLUTION AND TERMINATION

9.1. Dissolution. The Company shall be dissolved upon the direction of the Manager, or as required by law.

9.2. Winding-Up, Liquidation and Distribution of Assets. Upon dissolution, the Manager shall immediately proceed to wind-up the affairs of the Company. The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets of the Company to the Member) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority (subject to any requirements imposed by the Act):

9.2.1. Payment of creditors, including the Manager, the Member, or Affiliates who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distribution to Members; then

9.2.2. To establish any reserves that the Manager deems reasonably necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as the Manager shall deem advisable, the balance then remaining in the manner provided in Section 9.3 below; then

9.2.3. To the Member.

9.3. Termination. The Manager shall comply with any applicable requirements of applicable law pertaining to the winding-up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding-up, liquidation and distribution of the assets, the Company shall be deemed terminated.

9.4. Certificate of Cancellation. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, the Manager shall file a certificate of cancellation as required by the Act. Upon filing the certificate of cancellation, the existence of the Company shall cease, except as otherwise provided in the Act.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida.

10.2. Transfers. No Member may assign, encumber, pledge, sell, or transfer in any way, all or any portion of its membership interest in the Company.

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

10.4. Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

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

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

10.7. Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

10.8. Dissociating Event. The death, legal incompetency, bankruptcy, insolvency, withdrawal, expulsion, dissolution, or other disability (a "dissociating event") of a Member (a "dissociating Member") will not dissolve or terminate the Company; the Company shall continue without a dissolution. Upon any dissociating event, the estate, legal representative, guardian, or other successor to such dissociating Member's interests will have all rights to receive distributions which otherwise would be made to the dissociating Member, and will succeed to all obligations of

such dissociating Member under the terms of this Agreement. Subject to the terms and conditions of this Agreement, any such successor may be, but is not required to be, admitted to the Company as a substitute Member. If not admitted as a substitute Member, the successor shall be an Economic Interest Owner.

Dated effective as of March 1, 2019.

MEMBER:

SP AND MS LLC, a Florida limited liability company

By:  _____
J. David Page, Manager

**Electronic Articles of Organization
For
Florida Limited Liability Company**

L19000059938
FILED 8:00 AM
March 01, 2019
Sec. Of State
jafason

Article I

The name of the Limited Liability Company is:
SP LAUREL RIDGE MANAGER LLC

Article II

The street address of the principal office of the Limited Liability Company is:
5403 WEST GRAY STREET
TAMPA, FL. 33609

The mailing address of the Limited Liability Company is:
2430 ESTANCIA BOULEVARD, SUITE 114
CLEARWATER, FL. 33761

Article III

The name and Florida street address of the registered agent is:
TRUSTEE AND CORPORATE SERVICES, INC.
2430 ESTANCIA BOULEVARD, SUITE 114
CLEARWATER, FL. 33761

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: JEFFREY C STEINERT, VP

Article IV

The name and address of person(s) authorized to manage LLC:

Title: MGR
SP AND MS LLC
5403 WEST GRAY STREET
TAMPA, FL. 33609

Title: MGR
J DAVID PAGE
5403 WEST GRAY STREET
TAMPA, FL. 33609

Title: VP
SCOTT SECKINGER
5403 WEST GRAY STREET
TAMPA, FL. 33609

Title: VP
MICHAEL MOLINARI
5403 WEST GRAY STREET
TAMPA, FL. 33609

Title: VP
BRIANNE HEFFNER
5403 WEST GRAY STREET
TAMPA, FL. 33609

Signature of member or an authorized representative

Electronic Signature: JEFFREY C STEINERT, AGENT

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

L19000059938
FILED 8:00 AM
March 01, 2019
Sec. Of State
jafason

State of Florida

Department of State

I certify from the records of this office that SP LAUREL RIDGE MANAGER LLC, is a limited liability company organized under the laws of the State of Florida, filed electronically on March 01, 2019.

The document number of this company is L19000059938.

I further certify that said company has paid all fees due this office through December 31, 2019, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code noted below.

Authentication Code: 190311120630-600325682346#1

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this the
Eleventh day of March, 2019



Laurel M. Lee
Laurel M. Lee
Secretary of State

TAB A

LPA

Developer Fee Agreement

DEVELOPMENT SERVICES AGREEMENT

Laurel Ridge Apartments

This Agreement (“**Agreement**”) is entered into effective as of Closing Date, by and between SP Laurel Ridge LLC, a Florida limited liability company (“**Owner**”), and Southport Development, Inc., a Washington corporation (“**Developer**”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Project; Tax Credits. Owner has acquired or will acquire certain real property (“**Property**” or “**Project**”) located at 620 West Grayson Street, Hillsville, VA 24343 known or to be known as Laurel Ridge Apartments, on which Owner will rehabilitate a 56-unit multifamily residential apartment complex on the Property to serve low-income households. Owner has entered or will enter into a Credit Reservation Contract with VHDA (“**Agency**”) regarding an allocation of low-income housing tax credits with respect to the Project. Owner acknowledges that the Developer has previously provided certain services with respect to the development of the Project pursuant to an oral understanding and desires that the Developer perform ongoing development functions with respect to the Project on behalf of Owner and be compensated for such services as provided in this Agreement.

2. Appointment and Term. Owner hereby appoints the Developer to render the services set forth below in overseeing and managing the development of the Project for Owner as herein contemplated. The term of this Agreement shall begin on the date hereof and shall end upon completion of construction.

3. Development Services. The Developer has been or will be responsible for the following services in connection with overseeing and managing the development of the project:

3.1. Project Planning and Feasibility.

3.1.1. Determine the feasibility of the Project, monitor the completion of tasks in connection with the Project, and complete the final assessment of the Project feasibility.

3.1.2. Prepare, or cause to be prepared and reviewed, such environmental and neighborhood impact studies or reports, engineering surveys, preliminary plans and specifications, and financial and market studies as may be necessary to determine the feasibility of the Project.

3.1.3. Identify, interview and recommend selection of the Project architect and review preliminary Project design, including architect preliminary site plan, unit mix, building elevations and floor plans.

3.1.4. Develop Project cost and operating proformas.

3.1.5. Identify, interview and recommend selection of Project consultants, including engineers, surveyors, environmental consultants and cost estimators.

3.1.6. Identify, interview and obtain preliminary bids from qualified general subcontractors.

3.1.7. Define Project time schedule.

3.1.8. Determine impact and status of zoning, land use approvals, building codes, and building permits.

3.2. Pre-development.

3.2.1. Recommend selection of the general contractor ("**Contractor**"), and negotiate and document the construction contract ("**Construction Contract**").

3.2.2. Coordinate completion of construction documents, including review of plans and specifications.

3.2.3. Coordinate the development of pre-qualification criteria and the selection of trade contractors and laborers in consultation with the Contractor and Project architect.

3.2.4. Identify, negotiate and document conditional construction financing for the Project.

3.2.5. Cause the Contractor to obtain building permits and approvals.

3.2.6. Cause the Contractor to obtain construction insurance.

3.3. Rehabilitation of the buildings comprising the Project and Construction Management.

3.3.1. Oversee, monitor and direct the Contractor with respect to the construction of the Project in accordance with the terms and conditions of the Construction Contract and the plans and specifications

3.3.2. Oversee, monitor and direct the Contractor's obligation to complete the Project in a prompt and expeditious manner, consistent with good workmanship, and in compliance with the plans and specifications and in accordance with any and all obligations of the Owner under any financing documents.

3.3.3. Oversee, monitor and direct the Contractor's obligation to administer the construction of the Project, including but not limited to activities of subcontractors and their employees and agents, and others employed as to the Project in a manner which complies in all respects with the plans and specifications and under any applicable financing documents.

3.3.4. Oversee, monitor and direct the Contractor's obligation to keep, or cause to be kept, accounts and cost records as to the construction of the Project, and revise and refine the approved estimate of construction cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed.

3.3.5. Provide regular monitoring of the approved estimate of construction cost, show actual costs for activities in process and estimates for uncompleted tasks, identify variances between actual and budgeted or estimated costs and advise the Owner whenever projected costs exceed budgets or estimates.

3.3.6. Develop and implement a procedure for review and processing of applications by subcontractors for progress and final payments.

3.3.7. Oversee, monitor and direct the Contractor's obligation to record the progress of the Project and submit written progress reports to the Owner and the architect, including the percentage of completion and the number and amounts of change orders.

3.3.8. Provide regular monitoring of the construction progresses, identify potential variances between scheduled and probable completion dates, review the schedule for work not started or incomplete, recommend to the Owner adjustments in the schedule to meet the probable completion date, provide summary reports of such monitoring, and document all changes in the schedule.

3.3.9. Oversee, monitor and direct the Contractor's obligation to complete of the Project in accordance with the Owner's objectives of cost, time and quality.

3.3.10. Represent the Owner's interest as necessary to oversee, monitor and direct the Contractor's obligation under the Construction Contract.

4. Development Compensation. In consideration of the development services to be performed under this Agreement, Owner shall pay the Developer a development fee in an amount equal to the maximum allowable development fee under the Low-Income Housing Tax Credit Program Guidelines established by the Agency as in effect for the year of the credit carryover allocation for the Project. The development fee shall be payable in all events not later than 15 years from the date the Project is placed in service for federal income tax purposes. Such development fee shall be deemed to relate solely to the development of the residential improvements to the Project and related common areas and facilities supporting the residential use of the Project. The development fee hereunder is currently determined in part by reference to the cost of such activities. The development fee is currently estimated to be **\$740,826** and shall be earned and payable as provided in the Owner's limited liability company operating agreement, as may be amended and restated at the time that a tax credit investor becomes a member of Owner.

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 of Florida, without regard to principles of conflicts of laws.

9. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine and neuter gender, shall include the plural, and vice versa as the context may require.

10. Agreement. This Agreement is intended to be the entire agreement of the parties and may be amended only with the written consent of both parties. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. A facsimile, scanned, or other copy of a signed version of this Agreement has the same effect as an original. Delivery by electronic transmission such as email, download or facsimile shall be deemed effective delivery.

Developer:

SOUTHPORT DEVELOPMENT, INC.
a Washington corporation

Owner:

SP Laurel Ridge LLC, a Florida limited
company

By: SP Laurel Ridge Manager LLC, its
Manager

By: _____
J. David Page, President

By: _____
J. David Page, Manager

DRAFT

B

Virginia State Corporation
Commission Certification
(MANDATORY)

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: Laurel Ridge Apartments
Name of Applicant (entity): SP Laurel Ridge 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

by SP Laurel Ridge Manager LLC by J. David Page, Manager

Printed Name

3/11/2019

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

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments

Name of Applicant: SP Laurel Ridge LLC

Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

J. David Page

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

Principal's Name:

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1 Casa del Sol Sunnyside, WA	Sunnyside LP/253-460-3000	N	26	26	1/21/2002	Issued 2003	N
2 Hale Hoaloa Hilo, HI	GP Hoaloa LP/253-460-3000	N	81	81	1/31/2002	Issued 2004	N
3 University Commons University City, MO	SY University Commons Investors/816-561-4240	Y	133	133	5/1/2002	Issued 2003	N
4 Brookstone Spokane, WA	PG Conifer Housing LP/253-460-3000	N	82	82	5/24/2002	Issued 2002	N
5 Corridor Centralia, WA	Corridor Housing LP/253-460-3000	N	21	21	10/28/2002	Issued 2003	N
6 Ike Sims Chicago, IL	Ike Sims Preservation Partners LP	Y	200	200	10/31/2002	Issued 2003	N
7 Maple Street Wenatchee, WA	VBC Maple Street LP/253-460-3000	N	26	26	3/18/2003	Issued 2004	N
8 Lakeland Pointe II Apts. Moses Lake, WA	PG Lakeland JI LP/253-460-3000	N	26	26	6/25/2003	Issued 2004	N
9 Highland Park Topeka, KS	SY Highland Investors LP/816-561-4240	Y	200	200	7/1/2003	Issued 2004	N
10 Baltic Atlantic City, NJ	SP Baltic LP/727-669-3660	Y	169	169	10/31/2003	Issued 2004	N
11 Vineyard Mattawa, WA	VBC Mattawa Housing LP/253-460-3000	N	36	36	12/18/2003	Issued 2004	N
12 Third Avenue Quincy, WA	VBC Quincy Housing LP/253-460-3000	N	26	26	1/30/2004	Issued 2005	N
13 Southcreek Centralia, WA	VBC Centralia Housing LP/253-460-3000	N	52	52	2/27/2004	Issued 2005	N
14 Columbia Square Columbia, MO	SY Columbia Square Investors/816-561-4240	Y	128	128	3/1/2004	Issued 2004	N
15 Sunset Townhomes Newton, KS	SY Sunsel Investors LP/816-561-4240	Y	50	50	7/31/2004	Issued 2005	N
16 Timuquana Jacksonville, FL	SP Timuquana LP/727-669-3660	Y	100	100	12/16/2004	Issued 2005	N
17 Sunridge Townhomes Sunnyside, WA	VBC Sunridge LP/253-460-3000	N	21	21	12/28/2004	Issued 2005	N
18 Autumn House Marysville, MO	SP-Y Autumn House LP/816-561-4240	Y	50	50	12/31/2004	Issued 2004	N
19 Overbrook Meriam, KS	SP-Y Overbrook Investors/816-561-4240	Y	70	70	12/31/2004	Issued 2005	N
20 Jefferson Manor Kansas City, MO	SY Jefferson Manor LP/816-561-4240	Y	87	87	12/31/2004	Issued 2004	N
21 Old Oak Tree Independence, MO	SY Old Oak Tree Investors/816-561-4240	Y	126	126	12/31/2004	Issued 2005	N
22 Congress Park II Washington, D.C.	S.E. Washington Developers LP	Y	214	214	4/30/2005	Issued 2005	N
23 Parkview Quincy, WA	VBC Parkview Housing LP/253-460-3000	N	26	26	6/10/2005	Issued 2006	N
24 Claudell Lane Phase I Columbia, MO	SY Claudell Lone Phase II/816-561-4240	Y	20	20	9/1/2005	Issued 2006	N
25 Wescoff Sunnyside, WA	VBC Wescoff LP/253-460-3000	N	26	26	9/29/2005	Issued 2006	N
26 Chaparral Apts. II Moses lake, WA	VBC Chaparral II LP/253-460-3000	N	26	26	10/27/2005	Issued 2006	N
27 Bridgeport Kansas City, MO	SY Bridgeport Investors LP/816-561-4240	Y	232	232	10/30/2005	Issued 2005	N
28 New York Avenue Atlantic City, NJ	SP New York Avenue Urban Renew LP	Y	150	150	12/15/2005	Issued 2006	N
29 Place One Richmond, VA	SP Place One LP/727-669-3660	Y	114	114	12/20/2005	Issued 2006	N
30 Landmark Tower Liberty, MO	SY Landmark Investors LP/816-561-4240	Y	64	65	12/31/2005	Issued 2006	N
31 Lakewood Apts. Columbia, MO	SY Lakewood Investors LP/816-561-4240	Y	100	100	3/1/2006	Issued 2007	N
32 Chestnut Court Yakima, WA	VBC Chestnut Court LP/253-460-3000	N	26	26	3/13/2006	Issued 2007	N
33 Tower Sioux Falls, SD	VB Tower LP/253-460-3000	N	47	47	6/1/2006	Issued 2006	N
34 Overland Park Overland Park, KS	SP-Y Overland Park LP/816-561-4240	Y	60	60	6/1/2006	Issued 2007	N
35 Falls Terrace Sioux Falls, SD	VB Falls Terrace LP/253-460-3000	N	62	62	8/14/2006	Issued 2007	N
36 East Ridge Yakima, WA	VBC Eastridge LP/253-460-3000	N	26	26	10/9/2006	Issued 2007	N
37 Orchard Heights Tacoma, WA	VBC Orchard Heights LP/253-460-3000	N	26	26	12/22/2006	Issued 2007	N
38 Claudell Lane Phase II Columbia, MO	SY Claudell Lone Phase II/816-561-4240	Y	20	20	12/31/2006	Issued 2006	N
39 Hampton Ridge Jacksonville, FL	SP Hartwood LP/727-669-3660	Y	110	110	12/31/2006	Issued 2008	N
40 Crownpointe Olympia, WA	VBC Crownpointe LP/253-460-3000	N	160	160	12/31/2006	Issued 2007	N
41 Hilltop Apts. Wenatchee, WA	VBC Hilltop Housing LP/253-460-3000	N	26	26	6/27/2007	Issued 2007	N
42 Southcreek JI Centralia, WA	VBC Cooks Hill LP/253-460-3000	N	52	52	8/31/2007	Issued 2008	N
43 Vizcaya Santo Mario, CA	VBC Vizcaya LP/253-460-3000	Y	236	236	10/1/2007	Issued 2008	N
44 Terreview Pullman, WA	VBC Terre View LP/253-460-3000	N	26	26	10/24/2007	Issued 2008	N
45 Orchard West Tacoma, WA	VBC Orchard West LP/253-460-3000	N	26	26	12/20/2007	Issued 2008	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: 3,585 3,586 100% LIHTC as % of 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	Rapid Creek Rapid City, SD	VB Rapid Creek LP/253-460-300	N	54	54	12/20/2007	Issued 2008	N
47	Evergreen Tampa, FL	DP Evergreen Manor LP	Y	40	40	12/31/2007	Issued 2008	N
48	Lexington Lexington, MO	Lexington Gardens LP/816-561-4240	Y	48	48	12/31/2007	Issued 2008	N
49	Pinewood Pointe Jacksonville, FL	SP Pinewood LP/727-669-3660	Y	136	136	12/31/2007	Issued 2008	N
50	Falls Park Apts. Sioux Falls, SD	VB Falls Park LP/253-460-3000	N	74	74	8/26/2008	Issued 2009	N
51	Crestview Terrace Ellensburg, WA	VBC Crestview Terrace LP/253-460-3000	N	168	168	12/3/2008	Issued 2009	N
52	Palm Gardens Lake Worth, FL	SP Palm Garden LP/727-669-3660	Y	80	80	12/31/2008	Issued 2009	N
53	Gadsden Arms Quincy, FL	SP Gadsden Preservation Partners LP	Y	100	100	12/31/2008	Issued 2009	N
54	La Vista Oaks Tampa, FL	SP St. James LP/727-669-3660	Y	124	124	12/31/2008	Issued 2009	N
55	Henderson Court Bloomington, IN	SY Henderson Court Investors	Y	150	150	12/31/2008	Issued 2009	N
56	Jefferson Lakes I Baton Rouge, LA	SP Jefferson Lakes I LP/727-669-3660	Y	296	296	12/31/2008	Issued 2009	N
57	Locust Manor Jamaica, NY	LMSR LP/727-669-3660	Y	58	58	2/26/2009	Issued 2009	N
58	Westminster Oaks Springfield, VA	SP Springfield LP	Y	50	50	12/23/2009	Issued 2011	N
59	Highland Palms Avon Park, FL	SP Highlands LP	Y	52	52	2/1/2010	Issued 2010	N
60	City Place Sr Living St. Petersburg, FL	SP Burlington Senior LP	Y	82	82	8/31/2010	Issued 2011	N
61	Spruce Street Apts Yakima, WA	VBC Spruce Street LP	N	26	26	10/7/2010	Issued 2011	N
62	Viola I Yakima, WA	VBC Viola Limited Partnership	N	26	26	2/12/2011	Issued 2011	N
63	Silver Oaks Tampa, FL	SP Johnson Kenneth LP	Y	200	200	4/1/2011	Issued 2013	N
64	Crossroads Orlando, FL	SP Crossroads LP	Y	94	94	6/1/2011	Issued 2012	N
65	BCC Miami, FL	SP BCC LP	Y	104	104	12/8/2011	Issued 2013	N
66	Hilltop Village Jacksonville, FL	SP Hilltop Village LP	Y	200	200	1/1/2012	Issued 2013	N
67	North Lake Apartments North Sioux City, SD	VB Northlake LP	N	40	40	4/12/2012	Issued 2013	N
68	University Plaza Jacksonville, FL	SP University LP	Y	120	120	11/14/2012	Issued 2013	N
69	Spruce Street II Apts Yakima, WA	VBC Spruce Street II LP	N	36	36	7/25/2012	Issued 2013	N
70	Foxwood Apts Panama City, FL	Foxwood Acquisition Partners LP	Y	100	100	6/27/2013	Issued 2014	N
71	Sunrise Apts Tallahassee, FL	SP Sunrise LP	Y	99	99	10/22/2013	Issued 2014	N
72	Pine Creek Village Ft. Pierce, FL	SP Pine Creek Village LP	Y	107	107	11/1/2013	Issued 2015	N
73	Broward Gardens Ft. Lauderdale, FL	SP Broward Gardens LP	Y	96	96	11/6/2013	Issued 2015	N
74	Central Court Tampa, FL	SP Central Court 2012 LP	N	68	68	11/20/2013	Issued 2014	N
75	Friendship Village Kansas City, MO	SY Friendship Village Investors, LP	N	145	145	5/1/2014	Issued 2015	N
76	Palms West West Palm Beach, FL	SP West Palm LP	Y	290	290	1/12/2015	Issued 2015	N
77	Mason Ave Apartments Tacoma, WA	VBC Mason Avenue III Limited Partnership	N	105	105	11/11/2015	Issues 2016	N
78	Orangewood Village Ft. Pierce, FL	Orange Apartments LLC	Y	60	60	3/31/2016	Issued 2017	N
79	Cumberland Oaks St. Marys, GA	SP Cumberland LLC	Y	154	154	12/31/2016	Issued 2019	N
80	Berkley Pointe Ocala, FL	SP SM Apartments LLC	Y	160	160	5/20/2017	8/27/2018	N
81	Wedgewood Apartments Palm Beach, FL	SP Preservation II LLC	Y	80	80	6/30/2017	N/A	N
82	Hampton Villa Jacksonville, FL	SP HV Apartments LLC	Y	60	60	9/30/2016	Issued 2018	N
83	Timberwood Trace Jacksonville, FL	SP TT Apartments LLC	Y	224	224	2/30/2017	Issued 2018	N
84	Hickory Knoll Ocala, FL	SP HK Apartments LLC	Y	96	96	10/20/2017	N/A	N
85	Columbus Court Tampa, FL	SP CC Apartments LLC	Y	160	160	10/31/2017	N/A	N
86	Kaneohe Elderly Kaneohe, HI	Kaneohe Meli Partnership LP/253-460-3000	N	43	43	11/23/2016	Issued 2017	N
87	River Pauahi Honolulu, HI	River Pauahi Partners LP/253-460-300	N	49	49	7/31/2017	Issued 2018	N
88	Waipahu Hall Waipahu, HI	PF Waipahu LLC/253-460-3000	N	72	72	9/19/2019	Issued 2018	N
89	Garden Trail Clearwater, FL	Garden Trail Apartments 2013 LLC	Y	76	76	10/31/2016	Issued 2018	N
90	Seminole Gardens Sanford, FL	SP SG Apartments LLC	Y	108	108	12/31/2017	N/A	N
91	Majestic Oaks Gainesville, FL	SP MO Apartments LLC	Y	172	172	4/31/2017	N/A	N
92	400 Apartments Gainesville, FL	GE4 Apartments, LLC	Y	101	101	2/18/2015	Issued 2017	N
93	Brookside Village Ft. Myers, FL	SP BV Apartments LLC	Y	50	50	9/25/2015	Issued 2017	N
94	Caravel Arms Lauderdale Lake, FL	SP Caravel Apartments LLC	Y	110	110	2/20/2015	Issued 2016	N
95	Clearwater Apts Clearwater, FL	SP Clearwater Apartments LLC	Y	90	90	8/27/2014	Issued 2017	N
96	Georgia Arms Sanford, FL	SP GA Apartments LLC	Y	90	90	4/30/2015	Issued 2016	N
97	Hampton Ridge Jacksonville, FL	SP Hartwood LP	Y	110	110	6/6/2006	Issued 2008	N
98	Jackson Heights Tampa, FL	SP JH Apartments LLC	Y	111	111	2/12/2015	Issued 2016	N
99	Lincoln Fields Miami, FL	SP Lincoln Fields LP	Y	213	213	10/21/2011	Issued 2013	N
100	Parkside Commons Pinellas Park, FL	SP Parkside Commons LLC	Y	60	60	11/25/2015	Issued 2017	N

2nd PAGE TOTAL: 5,817 5,817

GRAND TOTAL: 9,402 9,403

100% LIHTC as % of Total Unit

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)
101	Pinewood Apartments Athens, GA	SP Pinewood LP	Y	90	90	6/15/2007	Issued 2008	N
102	Stevens Duval Jacksonville, FL	SP SD Apartments LLC	Y	52	52	9/15/2015	Issued 2017	N
103	Sunrise Place Tallahassee, FL	SP Sunrise LP	Y	99	99	4/24/2013	Issued 2014	N
104	The Crossings at Indian Run Stuart, FL	SP Crossings LLC	Y	344	344	11/21/2014	Issued 2016	N
105	Oak Trace Tacoma, WA	VBT Oak Trace LP/253-460-3000	N	60	59	6/30/2017	Issued 2018	N
106	Rivard Central Yakima, WA	VBT Rivard Central LP/253-460-3000	N	64	62	10/29/2014	Issued 2015	N
107	Harbour Court Haines City, FL	SP HC Apartments LLC	Y	64	64	1/29/2016	Issued 2017	N
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2nd PAGE TOTAL: 773 770

GRAND TOTAL: 10,175 10,173

100% LIHTC as % of Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments

Name of Applicant: SP Laurel Ridge LLC

Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Stephen W. Page

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

Principal's Name:

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Brookstone Spokane, WA	PG Conifer Housing LP/253-460-3000	Y	82	82	5/24/2002	Issued 2002	N
2	Casa del Sol Sunnyside, WA	Sunnyside LP/253-460-3000	Y	26	26	1/21/2002	Issued 2003	N
3	Central Court Tampa, FL	SP Central Court 2012 LP	Y	68	68	11/20/2013	Issued 2014	N
4	Chaparral Apts. II Moses lake, WA	VBC Chaparral II LP/253-460-3000	Y	26	26	10/27/2005	Issued 2006	N
5	Chaparral Apts. Moses Lake, WA	Chaparral Housing LP/253-460-3000	Y	26	26	2/11/2000	Issued 2001	N
6	Chehalis Valley Chehalis, WA	Chehalis Valley Housing LP/253-460-3000	Y	26	26	2/24/1999	Issued 2000	N
7	Chestnut Court Yakima, WA	VBC Chestnut Court LP/253-460-3000	Y	26	26	3/13/2006	Issued 2007	N
8	Clarkston Gardens Clarkston, WA	Clarksia Development LP/253-460-3000	Y	26	26	5/31/1996	Issued 1997	N
9	Clarkston Manor Clarkston, WA	Fair Street Associates LP/253-460-3000	Y	12	12	8/5/1998	Issued 1999	N
10	Colorado Apts. East Wenatchee, WA	Eastern Plains Housing LP/253-460-3000	Y	26	26	5/21/1996	Issued 1999	N
11	Comerstone Apls. Yakima, WA	Comerstone Residence LP/253-460-3000	Y	121	121	12/24/1994	Issued 1995	N
12	Corridor Centralia, WA	Corridor Housing LP/253-460-3000	Y	21	21	10/28/2002	Issued 2003	N
13	Cottonwood Glen Clarkston, WA	Cranston Housing LP/253-460-3000	Y	20	20	2/12/1999	Issued 2000	N
14	Creekside Shelton, WA	Creekside LP/253-460-3000	Y	18	18	6/30/1999	Issued 2000	N
15	Crestview Terrace Ellensburg, WA	VBC Crestview Terrace LP/253-460-3000	Y	168	168	12/3/2008	Issued 2009	N
16	Crownpointe Olympia, WA	YBC Crownpointe LP/253-460-3000	Y	160	160	12/31/2006	Issued 2007	N
17	Cumberland Oaks St. Marys, GA	SP Cumberland LLC	N	154	154	12/31/2016	Issued 2019	N
18	East Ridge Yakima, WA	YBC Eastridge LP/253-460-3000	Y	26	26	10/9/2006	Issued 2007	N
19	East Village Omak, WA	PG East Prairie LP/253-460-3000	Y	26	26	5/25/2001	Issued 2002	N
20	Fair Street Clarkston, WA	Eastern Desert Housing LP/253-460-3000	Y	26	26	1/20/1997	Issued 1998	N
21	Falls Park Apts. Sioux Falls, SD	VB Falls Park LP/253-460-3000	Y	74	74	8/26/2008	Issued 2009	N
22	Falls Terrace Sioux Falls, SD	VB Falls Terrace LP/253-460-3000	Y	62	62	8/14/2006	Issued 2007	N
23	Garden Trail Clearwater, FL	Garden Trail Apartments 2013 LLC	N	76	76	10/31/2016	Issued 2018	N
24	Hampton Ridge Jacksonville, FL	SP Hartwood LP/727-669-3660	N	110	110	12/31/2006	Issued 2008	N
25	Hickory Knoll Ocala, FL	SP HK Apartments LLC	N	96	96	10/20/2017	N/A	N
26	Hilltop Apts. Wenatchee, WA	YBC Hilltop Housing LP/253-460-3000	Y	26	26	6/27/2007	Issued 2007	N
27	Jefferson Lakes I Baton Rouge, LA	SP Jefferson lakes I LP/727-669-3660	N	296	296	12/31/2008	Issued 2009	N
28	Kaneohe Elderly Kaneohe, HI	Kaneohe Meli Partnership LP/253-460-3000	Y	43	43	11/23/2016	Issued 2017	N
29	Kaneohe Elderly Kaneohe, HI	GP Kaneohe Elderly/253-460-3000	Y	44	44	12/1/1999	Issued 2003	N
30	Lakeland Pointe Apts. Moses lake, WA	Lakeland Pointe LP/253-460-3000	Y	26	26	4/29/1999	Issued 2000	N
31	Lakeland Pointe II Apts. Moses Lake, WA	PG Lakeland II LP/253-460-3000	Y	26	26	6/25/2003	Issued 2004	N
32	Majestic Oaks Gainesville, FL	SP MO Apartments LLC	N	172	172	4/31/2017	N/A	N
33	Maple Street Wenatchee, WA	VBC Maple Street LP/253-460-3000	Y	26	26	3/18/2003	Issued 2004	N
34	Mason Ave Apartments Tacoma, WA	VBC Mason Avenue III Limited Partnership	Y	105	105	11/11/2015	Issues 2016	N
35	Moses Lake Meadows Moses Lake, WA	Moses Lake Meadows LP/253-460-3000	Y	26	26	1/20/1998	Issued 1999	N
36	North Lake Apartments North Sioux City, SD	VB Northlake LP	Y	40	40	4/12/2012	Issued 2013	N
37	North Rive Apts. Wenatchee, WA	North River Apartments LP/253-460-3000	Y	26	26	6/1/1998	Issued 1999	N
38	Oak Trace Tacoma, WA	VBT Oak Trace LP/253-460-3000	N	60	59	6/30/2017	Issued 2018	N
39	Orchard Heights Tacoma, WA	VBC Orchard Heights LP/253-460-3000	Y	26	26	12/22/2006	Issued 2007	N
40	Orchard West Tacoma, WA	VBC Orchard West LP/253-460-3000	Y	26	26	12/20/2007	Issued 2008	N
41	Palms West West Palm Beach, FL	SP West Palm LP	N	290	290	1/12/2015	Issued 2015	N
42	Palouse Trace Apts. Pullman, WA	East Wenatchee II LP/253-460-3000	Y	51	51	2/9/1998	Issued 1999	N
43	Parkview Quincy, WA	VBC Parkview Housing LP/253-460-3000	Y	26	26	6/10/2005	Issued 2006	N
44	Pinecrest Apts. Pasco, WA	Kamlaken Housing LP/253-460-3000	Y	54	54	1/1/2001	Issued 2002	N
45	Pioneer Park Apls. Connell, WA	Pioneer Park LP/253-460-3000	Y	51	51	8/29/1996	Issued 1997	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: 2,942 2,941

100%

LIHTC as % of 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	Rapid Creek Rapid City, SD	VB Rapid Creek LP/253-460-300	Y	54	54	12/20/2007	Issued 2008	N
47	Rivard Central Yakima, WA	VBT Rivard Central LP/253-460-3000	N	64	62	10/29/2014	Issued 2015	N
48	River Pauahi Honolulu, HI	River Pauahi Partners LP/253-460-300	Y	49	49	7/31/2017	Issued 2018	N
49	Seminole Gardens Sanford, FL	SP SG Apartments LLC	N	108	108	12/31/2017	N/A	N
50	Southcreek Centralia, WA	VBC Centralia Housing LP/253-460-3000	Y	52	52	2/27/2004	Issued 2005	N
51	Southcreek JI Centralia, WA	VBC Cooks Hill LP/253-460-3000	Y	52	52	8/31/2007	Issued 2008	N
52	Spruce Street II Apts Yakima, WA	VBC Spruce Street II LP	Y	36	36	7/25/2012	Issued 2013	N
53	Spruce Street Apts Yakima, WA	VBC Spruce Street LP	Y	26	26	10/7/2010	Issued 2011	N
54	Steinbeck Commons Salina, CA	GP Steinbeck LP/253-460-3000	Y	100	100	4/1/2000	Issued 2002	N
55	Sunridge Townhomes Sunnyside, WA	VBC Sunridge LP/253-460-3000	Y	21	21	12/28/2004	Issued 2005	N
56	Terreview Pullman, WA	VBC Terre View LP/253-460-3000	Y	26	26	10/24/2007	Issued 2008	N
57	Third Avenue Quincy, WA	VBC Quincy Housing LP/253-460-3000	Y	26	26	1/30/2004	Issued 2005	N
58	Tower Sioux Falls, SD	VB Tower LP/253-460-3000	Y	47	47	6/1/2006	Issued 2006	N
59	Vineyard Mattawa, WA	VBC Mattawa Housing LP/253-460-3000	Y	36	36	12/18/2003	Issued 2004	N
60	Viola I Yakima, WA	VBC Viola Limited Partnership	Y	26	26	2/12/2011	Issued 2011	N
61	Wedgewood Apartments Palm Beach, FL	SP Preservation II LLC	N	80	80	6/30/2017	N/A	N
62	Wescott Sunnyside, WA	VBC Wescott LP/253-460-3000	Y	26	26	9/29/2005	Issued 2006	N
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2nd PAGE TOTAL: 829 827

GRAND TOTAL: 3,771 3,768

100% LIHTC as % of Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments

Name of Applicant: SP Laurel Ridge LLC

Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Paul W. Page

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

Principal's Name:

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1 Brookstone Spokane, WA	PG Conifer Housing LP/253-460-3000	Y	82	82	5/24/2002	Issued 2002	N
2 Casa del Sol Sunnyside, WA	Sunnyside LP/253-460-3000	Y	26	26	1/21/2002	Issued 2003	N
3 Central Court Tampa, FL	SP Central Court 2012 LP	Y	68	68	11/20/2013	Issued 2014	N
4 Chaparral Apts. II Moses lake, WA	VBC Chaparral II LP/253-460-3000	Y	26	26	10/27/2005	Issued 2006	N
5 Chaparral Apts. Moses Lake, WA	Chaparral Housing LP/253-460-3000	Y	26	26	2/11/2000	Issued 2001	N
6 Chehalis Valley Chehalis, WA	Chehalis Valley Housing LP/253-460-3000	Y	26	26	2/24/1999	Issued 2000	N
7 Chestnut Court Yakima, WA	VBC Chestnut Court LP/253-460-3000	Y	26	26	3/13/2006	Issued 2007	N
8 Clarkston Gardens Clarkston, WA	Clarksia Development LP/253-460-3000	Y	26	26	5/31/1996	Issued 1997	N
9 Clarkston Manor Clarkston, WA	Fair Street Associates LP/253-460-3000	Y	12	12	8/5/1998	Issued 1999	N
10 Colorado Apts. East Wenatchee, WA	Eastern Plains Housing LP/253-460-3000	Y	26	26	5/21/1996	Issued 1999	N
11 Cornerstone Apls. Yakima, WA	Cornerstone Residence LP/253-460-3000	Y	121	121	12/24/1994	Issued 1995	N
12 Corridor Centralia, WA	Corridor Housing LP/253-460-3000	Y	21	21	10/28/2002	Issued 2003	N
13 Cottonwood Glen Clarkston, WA	Cranston Housing LP/253-460-3000	Y	20	20	2/12/1999	Issued 2000	N
14 Creekside Shelton, WA	Creekside LP/253-460-3000	Y	18	18	6/30/1999	Issued 2000	N
15 Crestview Terrace Ellensburg, WA	VBC Crestview Terrace LP/253-460-3000	Y	168	168	12/3/2008	Issued 2009	N
16 Crownpointe Olympia, WA	YBC Crownpointe LP/253-460-3000	Y	160	160	12/31/2006	Issued 2007	N
17 Cumberland Oaks St. Marys, GA	SP Cumberland LLC	N	154	154	12/31/2016	Issued 2019	N
18 East Ridge Yakima, WA	YBC Eastridge LP/253-460-3000	Y	26	26	10/9/2006	Issued 2007	N
19 East Village Omak, WA	PG East Prairie LP/253-460-3000	Y	26	26	5/25/2001	Issued 2002	N
20 Fair Street Clarkston, WA	Eastern Desert Housing LP/253-460-3000	Y	26	26	1/20/1997	Issued 1998	N
21 Falls Park Apts. Sioux Falls, SD	VB Falls Park LP/253-460-3000	Y	74	74	8/26/2008	Issued 2009	N
22 Falls Terrace Sioux Falls, SD	VB Falls Terrace LP/253-460-3000	Y	62	62	8/14/2006	Issued 2007	N
23 Garden Trail Clearwater, FL	Garden Trail Apartments 2013 LLC	N	76	76	10/31/2016	Issued 2018	N
24 Hampton Ridge Jacksonville, FL	SP Hartwood LP/727-669-3660	N	110	110	12/31/2006	Issued 2008	N
25 Hickory Knoll Ocala, FL	SP HK Apartments LLC	N	96	96	10/20/2017	N/A	N
26 Hilltop Apts. Wenatchee, WA	YBC Hilltop Housing LP/253-460-3000	Y	26	26	6/27/2007	Issued 2007	N
27 Jefferson Lakes I Baton Rouge, LA	SP Jefferson lakes I LP/727-669-3660	N	296	296	12/31/2008	Issued 2009	N
28 Kaneohe Elderly Kaneohe, HI	Kaneohe Meli Partnership LP/253-460-3000	Y	43	43	11/23/2016	Issued 2017	N
29 Kaneohe Elderly Kanheohe, HI	GP Koneohe Elderly/253-460-3000	Y	44	44	12/1/1999	Issued 2003	N
30 Lakeland Pointe Apts. Moses lake, WA	Lakeland Pointe LP/253-460-3000	Y	26	26	4/29/1999	Issued 2000	N
31 Lakeland Pointe II Apts. Moses Lake, WA	PG Lakeland II LP/253-460-3000	Y	26	26	6/25/2003	Issued 2004	N
32 Majestic Oaks Gainesville, FL	SP MO Apartments LLC	N	172	172	4/31/2017	N/A	N
33 Maple Street Wenatchee, WA	VBC Maple Street LP/253-460-3000	Y	26	26	3/18/2003	Issued 2004	N
34 Mason Ave Apartments Tacoma, WA	VBC Mason Avenue III Limited Partnership	Y	105	105	11/11/2015	Issues 2016	N
35 Moses Lake Meadows Moses Lake, WA	Moses Lake Meadows LP/253-460-3000	Y	26	26	1/20/1998	Issued 1999	N
36 North Lake Apartments North Sioux City, SD	VB Northlake LP	Y	40	40	4/12/2012	Issued 2013	N
37 North Rive Apts. Wenatchee, WA	North River Apartments LP/253-460-3000	Y	26	26	6/1/1998	Issued 1999	N
38 Oak Trace Tacoma, WA	VBT Oak Trace LP/253-460-3000	N	60	59	6/30/2017	Issued 2018	N
39 Orchard Heights Tacoma, WA	VBC Orchard Heights LP/253-460-3000	Y	26	26	12/22/2006	Issued 2007	N
40 Orchard West Tacoma, WA	VBC Orchard West LP/253-460-3000	Y	26	26	12/20/2007	Issed 2008	N
41 Palms West West Palm Beach, FL	SP West Palm LP	N	290	290	1/12/2015	Issued 2015	N
42 Palouse Trace Apts. Pullman, WA	East Wenatchee II LP/253-460-3000	Y	51	51	2/9/1998	Issued 1999	N
43 Parkview Quincy, WA	VBC Parkview Housing LP/253-460-3000	Y	26	26	6/10/2005	Issued 2006	N
44 Pinecrest Apts. Pasco, WA	Kamlaken Housing LP/253-460-3000	Y	54	54	1/1/2001	Issued 2002	N
45 Pioneer Park Apls. Connell, WA	Pioneer Park LP/253-460-3000	Y	51	51	8/29/1996	Issued 1997	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: 2,942 2,941 100% **LIHTC as % of 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	Rapid Creek Rapid City, SD	VB Rapid Creek LP/253-460-300	Y	54	54	12/20/2007	Issued 2008	N
47	Rivard Central Yakima, WA	VB Rivard Central LP/253-460-3000	N	64	62	10/29/2014	Issued 2015	N
48	River Pauahi Honolulu, HI	River Pauahi Partners LP/253-460-300	Y	49	49	7/31/2017	Issued 2018	N
49	Seminole Gardens Sanford, FL	SP SG Apartments LLC	N	108	108	12/31/2017	N/A	N
50	Southcreek Centralia, WA	VBC Centralia Housing LP/253-460-3000	Y	52	52	2/27/2004	Issued 2005	N
51	Southcreek JI Centralia, WA	VBC Cooks Hill LP/253-460-3000	Y	52	52	8/31/2007	Issued 2008	N
52	Spruce Street II Apts Yakima, WA	VBC Spruce Street II LP	Y	36	36	7/25/2012	Issued 2013	N
53	Spruce Street Apts Yakima, WA	VBC Spruce Street LP	Y	26	26	10/7/2010	Issued 2011	N
54	Steinbeck Commons Salina, CA	GP Steinbeck LP/253-460-3000	Y	100	100	4/1/2000	Issued 2002	N
55	Sunridge Townhomes Sunnyside, WA	VBC Sunridge LP/253-460-3000	Y	21	21	12/28/2004	Issued 2005	N
56	Terreview Pullman, WA	VBC Terre View LP/253-460-3000	Y	26	26	10/24/2007	Issued 2008	N
57	Third Avenue Quincy, WA	VBC Quincy Housing LP/253-460-3000	Y	26	26	1/30/2004	Issued 2005	N
58	Tower Sioux Falls, SD	VB Tower LP/253-460-3000	Y	47	47	6/1/2006	Issued 2006	N
59	Vineyard Mattawa, WA	VBC Mattawa Housing LP/253-460-3000	Y	36	36	12/18/2003	Issued 2004	N
60	Viola I Yakima, WA	VBC Viola Limited Partnership	Y	26	26	2/12/2011	Issued 2011	N
61	Wedgewood Apartments Palm Beach, FL	SP Preservation II LLC	N	80	80	6/30/2017	N/A	N
62	Wescott Sunnyside, WA	VBC Wescott LP/253-460-3000	Y	26	26	9/29/2005	Issued 2006	N
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2nd PAGE TOTAL: 829 827

GRAND TOTAL: 3,771 3,768

100% LIHTC as % of Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments

Name of Applicant: SP Laurel Ridge LLC

Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: _____

Michael Molinari

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

N
Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
1	University Plaza Jacksonville, FL	SP University LP	N	120	120	11/14/2012	Issued 2013	N
2	Foxwood Apts Panama City, FL	Foxwood Acquisition Partners LP	N	100	100	6/27/2013	Issued 2014	N
3	Sunrise Apts Tallahassee, FL	SP Sunrise LP	N	99	99	10/22/2013	Issued 2014	N
4	Pine Creek Village Ft. Pierce, FL	SP Pine Creek Village LP	N	107	107	11/1/2013	Issued 2015	N
5	Broward Gardens Ft. Lauderdale, FL	SP Broward Gardens LP	N	96	96	11/6/2013	Issued 2015	N
6	Central Court Tampa, FL	SP Central Court 2012 LP	N	68	68	11/20/2013	Issued 2014	N
7	Palms West West Palm Beach, FL	SP West Palm LP	N	290	290	1/12/2015	Issued 2015	N
8	Orangewood Village Ft. Pierce, FL	Orange Apartments LLC	N	60	60	3/31/2016	Issued 2017	N
9	Cumberland Oaks St. Marys, GA	SP Cumberland LLC	N	154	154	12/31/2016	Issued 2019	N
10	Berkley Pointe Ocala, FL	SP SM Apartments LLC	N	160	160	5/20/2017	8/27/2018	N
11	Wedgewood Apartments Palm Beach, FL	SP Preservation II LLC	N	80	80	6/30/2017	N/A	N
12	Hampton Villa Jacksonville, FL	SP HV Apartments LLC	N	60	60	9/30/2016	Issued 2018	N
13	Timberwood Trace Jacksonville, FL	SP TT Apartments LLC	N	224	224	2/30/2017	Issued 2018	N
14	Hickory Knoll Ocala, FL	SP HK Apartments LLC	N	96	96	10/20/2017	N/A	N
15	Columbus Court Tampa, FL	SP CC Apartments LLC	N	160	160	10/31/2017	N/A	N
16	Garden Trail Clearwater, FL	Garden Trail Apartments 2013 LLC	N	76	76	10/31/2016	Issued 2018	N
17	Seminole Gardens Sanford, FL	SP SG Apartments LLC	N	108	108	12/31/2017	N/A	N
18	Majestic Oaks Gainesville, FL	SP MO Apartments LLC	N	172	172	4/31/2017	N/A	N
19	400 Apartments Gainesville, FL	GE4 Apartments, LLC	N	101	101	2/18/2015	Issued 2017	N
20	Brookside Village Ft. Myers, FL	SP BV Apartments LLC	N	50	50	9/25/2015	Issued 2017	N
21	Caravel Arms Lauderdale Lake, FL	SP Caravel Apartments LLC	N	110	110	2/20/2015	Issued 2016	N
22	Clearwater Apts Clearwater, FL	SP Clearwater Apartments LLC	N	90	90	8/27/2014	Issued 2017	N
23	Georgia Arms Sanford, FL	SP GA Apartments LLC	N	90	90	4/30/2015	Issued 2016	N
24	Hampton Ridge Jacksonville, FL	SP Hartwood LP	N	110	110	6/6/2006	Issued 2008	N
25	Jackson Heights Tampa, FL	SP JH Apartments LLC	N	111	111	2/12/2015	Issued 2016	N
26	Lincoln Fields Miami, FL	SP Lincoln Fields LP	N	213	213	10/21/2011	Issued 2013	N
27	Parkside Commons Pinellas Park, FL	SP Parkside Commons LLC	N	60	60	11/25/2015	Issued 2017	N
28	Pinewood Apartments Athens, GA	SP Pinewood LP	N	90	90	6/15/2007	Issued 2008	N
29	Stevens Duval Jacksonville, FL	SP SD Apartments LLC	N	52	52	9/15/2015	Issued 2017	N
30	Sunrise Place Tallahassee, FL	SP Sunrise LP	N	99	99	4/24/2013	Issued 2014	N
31	The Crossings at Indian Run Stuart, FL	SP Crossings LLC	N	344	344	11/21/2014	Issued 2016	N
32	Harbour Court Haines City, FL	SP HC Apartments LLC	N	64	64	1/29/2016	Issued 2017	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 3,814 3,814

100%

LIHTC as % of Total Units

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments

Name of Applicant: SP Laurel Ridge LLC

Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Scott Seckinger

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

Principal's Name:

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
1	University Plaza Jacksonville, FL	SP University LP	N	120	120	11/14/2012	Issued 2013	N
2	Foxwood Apts Panama City, FL	Foxwood Acquisition Partners LP	N	100	100	6/27/2013	Issued 2014	N
3	Sunrise Apts Tallahassee, FL	SP Sunrise LP	N	99	99	10/22/2013	Issued 2014	N
4	Pine Creek Village Ft. Pierce, FL	SP Pine Creek Village LP	N	107	107	11/1/2013	Issued 2015	N
5	Broward Gardens Ft. Lauderdale, FL	SP Broward Gardens LP	N	96	96	11/6/2013	Issued 2015	N
6	Central Court Tampa, FL	SP Central Court 2012 LP	N	68	68	11/20/2013	Issued 2014	N
7	Palms West West Palm Beach, FL	SP West Palm LP	N	290	290	1/12/2015	Issued 2015	N
8	Orangewood Village Ft. Pierce, FL	Orange Apartments LLC	N	60	60	3/31/2016	Issued 2017	N
9	Cumberland Oaks St. Marys, GA	SP Cumberland LLC	N	154	154	12/31/2016	Issued 2019	N
10	Berkley Pointe Ocala, FL	SP SM Apartments LLC	N	160	160	5/20/2017	8/27/2018	N
11	Wedgewood Apartments Palm Beach, FL	SP Preservation II LLC	N	80	80	6/30/2017	N/A	N
12	Hampton Villa Jacksonville, FL	SP HV Apartments LLC	N	60	60	9/30/2016	Issued 2018	N
13	Timberwood Trace Jacksonville, FL	SP TT Apartments LLC	N	224	224	2/30/2017	Issued 2018	N
14	Hickory Knoll Ocala, FL	SP HK Apartments LLC	N	96	96	10/20/2017	N/A	N
15	Columbus Court Tampa, FL	SP CC Apartments LLC	N	160	160	10/31/2017	N/A	N
16	Garden Trail Clearwater, FL	Garden Trail Apartments 2013 LLC	N	76	76	10/31/2016	Issued 2018	N
17	Seminole Gardens Sanford, FL	SP SG Apartments LLC	N	108	108	12/31/2017	N/A	N
18	Majestic Oaks Gainesville, FL	SP MO Apartments LLC	N	172	172	4/31/2017	N/A	N
19	400 Apartments Gainesville, FL	GE4 Apartments, LLC	N	101	101	2/18/2015	Issued 2017	N
20	Brookside Village Ft. Myers, FL	SP BV Apartments LLC	N	50	50	9/25/2015	Issued 2017	N
21	Caravel Arms Lauderdale Lake, FL	SP Caravel Apartments LLC	N	110	110	2/20/2015	Issued 2016	N
22	Clearwater Apts Clearwater, FL	SP Clearwater Apartments LLC	N	90	90	8/27/2014	Issued 2017	N
23	Georgia Arms Sanford, FL	SP GA Apartments LLC	N	90	90	4/30/2015	Issued 2016	N
24	Hampton Ridge Jacksonville, FL	SP Hartwood LP	N	110	110	6/6/2006	Issued 2008	N
25	Jackson Heights Tampa, FL	SP JH Apartments LLC	N	111	111	2/12/2015	Issued 2016	N
26	Lincoln Fields Miami, FL	SP Lincoln Fields LP	N	213	213	10/21/2011	Issued 2013	N
27	Parkside Commons Pinellas Park, FL	SP Parkside Commons LLC	N	60	60	11/25/2015	Issued 2017	N
28	Pinewood Apartments Athens, GA	SP Pinewood LP	N	90	90	6/15/2007	Issued 2008	N
29	Stevens Duval Jacksonville, FL	SP SD Apartments LLC	N	52	52	9/15/2015	Issued 2017	N
30	Sunrise Place Tallahassee, FL	SP Sunrise LP	N	99	99	4/24/2013	Issued 2014	N
31	The Crossings at Indian Run Stuart, FL	SP Crossings LLC	N	344	344	11/21/2014	Issued 2016	N
32	Harbour Court Haines City, FL	SP HC Apartments LLC	N	64	64	7/21/2015	Issued 2017	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 3,814 3,814 100% LIHTC as % of Total Units

List of LIHTC Developments (Schedule A)



Development Name: Laurel Ridge Apartments
 Name of Applicant: SP Laurel Ridge LLC
 Controlling General Partner or Managing Member: SP Laurel Ridge Manager 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
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: Brianne Heffner Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
Y or N

1	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6. 1st PAGE TOTAL: 0 0 #DIV/0! LIHTC as % of Total Units

SP Laurel Ridge LLC

Resume of Members

SP Laurel Ridge LLC is a Florida LLC formed in March 2019 and certified to do business in VA for the purpose of acquiring and operating Laurel Ridge Apartments, which consists of 56 affordable units located in Hillsville, VA. The individual members of SP Laurel Ridge LLC include certain key personnel of Southport Development, Inc., which was formed in 1995 to develop affordable housing properties.

Managing Member: J. David Page graduated Cum Laude from Harvard University with a degree in economics and did graduate work at the University of Washington. Mr. Page started as a Real Estate Sales Associate and later became a Broker in Tacoma, Washington in 1974. In 1979 Mr. Page started developing single family subdivisions and apartment properties, located primarily in Washington State. Mr. Page built, developed and managed about 5000 conventional apartments. In 1995 Mr. Page founded Southport Financial Services, Inc. Southport expanded Mr. Page's apartment development and acquisition activities focusing primarily on the states of Washington, California, Hawaii, Arizona, New Jersey, New York, Kansas, Missouri, Virginia, Florida, Illinois and the District of Columbia. To date Southport and its affiliates have developed or acquired over 16,000 units of apartments comprising over One billion dollars of development cost. Over 13,000 of these units have involved tax credits and/or tax-exempt bond financing.

Member: Stephen W. Page majored in Business Administration at Washington State University. In 1992 Mr. Page opened his own real estate office, Waterford Properties, Inc. At this he also helped open and was an associate with Vaughn Bay Construction, Inc. Vaughn Bay Construction, Inc. is involved in single family and multi-family construction, primarily in the state of Washington. As an associate with Vaughn Bay Construction Mr. Page is involved in the development and financial planning for both the single family and multi-family projects, including marketing and rental strategies. He is involved in all phases of development - site development, processing (often including rezoning), financing, land development and construction. Since 1995 he has received tax credit allocations for 10 projects in the state of Washington.

Member: Paul W. Page started his career working for 15 years in retail and wholesale building materials. For the next 10 years Paul was the General Manager for a large multi-family construction company. In 1991, Paul joined his parents at Vaughn Bay. Since then Paul has held general contractor's licenses in Washington, Oregon, Arizona, South Dakota, Nevada, California and Florida. This broad experience provides him with knowledge of materials, their proper application and construction methods in any climate. His experience includes single family homes, garden style apartments, mid-rise buildings and high rise residential buildings.

Member: Scott Seckinger graduated Magna Cum Laude from the Florida State University with degrees in finance and real estate. He is involved in all aspects of the acquisition process for Southport's east coast properties from site identification, design, permitting, and financing to project stabilization. Before joining Southport, Scott worked for a nationally recognized tax credit syndicator responsible for generating new business in real estate tax credit investments, managing client relationships, and overseeing project closings. Since joining Southport in 2006, Scott has been responsible for the development of 40 affordable housing communities comprising nearly 5,000 units.

Member: Michael Molinari holds a Bachelor of Arts from the University of Colorado-Boulder. He is involved in all aspects of the acquisition process for Southport's east coast division from site identification, design, permitting, and financing, closing coordination, construction oversight and project stabilization. Since joining Southport in 2007, Michael has been responsible for the development of 35 affordable developments consisting of more than 4,500 units in Florida and New York. Prior to joining Southport, Michael was an MBA student and Florida Atlantic University.

Vice President: Brianne Heffner graduated from the College of Charleston with a degree in Business Administration. She is involved in all aspects of the development process for Southport's east coast division and oversees all of Southport's applications, due diligence, and closings. In addition, her responsibilities include ensuring the rapid and efficient closing of acquisitions through close collaboration with lenders, investors, syndicators, state and local finance authorities, management companies, and sellers. This largely consists of coordinating due diligence items between all parties, as well as assisting with development issues during construction or rehabilitation periods. Includes scheduling, construction draws, and compliance. Since joining Southport in 2012, Brianne has been involved in the closings of 30 developments, totaling more than 4,000 units in Florida, Georgia, Mississippi, and New York. Prior to joining Southport, she was a residential real estate broker for RE/MAX Coastal Realty in Northeast North Carolina.

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ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION is dated effective as of March 1, 2019, by and between Southport Financial Real Estate LLC, a Florida limited liability company ("**Assignor**"), and SP Laurel Ridge LLC, a Florida limited liability company ("**Assignee**").

Hillsville Associates, a Virginia limited partnership ("**Seller**"), and Assignor, as Purchaser, entered into that certain Purchase and Sale Agreement with and Effective Date of February 6, 2019 (the "**PSA**") concerning the real property known as Laurel Ridge Apartments (the "**Property**").

Assignor hereby assigns to Assignee all of its right, title and interest in and to the PSA. This Assignment includes, without limitation, all of Assignor's rights to the Deposits under the PSA. Assignee hereby accepts such assignment and hereby assumes all of the obligations of Assignor under the PSA.

This Assignment may be executed in a number of identical counterparts. Delivery of a facsimile, scanned, or other copy of a signed version of this Assignment has the same effect as delivery of an original. Delivery by electronic transmission such as email or facsimile shall be deemed effective delivery of a copy.

ASSIGNOR:

Southport Financial Real Estate LLC


By: 

J. David Page, Manager

ASSIGNEE:

SP Laurel Ridge LLC

By: SP Laurel Ridge Manager LLC, Manager

By: 

J. David Page, Manager

PURCHASE AND SALE AGREEMENT

(Laurel Ridge Apartments)

This Purchase and Sale Agreement ("**Agreement**") is entered into by and between Southport Financial Real Estate LLC, a Florida limited liability company ("**Purchaser**"), and Hillsville Associates, a Virginia limited partnership ("**Seller**").

1. **Definitions.** The following capitalized terms in this Agreement shall have the following definitions:

1.1. "**Real Property**" or "**Land**" means that certain real property located at 620 W. Grayson Street, Hillsville, Carroll County, Virginia, legally described on Exhibit A, on which is located a 56 unit apartment complex, together with any and all rights, easements, and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, or rights-of-way.

1.2. "**Property**" means the "**Land**", as well as the "**Improvements**", "**Personal Property**", and "**Intangible Property**" defined and described on Exhibit B.

1.3. "**Purchase Price**" means US Two Million Sixteen Thousand Dollars (\$2,016,000.00).

1.4. "**Effective Date**" means the date that a copy of this Agreement, fully executed by Purchaser and Seller, is delivered to both Purchaser and Seller.

1.5. "**Escrow Agent**" and "**Title Company**" means First American Title Insurance Company, National Commercial Services, 9011 Arboretum Parkway, Suite 175, Richmond, Virginia, 23236, Attn: Sandy Hartje, Direct: 804.404.4954, Email: shartje@firstam.com.

1.6. "**Deposit**" or "**Deposits**" means an initial amount of \$25,000.00, plus, when paid, any other amounts designated as a Deposit or Deposits in this Agreement.

1.7. "**Contingency Review Period**" means the period commencing on the Effective Date and ending on the date which is thirty (30) days from the date the Property Documents are provided to Purchaser, by Seller, as set forth in Paragraph 5.

1.8. "**VHDA**" means Virginia Housing Development Authority.

1.9. "**Closing Date**" means the date which is thirty (30) days after Purchaser's receipt of HUD/VHDA Approval, as may be extended pursuant to Section 11. If the Closing Date above provided for falls on a Saturday, Sunday or legal holiday, the Closing Date shall be on the next business day.

1.10. "**Transaction**" means the purchase and sale of the Property pursuant to this Agreement.

2. **Purchase and Sale.** Purchaser hereby agrees to buy, and Seller hereby agrees to sell, the Property on the terms of this Agreement, and subject to the conditions in this Agreement.

3. **Purchase Price.** The Purchase Price shall be payable in full at Closing. All payments from Purchaser shall be via wire transfer of collected federal funds.

4. **Deposit.** On or before five (5) business days after the Effective Date, Purchaser shall deposit with Escrow Agent the Deposit and the parties shall execute and deliver to Escrow Agent an Escrow Agent's customary form. The Deposits paid shall be held in an interest or non-interest bearing account with the Escrow Agent, invested according to Escrow Agent's standard practice, (if interest bearing, investment in the interest bearing account shall commence upon Purchaser's delivery to Escrow Agent of a W-9 and

any other documents customarily and reasonably required by Escrow Agent's financial institution to open interest-bearing accounts), and disbursed in accordance with the terms, conditions and provisions of this Agreement. The Deposits paid shall be applied towards the Purchase Price at Closing. The Deposits shall include any interest earned thereon.

5. **Property Documents.** Commencing on the Effective Date, Seller agrees to provide to Purchaser copies of the printed and electronic documents and information ("**Property Documents**") relating to the Property in the possession or control of Seller and/or Seller's agents, including, but not limited to, those matters described on Exhibit C attached hereto (but only to the extent in the possession or control of Seller and/or Seller's agents). Updated Property Documents will be provided by Seller to Purchaser as updates become available. Seller may provide the Property Documents by: (a) delivery (including but not limited to delivery via email), (b) making available at the management office at the Property, and/or (c) making available for download via the internet. (Notwithstanding the foregoing, in no event shall Seller be required to disclose or provide to Purchaser the following information: attorney-client privileged information, proprietary information, confidential information, or private employee information, financial and tax information other than that listed on Exhibit C, previous agreements or proposals related to the sale of the Property, or appraisals or other valuation information.) If this Agreement is terminated, Purchaser shall, within five (5) days of the termination return all Property Documents to Seller and delete permanently all electronic copies.

6. **Title Policy.**

6.1. Within two (2) business days after the Effective Date, Purchaser shall order from the Title Company a commitment ("**Title Commitment**") for the issuance of an ALTA Extended Coverage Owner's Title Policy ("**Title Policy**") at Closing to Purchaser. The Title Company shall be instructed to deliver a copy of the Title Commitment and copies of exceptions to Purchaser, Seller, and their counsel. Purchaser shall give Seller written notice ("**Purchaser's Title Notice**") on or before the expiration of twenty (20) days after receipt of the Title Commitment and exception documents the Effective Date as to whether the condition of title as set forth in the Title Commitment and/or any survey is or is not satisfactory, in Purchaser's sole discretion. In the event that the condition of title is not acceptable, Purchaser shall specify and set forth each of such objections ("**Objections**") in the Purchaser's Title Notice. Seller shall notify Purchaser in writing ("**Seller's Title Response**") within ten (10) days of receipt of Purchaser's Title Notice as to which Objections that Seller will not remove as of the Closing Date ("**Remaining Objections**"). If there are any Remaining Objections, Purchaser may, at its option by written notice within five (5) days after Seller's Title Response: (i) accept title subject to the Remaining Objections, in which event the Remaining Objections shall be deemed to be waived for all purposes, or (ii) terminate this Agreement, in which event any Deposits paid shall be immediately refunded to Purchaser. (In the event that Purchaser does not so notify Seller in writing within five (5) days after Seller's Title Response, Purchaser shall be deemed to have accepted title subject to the Remaining Objections and the Remaining Objections shall be deemed to be waived for all purposes.) Any exceptions permitted on the Title Policy pursuant to this Section 6.1 are referred to herein as "**Permitted Exceptions**". If the Title Company subsequently updates the Title Commitment with additional exceptions to title, the provisions for Purchaser's Title Notice and Seller's Title Response shall be reinstated with respect to the additional exceptions, with the Purchaser's Title Notice regarding the additional exceptions being due five (5) business days after the date that Purchaser receives the updated Title Commitment. Notwithstanding any of the provisions of this Section 6.1 to the contrary, if Purchaser fails to notify Seller that the condition of title as set forth in the Title Commitment and/or any survey is or is not acceptable within the times set forth herein, the parties hereby agree that the condition of title shall be deemed acceptable.

6.2. Liens securing any existing financing shall not be a Permitted Exception. At Closing Seller shall cause the Title Company to pay such financing in full (including any prepayment penalties and defeasance fees) from Seller's sale proceeds, and to obtain a release of such liens.

6.3. In the event that the issuance of the Title Policy requires a new or updated ALTA Survey ("**Survey**") of the Property, Purchaser shall obtain such Survey and provide it to the Title Company at least ten (10) business days prior to the Closing Date.

6.4. Purchaser's obligations hereunder are contingent upon the Title Company, at Closing, being irrevocably and unconditionally committed to issue to Purchaser the Title Policy in accordance with the title requirements listed in this Section 6 (subject only to payment of the premiums for the Title Policy), unless this contingency is not met due to Purchaser's failure to obtain the Survey as required in Section 6.3 or otherwise fail to meet the Title Company's requirements imposed on Purchaser for issuance of the Title Policy. If this contingency is not met on the Closing Date, this Agreement shall automatically terminate, in which event the Deposits paid shall be immediately refunded to Purchaser.

7. **Contingency Review Period.** Purchaser shall have until the expiration of the Contingency Review Period to review all aspects of the Property and the Transaction. In the event that Purchaser approves such review, Purchaser shall so notify Seller in writing ("**Purchaser's Approval Notice**") on or before expiration of the Contingency Review Period. In addition, within one (1) business day after Purchaser's Approval Notice, Purchaser shall deliver to Escrow Agent an additional Deposit of \$25,000.00, which will increase the total Deposit to \$50,000.00 and the Deposit shall become non-refundable except as specifically provided otherwise in this Agreement. In the event that Purchaser, on or before the time required by this Section 7, either: (a) does not provide the Purchaser's Approval Notice to Seller, and does not deliver the increase in the Deposit, or (b) notifies Seller in writing of Purchaser's disapproval of the Property and the Transaction, this Agreement shall automatically terminate as of the expiration of the Contingency Review Period, in which event the Deposits paid shall be immediately refunded to Purchaser.

8. **Inspections.** Purchaser and its agents shall be entitled to inspect the Property and conduct tests on the Improvements and the Land at any time or times prior to the Closing, upon at least one (1) business day's notice to Seller, in order to conduct the evaluations described in this Agreement (including without limitation, engineering studies, environmental site assessments, risk assessments, inspections for the presence of lead based paint and lead based paint hazards, evaluation of drainage and flood plain, borings and soil tests). The right granted to Purchaser to conduct the inspections is subject to the rights of any tenants of the Property with respect to any such inspection, and compliance with tenant leases and applicable laws, and to the inspections being conducted at reasonable times and accompanied by representatives of Seller. Any invasive testing shall be subject to Seller's prior written approval of a testing plan. No physical alteration of the Property is permitted, but if any physical alteration occurs, any physical alteration of the Property in connection with Purchaser's study shall be restored by Purchaser immediately upon demand by Seller, at Purchaser's sole expense. Purchaser shall indemnify Seller against any loss, damage or claim resulting from Purchaser's inspections and tests, except any arising from the discovery of preexisting conditions (so long as Purchaser does not exacerbate any such condition). Purchaser shall not act as Seller's agent in connection with such activities and has no authority to allow any liens to encumber the Property. Purchaser shall not allow any liens to encumber the Property arising out of such activities, and shall indemnify and hold Seller harmless from and against any liens, costs, expenses (including attorney fees), claims, liabilities, and obligations arising in any way out of such activities by Purchaser, as well as Purchaser's employees and agents. Purchaser shall maintain commercial general liability insurance with respect to Purchaser's activities on the Property. Such liability insurance shall be on an occurrence basis and shall provide combined single limit coverage of not less than \$1,000,000 (per occurrence and in the aggregate) for bodily injury, death and property damage, by water or otherwise, and the deductible amount shall not exceed \$10,000. All policies of insurance to be kept and maintained in force under this Section 8 shall be obtained from good and solvent insurance companies reasonably satisfactory to Seller, and shall name Seller an additional insured. All non-public information obtained by Purchaser in connection with Purchaser's due diligence hereunder shall be confidential and will not be disclosed to third parties; provided, however, Purchaser may disclose such information to parties such as Purchaser's consultants, lenders, attorneys and investors. Notwithstanding anything to the contrary contained in this Agreement or in any addenda, amendments or modifications to this Agreement, Purchaser's obligations under this Section 8 shall survive the termination of this Agreement and/or Closing, and shall remain in full force and effect without time limitation until all of such obligations have been fully performed by Purchaser, and all amounts to be paid by Purchaser have been paid.

9. **Assignment of HAP Contract and HUD/VHDA Approval.** Seller's and Purchaser's obligation to close the Transaction are each expressly contingent ("**HUD/VHDA Contingency**") upon

Purchaser obtaining from U.S. Department of Housing and Urban Development ("**HUD**") and/or VHDA: (a) 2530 clearance; (b) an assignment and assumption of the existing Housing Assistance Payments Contract ("**HAP Contract**") affecting the Property on terms acceptable to Purchaser in its sole discretion; and (c) approval of the transfer of the Property to Purchaser, release of the existing regulatory agreement, and prepayment of the existing mortgage loans secured by the Property in favor of VHDA (together, "**HUD/VHDA Approval**"). Purchaser shall submit an application ("**HAP Application**") for HUD/VHDA Approval no later than ten (10) days after the expiration of the Contingency Review Period. Seller agrees to reasonably cooperate in such efforts, and to sign documents reasonably necessary to accomplish such purposes. Purchaser shall pay all costs, fees and charges incurred in connection with obtaining HUD/VHDA Approval, whether or not HUD/VHDA Approval is obtained, and/or whether or not the Transaction closes, and this obligation shall survive the termination of this Agreement and/or Closing; provided, however, that Seller shall pay any prepayment and/or yield maintenance fees, premium, or penalties imposed by VHDA. If HUD/VHDA Approval is not obtained on or before one-hundred twenty (120) days after expiration of the Contingency Review Period on terms and conditions acceptable to Purchaser in its sole discretion, either Purchaser or Seller may terminate this Agreement upon giving the other party written notice thereof, in which event the Deposits paid shall be refunded to Purchaser.

10. **Contracts.** Subsequent to delivery of Purchaser's Approval Notice, and once the Closing Date is known, Seller shall, upon written request from Purchaser, give appropriate notices of termination of any service, supply, security, maintenance, employment or other contracts or arrangements ("**Contracts**") with respect to the Property (other than the Permitted Exceptions), terminating such Contracts as of the Closing Date (or if a Contract cannot be terminated as of the Closing Date, such later date which is the earliest date that such Contract can be terminated in accordance with its terms without a termination fee or charge). In addition, effective as of the Closing Date, Seller shall terminate all property management agreements with respect to the Property. Any Contracts which are not terminated as of the Closing Date in accordance with this Section 10 shall be assigned to, and assumed by, Purchaser at the Closing.

11. **The Closing and the Closing Date.** The sale and purchase of the Property shall be consummated at a Closing to be held on the Closing Date at the offices of the Title Company. Purchaser may select an earlier Closing Date upon at least fifteen (15) business days' written notice to Seller. Neither party need be physically present at the Closing. The Closing Date may be extended by Purchaser for up to one (1) thirty (30) day period ("**Extension Period**") by Purchaser's providing written notice to Seller accompanied by payment of an additional Deposit of \$25,000.00 to Escrow Agent, which shall be delivered and paid on or before the then applicable Closing Date. As used in this Agreement, the term "**Closing**" shall mean the date all of the documents necessary to transfer title to Purchaser are sent for recording with the appropriate County Clerk, Recorder or Auditor and the sales proceeds are available to Seller. Title to and possession of the Property shall transfer to Purchaser at Closing.

12. **Seller's Obligations at the Closing.** At the Closing, Seller shall do the following, through Escrow Agent:

12.1. Execute and deliver to Purchaser and the Title Company:

12.1.1. A special warranty deed (with warranties limited to grantor's acts on the form customary in the state where the Property is located) (the "**Deed**") conveying to Purchaser fee simple title to the Real Property and Improvements, subject only to the Permitted Exceptions (provided, however, that the standard exceptions on the Title Policy shall not be shown on the Deed). To the extent that the legal description of the Property as shown in the Survey shows a discrepancy with the legal description attached hereto, the Seller shall also deliver a Quit Claim Deed conveying the Real Property and Improvements to Purchaser using the legal description shown on the Survey.

12.1.2. A Bill of Sale, Assignment, and Assumption Agreement on the form attached hereto as Exhibit D.

12.1.3. A FIRPTA Affidavit.

12.1.4. Seller's sworn statement (10-Year Rule) on the form attached hereto as Exhibit E.

12.1.5. All other agreements to be executed by Seller as specified herein.

12.2. Execute and deliver to the Title Company: (i) such affidavits and other evidence as the Title Company may require so as to enable the Title Company to issue the Title Policy in accordance with this Agreement; and (ii) satisfactory evidence that all necessary corporate, partnership, or other action on the part of Seller has been taken with respect to the execution and delivery of this Agreement and the consummation of the Transaction so that all of said documents are or will be validly executed and delivered and will be binding upon the Seller.

12.3. Deliver to Purchaser all tenant leases affecting the Property which are in effect as of the Closing Date, and a Certified Rent Roll certified by Seller to be correct no earlier than five (5) business days prior to the Closing Date.

12.4. Deliver to Purchaser all documents, records, plans, keys, permits and other items related to the Property which are in Seller's possession or control.

12.5. Deliver to Purchaser a letter from Seller's management company addressed to all tenants directing the tenants to make all future payments to Purchaser's management company, and otherwise complying with any legal requirements regarding the transfer of tenant deposits.

12.6. Execute and deliver to Purchaser any state or local tax withholding forms so that Purchaser has no liability for Seller withholding or Seller taxes under state or local law.

12.7. Execute and deliver to Purchaser a certificate, dated as of the date of Closing and executed by Seller, stating that the representations and warranties of Seller contained in this Agreement are accurate in all material respects as of the date of Closing, subject to any updated information as provided in accordance with Section 14.12.

12.8. Execute and deliver any documents required to effect the assignment and assumption of the HAP Contract.

12.9. Execute a settlement statement ("**Seller Settlement Statement**") setting forth any debits and credits payable in connection with the Closing.

12.10. Execute and deliver to Purchaser such additional documents as are necessary to carry out the provisions of this Agreement.

13. **Purchaser's Obligations at the Closing.** At the Closing, Purchaser shall do the following, through Escrow Agent:

13.1. Deliver to Seller the Purchase Price.

13.2. Execute and deliver to Seller executed counterparts of the Bill of Sale, Assignment, and Assumption Agreement.

13.3. Execute and deliver any documents required to effect the assignment and assumption of the HAP Contract.

13.4. Execute a settlement statement ("**Purchaser Settlement Statement**") setting forth any debits and credits payable in connection with the Closing.

13.5. Execute and deliver to Seller such additional documents as are necessary to carry out the provisions of this Agreement.

14. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser the following:

14.1. Seller is duly formed, validly existing and in good standing under the laws of the State of its formation and has all requisite powers and all material governmental licenses, authorizations, consents and approvals to enter into and perform its obligations hereunder and under any document or instrument required to be executed and delivered on behalf of Seller hereunder.

14.2. This Agreement has been duly authorized by all necessary action on the part of Seller, has been duly executed and delivered by Seller, constitutes the valid and binding agreement of Seller and is enforceable in accordance with its terms. The person executing this Agreement on behalf of Seller has the authority to do so.

14.3. The execution and delivery of, and the performance by Seller of its obligations under this Agreement will not contravene, or constitute a default under, any provision of applicable law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding upon Seller or to which the Property is subject.

14.4. Seller has not received any written notice of, and Seller has no knowledge of, any threatened or actual cancellation or suspension of any certificate of occupancy or other certificate, license or permit for any portion of the Improvements.

14.5. To Seller's knowledge, except as may be contained in the Property Documents and other documents provided to Purchaser, no Hazardous Materials (as hereinafter defined) exist on or under the Property in violation of law. Hazardous Materials means: (a) substances defined as "hazardous substances," "hazardous materials," or "toxic substances" under federal, state or local law; (b) asbestos and any form of urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid or other fluids containing levels of polychlorinated biphenyls; (c) petroleum and/or petroleum products or by-products; and (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of the properties adjacent to the Property.

14.6. To Seller's knowledge, except as may be contained in the Property Documents and other documents provided to Purchaser, there currently are no underground storage tanks on the Property.

14.7. Except as may be contained in the Property Documents and other documents provided to Purchaser, Seller has not received any written notice of any pending, or threatened, judicial, municipal or administrative proceedings affecting the Property, including, without limitation, proceedings for or involving collections, condemnation, eminent domain, or alleged building code or environmental or zoning violations, or personal injuries or property damage alleged to have occurred on the Property or by reason of the condition, use of, or operations on, the Property.

14.8. Any Contracts disclosed as part of the Property Documents and other documents provided to Purchaser, and/or shown as exceptions on the Title Commitment, constitute all of the Contracts affecting the Property. Seller has not received any written notice of uncured default and Seller has no knowledge of any existing uncured defaults under the Contracts.

14.9. Each certified rent roll ("**Certified Rent Roll**") to be provided pursuant to this Agreement shall be certified by Seller (or the property management company managing the Property) to be true, correct, and complete to its knowledge, and shall contain for each tenant and each tenant's lease the following information: commencement date of the lease; termination date of the lease; monthly rent; monthly additional rent; security deposits (any amounts previously applied to charges shall also be shown); prepaid rents; any other payments or credits applicable to that lease.

14.10. During the 10-year period prior to the sale of the Property to the Purchaser, there has been no transfer of the Property.

14.11. At all times prior to closing contemplated by this Agreement, Seller: (i) shall not be a Prohibited Person; and (ii) shall be in full compliance with all applicable orders, rules, regulations and recommendations promulgated under or in connection with United States Presidential Executive Order 13224 (“**Executive Order**”), the Annex to that Executive Order (“**Annex**”), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“**Patriot Act**”). The term “**Prohibited Person**” shall mean any person or entity which meets any of the following criteria:

14.11.1. A person or entity listed in the Annex to, or otherwise subject to the provisions of, the Executive Order.

14.11.2. A person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Order.

14.11.3. A person or entity with whom a party is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order.

14.11.4. A person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order.

14.11.5. A person or entity that is named as a “specially designated national and blocked person” on the most current list (“**List**”) published by the U.S. Department of the Treasury, Office of Foreign Assets Control at its official website (www.ustreas.gov/ofac) or at any replacement website or other replacement official publication of such list.

14.11.6. A person or entity who is an Affiliate of a person or entity listed in this Section 14.11.

14.12. If, after the Effective Date, any event occurs or condition arises that renders any of the Seller’s representations and warranties in Section 14 untrue or misleading in any material respect, and Seller has actual knowledge of the same, Seller shall promptly notify Purchaser in writing of such event or condition. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and (ii) is expressly permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent. If a notice from Seller pursuant to this Section 14.12 indicates any material adverse change in the representations and warranties made by Seller, Purchaser shall have the right to terminate this Agreement by written notice to Seller within ten (10) days after Seller’s notice, in which event the Deposits paid shall be immediately refunded to Purchaser. If Purchaser does not terminate this Agreement within such time period, Purchaser’s termination right in this Section 14.12 shall lapse.

15. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller the following:

15.1. Purchaser is duly formed, validly existing and in good standing under the laws of the State of its formation and has all requisite powers and all material governmental licenses, authorizations, consents and approvals to enter into and perform its obligations hereunder and under any document or instrument required to be executed and delivered on behalf of Purchaser hereunder.

15.2. This Agreement has been duly authorized by all necessary action on the part of Purchaser, has been duly executed and delivered by Purchaser, constitutes the valid and binding

agreement of Purchaser and is enforceable in accordance with its terms. The person executing this Agreement on behalf of Purchaser has the authority to do so.

15.3. The execution and delivery of, and the performance by Purchaser of its obligations under this Agreement will not contravene, or constitute a default under, any provision of applicable law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding upon Purchaser.

15.4. At all times prior to Closing contemplated by this Agreement, Purchaser: (i) shall not be a Prohibited Person; and (ii) shall be in full compliance with all applicable orders, rules, regulations and recommendations promulgated under or in connection with the Executive Order and the Patriot Act.

16. **Seller Covenants.** Seller hereby covenants as follows:

16.1. Until the Closing Date, Seller shall maintain the Property in substantially the same condition and quality as such was in at the time of the physical inspection of the Property by Purchaser, except for normal wear and tear, and subject to Section 28.5.

16.2. Subsequent to the Effective Date, Seller shall not enter into any agreements (or extend any current agreements) with respect to the Property (other than residential tenant leases in the ordinary course of Property operations) that will be binding on the owner of the Property and extend beyond the Closing Date, without Purchaser's prior written approval, which may be withheld in Purchaser's sole discretion.

16.3. Seller shall continue to operate the Improvements in the ordinary course of business between the Effective Date and the Closing Date, such operation to include the continuation of maintenance and repair programs.

16.4. Seller shall cause all apartment units on the Property which become vacant more than ten (10) days prior to Closing to be in a "rent ready" condition, and to the extent that any such units are not in rent ready condition on the Closing Date, Purchaser shall receive a credit at Closing equal to \$1,000.00 for each such unit not in "rent ready" condition. One business day prior to Closing, Seller and Purchaser (or their designated representatives) shall inspect the Property and agree upon the number of non "rent ready" units. The term "rent ready" shall mean cleaned and prepared for occupancy for a new tenant consistent with Seller's current standards for units available for rent.

16.5. If Seller is aware of any bed bug infestation of any of the buildings and/or apartment units, Seller shall complete a bed bug removal treatment for such buildings and/or units prior to the Closing, in accordance with customary and reasonable industry practices. Seller shall provide to Purchaser documentation evidencing the treatment. Purchaser shall receive a credit at Closing equal to \$1,000.00 for each and every building and/or apartment unit for which such treatment is not completed prior to Closing.

17. **Survival.**

17.1. Any claim for a breach of such representations and warranties shall survive for six (6) months after the Closing Date. Any claim for a breach of representation or warranty set forth in Sections 14 and 15 of this Agreement shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, within such six-month period.

17.2. All other provisions of this Agreement shall be deemed merged into or waived by the instruments of Closing, except for those provisions that specifically state that they survive Closing or termination (each a "***Surviving Provision***"). If a Surviving Provision states that it survives for a limited period of time, that Surviving Provision shall survive only for the limited time specified. Any claim made in connection with a Surviving Provision shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before the limited time specified in such Surviving Provision.

18. **Purchaser's Defaults; Seller's Remedies.** In the event of a breach by Purchaser of this Agreement, which breach is not cured within ten (10) days after written notice of default from Seller specifying the breach (provided, however, that no such cure period shall apply for a breach of the obligation to close by the Closing Date), Seller's sole remedy shall be to terminate this Agreement and retain all Deposits paid, and any earnings thereon, as liquidated damages but not as a penalty. **PURCHASER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICAL TO QUANTIFY THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF A BREACH BY PURCHASER, THAT THE AMOUNT OF ALL DEPOSITS PAID IS A REASONABLE ESTIMATE OF SUCH ACTUAL DAMAGES, AND THAT SELLER'S REMEDY IN THE EVENT OF A BREACH BY PURCHASER SHALL BE TO RETAIN ALL DEPOSITS PAID AND ANY EARNINGS THEREON AS LIQUIDATED DAMAGES.** Notwithstanding the foregoing, this liquidated damages provision does not limit Purchaser's obligations under the Surviving Provisions, or under Sections 8, 9, and 25.

19. **Seller's Defaults; Purchaser's Remedies.** In the event of a breach by Seller of this Agreement, which breach is not cured within ten (10) days after written notice of default from Purchaser specifying the breach (provided, however, that no such cure period shall apply for a breach of the obligation to close by the Closing Date), Purchaser may elect only one of the following two remedies: (a) terminate this Agreement, in which event the Deposits paid shall be immediately refunded to Purchaser; or (b) enforce specific performance of this Agreement against Seller, including the right to recover attorneys' fees. Notwithstanding the foregoing, the limitation of remedies provision does not limit Seller's obligations under the Surviving Provisions.

20. **Closing Costs.** Costs of closing the Transaction shall be allocated between Seller and Purchaser as follows:

20.1. Seller shall pay: (i) one-half of any escrow fees of the Escrow Agent; (ii) any real estate conveyance, excise or transfer taxes and revenue stamps; (iii) any prepayment and/or yield maintenance fees, premium, or penalties imposed by VHDA; and (iv) all other costs and expenses allocated to Seller pursuant to the terms of this Agreement.

20.2. Purchaser shall pay: (i) the premium for the owner's Title Policy, and any endorsements; (ii) the cost of recording the Deed; (iii) one-half of any escrow fees of the Escrow Agent; (iv) all costs, fees and charges incurred in connection with obtaining HUD/VHDA Approval; and (v) all other costs and expenses allocated to Purchaser pursuant to the terms of this Agreement.

21. **Proration of Income and Expenses.** At Closing, the following items shall be paid or adjusted or prorated between Seller and Purchaser as specified, as of the Closing Date, with the day of Closing being for Purchaser's account:

21.1. *Ad valorem* and similar taxes, for the then current tax year relating to the Property shall be prorated as of the Closing Date. All assessments, if any, existing or pending as of the Closing Date, whether due and payable before or after such date, shall be paid by Seller in full at Closing to the assessing entity.

21.2. On the Closing Date, Seller shall cause its property management company to transfer to Purchaser's property management company the amount of any of the following for which Purchaser will be responsible after the Closing: (i) refundable deposits made by tenants of the Property; and (ii) non-refundable deposits made by tenants of the Property that have not been applied to costs incurred. At the Closing, Purchaser shall assume Seller's obligations related to the deposits actually transferred to Purchaser.

21.3. All collected rents or other income and all operating expenses for or pertaining to the Property, including but not limited to maintenance, security, management service and similar contractual charges with respect to the Property shall be prorated between Purchaser and Seller as of the Closing Date.

21.4. Water, sewer, fuel, electricity, gas and other utilities and services shall be paid by Seller based upon current readings by the utilities to be obtained by Seller contemporaneously with Closing. Seller shall arrange for utility services to Seller to be cancelled, in which event, Purchaser shall establish a new account with the utility, and Seller shall be entitled to any deposits on account paid by Seller. If a utility will not cancel Seller's account and replace it with a new Purchaser account, Seller shall at Closing transfer the utility account to Purchaser, in which event: (i) Purchaser shall reimburse Seller at Closing for any utility deposit transferred to Purchaser; and (ii) utility charges for such account shall be prorated between Purchaser and Seller as of the Closing Date.

21.5. If Seller received any payments for entering into any contracts with respect to the Property that will remain in effect after Closing (such as laundry contracts, cable TV contracts, satellite TV contracts, etc.), then the payments received by Seller shall be prorated over the remaining term of such contract, and Purchaser shall receive a credit at Closing for the amount attributable for the unexpired term of the contract. This Section 21.5 shall not apply to ongoing fee or royalty payments that are payable over the term of such contracts; such ongoing fee or royalty payments shall be prorated to the Closing Date as part of the income and expense prorations.

21.6. Seller shall continue to fully fund any existing reserves required by HUD to be held in connection with the Property ("**Reserves**"). The Reserves are included in the Purchase Price, and at Closing, Seller shall transfer the Reserves to Purchaser without any additional payment. This provision does not apply to reserves required to be held under the VHDA loan; the VHDA loan reserves shall remain the property of Seller.

22. Post-Closing Adjustments. Seller and Purchaser agree that, to the extent items are prorated or adjusted at Closing on the basis of estimates, or are not prorated or adjusted at Closing pending actual receipt of funds or compilation of information upon which such prorations or adjustments are to be based, each of them will pay to the other such amounts as may be necessary such that Seller will receive the benefit of all income collected for the period prior to the Closing Date and will pay all expenses of the Property attributable to the period prior to the Closing Date, both on an accrual basis, and Purchaser will receive all income collected for the period from and after the Closing Date and will pay all expenses of the Property attributable to the period from and after the Closing Date, both on an accrual basis. The provisions of this Section 22 shall survive the Closing for ninety (90) days; any claim under this Section 22 shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before ninety (90) days after Closing.

23. Delinquent Rents. With respect to any monies collected by Purchaser from tenants or other persons owing delinquent rents or other amounts as of the Closing Date, such money shall first be applied to the current rents or obligations of such person and retained by Purchaser and the balance (if any) shall then be delivered to Seller. After the Closing Date, Seller shall be entitled to institute legal actions to recover delinquent rents from tenants; provided, however, that Seller acknowledges that Seller shall have no right to terminate any tenant lease, and Seller shall not have the right to evict any tenant.

24. As-Is Purchase. Purchaser is an experienced commercial real estate owner and shall rely solely upon its own evaluation and investigation of the condition and all aspects of the Property. Purchaser acknowledges that this Agreement grants to Purchaser every opportunity which Purchaser may need to fully evaluate the condition and all aspects of the Property. Purchaser has asked for, and has obtained in this Agreement, disclosure of information and documents regarding the Property which are in Seller's possession or control. This does not reduce Purchaser's duty to fully evaluate the Property on its own. Accordingly, except to the extent of the Seller's representations and warranties in this Agreement, Purchaser acknowledges that it is not relying upon any representations of Seller as to any matter related to Property, its condition, or its suitability for Purchaser's intended use, and Purchaser hereby irrevocably waives, and releases seller, its members, partners, officers, directors, principals, agents, representatives, attorneys and employees (the "**Seller Parties**") from any and all claims, demands, obligations, damages, causes of action and liability, whether known or unknown, other than those for breach of Seller's representations and warranties explicitly set forth herein. At Closing, Purchaser shall be deemed to accept the Property "as is" in all respects.

25. **Brokerage Commissions.** At Closing, Seller shall pay a real estate brokerage commission to CBRE Affordable Housing ("**Broker**") pursuant to a separate written commission agreement. Broker represents Seller. Seller shall indemnify Purchaser against, and hold Purchaser harmless from, any and all claims (and all expenses incurred in defending any such claims or in enforcing this indemnity, including attorneys' fees and court costs) by any broker or finder for a real estate commission or similar fee arising out of or in any way connected with any claimed relationship between such broker or finder and Seller. Purchaser shall indemnify Seller against, and hold Seller harmless from, any and all claims (and all expenses incurred in defending any such claims or in enforcing this indemnity, including attorneys' fees and court costs) by any broker or finder for a real estate commission or similar fee arising out of or in any way connected with any claimed relationship between such broker or finder and Purchaser. The provisions of this Section 25 shall survive the Closing or the termination of this Agreement without time limitation.

26. **Seller's Sworn Statement (10-Year Rule).** Purchaser intends to acquire the Property for purposes of qualifying for the Low-Income Housing Tax Credit under Section 42 of the Internal Revenue Code ("**Code**"), and to that end, the Property must meet the requirement in Section 42(d)(2)(B)(ii) of the Code that the Property have been owned by the Seller at least 10 years after the date it was originally placed in service. Seller agrees that Seller may not assign this Agreement to any party, and Seller further agrees to provide to Purchaser upon request prior to, and/or at, the Closing, a Seller's Sworn Statement (10-Year Rule) on the form attached hereto as Exhibit E. Seller agrees to reasonably cooperate with Purchaser and provide to Purchaser such additional information and documents (including but not limited to tax returns of Seller) which may be reasonably requested by Purchaser's investors to evidence compliance with the 10 Year Rule under the Code.

27. **Tax Deferred Exchange.**

27.1. If Purchaser wishes to structure the Transaction as part of a 1031 tax deferred exchange, Seller agrees to cooperate in such efforts, and to sign documents reasonably necessary to accomplish such purposes; provided, however, that there shall be no material change in the Transaction from what would result if there was no tax deferred exchange, and provided that Seller incurs no additional cost, expense, obligation or liability as a result of such tax deferred exchange. Purchaser acknowledges that Seller shall have no obligation of any kind for the qualification of the Transaction for a 1031 tax deferred exchange.

27.2. If Seller wishes to structure the Transaction as part of a 1031 tax deferred exchange, Purchaser agrees to cooperate in such efforts, and to sign documents reasonably necessary to accomplish such purposes; provided, however, that there shall be no material change in the Transaction from what would result if there was no tax deferred exchange, and provided that Purchaser incurs no additional cost, expense, obligation or liability as a result of such tax deferred exchange. Seller further acknowledges that Purchaser shall have no obligation of any kind for the qualification of the Transaction for a 1031 tax deferred exchange. Notwithstanding the foregoing: (i) Seller may not assign this Agreement to any party; and (ii) Seller must be the grantor in the deed of the Property to Purchaser; and (iii) Seller may not take any action which would, in the sole judgment of Purchaser's counsel, cause the transfer of the Property to fail to qualify for the Low-Income Housing Tax Credit under Section 42 of the Internal Revenue Code ("**Code**"), and any regulations issued thereunder, and in particular, the requirement in Section 42(d)(2)(B)(ii) of the Code that the Property have been owned by the Seller at least 10 years after the date it was originally placed in service.

28. **Miscellaneous.**

28.1. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement embodies and constitutes the entire understanding between the parties with respect to the Transaction. No provision hereof may be waived, modified, or amended except by an instrument in writing signed by Purchaser and Seller. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. A facsimile, scanned, or other copy of a signed version of this

Agreement has the same effect as an original. Delivery by electronic transmission such as email, download or facsimile shall be deemed effective delivery.

28.2. Any notice, request, demand, instruction or other document required or permitted to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be delivered personally, or by overnight express courier, or by email, or by facsimile transmission, and addressed to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, or by email, or by confirmed facsimile, or via overnight express courier. (If a fax number listed below is inaccurate or is not working, then the date that a notice is required to be delivered shall be extended by one day.) Notwithstanding the foregoing, any written communication (including email or fax) sent to a party, which is actually received by such party, shall constitute notice for all purposes of this Agreement. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to Purchaser: Southport Financial Real Estate LLC
5403 West Gray Street
Tampa, Florida 33609
ATTN: Scott Seckinger Michael Molinari
Email: sseckinger@sphome.com mmolinari@sphome.com
Office: (813) 288-6988
Fax: (813) 288-1511

With a copy to: Pepple Cantu Schmidt PLLC
2430 Estancia Boulevard, Suite 114
Clearwater, Florida 33761
ATTN: David O. Cantu
Email: dcantu@pcslegal.com
Office: (727) 724-3222
Fax. No. (727) 726-9272

If to Seller: Hillsville Associates
c/o Landura Companies
4623 Country Club Rd
Winston-Salem, NC 27104
ATTN: Bob Watson
Email: bwatson@landura.com
Office: (336) 760-8100
Fax: (336) 760-8111

With a copy to: Boston Capital
One Boston Place, 22nd Floor
Boston, MA 02108
ATTN: James Beaton
Email: JBeaton@bostoncapital.com
Office: (617) 624-8574
Fax: (617) 624-8999

With a copy to: Blanco Tackabery & Matamoros, P.A.
110 South Stratford Road, Suite 500
Winston-Salem, NC 27104
ATTN: Susan Campbell
Email: sec@blancolaw.com
Office: (336) 293-9087
Fax: (336) 293-9030

If to Escrow Agent:

As in Section 1.5

28.3. In any legal proceeding arising in connection with this Agreement (including without limitation any arbitration and appellate proceedings as well as any bankruptcy, reorganization, liquidation, receivership or similar proceeding) the substantially non-prevailing party agrees to pay to the substantially prevailing party all reasonable costs and expenses, including attorneys' fees and other legal costs, expended or incurred by the substantially prevailing party in connection therewith (whether incurred before, during, or subsequent to any such action or proceeding).

28.4. Risk of loss or damage to the Property by condemnation, eminent domain, or similar proceedings (or deed in lieu thereof), or by fire or any other casualty, from the Effective Date until the Closing will be on Seller, and thereafter will be on Purchaser. Until the Closing Date, Seller shall maintain casualty insurance insuring the Property in an amount equal to the full insurable replacement cost.

28.5. **Casualty Loss.**

28.5.1. If at any time prior to the Closing Date, any portion of the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, Seller shall give written notice thereof to Purchaser as soon as possible and in any event within five (5) business days after Seller learns of such destruction or damage, and, within thirty (30) days thereafter, shall provide Purchaser with an estimate of the cost of restoring the Property to the condition it was in immediately before such damage or destruction from an independent consultant acceptable to Purchaser and Seller. The Closing Date shall be postponed, as required, in order for Seller to have the stipulated time to provide such notice and obtain and provide such estimate to Purchaser. If the cost of restoring and repairing the portion of the Property so damaged to substantially its present condition is not more than One Hundred Fifty Thousand Dollars (\$150,000.00), as reasonably estimated by such independent consultant, then Purchaser shall have no right to terminate this Agreement and shall purchase the Property in its damaged condition and be fully responsible for repair thereto, and at the Closing, Seller shall assign to Purchaser all rights of Seller in and to the property insurance (including rent loss coverage) currently maintained by Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of any deductible under such property insurance policy, but without any other claim or offset resulting from such destruction or damage; provided, however, that if the rights of Seller in and to such property insurance are not assignable to Purchaser, then Purchaser shall receive at Closing a credit against the Purchase Price in the amount of such insurance proceeds which would have been assigned.

28.5.2. If the cost of restoring and repairing the portion of the Property so damaged to substantially its present condition is more than One Hundred Fifty Thousand Dollars (\$150,000.00), as reasonably estimated by such independent consultant acceptable to Purchaser and Seller, then Purchaser shall have the option, to be exercised within twenty (20) business days from the date of Purchaser's receipt of such estimate, to terminate this Agreement, in which event the Deposits paid shall be immediately refunded to Purchaser, and neither party hereto shall have any further duties, obligations or liabilities to the other, except as specifically provided herein. The Closing Date shall be postponed, as required, in order for Seller to have the stipulated time to provide such notice and obtain and provide such estimate to Purchaser, and for Purchaser to have the stipulated time to exercise its option to terminate. If Purchaser shall not elect to terminate this Agreement as provided in this Section 28.5.2, then this Agreement shall remain in full force and effect, and Purchaser shall purchase the Property in its damaged condition and be fully responsible for repair thereto, and at the Closing, Seller shall assign to Purchaser all rights of Seller in and to the property insurance (including rent loss coverage) currently maintained by Seller, and Purchaser shall receive a credit against the Purchase Price in the amount of any deductible under such property insurance policy, but without any other claim or offset resulting from such destruction or damage; provided, however, that if the rights of Seller in and to such property insurance are not assignable to Purchaser, then Purchaser shall receive at Closing a credit against the Purchase Price in the amount of such insurance proceeds which would have been assigned. Seller shall not negotiate for or agree to an award or settlement without the approval of Purchaser.

28.5.3. Notwithstanding the foregoing, this Section 28.5 shall not apply to any destruction or damage that is restored by Seller to its present condition on or before the Closing Date.

28.6. If at any time prior to the Closing Date, there shall be a taking by eminent domain proceedings or the commencement of any such proceedings, with respect to the Property, Seller shall promptly give written notice thereof to Purchaser, and, if such taking by eminent domain proceedings would result in a Material Change, Purchaser shall have the right, at Purchaser's sole option, to terminate this Agreement by giving written notice to Seller within thirty (30) days after Purchaser receives written notice of such proceedings, in which event the Deposits paid shall be immediately refunded to Purchaser, and neither party hereto shall have any further duties, obligations or liabilities to the other, except as specifically provided herein. A "**Material Change**" means a taking that would result in (a) the Property not being in compliance with all laws, rules, and regulations, (b) a diminution in value of the Property or a cost to restore the Property of more than five percent (5%) of the Purchase Price of the Property as estimated by an independent consultant acceptable to Purchaser and Seller. If Purchaser does not so terminate this Agreement, the Purchase Price for the Property shall be reduced by the total of any awards or other proceeds received by Seller (directly or indirectly) prior to Closing with respect to any such taking, and at the Closing Seller shall assign to Purchaser all rights of Seller in and to any awards or other proceeds payable by reason of any taking. Seller shall not negotiate for or agree to an award or settlement without the approval of Purchaser. The Closing Date shall be postponed, as required, in order for the parties to obtain an estimate of the diminution in value or cost to restore and for Purchaser to have the stipulated time to exercise its option to terminate.

28.7. Purchaser shall have the right to assign this Agreement to an Affiliate of Purchaser or the principals of Purchaser, upon written notice to Seller at least five (5) days prior to the Closing Date; provided, however, that any such assignment shall not release the original Purchaser from any obligation or liability under this Agreement arising before or after Closing, including without limitation Surviving Provisions. No other assignment of this Agreement by Purchaser is permitted.

28.8. Seller and Purchaser agree to execute and deliver any instrument, affidavit and statement, and to perform any acts reasonably necessary to carry out the provisions of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC Section 1445 and regulations promulgated thereunder.

28.9. This Agreement has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the words hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

28.10. The parties acknowledge that time is of the essence for each time and date specifically set forth in this Agreement. In computing any period of time pursuant to this Agreement, if the final day of a period, act or event falls on a day which is not a business day, then such final day shall be postponed until the next business day, but the commencement date of the time periods based on such final day shall not be postponed. A business day shall mean Monday through Friday, excluding days designated as a postal holiday by the United States Postal Service.

28.11. This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia, without regard to its conflict or choice of laws rules.

28.12. EVERY PURCHASER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY ON WHICH A RESIDENTIAL DWELLING WAS BUILT PRIOR TO 1978 IS NOTIFIED THAT SUCH PROPERTY MAY PRESENT EXPOSURE TO LEAD FROM LEAD-BASED PAINT THAT MAY PLACE YOUNG CHILDREN AT RISK OF DEVELOPING LEAD POISONING. LEAD POISONING IN YOUNG CHILDREN MAY PRODUCE PERMANENT NEUROLOGICAL DAMAGE, INCLUDING LEARNING DISABILITIES, REDUCED INTELLIGENCE QUOTIENT, BEHAVIORAL PROBLEMS, AND IMPAIRED MEMORY. LEAD POISONING ALSO POSES A PARTICULAR RISK TO PREGNANT WOMEN. THE SELLER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE THE PURCHASER WITH ANY INFORMATION ON LEAD-BASED PAINT HAZARDS FROM RISK

ASSESSMENTS OR INSPECTIONS IN THE SELLER'S POSSESSION OR CONTROL, IF ANY, AND NOTIFY THE PURCHASER OF ANY KNOWN LEAD-BASED PAINT HAZARDS. A RISK ASSESSMENT OR INSPECTION FOR POSSIBLE LEAD-BASED PAINT HAZARDS IS RECOMMENDED PRIOR TO PURCHASE.

28.13. As used in this Agreement, "**Affiliate**" means, as to any person or entity: (a) any other person or entity that, directly or indirectly, is in control of, is controlled by or is under common control with such person or entity; or (b) is a director, officer, shareholder, partner, member or associate of such person or entity, or of an Affiliate of such person or entity. "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.

28.14. Neither this Agreement, nor any part thereof, nor any memorandum thereof may be recorded. Recording of any such document by, or at the direction of Purchaser, shall be a material default by Purchaser under this Agreement.

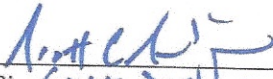
29. **Limited Liability.** No limited partner or general partner of the limited partnership comprising Seller, nor an officer, director or shareholder of any partner comprising, nor any employee or agent of, Seller or of Seller's partners, shall have any personal liability directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with this Agreement, and Buyer and Buyer's successors and assigns shall look solely to Seller's interest in the Property or Seller's interest in the net sales proceeds from the sale of the Property following a transfer thereof, for the payment of any claim or for any performance hereunder, and Buyer hereby waives any and all claims for personal liability against any limited partner, manager or member, or general partner of Seller, and any officer, director or shareholder of any partner comprising Seller, and any employee or agent of Seller or of any of Seller's partners.

30. **Termination of Offer.** Submission of this Agreement by one party to the other shall constitute an offer to purchase or sell the Property on the terms and conditions set forth herein. This offer shall expire if the other party has not returned a fully executed copy hereof to the other party by 5:00 P.M. Eastern time on the second business day after receipt.

[Signatures on following page]

PURCHASER:

Southport Financial Real Estate LLC

By: 
Name: Scott Sealy
Title: VP
Date: 2/1/19

SELLER:

Hillsville Associates, a Virginia limited partnership

By: Ronald J. Midura, General Partner

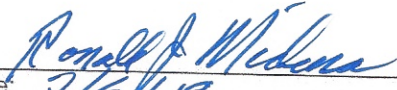
By: 
Date: 2/6/19

EXHIBIT A

Legal Description of Land

Lawyers Title Insurance Corporation

A Stock Company
Home Office ~ Richmond, Virginia

AMOUNT	POLICY OF TITLE INSURANCE	DATE OF POLICY
\$ <u>1,770,000.00</u>	SCHEDULE A NAME OF INSURED	<u>November 28, 1979</u> at 10:15 A.M.
	HILLSVILLE ASSOCIATES, A VIRGINIA LIMITED PARTNERSHIP	

1. The estate or interest in the land described herein and which is covered by this policy is:

FEE SIMPLE

2. The estate or interest referred to herein is at Date of Policy vested in:

Hillsville Associates, a Virginia Limited partnership

3. The land referred to in this Policy is described as follows:

Located in the County of Carroll, State of Virginia:

All of that certain tract or parcel of land situate in the Sulpher Springs Magisterial District of Carroll County, Virginia, and more particularly designated and described as follows: to-wit:

BEGINNING at a point in the intersection of Virginia Route 1020 with Virginia Route 714, which point is marked by an old iron pipe, as shown on the hereinafter described plat; thence with the westerly side of Virginia Route 1020 S 28°17' E 171.71 feet to a point; thence S 30°31' E 255.52 feet to an old iron pipe; thence S 33°09' E 220.04 feet to an old iron pipe; thence leaving Virginia Route 1020 and with the line of a fence S 34°33' W 321.92 feet to an old iron pipe; thence S 38°22' W 146.62 feet to an iron; thence N 30°49' W. 798.27 feet to an iron along the southerly side of Virginia Route 714; thence with Virginia Route 714 N 62°16' E. 132.10 feet to an iron; thence N 50°15' E 112.72 feet to an old iron pipe; thence N 51°41' E 187.99 feet to the point of BEGINNING, and containing 7 acres, more or less, as shown on that certain plat entitled "Topographic Survey, Hillsville, Virginia, Sulpher Springs Magisterial District, Carroll County," prepared by Harvey L. Parks, CLS, and dated October 23, 1978, which plat is to be recorded contemporaneously herewith and is expressly made a part hereof.

BEING THE SAME PROPERTY CONVEYED TO Hillsville Associates, a Virginia Limited partnership, by deed from Bettie Mae Webb Adams, widow, dated November 1, 1979, recorded November 13, 1979 at 1:25 P.M., as Document No. 2535, in Deed Book 292, page 416, whereby Deed of Correction recorded November 19, 1979 at 11:10 A.M., dated November 16, 1979, as Document No. 2573, in Deed Book 292.....

Countersigned:

ROANOKE BRANCH OFFICE

Issued at: Roanoke, Virginia

B-5


Authorized Officer or Agent

dch

Page 1—Sched. A—Policy No. **H 549472**

ORIGINAL

Lawyers Title Insurance Corporation

A Stock Company

Home Office ~ Richmond, Virginia

SCHEDULE A cont'd.

.....page 528, in the Clerk's Office of the Circuit Court for the County of Carroll, State of Virginia.



EXHIBIT B

"Personal Property" means Seller's interest in all of the furniture, fixtures, fittings, apparatus, equipment, machinery, trade names, and other items of tangible and intangible personal property and replacements thereof, if any, affixed or attached to or used in connection with the operation, maintenance, or management of the Improvements, including but not limited to, all permits, warranties, licenses, sweepers, cleaning supplies, tools, office furniture and equipment, stationery, office supplies, and janitorial supplies.

"Intangible Property" means all right, title and interest of Seller in and to all intangible property owned or held for use in connection with the Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "Laurel Ridge Apartments"), licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, advertising and online listings such as Apartments.com, ForRent.com, RentPath, Zillow, Facebook, Google My Business, Yelp, and plans and specifications.

"Improvements" means the apartment building constructed upon the Land, known as Laurel Ridge Apartments, together with Seller's interest in all machinery, air conditioners, fixtures, and equipment used in the general operation of such buildings and improvements, and/or affixed to or located upon the Land on the Effective Date, along with all accessions and additions thereto, and together with the lessor's or landlord's interest in any tenant leases or occupancy agreements covering all or any portion of such buildings and improvements.

EXHIBIT C

- Trailing 12 months of operations by month in excel format (updated monthly through closing)
- Current Rent Roll in excel format (updated monthly through closing)
- Last 2 years of Rent Rolls by month in excel format
- Trailing 3 years of annual operating statements in excel format (by month)
- Trailing 3 years audits (if unaudited, prior 12 months of bank statements)
- Last 3 years of annual Property Tax Bills
- Current Budget
- Existing Payroll Schedule (list of current employees, start dates and salary/wage information)
- 3 years of Capital Expenditures
- Last 12 months of Utility Bills (water, sewer, electricity, gas)
- 3 years of loss runs for property and general liability insurance
- Any service contracts and list of vendors (laundry, copier, trash, etc.)
- Pest Contract/Termite Contract/Termite Bond
- Any 3rd party reports (Appraisal, LBP, Phase 1, RCS, termites, etc.)
- Existing Survey, as available
- Current Title Policy, as available
- All building addresses & parcel numbers (for zoning report)
- Any CO's and business/occupancy licenses
- Any existing building plans/site plans/zoning resolutions/drawings
- Any outstanding code violations
- Existing Mortgage Note/ Promissory Notes, as available*
- Affordable Fair Housing Marketing Plan*
- Any Regulatory/Use agreements encumbering the property (LURA, EUA)*
 - 8609s*
 - Current HUD rent schedule*
 - Current Utility Allowances*
 - Original HAP contract*
 - Current and recent HAP renewal*
 - Most recent HAP voucher request*
 - Current REAC and score*
 - Current MOR and score*
 - Current AFHMP (Affirmative Fair Housing Marketing Plan)*

**if applicable*

- Please keep in mind as transaction continues updated monthly operating statements and rent rolls will be needed. Often times they will need to be certified as well. -

EXHIBIT D

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

(_____ Apartments)

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned, _____ ("**Assignor**") and _____ ("**Assignee**") hereby agree as follows:

1. This Bill of Sale, Assignment and Assumption Agreement is given pursuant to that certain Purchase and Sale Agreement ("**PSA**") dated as of _____, 20____, between Assignor and Assignee (or its predecessor), as amended, providing for, among other things, the conveyance of the Personal Property, the Tenant Leases, and the Intangible Property described herein.

2. Assignor hereby sells, transfers, assigns and conveys to Assignee:

2.1 All right, title and interest of Assignor in and to all furniture, fixtures, fittings, apparatus, equipment, machinery, and other items of tangible personal property and replacements thereof, if any, affixed or attached to or used in connection with the operation, maintenance, or management of the Improvements, including but not limited to appliances, sweepers, cleaning supplies, tools, office furniture and equipment, stationery, office supplies, and janitorial supplies ("**Personal Property**") located on, and used in connection with the management, maintenance, ownership or operation of that certain land and improvements ("**Real Property**") legally described on Exhibit A, but excluding tangible personal property owned by the tenants of the Real Property under the Tenant Leases (as defined below).

2.2 All right, title and interest of Assignor as lessor in and to any leases ("**Tenant Leases**") relating to the leasing of space or units in the Real Property and all of the rights, interests, benefits and privileges of the lessor thereunder, and all prepaid rents and security and other deposits held by Assignor under the Tenant Leases, subject to all terms, conditions, reservations and limitations set forth in the Tenant Leases and the PSA.

2.3 To the extent assignable, all right, title and interest of Assignor in and to all intangible property ("**Intangible Property**") owned or held for use in connection with the Real Property and/or the Personal Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "_____"), licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, advertising and online listings such as Apartments.com, ForRent.com, RentPath, Zillow, Facebook, Google My Business, Yelp, and plans and specifications.

3. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all liabilities, losses, claims, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "**Claims**"), originating prior to the Conveyance Date and arising out of the lessor's obligations under the Tenant Leases, first arising prior to the Conveyance Date, and to the extent accruing through the last day prior to the Conveyance Date.

4. As of the Conveyance Date, Assignee hereby assumes all of Assignor's obligations under the Tenant Leases first arising and accruing on and after the Conveyance Date and agrees to indemnify Assignor against and hold Assignor harmless from any and all Claims originating on or subsequent to the Conveyance Date and arising out of the lessor's obligations under the Tenant Leases, first arising and accruing on and after the Conveyance Date.

5. Assignor hereby represents and warrants that the property conveyed hereunder is free and clear of all liens, leases and encumbrances (except those expressly approved by Purchaser pursuant to the PSA). Except as provided in the immediately preceding sentence and except for the representations and warranties set forth in the PSA with respect to the property conveyed hereunder (which are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignee and Assignor and their respective successors and assigns), the property conveyed hereunder is so conveyed in an "as is" condition.

6. This Bill of Sale, Assignment and Assumption is made subject to the title exceptions approved or deemed approved by Assignee pursuant to the PSA.

7. In the event any action be instituted by a party to enforce this Agreement, the prevailing party in such action shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the court. In addition to the foregoing award of such reasonable attorneys' fees to the prevailing party, the prevailing party in any lawsuit on

this Agreement shall be entitled to its reasonable attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment.

8. This Bill of Sale, Assignment and Assumption Agreement may be executed in several counterparts and all so executed shall constitute one Bill of Sale, Assignment and Assumption Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery by electronic transmission such as a facsimile, scanned, or other copy of a signed version of this Bill of Sale, Assignment and Assumption Agreement has the same effect as delivery of an original.

9. As of the date above written, Assignee hereby accepts the foregoing Bill of Sale, Assignment and Assumption Agreement and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Tenant Leases and Intangible Property first arising and accruing on and after the Conveyance Date.

[Signatures on following page]

Dated effective as of _____, 20____ (the "**Conveyance Date**").

ASSIGNEE:

ASSIGNOR:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT A
TO
BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

Description of Real Property

EXHIBIT E

SELLER'S SWORN STATEMENT (10-YEAR RULE)

The undersigned hereby certifies the following with respect to the requirements of Code Section 42(d)(2) of the Internal Revenue Code, regarding the eligibility of existing buildings for low income housing tax credit as it relates to the _____ Apartments, located at _____:

- Seller is the owner of an improved parcel of real estate ("**Property**") in _____ County, _____, known as _____, and having the legal description set forth on Exhibit A attached hereto and by this reference incorporated herein.
- As owner of the Property, Seller has agreed to sell the Property to _____, a _____ ("Purchaser").
- The Property was acquired and placed in service by Seller on or about _____, which date is more than ten years prior to the date hereof. Seller has continuously owned the Property from the date Seller acquired the Property. In the past ten years from the date hereof there has not been a termination of the Seller partnership within the meaning of Section 708(b)(1)(B) of the Internal Revenue Code of 1986, as amended.
- Seller and its partners (or any persons related to or entities directly or indirectly owned by Seller and its partners) do not and will not possess any direct or indirect ownership interest in Purchaser.
- Affiant has knowledge of all relevant facts relating to the statements contained herein and is both authorized and competent to make the statements contained herein.

Dated effective _____.

"Seller"

By: _____

Name: _____

Title: _____

Date Signed: _____

ADD JURAT

**EXHIBIT A
Legal Description**

Apartments

ESCROW AGREEMENT

THIS ESCROW AGREEMENT made and entered into as of the 14th day of February, 2019, by and between Hillsville Associates, a Virginia limited partnership (hereinafter referred to as "Seller"); and Southport Financial Real Estate LLC, a Florida limited liability company, (hereinafter referred to as "Purchaser"); and First American Title Insurance Company (hereinafter referred to as "Escrow Agent");

WITNESSETH

WHEREAS, Seller and Purchaser have entered into a Purchase and Sale Agreement effective as of February 7, 2019, for the sale and purchase of certain property located in Carroll County, Virginia and more particularly described as 620 W. Grayson Street, Hillsville, Virginia, an apartment complex known as "Laurel Ridge Apartments" (hereinafter referred to as the "Property"); and

WHEREAS, Purchaser and Seller desire to have Escrow Agent hold the Earnest Money as required under the Real Estate Purchase Agreement in escrow pursuant to the terms thereof.

NOW, THEREFORE, in consideration of the premises and of good and valuable consideration the receipt and sufficiency whereof is hereby acknowledged, the parties hereto hereby covenant and agree as follows:

1. Purchaser and Seller hereby appoint First American Title Insurance Company as Escrow Agent hereunder.
2. Purchaser has delivered and deposited with Escrow Agent the amount of \$25,000.00 dollars, in the form of cash representing the Earnest Money as required by the Real Estate Purchase Agreement. The Escrow Agent agrees to immediately deposit said funds (if cash) in an interest bearing account with First American Trust, FSB and to hold and disburse said funds, and any interest earned thereon, as hereinafter provided.
3. Purchaser agrees to provide Seller notice of any additional funds deposited with the Escrow Agent.
4. Upon written notification from Purchaser and Seller that the contemplated sale is to be consummated, Escrow Agent shall deliver the Earnest Money to Seller to be applied to the purchase price and any accrued interest shall be paid to Purchaser, unless otherwise instructed by the parties hereto.
5. Upon written notification from both Purchaser and Seller that the contemplated sale shall not take place, Escrow Agent shall deliver the Earnest Money plus accrued interest, if any, pursuant to joint and written instructions received from both Purchaser and Seller hereto.
6. The Parties hereto covenant and agree that in performing any of its duties under this Agreement, Escrow Agent shall not be liable for any loss, costs or damage which it may incur as a result of serving as Escrow Agent hereunder, except for any loss, costs or damage arising out of its willful default or gross negligence.

ESCROW AGREEMENT (continued)

7. Accordingly, Escrow Agent shall not incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of its counsel given with respect to any questions relating to its duties and responsibilities, or (ii) to any action taken or omitted to be taken in reliance upon any document, including any written notice of instruction provided for in the Escrow Agreement, not only as to its due execution and the validity and effectiveness of its provisions, but also to the truth and accuracy of any information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person or persons and to conform with the provisions of this Escrow Agreement.
8. Purchaser and Seller hereby agree to indemnify and hold harmless Escrow Agent against any and all losses, claims, damages, liabilities and expenses, including without limitation, reasonable costs of investigation and attorneys' fees and disbursements which may be imposed upon or incurred by Escrow Agent in connection with its serving as Escrow Agent hereunder.
9. In the event of a dispute between any of the parties hereto sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender unto the registry or custody of any court of competent jurisdiction all money or property in its hands held under the terms of this Escrow Agreement, together with such legal pleading as it deems appropriate, and thereupon be discharged.
10. This Escrow Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective agents, successors and assigns. Any and all rights granted to any of the parties hereto may be exercised by their agents.
11. This Escrow Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which taken together shall constitute one and same instrument. Purchaser's signature block and Seller's signature block may appear on separate pages. This Agreement may be executed by facsimile or like method of electronically produced signature (e.g. delivery of a .pdf executed counterpart), which signature hereon shall have the same force and effect as an original signature.
12. No change or modification of this Escrow Agreement shall be valid unless the same is in writing and signed by all parties to this Escrow Agreement.
13. This Escrow Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed and its seal to be affixed thereto as of the day and year first above written.

SEE ATTACHED SIGNATURE PAGES

ESCROW AGREEMENT (continued)

PURCHASER:

SOUTHPORT FINANCIAL REAL ESTATE LLC, a
Florida limited liability company

By: [Signature]
Name: David Page
Title: Manager

Address:
5403 West Gray Street
Tampa, FL 33609
Phone: (813) 288-6988

SELLER:

HILLSVILLE ASSOCIATES, a
Virginia limited partnership

By: [Signature]
Name: Robert L. Witsen Jr.
Title: Attorney in Fact

Address:
c/o Landura Companies
4623 Country Club Road
Winston-Salem, NC 27104
Phone: (336) 760-8100

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: [Signature]
Name: Sandra P. Hartz
Title: Escrow Officer

Address: 9011 Arboretum Parkway, Suite 175
Richmond, VA 23236
Phone: (804) 404-4954



CARROLL COUNTY TREASURER'S OFFICE
 Bonita M. Williams - Treasurer
 605-10 Pine Street
 Hillsville, VA 24343-1463
 Phone: 276-730-3060 or 276-236-8008

TAX YEAR 2018

Page Number	Account Number
1 of 1	21630

REAL ESTATE TAX STATEMENT

DUE DATE DECEMBER 5, 2018

*034478/1-S 105-B 2

223203
 HILLSVILLE ASSOCIATES
 LAUREL RIDGE ASSOC VDH MULTI-FAMILY
 PO BOX 5127
 RICHMOND VA 23220-0127

THE TREASURER ONLY COLLECTS TAXES, DOES NOT ASSESS PROPERTY, FIX VALUATIONS, SET RATES OR GRANT EXEMPTIONS AND HAS NO AUTHORITY TO MAKE CHANGES TO THE TAX ROLL.

A 5% penalty will be added after 12-05-2018 and 10% per annum will be added after 12-05-2018

Code of Virginia 58.1-3913 Delinquent tax MUST be paid first.
 IF CHECK IS NOT HONORED BY BANK, RECEIPT IS VOID.
 An Escrow Company has requested to pay this ticket if a number is stated at Lender Code.

21630-13772

Tax Rate	Land Value Land Use Value	Building and Improvements	Total Value	Annual Tax	Map Number and Location	Acreage
0.695	175000	1587500	1762500	12249.38	340 A 17	7.000
Line #	Tax Year	Ticket Number	TAX	Adjustments & Payments	TOTAL DUE	
1	2018	13772	12249.38	0.00	12249.38	
TOTAL DUE THROUGH DECEMBER 5, 2018						12249.38

Return this stub with payment

**COUNTY OF CARROLL
 2018 REAL ESTATE TAX**

HILLSVILLE ASSOCIATES

21630-13772

Tax Rate	Land Value Land Use Value	Building and Improvements	Total Value	Annual Tax	Map Number and Location	Acreage
0.695	175000	1587500	1762500	12249.38	340 A 17	7.000
Line #	Tax Year	Ticket Number	TAX	Adjustments & Payments	TOTAL DUE	
1	2018	13772	12249.38	0.00	12249.38	
TOTAL DUE THROUGH DECEMBER 5, 2018						12249.38

2018 Real Estate taxes are due by DECEMBER 5, 2018



CARROLL COUNTY TREASURER'S OFFICE
 Bonita M. Williams - Treasurer
 605-10 Pine Street
 Hillsville, VA 24343-1463
 Phone: 276-730-3060 or 276-236-8008

TAX YEAR 2017

Page Number	Account Number
1 of 1	21630

REAL ESTATE TAX STATEMENT

DUE DATE DECEMBER 5, 2017

*034797/1-S 105-B 2

223203
 HILLSVILLE ASSOCIATES
 LAUREL RIDGE ASSOC VDH MULTI-FAMILY
 PO BOX 5127
 RICHMOND VA 23220-0127

THE TREASURER ONLY COLLECTS TAXES, DOES NOT ASSESS PROPERTY, FIX VALUATIONS, SET RATES OR GRANT EXEMPTIONS AND HAS NO AUTHORITY TO MAKE CHANGES TO THE TAX ROLL.

A 5% penalty will be added after 12-05-2017 and 10% per annum will be added after 12-05-2017.

Code of Virginia 58.1-3913 Delinquent tax MUST be paid first.
 IF CHECK IS NOT HONORED BY BANK, RECEIPT IS VOID.
 An Escrow Company has requested to pay this ticket if a number is stated at Lender Code.

21630-13724

Tax Rate	Land Value Land Use Value	Building and Improvements	Total Value	Annual Tax	Map Number and Location	Acreage
0.695	175000	1587500	1762500	12249.38	340 A 17	7.000
Line #	Tax Year	Ticket Number	TAX	Adjustments & Payments	TOTAL DUE	
1	2017	13724	12249.38	0.00	12249.38	
TOTAL DUE THROUGH DECEMBER 5, 2017						12249.38

Return this stub with payment

COUNTY OF CARROLL
 2017 REAL ESTATE TAX

HILLSVILLE ASSOCIATES

21630-13724

Tax Rate	Land Value Land Use Value	Building and Improvements	Total Value	Annual Tax	Map Number and Location	Acreage
0.695	175000	1587500	1762500	12249.38	340 A 17	7.000
Line #	Tax Year	Ticket Number	TAX	Adjustments & Payments	TOTAL DUE	
1	2017	13724	12249.38	0.00	12249.38	
TOTAL DUE THROUGH DECEMBER 5, 2017						12249.38

2017 Real Estate taxes are due by DECEMBER 5, 2017

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 1 of 15

PARCEL NUMBER
340 A 17
Parent Parcel Number

HILLSVILLE ASSOCIATES
LAUREL RIDGE ASSOC VDH MULTI-FAMILY
PO BOX 5127
RICHMOND, VA 23220
RDS 714 & T1020

TRANSFER OF OWNERSHIP

Date	Bk/Pg:
01/01/2000	292, 0528
	\$0

Property Address
620 W GRAYSON ST
Neighborhood
900 Town of Hillsville
Property Class
3 3-Multi-Family Residential

RESIDENTIAL

TAXING DISTRICT INFORMATION

Jurisdiction 018
Area 001
District 06

VALUATION RECORD

Assessment Year	01/01/1998	01/01/2004	01/01/2008	01/01/2013	01/01/2013	01/01/2017
Reason for Change	20	Reassessment	Reassessment	2013	RHearing N/C	Other
VALUATION	I 140000	140000	175000	175000	175000	175000
0	B 1179800	1455300	1544200	1587500	1587500	1587500
	T 1319800	1595300	1719200	1762500	1762500	1762500

Site Description

Topography:

Public Utilities:

Street or Road:

Neighborhood:

Zoning:

Legal Acres:
7.0000

LAND DATA AND CALCULATIONS

Rating	Measured	Table	Prod. Factor						
Soil ID	Acreage		-or-						
-or-	-or-		Depth Factor						
Actual	Effective	Effective	-or-	Base	Adjusted	Extended	Influence	Value	
Frontage	Frontage	Depth	Square Feet	Rate	Rate	Value	Factor		
1 11	Primary Comm/Indust Land	7.0000	1.00	25000.00	25000.00	175000		175000	

COM1: 340 -(A)- 17
VINYL EXT/GABLE ROOF
GEN: GENERAL COMMENT
LANDURA MANAGEMENT CONTACT CHRISTOPHER HULL
@ 366-760-8104 EXT#149
HUD SECTION 8 APARTMENTS
13 ONE BEDROOM UNITS
1 ONE BEDROOM HANDICAP UNIT
28 TWO BEDROOM UNITS
9 THREE BEDROOM UNITS
4 FOUR BEDROOM UNITS
1 FOUR BEDROOM HANDICAP UNIT
56 TOTAL UNITS
NATURAL GAS PIPELINE EASEMENT PER DB 1029-195 DATED 1/4/16

Supplemental Cards
TRUE TAX VALUE 175000

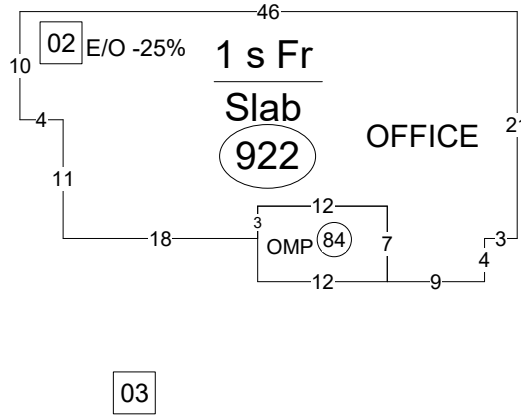
Supplemental Cards
TOTAL LAND VALUE 175000

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING				
Shingle				
WALLS				
Frame	B	1	2	U
Brick				
Metal				
Guard				
FRAMING				
	B	1	2	U
FINISH				
	UF	SF	FO	FD
HEATING AND AIR CONDITIONING				
	B	1	2	U
PLUMBING Residential Commercial				
	#	TF	#	TF
Full Baths			1	2
Half Baths				
Extra Fixtures				
TOTAL		0		2

PORCHES INCLUDED IN RATE



Item Description	Units	Cost	Total

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	GENCOMM	0.00		D	1978	1978	AV	0.00	N	0.00	922	0	0	NV	0	100	0
02	25600	PROFFICE		0.00	1	D	1978	1978	AV	57.00	N	57.00	922	52550	35	SV	100	100	25600
03	27800	PAVING		0.00	1	D	1978	1978	AV	1.50	N	1.50	37000	55500	50	SV	100	100	27800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

TOTAL IMPROVEMENT VALUE

53400

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 2 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

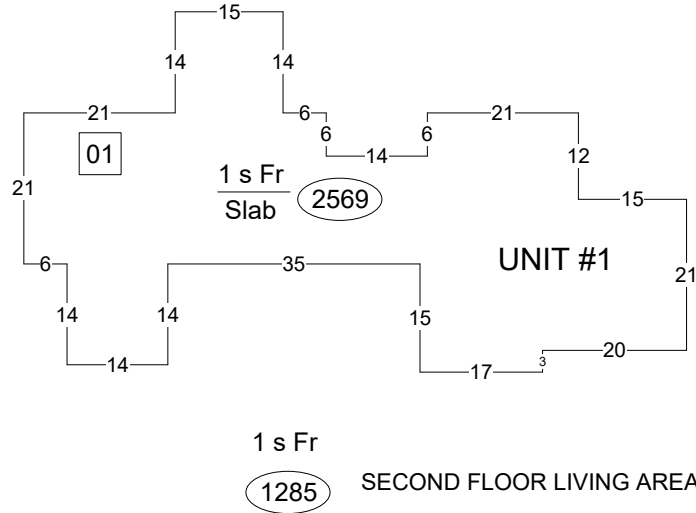
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
Insulation					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	0
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	0
Total	3854	0	0	0	0
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
A/C	0	3854	0	0	0

SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE



Item Description Units Cost Total

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 3 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

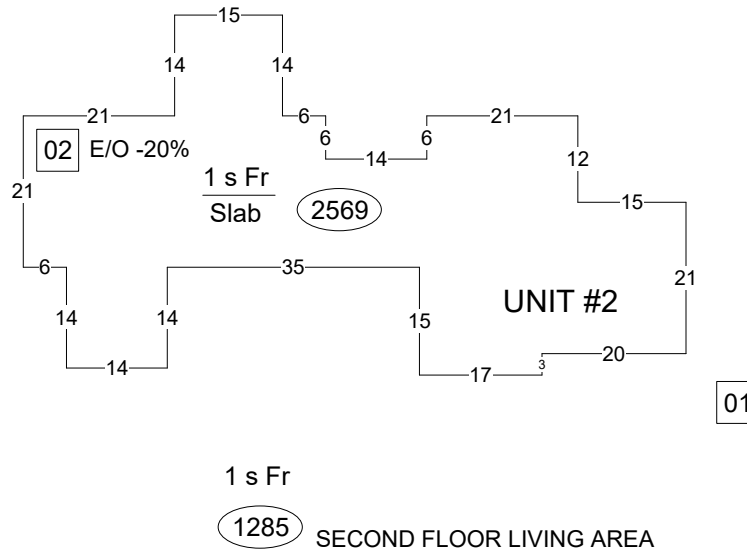
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
	0	3854	0	0	

SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE



Item Description Units Cost Total

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
01	2500	01	UTLSHED	1.00	1		1978	1978	AV	0.00	N	0.00	12x 24	0	0	SV	100	100	2500
02	104800	02	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

107300

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 4 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

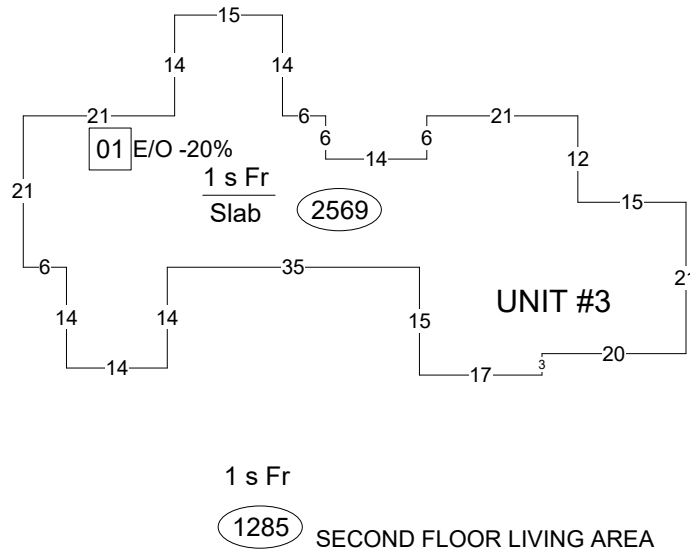
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
	0	3854	0	0	

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 5 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

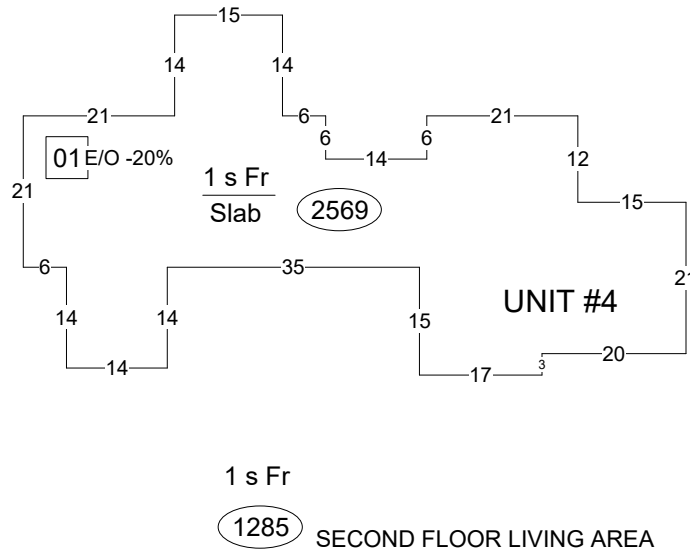
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	0
Total	3854	0	0	0	0
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
	0	3854	0	0	



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 6 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

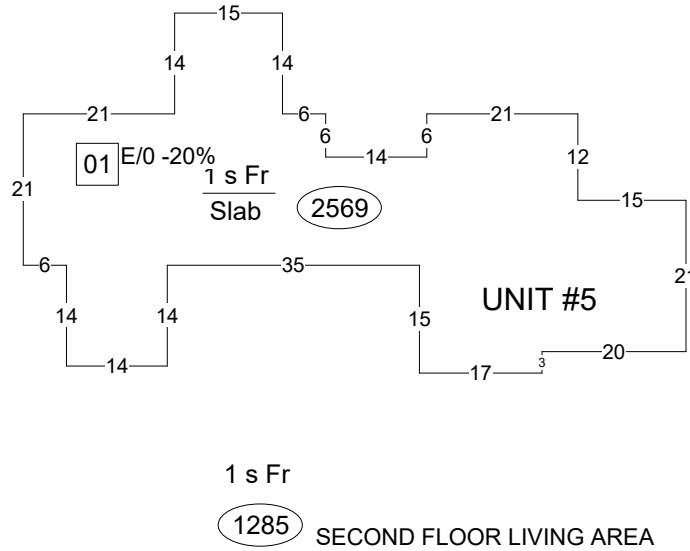
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	0
Total	3854	0	0	0	0
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
	0	3854	0	0	



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

TOTAL IMPROVEMENT VALUE

104800

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 7 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

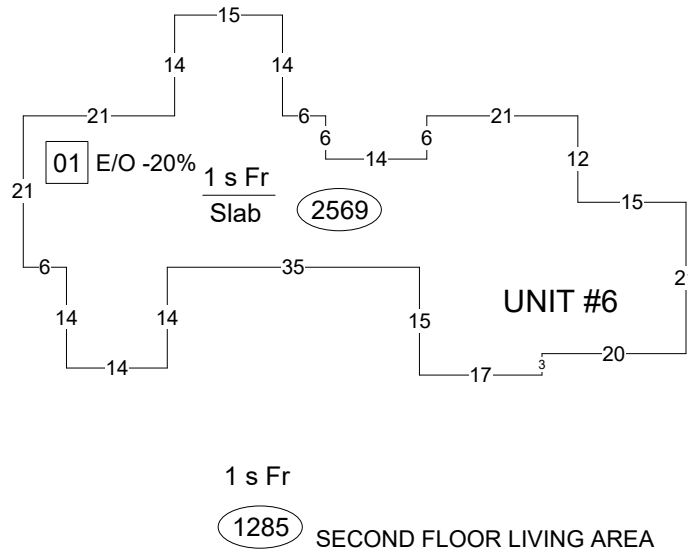
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
	0	3854	0	0	

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**



Item Description Units Cost Total

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 8 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

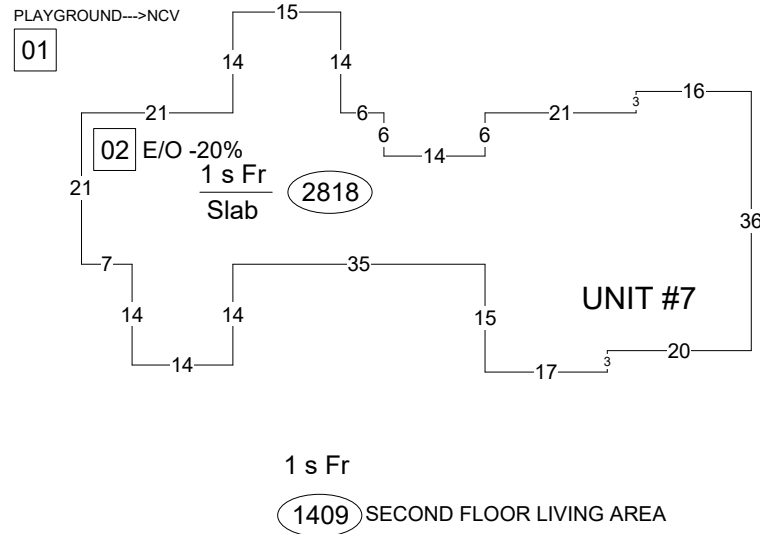
Site Description

LAND DATA AND CALCULATIONS

Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage	Depth	Square Feet	Rate	Rate	Value	Factor	Value

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**



PHYSICAL CHARACTERISTICS

ROOFING

WALLS

Frame	B	1	2	U
Brick		Yes		
Metal				
Guard				

FRAMING

Wd Jst	B	1	2	U
	0	4227	0	0

FINISH

	UF	SF	FO	FD
1	4227	0	0	0
Total	4227	0	0	0

HEATING AND AIR CONDITIONING

Heat	B	1	2	U
	0	4227	0	0

Item Description Units Cost Total

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value	
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	4227	0	0	NV	0	100	0
		01	PLAYGROU	0.00	1	D	1978	1978	AV	0.00	N	0.00	0	0	35	0	100	100	0
		02	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	4227	211350	25	SV	100	100	126800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

126800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 9 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**

PHYSICAL CHARACTERISTICS

ROOFING

WALLS

Frame	B	1	2	U
Brick		Yes		
Metal				
Guard				

FRAMING

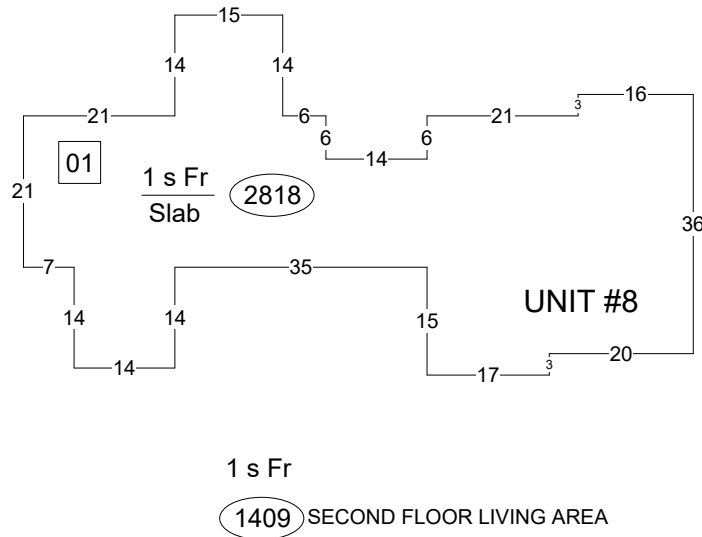
Wd Jst	B	1	2	U
	0	4227	0	0

FINISH

	UF	SF	FO	FD
1	4227	0	0	0
Total	4227	0	0	0

HEATING AND AIR CONDITIONING

Heat	B	1	2	U
	0	4227	0	0



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	4227	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	4227	211350	25	SV	100	100	126800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

126800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 10 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**

PHYSICAL CHARACTERISTICS

ROOFING

WALLS

Frame	B	1	2	U
Brick		Yes		
Metal				
Guard				

FRAMING

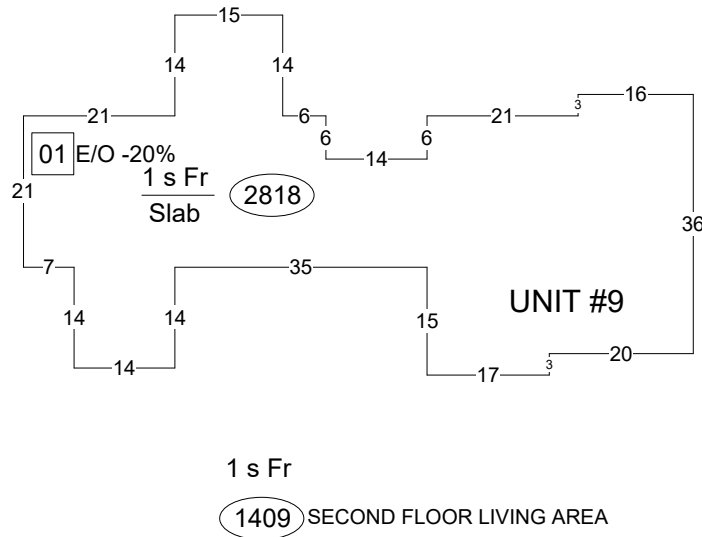
Wd Jst	B	1	2	U
	0	4227	0	0

FINISH

	UF	SF	FO	FD
1	4227	0	0	0
Total	4227	0	0	0

HEATING AND AIR CONDITIONING

Heat	B	1	2	U
	0	4227	0	0



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	4227	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	4227	211350	32	SV	100	100	115000

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

115000

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 11 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**

PHYSICAL CHARACTERISTICS

ROOFING

WALLS

Frame	B	1	2	U
Brick		Yes		
Metal				
Guard				

FRAMING

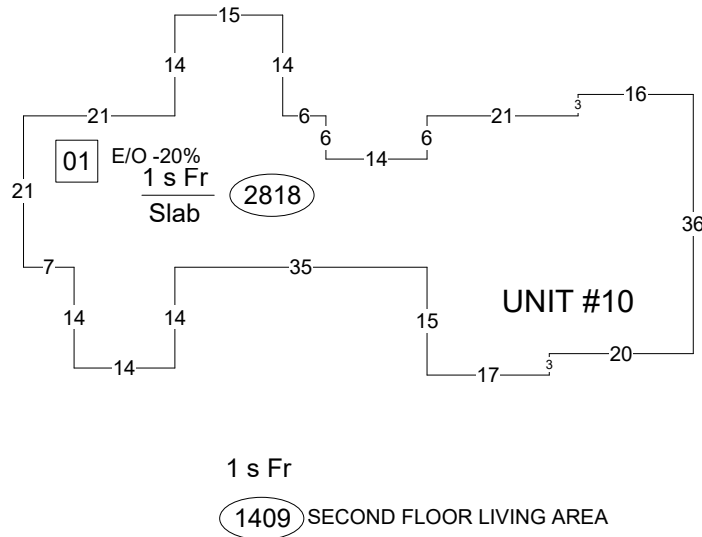
Wd Jst	B	1	2	U
	0	4227	0	0

FINISH

	UF	SF	FO	FD
1	4227	0	0	0
Total	4227	0	0	0

HEATING AND AIR CONDITIONING

Heat	B	1	2	U
	0	4227	0	0



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	4227	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	4227	211350	32	SV	100	100	115000

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

TOTAL IMPROVEMENT VALUE

115000

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 12 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

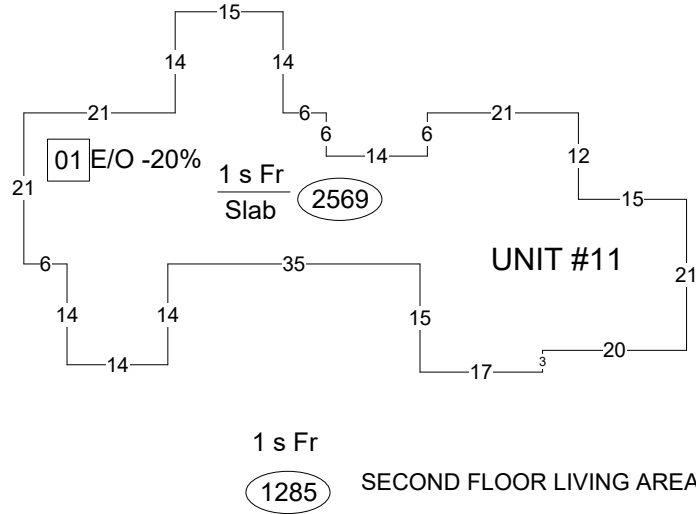
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
A/C	0	3854	0	0	

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
01			FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date
MC 07/13/2016

Appraiser/Date
MC 07/13/2016

Neighborhood
Neigh 900 AV

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 13 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

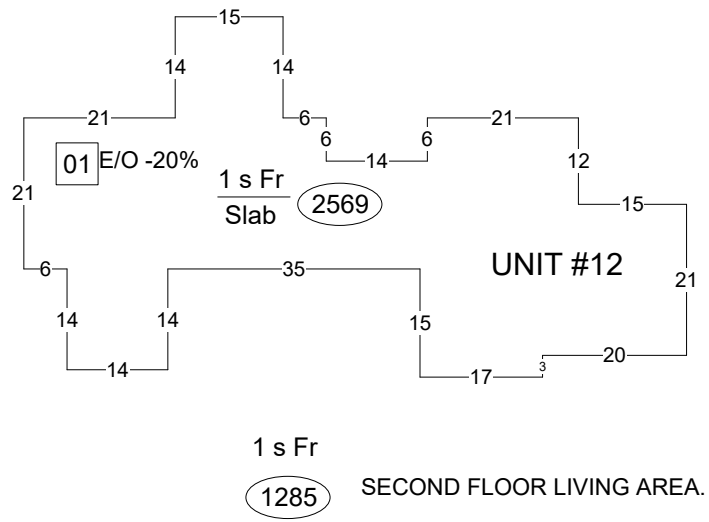
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	0
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	0
Total	3854	0	0	0	0
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
A/C	0	3854	0	0	0

**SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE**



Item Description	Units	Cost	Total

Total Exterior Features Value			
Total Exterior Features Value			
Total Before Adjustments			
Total Before Adjustments			
Neighborhood Adjustment			
Neighborhood Adjustment			
TOTAL VALUE			
TOTAL VALUE			

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date	Appraiser/Date	Neighborhood	Supplemental Cards
MC 07/13/2016	MC 07/13/2016	Neigh 900 AV	TOTAL IMPROVEMENT VALUE
			104800

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 14 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

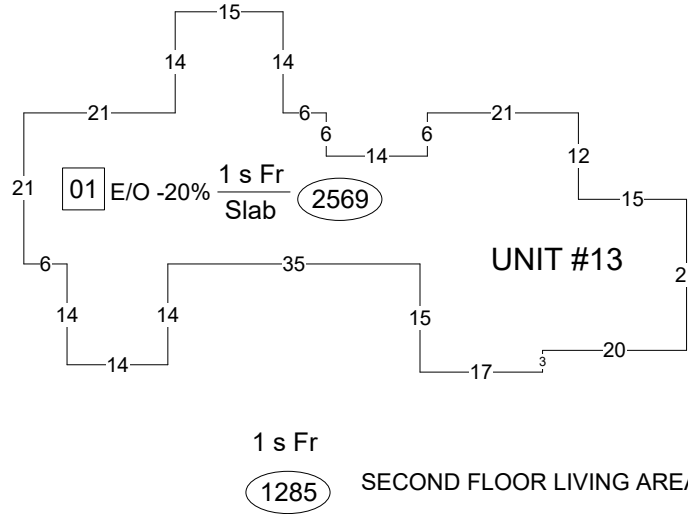
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
A/C	0	3854	0	0	

SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE



Item Description Units Cost Total

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPMNT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

ADMINISTRATIVE INFORMATION

OWNERSHIP

Tax ID 21630

Printed 02/23/2018 Card No. 15 of 15

TRANSFER OF OWNERSHIP

Date

VALUATION RECORD

Assessment Year

Reason for Change

VALUATION

Site Description

LAND DATA AND CALCULATIONS

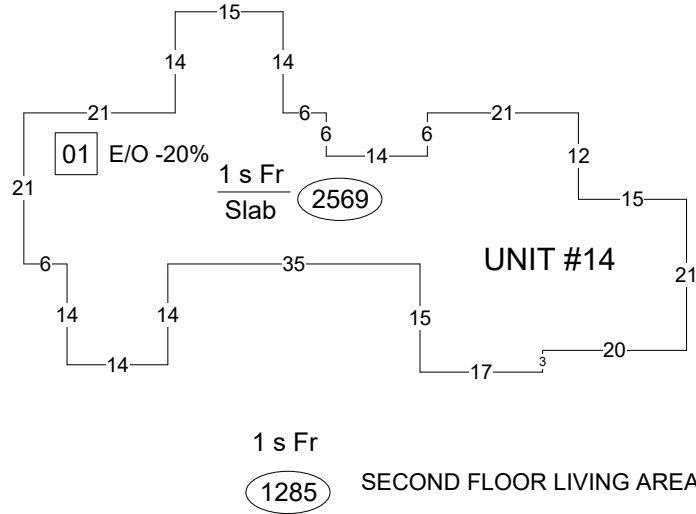
Land Type	Rating	Measured	Table	Prod. Factor	Base	Adjusted	Extended	Influence	Value
	Soil ID	Acreage		-or-					
	-or-	-or-	Effective	-or-	Rate	Rate	Value	Factor	
	Actual	Effective	Depth	Square Feet					
Frontage	Frontage	Frontage							

IMPROVEMENT DATA

PHYSICAL CHARACTERISTICS

ROOFING					
Shingle					
WALLS					
Frame	B	1	2	U	
Brick		Yes			
Metal					
Guard					
FRAMING					
Wd Jst	B	1	2	U	
	0	3854	0	0	
FINISH					
	UF	SF	FO	FD	
1	3854	0	0	0	
Total	3854	0	0	0	
HEATING AND AIR CONDITIONING					
Heat	B	1	2	U	
A/C	0	3854	0	0	

SKETCH OF FIRST FLOOR ONLY
ALL PORCHES INCLUDED IN RATE



Item Description	Units	Cost	Total
------------------	-------	------	-------

Total Exterior Features Value
Total Exterior Features Value
Total Before Adjustments
Total Before Adjustments
Neighborhood Adjustment
Neighborhood Adjustment
TOTAL VALUE
TOTAL VALUE

(LCM: 100.00)

SPECIAL FEATURES

SUMMARY OF IMPROVEMENTS

Description	Value	ID	Use	Stry Hgt	Const Type	Grade	Year Const	Eff Year	Cond	Base Rate	Feat-ures	Adj Rate	Size or Area	Computed Value	Phys Depr	Obsol Depr	Market Adj	% Comp	Value
		C	APARTRES	0.00		D	1978	1978	AV	0.00	N	0.00	3854	0	0	NV	0	100	0
		01	FRAPM,NT	0.00	1	D	1978	1978	AV	50.00	N	50.00	3854	192700	32	SV	100	100	104800

Data Collector/Date

Appraiser/Date

Neighborhood

Supplemental Cards
TOTAL IMPROVEMENT VALUE

104800

MC 07/13/2016

MC 07/13/2016

Neigh 900 AV

F

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



Architect's Certification

Name of Development: Laurel Ridge Apartments

Address of Development: 620 West Grayson Street, Hillsville, VA 24343

Name of Owner: SP Laurel Ridge 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: Michael J. Kleffner

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:

74,468.03	(A) Total gross floor area in (sq. ft.) for the entire development
12,746.47	- (B) Unheated floor area (breezeways, balconies, storage)
0.00	- (C) Nonresidential, (commercial income producing) area
61,721.56	= (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	621.67		14		8,703.38
2 Bedrooms Garden	0.00		0		0.00
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	1,166.85		28		32,671.80
2+ Story 3 BR Townhouse	1,372.07		9		12,348.63
2+ Story 4 BR Townhouse	1,599.55		5		7,997.75
Total			56	Total	61,721.56

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

2. Net Rentable Square Feet *

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

Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
Unit Type	Floor Plan Square Feet	Number of Units This Floor Plan	Total
Mix 1	1 BR - 1 Bath	14	7930.02
Mix 2	2 BR - 1.5 Bath	14	15020.46
Mix 3	2 BR - 1.5 Bath	14	15354.22
Mix 4	3 BR - 1.5 Bath	9	11464.38
Mix 5	4 BR - 2 Bath	5	7441.5
Mix 6			0
Mix 7			0
Mix 8			0
Mix 9			0
Mix 10			0
Mix 11			0
Mix 12			0
Mix 13			0
Mix 14			0
Mix 15			0
Mix 16			0
Mix 17			0
Mix 18			0
Mix 19			0
Mix 20			0
Mix 21			0
Mix 22			0
Mix 23			0
Mix 24			0
Mix 25			0
Mix 26			0
Mix 27			0
Mix 28			0
Mix 29			0
Mix 30			0
Mix 31			0
Mix 32			0
Mix 33			0
Mix 34			0
Mix 35			0
Mix 36			0
Mix 37			0
Mix 38			0
Mix 39			0
Mix 40			0
Mix 41			0
Mix 42			0
Mix 43			0
Mix 44			0
Mix 45			0
Mix 46			0
Mix 47			0
Mix 48			0
Mix 49			0
Mix 50			0
Totals		56	57210.58

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

DEV Name: Laurel Ridge Apartments

Development Amenities:

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

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

www.VHDA.com

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)

(Enter TRUE in each box where appropriate)

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

DEV Name: Laurel Ridge Apartments

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

- 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.
- Any development in which the greater of 5 units or 10% of the total # of units (i) have rents within HUD's Housing Choice Voucher payment standard; (ii) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act
30 pts.
- Any development in which **five percent (5%)** of the total # of units (i) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act
15 pts.

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

DEV Name: Laurel Ridge Apartments

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

Signed:	<u>Michael J. Kleffner</u>
Printed Name:	<u>Michael J. Kleffner</u>
Title:	<u>Manager</u>
Virginia Registration #:	<u>0401016665</u>
Phone:	<u>573/256/7200</u>
Date:	<u>3/11/2019</u>

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

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

DEV Name: Laurel Ridge Apartments



Appendix F
VHDA's Universal Design Certification

FALSE 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: 0

The total number of rental units in this development: 56

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: Michael J. Kleffner

Printed Name: Michael J. Kleffner
Architect of Record
(same individual as on page 7)

Date: 3/11/19

DEV Name: Laurel Ridge Apartments



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).
 In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
 The development's design meets the criteria for the EnergyStar certification.
 Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
 Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
 Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

FALSE 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

TRUE 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: 

Date: 3/11/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature 

Provider Contact and Phone/Email Sean Evensen-Shanley (804)212-1934 / sean.evensen-shanley@viridiant.org

Laurel Ridge 2019 LIHTC Pre-Review Comments

Project Address

620 W Grayson Street
Hillsville, VA 24343

Project Summary

Laurel Ridge is a renovation low-rise multifamily development, comprised of 56 units located in Hillsville, VA. Southport plans to construct the project utilizing 9% LIHTC. As part of their funding application the project is seeking a HERS index improvement of 30% and Enterprise Green Moderate Rehab. Kris Ainsworth of Wallace Architects is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v3.1.1 based on the proposed scope and plans provided by the project team dated March 1, 2019. With the current scope of work, the worst case units in the development are obtaining a projected HERS index improvement of 30%. The following outlines the scope as it is currently modeled.

Enclosure:

- Uninsulated slab foundation, assumes vinyl flooring
- R-13 Grade III cavity insulation in exterior above grade walls and rim & band, wood framing 16" on center
- R-13 Grade III cavity insulation in party walls and adiabatic ceilings/floors
- R-38 Blown cellulose attic insulation
- 0.60 U-Value for opaque doors and patio door opaque areas
- 0.35 U-Value/0.30 SHGC windows & glass doors

Mechanicals:

- SEER 14.5, HSPF 8.5, 24k air source heat pump, programmable thermostat
- 0.95 EF storage electric water heaters, 38 gallon
- 15 ACH50 in 1BR unit
- 210 CFM duct leakage to outside, 305 CFM total leakage
- Ducts in attic, insulated to R-8
- No mechanical ventilation
- Ceiling fans 56CFM/watt

Lights & Appliances:

- ES rated kitchen appliances
 - 616 kWh/yr refrigerator
 - RESNET default dishwasher (must be input)
- Advanced lighting 100% LED interior and exterior fixtures

Laurel Ridge
March 11, 2019



- ENERGY STAR Laundry Equipment

Please let me know if you have any question or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey Smith".

Stacey Smith
Project Manager, Viridiant

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID: Unregistered
Ekotrope ID: 5dY5p1Jd

HERS® Index Score:

143

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$35

*Relative to an average U.S. home

Home:
620 W Grayson Street, Hillsville, VA
24343
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	25.0
Cooling	0.6
Hot Water	5.6
Lights/Appliances	11.6
Service Charges	
Generation (e.g. Solar)	0.0
Total:	42.8

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Manon Shankle
RESNET ID: 5201257

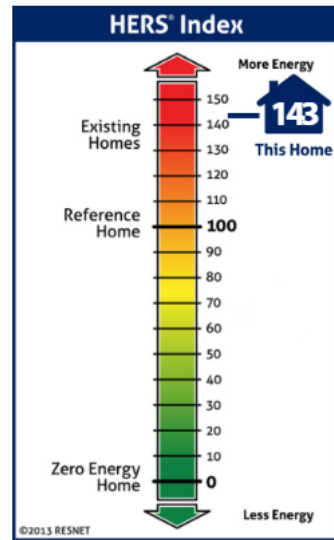
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

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



Manon Shankle

Manon Shankle, Certified Energy Rater
Digitally signed: 3/11/19 at 4:12 PM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	606 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 6.8 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 12 SEER
Primary Water Heating:	Water Heater • Electric • 0.92 Energy Factor
House Tightness:	20.73 ACH50
Ventilation:	None
Duct Leakage to Outside:	210 CFM25 (34.67 / 100 s.f.)
Above Grade Walls:	R-13
Ceiling:	Attic, R-31
Window Type:	U-Value: 0.5, SHGC: 0.5
Foundation Walls:	N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
 Registry ID: Unregistered
 Ekotrope ID: kLZeXYR2

HERS® Index Score:

100

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$339

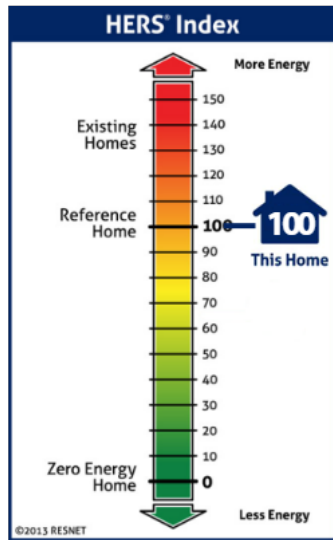
*Relative to an average U.S. home

Home:
 620 W Grayson Street, Hillsville, VA
 24343
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	16.6
Cooling	0.4
Hot Water	5.0
Lights/Appliances	9.8
Service Charges	
Generation (e.g. Solar)	0.0
Total:	31.9

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	606 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 14.5 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	15 ACH50
Ventilation:	None
Duct Leakage to Outside:	210 CFM25 (34.67 / 100 s.f.)
Above Grade Walls:	R-13
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.35, SHGC: 0.3
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Manon Shankle
 RESNET ID: 5201257

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

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



Manon Shankle

Manon Shankle, Certified Energy Rater
 Digitally signed: 3/11/19 at 4:14 PM

G

Zoning Certification Letter
(MANDATORY)

TOWN OF HILLSVILLE

Zoning Certification

P.O. Box 545

410 N. Main St.

Hillsville, Virginia 24343

Website: www.townofhillsville.com

E-mail: hillsville@townofhillsville.com

Historic District 2001

Telephone: 276-728-2128

Fax: 276-728-9371

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

RE: ZONING CERTIFICATION

Name of Development: Laurel Ridge Apartments

Name of Owner/Applicant: SP Laurel Ridge LLC

Name of Seller/Current Owner: Hillsville Associates, a Virginia limited partnership

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:

620 West Grayson Street, Hillsville, Carroll County, VA 24343

Legal Description:

Attached hereto

Proposed Improvements:

<input type="checkbox"/> New Construction:	<u> </u> # Units	<u> </u> # Buildings	<u> </u> Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u> </u> # Units	<u> </u> # Buildings	<u> </u> Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>56</u> # Units	<u>16</u> # Buildings	<u>61,721.56</u> Total Floor Area Sq. Ft.



Zoning Certification, cont'd

Current Zoning: R-2 (MultiFamily Residential) allowing a density of _____ units per acre, and the following other applicable conditions: _____

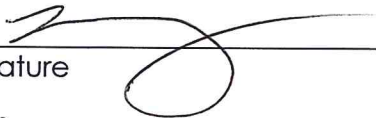
Other Descriptive Information:

Proposed project is rehabilitation of existing 56 unit apartment property with no additional structures planned.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



Signature

Retta Jackson

Printed Name

Zoning Administrator
Title of Local Official or Civil Engineer

276-728-2128 / hillsville@townofhillsville.com

Phone:

3/11/2019

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.

Located in the County of Carroll, State of Virginia:

All of that certain tract or parcel of land situate in the Sulpher Springs Magisterial District of Carroll County, Virginia, and more particularly designated and described as follows: to-wit:

BEGINNING at a point in the intersection of Virginia Route 1020 with Virginia Route 714, which point is marked by an old iron pipe, as shown on the hereinafter described plat; thence with the westerly side of Virginia Route 1020 S 28°17' E 171.71 feet to a point; thence S 30°31' E 255.52 feet to an old iron pipe; thence S 33°09' E 220.04 feet to an old iron pipe; thence leaving Virginia Route 1020 and with the line of a fence S 34°33' W 321.92 feet to an old iron pipe; thence S 38°22' W 146.62 feet to an iron; thence N 30°49' W. 798.27 feet to an iron along the southerly side of Virginia Route 714; thence with Virginia Route 714 N 62°16' E. 132.10 feet to an iron; thence N 50°15' E 112.72 feet to an old iron pipe; thence N 51°41' E 187.99 feet to the point of BEGINNING, and containing 7 acres, more or less, as shown on that certain plat entitled "Topographic Survey, Hillsville, Virginia, Sulpher Springs Magisterial District, Carroll County," prepared by Harvey L. Parks, CLS, and dated October 23, 1978, which plat is to be recorded contemporaneously herewith and is expressly made a part hereof.

BEING THE SAME PROPERTY CONVEYED TO Hillsville Associates, a Virginia Limited partnership, by deed from Bettie Mae Webb Adams, widow, dated November 1, 1979, recorded November 13, 1979 at 1:25 P.M., as Document No. 2535, in Deed Book 292, page 416, whereby Deed of Correction recorded November 19, 1979 at 11:10 A.M., dated November 16, 1979, as Document No. 2573, in Deed Book 292.....

Countersigned:

ROANOKE BRANCH OFFICE

Issued at: Roanoke, Virginia
B-5


Authorized Officer or Agent
dch

Page 1—Sched. A—Policy No. **H 549472**

ORIGINAL

Lawyers Title Insurance Corporation

A Stock Company
Home Office - Richmond, Virginia

SCHEDULE A cont'd.

.....page 528, in the Clerk's Office of the Circuit Court for the County of Carroll, State of Virginia,

H

Attorney's Opinion
(MANDATORY)

PEOPLE CANTU SCHMIDT PLLC

2430 Estancia Boulevard, Suite 114, Clearwater, FL 33761

March 14, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Laurel Ridge Apartments
Name of Owner: SP Laurel Ridge LLC

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 14, 2019 (of which this opinion is a part) (the "**Application**") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("**Credits**") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "**Code**"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "**Regulations**").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.

Seattle Office

1000 Second Avenue, Suite 2950
Seattle, WA 98104
(206) 625-1711

Web

PCSLEGAL.COM

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. It is more likely than not that the representations made under the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.

7. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code 42(d)(2)(B) are not correct.

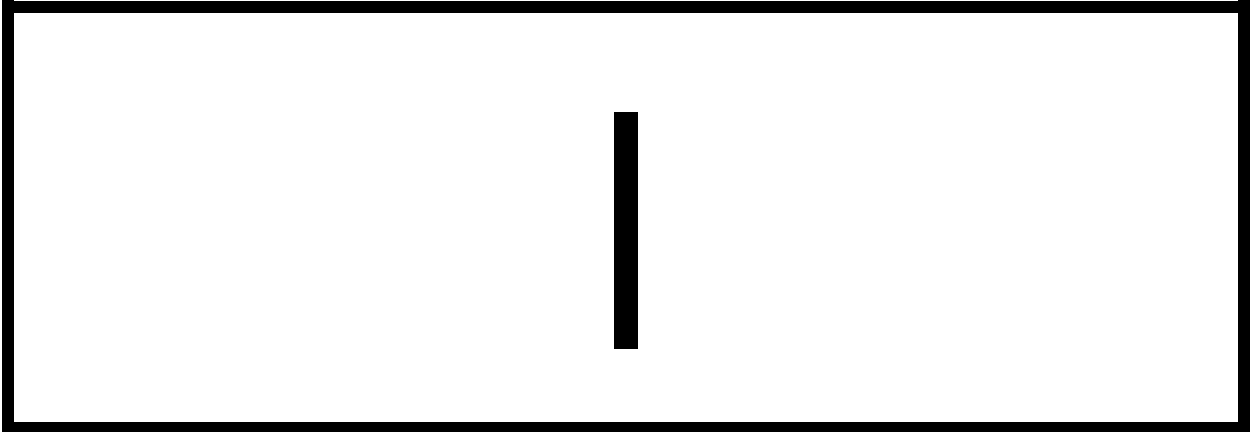
Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions 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,


Pepple Cantu Schmidt PLLC



Nonprofit Questionnaire

(MANDATORY for points or pool)

This deal does not require
information behind this tab.

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Southport Development, Inc.

Laurel Ridge Apartments 620 West Grayson St, Hillsville, VA 24343 Tenant Relocation Plan

March 2019

Southport Development, Inc. (the “Developer”) is a highly experienced owner of affordable housing communities throughout the nation. SP Laurel Ridge LLC (the “Owner/Borrower”) is applying for 9% Low-Income Housing Tax Credits through VHDA to acquire and substantially rehabilitate Laurel Ridge Apartments, located at 620 West Grayson Street in Hillsville, VA, an existing 56-unit affordable housing community (the “Property”).

The rehab at Laurel Ridge Apartments will be performed with tenants in place. No relocation will be required as no plumbing or electrical work will entail any disruption for more than a couple of hours. In no event will electrical or plumbing services be disconnected overnight. Rehabilitation work will be performed Monday through Friday only with no tenant disruption during the weekend. Please see attached construction schedule. Tenants will each be provided five (5) storage containers to place loose personal belongings during the property rehabilitation.

Owner will maintain records throughout the rehabilitation process. Records will be available for inspection during site visits and/or inspections. These records will include current rent rolls, notices, comments, complaints, and questions from tenants, tenant expenditure and reimbursement records, and tracking of units being rehabbed during process.

Kitchens:

Two units a day will have the kitchens rehabilitated with new cabinets, appliances, faucet, sink. This is a two day process. Day one will include demo, existing cabinet removal, and paint. Day two will be installing of new cabinets, sink, and faucet. At the end of day one since the tenant will not have access to their cabinets the Developer will provide each unit with a \$25 gift card for the inconvenience. The tenant’s refrigerator will never be unplugged, and tenants will have access through out rehabilitation.

Bathrooms:

Two to three units per day will have their bathrooms rehabilitated. Tenants will only have very minor interruption in the use of their bathroom and it will never be disconnected overnight. The bathrooms will receive new low flow toilets, low flow showerheads, sinks, and low flow sink faucets. The plumber will start in unit one first thing in the morning and quickly replace all items listed above. The contractors estimate is that they will not lose bathroom capabilities for more than two hours. During that time the common area bathrooms will be open and available to all tenants.

Southport Development, Inc. will use one of the vacant units on site as a hospitality suite during the week. Tenants can use this space as a common space to retreat from the rehabilitation work in their unit if they so choose. This space has a kitchen that will be stocked with refreshments. The space is heated and cooled by a central heating and air condition system. The unit will be furnished, and tenants will have access to a television with cable provided by the owner/developer.

The Owner/Borrower plans to execute a construction contract with an experienced VA licensed general contractor (the “Contractor”), that has completed numerous affordable-housing rehabilitations of this type. The Developer intends to invest over \$45,000 per unit in total construction costs. All costs associated with the relocation will be paid through the development/rehabilitation budget and not by the property.

The Owner and Contractor agree to conduct its relocation plan according to the general requirements and principals set forth in the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (“URA”) as follows:

- a) Tenants will be provided with daily access during business hours to an adviser, the Temporary Relocation Manager. The Owner, working with the Temporary Relocation Manager where appropriate will:
 - a. Provide notice of the date and approximate duration of the all work occurring in each unit;
 - i. Upon closing new owner will provide all residents with an Introduction/New Owner Notice and the General Information/Non Displacement Notice. These will notify of new ownership, management, house rules, Tenant Selection plan, and provide the rehabilitation non-displacement information.
 - b. Provide notice of scheduled rehab of each unit and of the location of onsite hospitality suite; A sample is attached.
 - c. Assist the tenant to calculate and make a claim for reimbursement of out-of-pocket expenses; and
 - d. Assist in processing any grievances and keeping appropriate records.
- b) All costs of moving, all other reasonable out of pocket costs related to a tenant’s relocation costs if a temporary relocation is required will be paid by the Owner.

Contingency Plan:

In the event an unforeseen construction emergency occurs during construction causing tenant displacement from their unit the Owner and Developer will work with tenants to move them offsite for a limited period of time. The contingency plan would be to move tenants to a nearby hotel for up to two nights while the issue is rectified in the tenant’s unit. The hotel will meet HUD standards and terms of physical condition and will be inspected and approved prior to occupancy by the tenant. At that time the Owner and Developer will cover all costs for hotel stay, per diem, and mileage to and from the hotel to Laurel Ridge Apartments from the development/rehabilitation budget.

K

Documentation of
Development Location:

This deal does not require
information behind this tab.

K.1

Revitalization Area
Certification

This deal does not require
information behind this tab.

K.2

Location Map



620 West Grayson Street

714

714

T-1019

T-1019

Harmony Grove Church

Hillsville VA Flea Market - Biggs Lot

Rio Grande Restaurante Mexicano

Hillsville



Landfill Rd

Landfill Rd

714

W Grayson St

W Grayson St

620 West Grayson Street

Skyview Court

Laurel Ridge Loop

Cox St

T-1019

714

T-1019

Harmony Grove Church

Hillsville FL

Hillsville VA Flea Market - Biggs Lot

Rio Grande Restaurante Mexicano

W Grayson St

CVS

CVS Pharmacy

Hickory H Shopping

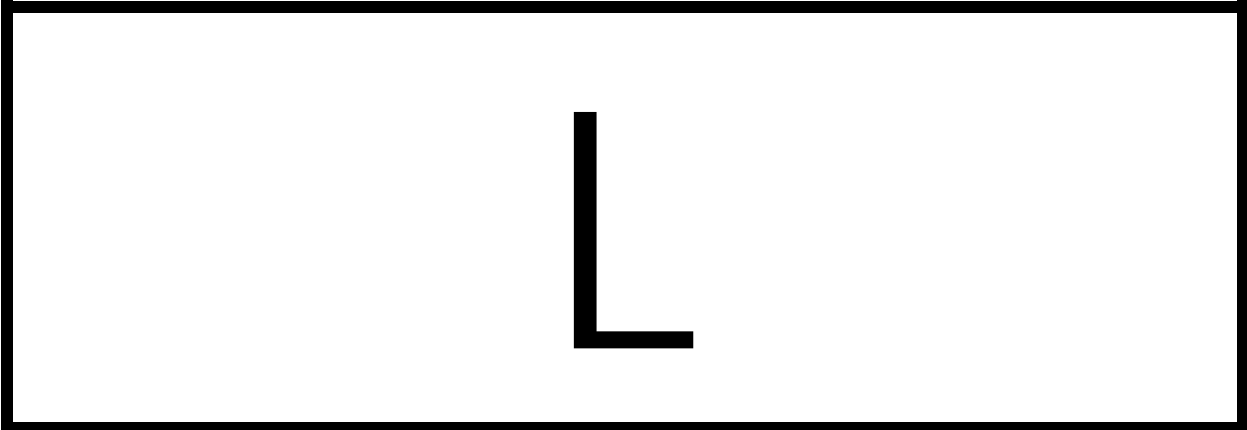
Google

Cruicella Cafe

K.3

Surveyor's Certification of
Proximity to Public
Transportation

This deal does not require
information behind this tab.



L

PHA/Section 8 Notification
Letter

This deal does not require
information behind this tab.

M

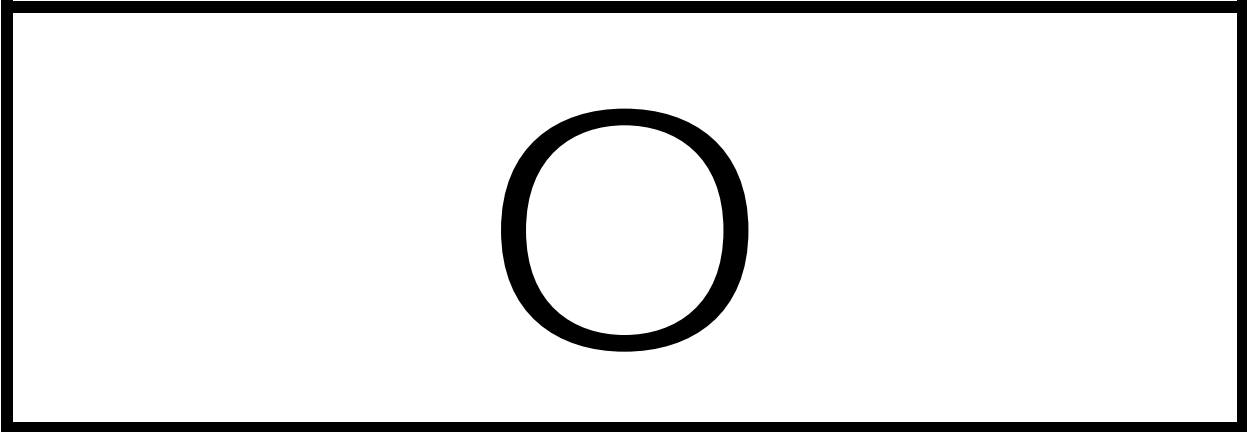
Locality CEO Response
Letter

This deal does not require
information behind this tab.

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

TOWN OF HILLSVILLE

P.O. Box 545
410 N. Main St.
Hillsville, Virginia 24343

Website: www.townofhillsville.com
E-mail: hillsville@townofhillsville.com

Historic District 2001
Telephone: 276-728-2128
Fax: 276-728-9371

Plan of Development Certification

DATE:

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Laurel Ridge Apartments</u>
Name of Owner/Applicant:	<u>SP Laurel Ridge LLC</u>
Name of Seller/Current Owner:	<u>Hillsville Associates, a Virginia limited partnership</u>

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval 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: 620 West Grayson Street, Hillsville, Carroll County, VA 24343

Legal Description:
Attached hereto

Plan of Development Number: _____

TOWN OF HILLSVILLE

P.O. Box 545

410 N. Main St.

Hillsville, Virginia 24345

Website: www.townofhillsville.com

E-mail: hillsville@townofhillsville.com

Historic District 2001

Telephone: 276-728-2128

Fax: 276-728-9371

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input checked="" type="checkbox"/> Rehabilitation:	56 # Units	16 # Buildings	61,721.56 Total Floor Area

Other Descriptive Information:

Proposed project is rehabilitation of existing 56 unit apartment property with no additional structures planned.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: _____

Signed _____

Betta Jackson

Printed Name

Zoning Administrator

Title

276-728-2128 / hillsville@townofhillsville.com

Phone

3/11/2019

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 a reduction of points under the scoring system. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

Located in the County of Carroll, State of Virginia:

All of that certain tract or parcel of land situate in the Sulpher Springs Magisterial District of Carroll County, Virginia, and more particularly designated and described as follows: to-wit:

BEGINNING at a point in the intersection of Virginia Route 1020 with Virginia Route 714, which point is marked by an old iron pipe, as shown on the hereinafter described plat; thence with the westerly side of Virginia Route 1020 S 28°17' E 171.71 feet to a point; thence S 30°31' E 255.52 feet to an old iron pipe; thence S 33°09' E 220.04 feet to an old iron pipe; thence leaving Virginia Route 1020 and with the line of a fence S 34°33' W 321.92 feet to an old iron pipe; thence S 38°22' W 146.62 feet to an iron; thence N 30°49' W. 798.27 feet to an iron along the southerly side of Virginia Route 714; thence with Virginia Route 714 N 62°16' E. 132.10 feet to an iron; thence N 50°15' E 112.72 feet to an old iron pipe; thence N 51°41' E 187.99 feet to the point of BEGINNING, and containing 7 acres, more or less, as shown on that certain plat entitled "Topographic Survey, Hillsville, Virginia, Sulpher Springs Magisterial District, Carroll County," prepared by Harvey L. Parks, CLS, and dated October 23, 1978, which plat is to be recorded contemporaneously herewith and is expressly made a part hereof.

BEING THE SAME PROPERTY CONVEYED TO Hillsville Associates, a Virginia Limited partnership, by deed from Bettie Mae Webb Adams, widow, dated November 1, 1979, recorded November 13, 1979 at 1:25 P.M., as Document No. 2535, in Deed Book 292, page 416, whereby Deed of Correction recorded November 19, 1979 at 11:10 A.M., dated November 16, 1979, as Document No. 2573, in Deed Book 292.....

Countersigned:

ROANOKE BRANCH OFFICE

Issued at: Roanoke, Virginia
B-5


Authorized Officer or Agent
dch

Page 1—Sched. A—Policy No. **H 549472**

ORIGINAL

Lawyers Title Insurance Corporation

A Stock Company
Home Office - Richmond, Virginia

SCHEDULE A cont'd.

.....page 528, in the Clerk's Office of the Circuit Court for the County of Carroll, State of Virginia,

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

3/11/2019

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 Nelson, IV, John M.
2 Arista, Roberto	29 Friedman, Mitchell M.	56 Orth, Kevin
3 Barnhart, Richard K.	30 Gardner, Mark E.	57 Page, David
4 Baron, Richard	31 Gunderman, Timothy L.	58 Parent, Brian
5 Bennett, Vincent R.	32 Haskins, Robert G.	59 Park, Richard A.
6 Burns, Laura P.	33 Heatwole, F. Andrew	60 Park, William N.
7 Chapman, Tim	34 Honeycutt, Thomas W.	61 Pasquesi, R.J.
8 Cohen, Howard Earl	35 Hunt, Michael C.	62 Pedigo, Gerald K.
9 Connelly, T. Kevin	36 Iglesias, Adrian	63 Poulin, Brian M.
10 Connors, Cathy	37 Jester, M. David	64 Queener, Brad
11 Copeland, M. Scott	38 Johnston, Thomas M.	65 Ripley, F. Scott
12 Copeland, Robert O.	39 Jones Kirkland, Janice	66 Ripley, Ronald C.
13 Copeland, Todd A.	40 Kirkland, Milton L.	67 Ross, Stephen M.
14 Cordingley, Bruce A.	41 Kittle, Jeffery L.	68 Salazar, Tony
15 Counselman, Richard	42 Koogler, David M.	69 Sari, Lisa A.
16 Crosland, Jr., John	43 Koogler, David Mark	70 Sinito, Frank T.
17 Curtis, Lawrence H.	44 Lancaster, Dale	71 Stockmaster, Adam J.
18 Daigle, Marc	45 Lawson, Phillip O.	72 Stoffregen, Phillip J.
19 Dambly, Mark H.	46 Lawson, Steve	73 Surber, Jen
20 Deutch, David O.	47 Leon, Miles B.	74 Valey, Ernst
21 Dischinger, Chris	48 Lewis, David R.	75 Uram, David
22 Douglas, David D.	49 Margolis, Robert B.	76 Woda, Jeffrey J.
23 Edmondson, Jim	50 McCormack, Kevin	77 Wohl, Michael D.
24 Ellis, Gary D.	51 McNamara, Michael L.	78 Wolfson, III, Louis
25 Fekas, William L.	52 Melton, Melvin B.	
26 Fitch, Hollis M.	53 Midura, Ronald J.	
27 Fore, Richard L.	54 Mirmelstein, George	

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 Preserving US, Inc.
- 20 Portsmouth RHA
- 21 RHA/Housing, Inc.
- 22 The Community Builders
- 23 Virginia Supportive Housing
- 24 Virginia United Methodist Housing Development Corporation
- 25 Wesley Housing Development Corporation

Q

Documentation of Rental
Assistance



LANDURA

September 17, 2018

Ms. Kara Nickerson
Associate Asset Manager
VHDA
601 South Belvidere Street
Richmond, VA 23220-6500

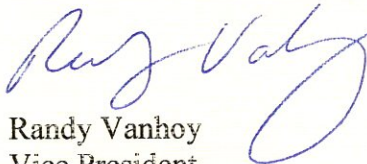
**RE: Hillsville Associates – Laurel Ridge Apartments
HUD Rent Schedule**

Dear Ms. Nickerson:

Enclosed please find two signed copies of the HUD Rent Schedule, Form 92458.

If you have any questions regarding this letter, please do not hesitate to contact us at 336.760.8100 or by email at rvanhoy@landura.com

Sincerely,
LANDURA MANAGEMENT ASSOCIATES



Randy Vanhoy
Vice President

Enclosures

PO BOX 25088, WINSTON-SALEM, NC 27114-5088 TELEPHONE 336/760-8100 FAX 336/760-8111

See our Website at: www.landura.com
047 318 -2018-9-17 signed HUD rent sch



"This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax, (202) 690-7442 or email at program.intake@usda.gov."



Part G – Information on Mortgagor Entity

Name of Entity

Hillsville Associates

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
- Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Richard J Bjelland, General Partner

Name and Title

Roger B. Midura, General Partner

Name and Title

Ronald J. Midura, General Partner

Name and Title

Landura Virginia Properties, Limited Partner

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Ronald J. Midura, General Partner

Authorized Official's Signature

Ronald J. Midura
 By: *William R. Ogden* Date (mm/dd/yyyy) *09/17/18*

Part I – HUD/Lender Approval

Addendum Number

HAP Contract Number

Exhibit Number

Branch Chief/Lender Official Signature

Date (mm/dd/yyyy)

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

Loan Servicer Signature

Date (mm/dd/yyyy)

Acinda Gholar *09/10/2018*

Carol Bjelland *9/12/18*

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
HOUSING FINANCE AND DEVELOPMENT AGENCIES

PART I OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER: P-5512	ACC LIST NUMBER AND DATE: P-80-015 10/31/79	NEW CONSTRUCTION PROJECT NUMBER: VA 36-H027-170 SUBSTANTIAL REHABILITATION PROJECT NUMBER:
--	--	--

This Housing Assistance Payments Contract ("Contract") is entered into by and between the Virginia Housing Development Authority, a housing finance agency ("HFA"), which is a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437, et seq. ("Act"), at section 1437a(6), and Hillsville Associates ("Owner"), and approved by the United States of America acting through the Department of Housing and Urban Development ("Government"), pursuant to the Act and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq.

The parties hereto agree as follows:

1.1 SIGNIFICANT DATES AND OTHER ITEMS; CONTENTS OF CONTRACT.

- a. Effective Date of Contract. The effective date of this Contract is See Execution Pages, 19 . [This date shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR, Section 883.316(a).]
- b. Initial Term of Contract. The initial term of this Contract (see Section 1.4a) shall be 5 years [not to exceed five years], beginning with the effective date of this Contract and ending See Execution Pages, 19 .
- c. Number and Length of Optional Additional Terms. The number and length of optional additional terms (see Section 1.4a) shall be 7 terms of 5 years each [not to exceed five years each].
- d. Maximum Total Term of Contract. The maximum total term of this Contract for any unit, including all renewals, shall be as specified in Section 1.4a.
- e. Fiscal Year. The ending date of each Fiscal Year (see Section 1.4b) shall be June 30 [insert March 31, June 30, September 30, or December 31, as determined by the Government].
- f. Annual Contributions Contract. The Annual Contributions Contract applicable to this Contract ("ACC") (see Section 1.5a) is the ACC dated , 19 , with respect to Project No. VA 36-H027-170.
- g. Maximum Housing Assistance Commitment. The maximum amount of the commitment for housing assistance payments under this Contract (see Section 1.6a) is \$ 243,624 per annum. [Enter amount specified in the ACC for housing assistance payments, exclusive of the Financing Cost Congingency.] This amount shall be subject to increase pursuant to Section 1.5e(2) or 1.5f(3) of the Agreement or Section 1.9e(3) of this Contract, as appropriate.
- h. Percent of Units to be Leases to Very Low-Income Families. In the initial renting of the Contract Units, the minimum percentage of those units required to be leased to Very Low-Income Families (see Section 1.10c(1)) shall be 30 percent.
- i. Contents of Contract. This Contract consists of Part I, Part II, and the following exhibits:

Ex : A: The schedule showing the number of units by size ("Contract Units") and their applicable rents ("Contract Rents");

Exhibit B: The project description;

Exhibit C: The statement of services, maintenance and utilities to be provided by Owner;

Exhibit D: The Affirmative Fair Housing Marketing Plan, if applicable; and

Additional exhibits: [Specify additional exhibits, if any. If none, insert "None."] Exhibits A-1 et seq. to be attached as stages are completed.

This Contract, including said exhibits, comprises the entire agreement between the parties hereto with respect to the matters contained herein, and neither party is bound by any representations or agreements of any kind except as contained herein or except agreements entered into in writing which are not inconsistent with this Contract.

1.2 OWNER'S WARRANTIES.

- a. Legal Capacity. The Owner warrants that he has the legal right to execute this Contract and to lease dwelling units covered by this Contract.
- b. Completion of Work. The Owner warrants that the project as described in Exhibit B is in good and tenantable condition and that the project has been completed in accordance with the terms and conditions of the Agreement to Enter into Housing Assistance Payments Contract ("Agreement") or will be completed in accordance with the terms on which the project was accepted. The Owner further warrants that he will remedy any defects or omissions covered by this warranty if called to his attention within 12 months of the effective date of this Contract. The Owner and the HFA agree that the continuation of this Contract shall be subject to the conditions set forth in Section 1.4b of the Agreement.

1.3 FAMILIES TO BE HOUSED; HFA ASSISTANCE.

- a. Families to Be Housed. The Contract Units are to be leased by the Owner to eligible Lower-Income Families ("Families") for use and occupancy by such Families solely as private dwellings.
- b. HFA Assistance.

(1) The HFA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable such Families to lease Decent, Safe, and Sanitary housing pursuant to section 8 of the Act. Such housing assistance payments shall equal the difference between the Contract Rents for units leased by Families and the portion of such rents payable by Families as determined by the Owner in accordance with schedules and criteria established by the Government.

- (2) If there is an Allowance for Utilities and Other Services and if such Allowance exceeds the Gross Family Contribution, the Owner shall pay the Family the amount of such excess on behalf of the HFA upon receipt of funds from the HFA for that purpose.

1.4 TERM OF CONTRACT; FISCAL YEAR.

- a. Term of Contract.
[Alternative provisions—incorporate alternative 1, 2, or 3, as applicable.]

ALTERNATIVE 1—GENERAL:

The initial term of this Contract shall be as stated in Section 1.1b. This Contract may be renewed for the number and length of additional terms stated in Section 1.1c, provided that the total Contract term for any unit, including all renewals, shall not exceed the shorter of (1) 40 years or (2) a period terminating on the date of the last payment of principal due on the permanent financing [insert in (1) a number of years equal to the maximum anticipated number of years during which assistance payments will be made, not to exceed 40 years]. Renewals shall be automatic unless either party notifies the other in writing, no later than 60 days prior to the expiration of the current term, of his desire not to renew, and the other party agrees in writing that there shall be no renewal. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term for any unit specified in this paragraph, plus two years. In any case where the project is owned by, or financed by a loan or loan guarantee from, a State or local agency, the housing assistance payments pursuant to this Contract with respect to any dwelling unit shall be payable over a period not to exceed 40 years.

ALTERNATIVE 2—FOR MOBILE HOMES PROJECT:

~~In the case of mobile homes, the initial term of this Contract for each mobile home shall be as stated in Section 1.1b. This Contract may be renewed with respect to any mobile home for the number and length of additional terms as stated in Section 1.1c, provided that the total Contract term for any mobile home, including all renewals, shall not exceed _____ years. [Insert number as authorized by the Government pursuant to 24 CFR, Section 883.206.] Renewals shall become effective only if either party gives written notice, with a copy to the Government, no later than 60 days prior to the expiration of the current term, of his desire to renew, and the other party and the Government give their written concurrence and approval, respectively, before the expiration of the current term. If the project is completed in stages, the dates for the initial term and renewal terms shall be separately related to the mobile home in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed the total Contract term stated in Section 1.1d, plus two years. For purposes of this paragraph a, the term "mobile home" means the original mobile home and any replacement(s), combined.~~

ALTERNATIVE 3—FOR CERTAIN SUBSTANTIAL REHABILITATION PROJECTS:

~~For a Substantial Rehabilitation project, where the relative cost of the rehabilitation is less than 15 percent of the value of the project after completion of the rehabilitation, the Contract shall be for one term of not more than five years for any dwelling unit. If the project is completed in stages, this term shall be separately related to the units in each stage; Provided, however, that the total Contract term for all the stages, beginning with the effective date of the Contract with respect to the first stage, shall not exceed said Contract term, plus two years.~~

- b. Fiscal Year. The Fiscal Year for the project shall be the 12-month period ending on the date stated in Section 1.1e; Provided, however, that the first Fiscal Year for the project shall be the period beginning with the effective date of the Contract and ending on the last day of said established Fiscal Year which is not less than 12 months after such effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual housing assistance payment in Section 1.6a may be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

1.5 ANNUAL CONTRIBUTIONS CONTRACT.

- a. Identification of Annual Contributions Contract. The HFA has entered into an Annual Contributions Contract with the Government, as identified in Section 1.1f, under which the Government will provide financial assistance to the HFA pursuant to section 8 of the Act for the purpose of making housing assistance payments. A copy of the ACC shall be provided upon request.
- b. HFA Pledge of ACC Payments. The HFA hereby pledges to the payment of housing assistance payments pursuant to this Contract and the annual contributions payable under the ACC for such housing assistance payments. The HFA shall not, without the consent of the Owner, amend or modify the ACC in any manner which would reduce the amount of such annual contributions, except as authorized in the ACC and this Contract.
- c. Government Approval of Housing Assistance Payments Contract. The approval of this Contract by the Government signifies that the Government has executed the ACC and that the ACC has been properly authorized; that the faith of the United States is solemnly pledged to the payment of annual contributions pursuant to said ACC; and that funds have been obligated by the Government for such payments to assist the HFA in the performance of its obligations under the Contract.

1.6 MAXIMUM HOUSING ASSISTANCE COMMITMENT; PROJECT ACCOUNT.

- a. Maximum Housing Assistance Commitment. Notwithstanding any other provisions of this Contract (other than paragraph b of this Section) or any provisions of any other contract between the HFA and the Owner, the HFA shall not be obligated to make and shall not make any housing assistance payments under this Contract in excess of the amount per annum stated in Section 1.1g; Provided, however, that this amount shall be reduced commensurately with any reduction in the number of Contract Units or in the Contract Rents or pursuant to any other provision of the ACC or this Contract (except reductions in Contract Rents pursuant to Section 1.9e(1)).
- b. Project Account. As provided in the ACC, in order to assure that housing assistance payments will be increased on a timely basis to cover increases in Contract Rents or decreases in Family Incomes:
- (1) A Project Account shall be established and maintained, in an amount as determined by the Government consistent with its responsibilities under section 8(c)(6) of the Act, out of amounts by which the Maximum ACC Commitment per year (exclusive of any Financing Cost Contingency) exceeds amounts paid under the ACC for any Fiscal Year. This account shall be established and maintained by the Government as a specifically identified and segregated account. To the extent funds are available in said account, the maximum total annual housing assistance payments for any Fiscal Year may exceed the maximum amount stated in paragraph a of this Section to cover increases in Contract Rents or decreases in Family Incomes (see Section 1.9). Any amount remaining in said account after payment of the last housing assistance payment with respect to the project shall be applied by the Government in accordance with law.
- (2) Whenever the Government approved estimate of the required Annual Contribution exceeds the Maximum ACC Commitment then in effect (exclusive of any Financing Cost Contingency), and would cause the amount in the Project Account to be less than an amount equal to 40 percent of such Maximum ACC Commitment, the Government shall, within a reasonable period of time, take such additional steps authorized by section 8(c)(6) of the Act as may be necessary to carry out this assurance, including (as provided in that section of the Act) "the reservation of annual contributions authority for the purpose of amending housing assistance contracts or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts."

1.7 HOUSING ASSISTANCE PAYMENTS TO OWNERS.

a. General.

- (1) Housing assistance payments shall be paid to the Owner for units under lease by Families in accordance with the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of said rent payable by the Family as determined in accordance with the Government-established schedules and criteria.
- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by such Family shall be subject to change by reason of changes in Family Income, Family composition, or extent of exceptional medical or other unusual expenses in accordance with the Government-established schedules and criteria; or by reason of adjustment by the HFA of any applicable Allowance for Utilities and Other Services. Any such change shall be effective as of the date stated in a notification of such change to the Family.

- ### b. Vacancies During Rent-up. If a Contract Unit is not leased as of the effective date of the Contract, the Owner shall be entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the Contract, provided that the Owner (1) commenced marketing and otherwise complied with Section 1.3b of the Agreement, (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on his waiting list, if any, requesting the HFA and other appropriate sources to refer eligible applicants, and advertising the availability of the unit, and (3) has not rejected any eligible applicant, except for good cause acceptable to the HFA.

c. Vacancies After Rent-up.

- (1) If a Family vacates its unit (other than as a result of action by the Owner which is in violation of the Lease or the Contract or any applicable law), the Owner shall receive housing assistance payments in the amount of 80 percent of the Contract Rent for a vacancy period not exceeding 60 days; Provided, however, that if the Owner collects any of the Family's share of the rent for this period in an amount which, when added to the 80 percent payments, results in more than the Contract Rent, such excess shall be payable to the Government or as the Government may direct. (See also Section 1.10b.) The Owner shall not be entitled to any payment under this subparagraph unless he: (i) immediately upon learning of the vacancy, has notified the HFA of the vacancy or prospective vacancy and the reasons for the vacancy, and (ii) has taken and continues to take the actions specified in paragraphs b(2) and b(3) of this Section.
- (2) If the Owner evicts a Family, he shall not be entitled to any payment under paragraph c(1) of this Section unless the request for such payment is supported by a certification that (i) he gave such Family a written notice of the proposed eviction, stating the grounds and advising the Family that it had 10 days within which to present its objections to the Owner in writing or in person and (ii) the proposed eviction was not in violation of the Lease or the Contract or any applicable law.

- ### d. Limitation on Payments for Vacant Units. The Owner shall not be entitled to housing assistance payments with respect to vacant units under this Section to the extent he is entitled to payments from other sources (e.g., payments for losses of rental income incurred for holding units vacant for relocatees pursuant to Title I of the Housing and Community Development Act of 1974 or payments under Section 1.10b of this Contract).

- ### e. HFA Not Obligated for Family Rent. The HFA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with Section 1.10b of this Contract.

f. Owner's Monthly Requests for Payments.

- (1) The Owner shall submit monthly requests to the HFA or as directed by the HFA for housing assistance payments. Each such request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or the number of units, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit A for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where appropriate, the amount to be paid the Family in accordance with Section 1.3b(2)); and (v) the total amount of housing assistance payments requested by the Owner.
- (2) Each of the Owner's monthly requests shall contain a certification by him that to the best of his knowledge and belief (i) the dwelling unit is in Decent, Safe, and Sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this Contract and is payable under the Contract, and (iv) none of the amount claimed has been previously claimed or paid.
- (3) If the Owner has received an excessive payment, the HFA or the Government, in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.
- (4) The Owner's monthly requests for housing assistance payments shall be made subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

g. Recoupment of Savings in Financing Cost.

- (1) In the event that interim financing is used and is continued after the first year of the term of the Contract and the debt service of the interim financing for any period of three months, after such first year, is less than the anticipated debt service under the permanent financing on which the Contract Rents were based, an amount reflecting the savings in financing cost, computed in accordance with paragraph g(2) of this Section, shall be credited by the Government to the Project Account, and withheld from housing assistance payments to the Owner. If during the course of the same year there is any period of three months in which the debt service is greater than the anticipated debt service under the permanent financing, an adjustment shall be made so that only the net amount of savings in financing cost for the year is credited by the Government to the Project Account and withheld by the HFA from the Owner as aforesaid (no increased payments shall be made to the Owner on account of any net excess for the year of actual interim debt service over the anticipated debt service under the permanent financing). Nothing in this paragraph g shall be construed as requiring a reduction in the Contract Rents or precluding adjustments of Contract Rents in accordance with Section 1.9.
- (2) The computation and recoupment under this paragraph g may be made on an annual or on a quarterly or other periodic basis, but in any event no later than as of the end of each Fiscal Year; Provided, however, that if recoupment is to be made less often than quarterly, the amounts of recoupment shall be computed on at least a quarterly basis and funds shall be deposited in a special account from which withdrawals may be made only with the authorization of the HFA. The manner of computing the amount of recoupment shall be as follows:
 - (i) Determine the amount by which the debt service for the interim financing for the period in question is less than the anticipated debt service under the permanent financing on which the Contract Rents were based;
 - (ii) Determine what percentage the amount found under paragraph g(2)(i) of this Section is of the aggregate Contract Rents for all Contract Units for the period in question;

- (iii) Apply the percentage found in paragraph g(2)(ii) of this Section to the aggregate Contract Rents for those Contract Units which are included in the Owner's claim(s) for housing assistance payments for the period in question; and
 - (iv) The amount found in paragraph g(2)(iii) of this Section shall be credited to the Project Account and withheld from the next housing assistance payment or payments to the Owner.
- h' Payments by HFA. The amount of the housing assistance payment, determined in accordance with the provisions of this Contract, up to the amount of the mortgage repayments due the HFA from the Owner pursuant to the mortgage loan made by the HFA for the project, shall be credited to the Owner and transferred monthly by the HFA from the account maintained under the General Depository Agreement pursuant to the ACC to the trustee under the note or bond resolution of the HFA under which the notes or bonds to provide the mortgage loan were issued. Any amount of the housing assistance payment in excess of such credit shall be paid by the HFA directly to the Owner.
- i. Debt Service Payments.
- (1) If a unit continues to be vacant after the 60-day period specified in paragraph (b) or (c) of this section, the Owner may submit a claim to receive additional housing assistance payments on a semiannual basis with respect to such a vacant unit in an amount equal to the principal and interest payments required to amortize the portion of the debt attributable to that unit for the period of the vacancy, whether such vacancy commenced during rent-up or after rent-up.
 - (2) Additional payments under this paragraph (i) for any unit shall not be for more than 12 months for any vacancy period, and shall be made only if:
 - (i) The unit is not in a project insured under the National Housing Act except pursuant to Section 244 of that Act.
 - (ii) The unit was in decent, safe, and sanitary condition during the vacancy period for which payments are claimed.
 - (iii) The Owner has taken and is continuing to take the actions specified in paragraphs (b) (1), (2) and (3) or paragraphs (c) (1) (i) and (ii) and (c) (2) of this section, as appropriate.
 - (iv) The Owner has demonstrated in connection with the semiannual claim on a form and in accordance with the standards prescribed by the Government with respect to the period of vacancy, that the project is not providing the Owner with revenues at least equal to the project costs incurred by the Owner, and that the amount of the payments requested is not in excess of that portion of the deficiency which is attributable to the vacant units for the period of the vacancies.
 - (v) The Owner has submitted, in connection with the semiannual claim, a statement with relevant supporting evidence that there is a reasonable prospect that the project can achieve financial soundness within a reasonable time. The statement shall indicate the causes of the deficiency; the corrective steps that have been taken; and the time by which it is expected that the project revenues will at least equal project costs without the additional payments provided under this paragraph.
 - (3) The Government may deny any application for additional payments or suspend or terminate payments if it determines based on the Owner's statement and other evidence, that there is not a reasonable prospect that the project can achieve financial soundness within a reasonable time.

1.8 MAINTENANCE, OPERATION AND INSPECTION.

- a. Maintenance and Operation. The Owner agrees (1) to maintain and operate the Contract Units and related facilities so as to provide Decent, Safe, and Sanitary housing, and (2) to provide all the services, maintenance and utilities set forth in Exhibit C. If the HFA determines that the Owner is not meeting one or more of these obligations, the HFA shall have the right, in addition to its other rights and remedies under this Contract, to abate housing assistance payments in whole or in part.
- b. Inspections Prior to Occupancy.
 - (1) Prior to occupancy of any unit by a Family, the Owner and the Family shall inspect the unit and both shall certify, on forms prescribed by the Government, that they have inspected the unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the prescribed forms. Copies of these reports shall be kept on file by the Owner for at least three years.
 - (2) The HFA shall inspect or cause to be inspected each Contract Unit and related facilities at least annually and at such other times (including prior to initial occupancy and rerenting of any unit) as may be necessary to assure that the Owner is meeting his obligation to maintain the units in Decent, Safe, and Sanitary condition and to provide the agreed upon utilities and other services. The HFA shall take into account complaints by occupants and any other information coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.
- c. Units Not Decent, Safe, and Sanitary. If the HFA notifies the Owner that he has failed to maintain a dwelling unit in Decent, Safe, and Sanitary condition and the Owner fails to take corrective action within the time prescribed in the notice, the HFA may exercise any of its rights or remedies under the Contract, including abatement of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with section 8 assistance and the HFA does not have other section 8 funds for such purposes, the HFA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. Where this is done, the Owner shall be notified that he will be entitled to resumption of housing assistance payments for the vacated dwelling unit if (1) the unit is restored to Decent, Safe, and Sanitary condition, (2) the Family is willing to and does move back into the restored unit, and (3) a deduction is made for the expenses incurred by the Family for both moves.
- d. Notification of Abatement. Any abatement of housing assistance payments shall be effective as provided in written notification to the Owner. The HFA shall promptly notify the Family of any such abatement.
- e. Overcrowded and Underoccupied Units. If the HFA determines that a Contract Unit is not Decent, Safe, and Sanitary by reason of increase in Family size, or that a Contract Unit is larger than appropriate for the size of the Family in occupancy, housing assistance payments with respect to such unit will not be abated, unless the Owner fails to offer the Family a suitable unit as soon as one becomes vacant and ready for occupancy. In the case of an overcrowded unit, if the Owner does not have any suitable units or if no vacancy of a suitable unit occurs within a reasonable time, the HFA will assist the Family in finding a suitable dwelling unit and require the Family to move to such a unit as soon as possible. The Owner may receive housing assistance payments for the vacated unit if he complies with the requirements of Section 1.7c(1).

1.9 RENT ADJUSTMENTS.

- a. Funding of Adjustments. Housing assistance payments will be made in increased amounts commensurate with Contract Rent adjustments under this Section up to the maximum amount authorized under Section 1.6 of this Contract.
- b. Automatic Annual Adjustments.
 - (1) Automatic Annual Adjustment Factors will be determined by the Government at least annually; interim revisions may be made as market conditions warrant. Such Factors and the basis for their determination will be published in the Federal Register. These published Factors will be reduced appropriately by the Government where utilities are paid directly by the Families.
 - (2) On each anniversary date of the Contract, the Contract Rents shall be adjusted by applying the applicable Automatic Annual Adjustment Factor most recently published by the Government. Contract Rents may be adjusted upward or downward, as may be appropriate; however, in no case shall the adjusted Contract Rents be less than the Contract Rents on the effective date of the Contract.

¹Use of this Section 1.7h is optional.

- c. Special Additional Adjustments. Special additional adjustments shall be granted, when approved by the Government, to reflect increases in the actual and necessary expenses of owning and maintaining the Contract Units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs (i.e., assessments, and utilities not covered by regulated rates), but only if and to the extent that the Owner or the HFA clearly demonstrates that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by automatic annual adjustments. The Owner or the HFA shall submit to the Government financial statements which clearly support the increase.
- d. Overall Limitation. Notwithstanding any other provisions of this Contract, adjustments as provided in this Section shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by the HFA (and approved by the Government, in the case of adjustments under paragraph c of this Section); provided, that this limitation shall not be construed to prohibit differences in rents between assisted and comparable unassisted units to the extent that such differences may have existed with respect to the Initial Contract Rents.
- e. Adjustment to Reflect Actual Cost of Permanent Financing. This paragraph e shall apply if the project is not permanently financed until after the effective date of the Contract. After the project is permanently financed, the HFA shall submit a certification to the Government as to the actual financing terms and the following provisions shall apply:
- (1) If the actual debt service under the permanent financing is lower than the anticipated debt service on which the Contract Rents were based, the Contract Rents currently in effect shall be reduced commensurately, and the amount of the savings shall be credited to the Project Account. The Maximum ACC Commitment shall not be reduced except by the amount of the contingency, if any, which was included for possible increases under paragraph e(2) of this Section.
 - ~~(2) If the actual debt service under the permanent financing is higher than the anticipated debt service on which the Contract Rents were based, and the HFA is using its set-aside for the project, the Contract Rents currently in effect shall be increased commensurately, not to exceed the limitations in this paragraph e(2) and the amount of the Financing Cost Contingency in the ACC, if the projected borrowing rate (net interest cost) was not less than the average net interest cost for the preceding quarter (at the time the projection was submitted to the Government) of the "20 Bond Index" published weekly in the Bond Buyer, plus 50 basis points. An adjustment under this paragraph e(2) shall not be more than is necessary to reflect an increase in debt service (based upon the original projected capital cost and the actual term of the permanent financing for the project) resulting from an increase in interest rate of not more than:

 - (i) One and one-half percent if the projected spread as submitted to the Government was three-fourths of one percent or less, or
 - (ii) One percent if such projected spread was more than three-fourths of one percent but not more than one percent, or
 - ~~(iii) One-half of one percent if such projected spread was more than one percent.~~~~
 - (3) After Contract Rents have been adjusted in accordance with paragraph e(1) ~~or e(2)~~ of this Section, the maximum amount of the ACC commitment shall be reduced by the amount of any unused portion of the Financing Cost Contingency, and such portion shall be reallocated to the then current set-aside of the HFA, if any. ~~At the same time, if the Contract Rents have been increased in accordance with paragraph e(2) of this Section, the maximum Contract amount specified in Section 1.1 g shall be increased commensurately.~~
- f. Incorporation of Rent Adjustment. Any adjustment in Contract Rents shall be incorporated into Exhibit A by a dated addendum to the exhibit establishing the effective date of the adjustment.

1.10 MARKETING AND LEASING OF UNITS.

- a. Compliance with Equal Opportunity. Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's Government-approved Affirmative Fair Housing Marketing Plan, shown as Exhibit D, and with all regulations relating to fair housing advertising.
- b. Security and Utility Deposits.
- (1) The Owner may require Families to pay a security deposit in an amount equal to one month's Gross Family Contribution. If a Family vacates its unit, the Owner, subject to State and local law, may utilize the deposit as reimbursement for any unpaid rent or other amount owed under the Lease. If the Family has provided a security deposit, and it is insufficient for such reimbursement, the Owner may claim reimbursement from the HFA, not to exceed an amount equal to the remainder of one month's Contract Rent. Any reimbursement under this Section shall be applied first toward any unpaid rent. If a Family vacates its unit owing no rent or other amount under the Lease, or if the amount owed is less than the amount of the security deposit, the Owner shall refund the full amount or the unused balance, as the case may be, to the Family.
 - (2) In those jurisdictions where interest is payable by the Owner on security deposits, the refunded amount shall include the amount of interest payable. All security deposit funds shall be deposited by the Owner in a segregated bank account, and the balance of this account, at all times, shall be equal to the total amount collected from tenants then in occupancy, plus any accrued interest. The Owner shall comply with all State and local laws regarding interest payments on security deposits.
 - (3) Families shall be expected to obtain the funds to pay security and utility deposits, if required, from their own resources and/or other private or public sources.
- c. Eligibility, Selection and Admission of Families.
- (1) The Owner shall be responsible for determination of eligibility of applicants, selection of families from among those determined to be eligible, and computation of the amount of housing assistance payments on behalf of each selected Family in accordance with schedules and criteria established by the Government. In the initial renting of the Contract Units, the Owner shall lease at least that percentage of those units which is stated in Section 1.1h to Very Low-Income Families (determined in accordance with the Government-established schedules and criteria) and shall thereafter exercise his best efforts to maintain at least that percentage of occupancy of the Contract Units by Very Low-Income Families as determined in accordance with such schedules and criteria.
 - (2) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by the HFA.
 - (3) The Owner shall make a reexamination of Family Income, composition, and the extent of medical or other unusual expenses incurred by the Family, at least annually (except that such reviews may be made at intervals of no longer than two years in the case of elderly Families), and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with schedules and criteria established by the Government. In connection with the reexamination, the Owner shall determine what percentage of Families in occupancy are Very Low-Income Families. If there are fewer than the agreed to percentage of Very Low-Income Families in occupancy, the Owner shall report the fact to the HFA and shall adopt changes in his admission policies to achieve, as soon as possible, at least the agreed to percentage of occupancy by such Families.
- d. Rent Redetermination after Adjustment in Allowance for Utilities and Other Services. In the event that the Owner is notified of an HFA determination making an adjustment in the Allowance for Utilities and Other Services applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.
- e. Processing of Applications and Complaints. The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HFA or Government requirements and shall maintain records and furnish such copies or other information as may be required by the HFA or the Government.
- f. Review; Incorrect Payments. In making housing assistance payments to Owners, the HFA or the Government will review the Owner's determinations under this Section. If as a result of this review, or other reviews, audits or information received by the HFA or the Government at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the HFA or the Government shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery thereof.

1.11 TERMINATION OF TENANCY. The Owner shall be responsible for termination of tenancies, including evictions. However, conditions for payment of housing assistance payments for any resulting vacancies shall be as set forth in Section 1.7c.

1.12 REDUCTION OF NUMBER OF CONTRACT UNITS FOR FAILURE TO LEASE TO ELIGIBLE FAMILIES.

- a. After First Year of Contract. If at any time, beginning six months after the effective date of this Contract, the Owner fails for a continuous period of six months to have at least 80 percent of the Contract Units leased or available for leasing by Families, the HFA, with Government approval, may on 30 days notice reduce the number of Contract Units to not less than the number of units under lease or available for leasing by Families, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.
- b. At End of Initial and Each Renewal Term. At the end of the initial term of the Contract and of each renewal term, the HFA, with Government approval, may, by notice to the Owner, reduce the number of Contract Units to not less than (1) the number of units under lease or available for leasing by Families at that time or (2) the average number of units so leased or available for leasing during the last year, whichever is the greater, plus 10 percent of such number if the number is 10 or more, rounded to the next highest number.
- c. Restoration of Units. The Government will agree to an amendment of the ACC to provide for subsequent restoration of any reduction made pursuant to paragraph a or b of this Section if the Government determines that the restoration is justified as a result of changes in demand and in the light of the Owner's record of compliance with his obligations under the Contract and if annual contributions contract authority is available; and the Government will take such steps authorized by section 8(c)(6) of the Act as may be necessary to carry out this assurance (see Section 1.6).

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

APPROVED: _____ OWNER _____
By _____
United States of America _____
Secretary of Housing and Urban Development _____
(Official Title)
Date _____, 19____
By _____ HFA _____
By _____
(Official Title) (Official Title)
Date _____, 19____ Date _____, 19____

[If the project is to be completed and accepted in stages, execution of the Contract with respect to the several stages appears on the following pages of this Contract.]

EXECUTION OF CONTRACT WITH RESPECT
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

STAGE 1

This Contract is hereby executed with respect to the units described in Exhibit A-1.

EFFECTIVE DATE. The effective date of this Contract with respect to the units described in Exhibit A-1 is _____, 19____.
[Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR,
Section 883.316(a).]

APPROVED:

United States of America
Secretary of Housing and Urban Development

By _____

(Official Title)
Date _____, 19____

OWNER _____
By _____

(Official Title)
Date _____, 19____
HFA _____
By _____

(Official Title)
Date _____, 19____

EXECUTION OF CONTRACT WITH RESPECT
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

STAGE 2

This Contract is hereby executed with respect to the units described in Exhibit A-2.

EFFECTIVE DATE. The effective date of this Contract with respect to the units described in Exhibit A-2 is _____, 19____.
[Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR,
Section 883.316(a).]

APPROVED:

United States of America
Secretary of Housing and Urban Development

By _____

(Official Title)
Date _____, 19____

OWNER _____
By _____

(Official Title)
Date _____, 19____
HFA _____
By _____

(Official Title)
Date _____, 19____

EXECUTION OF CONTRACT WITH RESPECT
TO CONTRACT UNITS COMPLETED AND ACCEPTED IN STAGES

STAGE 3

This Contract is hereby executed with respect to the units described in Exhibit A-3.

EFFECTIVE DATE. The effective date of this Contract with respect to the units described in Exhibit A-3 is _____, 19____.
[Insert date which shall be no earlier than the date of submission by the HFA to the Government of the certifications required by 24 CFR,
Section 883.316(a).]

APPROVED:

United States of America
Secretary of Housing and Urban Development

By _____

(Official Title)
Date _____, 19____

OWNER _____
By _____

(Official Title)
Date _____, 19____
HFA _____
By _____

(Official Title)
Date _____, 19____

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
HOUSING FINANCE AND DEVELOPMENT AGENCIES

PART II OF THE
HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER: P-5512	ACC LIST NUMBER AND DATE: P-80-015 10/31/79	NEW CONSTRUCTION PROJECT NUMBER: VA 36-H027-170 or SUBSTANTIAL REHABILITATION PROJECT NUMBER:
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2.1 NONDISCRIMINATION IN HOUSING.

- a. The Owner shall not in the selection of Families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, or national origin. No person shall be automatically excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program because of membership in a class such as unmarried mothers, recipients of public assistance, etc.
- b. The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any rules and regulations pursuant thereto.
- c. The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, Public Law 88-352, 78 Stat. 241; the regulations of the Department of Housing and Urban Development issued thereunder, 24 CFR, Subtitle A, Part 1, Section 1.1, et seq.; the requirements of said Department pursuant to said regulations; and Executive Order 11063 to the end that, in accordance with that Act, the regulations and requirements of said Department thereunder, and said Executive Order, no person in the United States shall, on the grounds of race, color, creed, religion or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to the regulations of the Department of Housing and Urban Development, 24 CFR, Subtitle A, Part 1, Section 1.1, et seq.; issued under Title VI of the said Civil Rights Act of 1964, and the requirements of said Department pursuant to said regulations; and the obligation of the Owner to comply therewith inures to the benefit of the Government, the said Department, and the HFA, any of which shall be entitled to invoke any remedies available by law to redress any breach thereof or to compel compliance therewith by the Owner.

2.2 TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER-INCOME PERSONS.²

- a. The project assisted under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- b. Notwithstanding any other provision of this Contract, the Owner shall carry out the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135 (published in 38 Federal Register 29220, October 23, 1973), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of this Contract. The requirements of said regulation include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph d of this Section in all contracts for work in connection with the project. The Owner certifies and agrees that he is under no contractual or other disability which would prevent him from complying with these requirements.
- c. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, his successors and assigns. Failure to fulfill these requirements shall subject the Owner, his contractors and subcontractors, his successors, and assigns to the sanction specified by this Contract, and to such sanctions as are specified by 24 CFR, Section 135.135.
- d. The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Contract in excess of \$50,000 cost, the following clause:

"EMPLOYMENT OF PROJECT AREA RESIDENTS AND CONTRACTORS

"A. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

"B. The parties to this Contract will comply with the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

"C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

"D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

²Strike this Section if the Contract Rents on the effective date of this Contract, over the maximum term of this Contract, are \$500,000 or less.

"F. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR, Section 135.135."

e. The Owner agrees that he will be bound by the above Employment of Project Area Residents and Contractors clause with respect to his own employment practices when he participates in federally assisted work.

2.3 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The HFA and the Owner shall cooperate with the Government in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and rules and regulations pursuant thereto.

2.4 FLOOD INSURANCE. If the project is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.5 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT.³ In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, 39 F.R. 11099, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 1857, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees that:

- a. Any facility to be utilized in the performance of this Contract or any subcontract shall not be a facility listed on the EPA list of Violating Facilities pursuant to section 15.20 of said regulations;
- b. He will promptly notify the HFA of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;
- c. He will comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder; and
- d. He will include or cause to be included the provisions of this Section in every nonexempt subcontract, and that he will take such action as the Government may direct as a means of enforcing such provisions.

2.6 HFA AND GOVERNMENT ACCESS TO PREMISES AND OWNER'S RECORDS.

- a. The Owner shall furnish such information and reports pertinent to the Contract as reasonably may be required from time to time by the HFA or the Government.
- b. The Owner shall permit the HFA or the Government or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

2.7 FAILURE OR INABILITY OF HFA TO COMPLY WITH CONTRACT. The following provisions of the ACC are hereby made a part of this Contract:

"(a) Rights of Owner if HFA Defaults under Contract.

"(1) In the event of failure of the HFA to comply with the Contract with the Owner, or if such Contract is held to be void, voidable or ultra vires, or if the power or right of the HFA to enter into such Contract is drawn into question in any legal proceeding, or if the HFA asserts or claims that such Contract is not binding upon the HFA for any such reason, the Government may, after notice to the HFA giving it a reasonable opportunity to take corrective action, determine that the occurrence of any such event constitutes a Substantial Default hereunder. Where the Government so determines, it shall have the right to assume the HFA's rights and obligations under such Contract, perform the obligations and enforce the rights of the HFA, and exercise such other powers as the Government may have to cure the Default; however, whether or not the Government elects to proceed in this manner, the Government shall, if it determines that the Owner is not in default, continue for the duration of such Contract to pay Annual Contributions for the purpose of making housing assistance payments with respect to dwelling units under such Contract.

"(2) All rights and obligations of the HFA assumed by the Government pursuant to this Section 2.16(a) will be returned as constituted at the time of such return (i) when the Government is satisfied that all defaults have been cured and that the Project will thereafter be administered in accordance with all applicable requirements, or (ii) when the Housing Assistance Payments Contract is at an end, whichever occurs sooner.

"(3) The provisions of this Section 2.16(a) are made with, and for the benefit of, the Owner, the HFA (but only in its capacity as lender), or the Owner's other assignees, if any, who will have been specifically approved by the Government prior to such assignment. If such parties are not in default, they may, in order to enforce the performance of these provisions, (i) demand that the Government, after notice to the HFA giving it a reasonable opportunity to take corrective action, make a determination whether a Substantial Default exists under paragraph (a)(1) of this Section, (ii) if the Government determines that a Substantial Default exists, demand that the Government take action as authorized in paragraph (a)(1), and (iii) proceed against the Government by suit at law or in equity."

2.8 RIGHTS OF HFA AND GOVERNMENT IF OWNER DEFAULTS UNDER CONTRACT.

- a. A default by the Owner under this Contract shall result if:
 - (1) The Owner has violated or failed to comply with any provision of, or obligation under, this Contract or of any Lease; or
 - (2) The Owner has asserted or demonstrated an intention not to perform some or all of his obligations under this Contract or under any Lease.
- b. Upon a determination by the HFA that a default has occurred, the HFA shall notify the Owner, with a copy to the Government, of (1) the nature of the default, (2) the actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner to cure the default, and, where appropriate, abatement of housing assistance payments in whole or in part and recovery of overpayments), and (3) the time within which the Owner shall respond with a showing that he has taken all the actions required of him. If the Owner fails to respond or take action to the satisfaction of the HFA and the Government, the HFA shall have the right to terminate this Contract in whole or in part or to take other corrective action to achieve compliance, in its discretion or as directed by the Government.

³Strike this Section if the Contract Rents on the effective date of this Contract, over the maximum total term of this Contract, are \$100,000 or less.

- c. Notwithstanding any other provisions of this Contract, in the event the Government determines that the Owner is in default of his obligations under the Contract, the Government shall have the right, after notice to the Owner and the HFA giving them a reasonable opportunity to take corrective action, to abate or terminate housing assistance payments and recover overpayments in accordance with the terms of the Contract. In the event the Government takes any action under this Section, the Owner and the HFA hereby expressly agree to recognize the rights of the Government to the same extent as if the action were taken by the HFA. The Government shall not have the right to terminate the Contract except by proceeding in accordance with Section 2.16(b) of the ACC and paragraph b of this Section.

2.9 REMEDIES NOT EXCLUSIVE AND NON-WAIVER OF REMEDIES. The availability of any remedy under this Contract or the ACC shall not preclude the exercise of any other remedy under this Contract or the ACC or under any provision of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.10 DISPUTES.

- a. Except as otherwise provided herein, any dispute concerning a question of fact arising under this Contract which is not disposed of by agreement of the HFA and the Owner may be submitted by either party to the Department of Housing and Urban Development field office director who shall make a decision and shall mail or otherwise furnish a written copy thereof to the Owner and the HFA.
- b. The decision of the field office director shall be final and conclusive unless, within 30 days from the date of receipt of such copy, either party mails or otherwise furnishes to the Government a written appeal addressed to the Secretary of Housing and Urban Development. The decision of the Secretary or duly authorized representative for the determination of such appeals shall be final and conclusive, unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this Section, the appellant shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the field office director.
- c. This Section does not preclude consideration of questions of law in connection with the decisions rendered under paragraphs a and b of this Section; Provided, however, that nothing herein shall be construed as making final the decision of any administrative official, representative, or board, on a question of law.

2.11 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF HFA, MEMBERS OF LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS. No member, officer, or employee of the HFA, no member of the governing body of the State or locality (city and county) in which the project is situated, and no other public official of such State or locality who exercises any functions or responsibilities with respect to the project, during his tenure or for one year thereafter, shall have any interest, direct or indirect, in this Contract or in any proceeds or any benefits arising therefrom. In the case of a project owned by a public housing agency, the foregoing prohibition shall also apply to members of the governing body of the locality (city and county) in which such public housing agency was activated.

2.12 INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise therefrom.

2.13 ASSIGNMENT, SALE, OR FORECLOSURE.

- a. The Owner agrees that he has not made and will not make any sale, assignment, or conveyance or transfer in any other form, of this Contract or the project or any part thereof or any of his interest therein, without the prior consent of the HFA and the Government; Provided, however, that in the case of an assignment as security for the purpose of obtaining financing of the project, the HFA and the Government shall consent in writing if the terms of the financing have been approved by the Government.
- b. The Owner agrees to notify the HFA and the Government promptly of any proposed action covered by paragraph a of this Section. The Owner further agrees to request the written consent of the HFA and the Government in regard thereto.
- c. (1) A transfer by the Owner, in whole or in part, or a transfer by a party having a substantial interest in said Owner, or transfers by more than one party of interests aggregating a substantial interest in said Owner, or any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution thereof, or with respect to the parties in control of the Owner or the degree thereof, by any other method or means (e.g., increased capitalization, merger with another corporation or other entity, corporate or other amendments, issuance of new or additional ownership interests or classification of ownership interests or otherwise) shall be deemed an assignment, conveyance, or transfer for purposes of this Section 2.13. An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer.
- (2) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.
- (3) The Owner, and the party signing this Contract on behalf of said Owner, represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect thereto.
- d. In the event of foreclosure, or assignment or sale to the HFA (or mortgagee if the HFA is not the mortgagee) in lieu of foreclosure, or in the event of assignment or sale agreed to by the HFA (or mortgagee if the HFA is not the mortgagee) and approved by the Government (which approval shall not be unreasonably delayed or withheld), housing assistance payments shall continue in accordance with the terms of the Contract.

EXHIBIT C

PART I OF THE

AGREEMENT TO ENTER INTO HOUSING ASSISTANCE PAYMENTS CONTRACT

NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER: P-5512	ACC LIST NUMBER AND DATE: P-80-015 10/31/79	NEW CONSTRUCTION PROJECT NUMBER: VA 36-H027-170 SUBSTANTIAL REHABILITATION PROJECT NUMBER:
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This Agreement to Enter into Housing Assistance Payments Contract ("Agreement") is made and entered into by and between the Virginia Housing Development Authority ("HFA"), which is a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437, et seq. ("Act"), at section 1437a(6), and Hillsville Associates ("Owner").

WHEREAS, the Owner proposes to complete a housing project consisting of improvements and land [if new construction, insert "improvements and land"; if substantial rehabilitation, insert "the substantial rehabilitation of certain property"], as described in the approved Proposal; and

WHEREAS, the Owner and the HFA propose to enter into a Housing Assistance Payments Contract ("Contract") upon the completion of said project for the purpose of making housing assistance payments to enable eligible Lower-Income Families ("Families") to occupy units in said project; and

WHEREAS, the HFA has entered into an Annual Contributions Contract dated November 19, 1979, with the United States of America acting through the Department of Housing and Urban Development ("Government") with respect to Project No. VA36-H027-170 ("ACC"), under which the Government will provide financial assistance to the HFA pursuant to section 8 of the Act for the purpose of making housing assistance payments; and

WHEREAS, the Owner is also the developer or rehabilitator, or, if the developer or rehabilitator is other than the Owner, the developer's or rehabilitator's name is N/A.

NOW THEREFORE, the parties hereto agree as follows:

1.1 SIGNIFICANT DATES; CONTENTS OF AGREEMENT.

- Time for Completion of Project. The time for completion of the project (see Section 1.2a) is 395 calendar days after the effective date of this Agreement.
- Date for Commencement of Work. The date for commencement of work (see Section 1.2b) is November 30, 1979.
- Contents of Agreement. This Agreement consists of Part I, Part II, and the following exhibits:

Exhibit A: The approved Proposal including, among other things, the HFA's certifications, the Affirmative Fair Housing Marketing Plan (if required), and evidence of management capability;

Exhibit B: The Housing Assistance Payments Contract ("Contract") to be executed upon acceptable completion of the project;

Exhibit C: The Annual Contributions Contract;

Exhibit D: The schedule of completion in stages, if applicable;

Exhibit E: The schedule of minimum rates of wages, if applicable; and

Additional exhibits: [Specify additional exhibits, if any. If none, insert "None."] None

This Agreement, including said exhibits, comprises the entire agreement between the parties hereto with respect to the matters contained herein, and neither party is bound by any representations or agreements of any kind except as contained herein or except agreements entered into in writing which are not inconsistent with this Agreement. Nothing contained in this Agreement shall create or affect any relationship between the HFA and any contractor or subcontractors employed by the Owner in the completion of the Project.

1.2 SCHEDULE OF COMPLETION.

- Time for Completion. The project shall be completed in accordance with Section 1.4 no later than the end of the period stated in Section 1.1a, or in stages as provided for in Exhibit D which identifies the units comprising each stage and the date of commencement and time for completion of each stage. Where completion in stages is provided for, all references to project completion shall be deemed to refer to project completion and/or completion of any stage, as appropriate.
- Timely performance of Work. The Owner agrees that no later than the date stated in Section 1.1b the work will be commenced and diligently continued. In the event the work is not commenced, diligently continued, and/or completed as aforesaid, the HFA reserves the right, subject to Government approval, to rescind this Agreement or take other appropriate action. The Owner shall report to the HFA the date work was commenced and shall thereafter furnish the HFA with periodic progress reports (quarterly or as otherwise required by the HFA).
- Delays. In the event there is delay in the completion due to strikes, lockouts, labor union disputes, fire, unusual delays in transportation, unavoidable casualties, weather, acts of God, or any other causes beyond the Owner's control, or by delay authorized by the HFA, the time for completion shall be extended to the extent that completion is delayed due to one or more of these causes. No increase in the rents set forth in Exhibit B ("Contract Rents") may be granted on account of any such delays.

1.3 CONSTRUCTION OR REHABILITATION PERIOD.

- Changes. The Owner shall submit for HFA approval any changes from Exhibit A which would materially reduce or alter his obligations or any changes which would alter the design or materially reduce the quality or amenities of the project. Approval of such changes may be conditioned on a reduction of Contract Rents. If such changes are made without prior approval by the HFA, the Owner may be required to reduce the Contract Rents or remedy the defects or deficiencies as a condition for acceptance of the project. Contract Rents may not be increased by reason of any changes or modifications except those required by changes in local codes or ordinances made subsequent to execution of the Agreement, and then only if Government approval is obtained prior to incorporation of any such changes in the project. If any changes under this paragraph are approved by the HFA, the HFA is required to submit to the Government, at such times as it deems appropriate but not later than the certification of completion described in Section 1.4, a statement specifying the changes approved and either (1) a certification by the HFA that such changes do not justify a reduction of Contract Rents, or (2) a statement of the amounts by which Contract Rents were reduced and a certification that such reduction is appropriate and adequate in light of the changes approved.

- b. Commencement of Marketing. The Owner shall commence and diligently continue marketing as soon as possible, but in any event no later than 90 days (or 60 days in the case of substantial rehabilitation) prior to the estimated completion date. The Owner shall notify the HFA of the date of commencement of marketing. The Owner shall also comply with all reporting requirements under the Affirmative Fair Housing Marketing Regulations. Not later than 30 days prior to the estimated completion date and periodically thereafter, the Owner shall notify the HFA of any units which he anticipates will be vacant on the effective date of the Contract. At the time the Contract is executed, the Owner shall submit a list of the dwelling units leased as of the effective date of the Contract and a list of the units not so leased, if any. The Owner will be entitled to housing assistance payments for any unleased units pursuant to Section 1.7b of the Contract only if he has fully complied with the requirements of this paragraph and the provisions of that Section.

1.4 PROJECT COMPLETION.

- a. Certifications Upon Completion. Upon completion of the project, the HFA shall submit to the Government the following certifications:
- (1) A certification by the HFA that:
 - (i) The project has been completed in accordance with the requirements of the Agreement;
 - (ii) The project is in good and tenantable condition;
 - (iii) There are no defects or deficiencies in the project other than punchlist items, or incomplete work awaiting seasonal opportunity such as landscaping and heating system test (such excepted items to be specified);
 - (iv) There has been no change in evidence of management capability or in the proposed management program (if one was required) specified in the Proposal, other than changes approved in writing by the HFA in accordance with the Agreement;
 - (v) There has been compliance with the provisions of the Agreement relating to the payment of not less than prevailing wage rates and that to the best of the HFA's knowledge and belief there are no claims of underpayment in alleged violation of said provisions of the Agreement. In the event there are any such pending claims to the knowledge of the Owner, the Government, or the HFA, the HFA's certification shall include a statement that the Owner has placed a sufficient amount in escrow, as determined by the Government, to assure such payments; and
 - (vi) The project has been constructed or rehabilitated in accordance with applicable zoning, building, housing and other codes, ordinances or regulations, as modified by any waivers obtained from the appropriate officials.
 - (2) A certification by the Owner that:
 - (i) The project has been completed in accordance with the requirements of the Agreement;
 - (ii) The project is in good and tenantable condition;
 - (iii) There are no defects or deficiencies in the project except for ordinary punchlist items, or incomplete work awaiting seasonal opportunity such as landscaping and heating system test (such excepted items to be specified);
 - (iv) There has been no change in evidence of management capability or in the proposed management program (if one was required) specified in the Proposal, other than changes approved in writing by the HFA in accordance with the Agreement; and
 - (v) He has complied with the provisions of the Agreement relating to the payment of not less than prevailing wage rates and to the best of his knowledge and belief there are no claims of underpayment in alleged violation of said provisions of the Agreement. In the event there are any such pending claims to the knowledge of the Owner, the Government, or the HFA, the Owner's certification shall include a statement that he has placed a sufficient amount in escrow, as determined by the Government, to assure such payments.
 - (3) In the case of substantial rehabilitation projects, a certification by the Owner that the property has been treated and is in compliance with Government Lead Based Paint Regulations, 24 CFR, Part 35. If the property was constructed prior to 1950, the Owner shall provide a certification that each Family upon occupancy will receive the notice required by Government Lead Based Paint regulations and procedures regarding the hazards of lead based paint poisoning, the symptoms and treatment of lead poisoning and the precautions to be taken against lead poisoning and that records showing receipt of such notice by each tenant will be maintained for at least three years.
- b. Additional Work to be Completed. If the HFA certification states that the project is complete except for ordinary punchlist items or incomplete work awaiting seasonal opportunity, the project may be accepted and the Contract executed subject to completion of such items within a reasonable time. When the Owner reports to the HFA that the remaining work has been completed, the HFA shall inspect the work, and if it finds that the work has been completed satisfactorily; it shall so certify to the Government. If the Government fails to receive such additional certification within a reasonable time from the acceptance of the project, the Government may, upon 30 days notice to the HFA and the Owner, cancel its approval of the Contract and require its termination or exercise its other rights under the Contract or the ACC.
- c. Completion in Stages. If the project is to be completed in stages, the procedures of this Section shall apply to each stage.

1.5 HOUSING ASSISTANCE PAYMENTS CONTRACT.

- a. Time of Execution. If the Government determines that the certifications of completion comply with the requirements of Section 1.4 of this Agreement, the Government shall authorize execution of the Contract. Upon receipt of this authorization, the Contract shall be executed first by the Owner and the HFA, and then approved by the Government.
- b. Completion in Stages. If completion is in stages, pursuant to Section 1.4, the Contract shall be executed upon completion of the first stage, and the number and types of completed units and their Contract Rents shall be shown in Schedule A-1 of the Contract. Thereafter, upon completion of each successive stage, the signature block provided in the Contract for that stage shall be executed by the Owner and the HFA and approved by the Government, and Schedule A-2, A-3, etc., covering the additional units, shall become part of the Contract.
- c. Unleased Units at Time of Execution. At the time of execution of the Contract, the HFA shall examine the lists of dwelling units leased and not leased, referred to in Section 1.3b, and shall determine whether or not the Owner has met his obligations under that Section with respect to any unleased units. The HFA shall state in writing its determination with respect to the unleased units and for which of those units it will make housing assistance payments pursuant to the Contract. The Owner shall indicate in writing his concurrence with this determination or his disagreement, reserving his rights to claim housing assistance payments for the unleased units pursuant to the Contract, without prejudice by reason of his signing the Contract. Copies of all documents referred to in this paragraph shall be furnished to the Government.
- d. Contract Rents. The rents to the Owner, by unit size, amounts of housing assistance payments, and all other applicable terms and conditions shall be as specified in the proposed Housing Assistance Payments Contract except as provided in Section 1.3a, and except that if the project is permanently financed on or before the effective date of the Contract, the Contract Rents shall be subject to adjustment in accordance with paragraph e or f of this Section, as appropriate. (If permanent financing does not occur until after the effective date of the Contract, the adjustments contemplated by paragraph f will be made in accordance with the comparable provisions contained in the Contract.)

Adjustments of Contract Rents to Reflect Actual Costs Where Only Permanent Financing is Utilized.

- (1) In the event that only permanent financing is utilized for the project, the HFA shall, at the time the terms of said financing are agreed to by the lender, certify to the Government:
 - (i) The interest rate on said permanent financing, and
 - (ii) Any change in the amount of mortgage loan required for the project because of the difference between the interest rate payable on said permanent financing and the anticipated interest rate which would have been payable if interim financing had been utilized during the construction period for the project.
- (2) The Contract Rents, the maximum Contract commitment and the Maximum ACC Commitment shall be adjusted to reflect the foregoing. In no event shall the maximum Contract commitment or the Maximum ACC Commitment be increased by more than the amount of the Financing Cost Contingency, as specified in Section 1.4(b) of the ACC. Any unused portion of the Financing Cost Contingency shall be reallocated to the then current set-aside of the HFA, if any.

f. Adjustments of Contract Rents to Reflect Actual Costs of Permanent Financing Where Interim and Permanent Financing are Utilized. This paragraph shall apply if interim financing is utilized for the project and the project is permanently financed on or before the effective date of the Contract. At the time the terms of the permanent financing are agreed to by the lender, the HFA shall submit a certification to the Government as to the actual financing terms and the following provisions shall apply:

- (1) If the actual debt service under the permanent financing is lower than the anticipated debt service on which the Contract Rents were based, the initial Contract Rents shall be reduced commensurately, and the amount of the savings shall be credited to the Project Account. The Maximum ACC Commitment shall not be reduced except by the amount of the contingency, if any, which was included for possible increases under paragraph f(2) of this Section.
- (2) If the actual debt service under the permanent financing is higher than the anticipated debt service on which the Contract Rents were based, and the HFA is using its set-aside for the project, the initial Contract Rents shall be increased commensurately, not to exceed the limitations in this paragraph f(2) and the amount of the Financing Cost Contingency, if the projected borrowing rate (net interest cost) was not less than the average net interest cost for the preceding quarter (at the time the projection was submitted to the Government) of the "20 Bond Index" published weekly in the Bond Buyer, plus 50 basis points. An adjustment under this paragraph f(2) shall not be more than is necessary to reflect an increase in debt service (based upon the original projected capital cost and the actual term of the permanent financing for the project) resulting from an increase in interest rate of not more than:
 - (i) One and one-half percent if the projected spread as submitted to the Government was three-fourths of one percent or less, or
 - (ii) One percent if such projected spread was more than three-fourths of one percent but not more than one percent, or
 - (iii) One-half of one percent if such projected spread was more than one percent.
- (3) After Contract Rents have been adjusted in accordance with paragraph f(1) or f(2) of this Section, the maximum amount of the ACC commitment shall be reduced by the amount of any unused portion of the Financing Cost Contingency, and such portion shall be reallocated to the then current set-aside of the HFA, if any. At the same time, if the Contract Rents have been increased in accordance with paragraph f(2) of this Section, the maximum Contract amount specified in Section 1.1g of the Contract shall be increased commensurately.

g. No Changes in Contract. Each party has read or is presumed to have read the proposed Contract. It is expressly agreed that there shall be no change in the terms of the Contract other than as provided in this Agreement.

1.6 GOVERNMENT ASSURANCE TO OWNER. The approval of this Agreement by the Government signifies that the Government has executed the ACC and that the ACC has been properly authorized; that the faith of the United States is solemnly pledged to the payment of annual contributions pursuant to said ACC; and that funds have been obligated by the Government for such payments to assist the HFA in the performance of its obligations under the Contract. The Government and the HFA shall not, without the consent of the Owner, amend or modify the ACC in any manner which would reduce the amount of annual contributions payable thereunder for housing assistance payments except as authorized in the ACC and the Contract.

~~1.7 RELOCATION REQUIREMENTS FOR PROJECT OWNED BY A PUBLIC HOUSING AGENCY.¹~~

[Alternative provisions—incorporate alternative 1 or 2, as applicable.]

Alternative 1—For projects which were without site occupants as of the date indicated in this alternative.

The Owner hereby certifies that the site of the project was without occupants as of the date the HFA made a commitment to provide the permanent financing for the project or the date the HFA submitted the Proposal to HUD, whichever was earlier.

Alternative 2—For projects which do not qualify for alternative 1.

a. Owner Compliance with Relocation Act. The Owner agrees that, pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, it undertakes liability for (1) the provision of relocation payments and assistance as prescribed in sections 202, 203, and 204 of the Act; (2) the provision of relocation assistance programs offering the services described in section 205 of the Act; and (3) assuring that within a reasonable period of time prior to displacement, Decent, Safe, and Sanitary replacement dwellings will be available to displaced persons.

b. Relocation Payments Other than by Owner. The Government has determined that satisfactory commitments have been made for the funding of relocation payments required by sections 202, 203, and 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as follows:

c. Relocation Payments by Owner. If paragraph b is inapplicable, the following shall apply:

- (1) The maximum potential amount of all relocation payments as estimated by the Government is \$ _____.
- (2) The Owner has deposited this amount in an escrow account under the terms of which payments may be made only upon presentation of written authorization by the Government for the purpose of meeting relocation payments.
- (3) The Owner hereby voluntarily undertakes liability for all relocation payments and agrees that, if the funds in the escrow account shall prove to be insufficient to meet all such relocation payments, he will deposit such additional amounts as the Government determines to be necessary for such purpose.

¹Strike this Section unless the project is owned by a public housing agency.

~~(4) When the Government determines that there is no longer any potential liability for relocation payments, any balance in the account shall be paid to the Owner.~~

~~(5) The Owner agrees to hold harmless and to indemnify the Government for any costs incurred under sections 202, 203, and 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 in connection with the relocation of site occupants, and the Owner further agrees that the Government shall have the right to be reimbursed for any such costs by withholding from housing assistance payments payable to the Owner.~~

1.8 AUTHORITY OF THE HFA. The HFA warrants that it is a "public housing agency" as defined in section 3(6) of the Act and that it is in fact and in law authorized to execute this Agreement.

EFFECTIVE DATE. This Agreement shall be effective as of the date of approval by the Government.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in four original counterparts.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

APPROVED:

United States of America
Secretary of Housing and Urban Development

HFA VIRGINIA HOUSING DEVELOPMENT AUTHORITY

By *John Dethlefsen*
EXECUTIVE DIRECTOR
(Official Title)

Date NOVEMBER 7, 1979

By *J. J. Rose, Jr.*
Deputy Director for Development
(Official Title)

Acting
Date 11/20/79, 1979

OWNER HILLSVILLE ASSOCIATES

By *Ron J. Tidman*
GENERAL PARTNER
(Official Title)

Date NOVEMBER 6, 1979

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
HOUSING FINANCE AND DEVELOPMENT AGENCIES
PART II OF THE

AGREEMENT TO ENTER INTO HOUSING ASSISTANCE PAYMENTS CONTRACT
NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

MASTER SECTION 8 ACC NUMBER: P-5512	ACC LIST NUMBER AND DATE: P-80-015 10/31/79	NEW CONSTRUCTION PROJECT NUMBER: OR VA 36-H027-170 SUBSTANTIAL REHABILITATION PROJECT NUMBER:
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2.1 TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER-INCOME PERSONS.²

- a. The project assisted under this Agreement is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- b. Notwithstanding any other provision of this Agreement, the Owner shall carry out the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135 (published in 38 Federal Register 29220, October 23, 1973), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of this Agreement. The requirements of said regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph d of this Section in all contracts for work in connection with the project. The Owner certifies and agrees that he is under no contractual or other disability which would prevent him from complying with these requirements.
- c. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this Agreement, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, his successors and assigns. Failure to fulfill these requirements shall subject the Owner, his contractors and subcontractors, his successors, and assigns to the sanction specified by this Agreement, and to such sanctions as are specified by 24 CFR, Section 135.135.
- d. The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$50,000 cost, the following clause:

"EMPLOYMENT OF PROJECT AREA RESIDENTS AND CONTRACTORS

- "A. The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
 - "B. The parties to this Agreement will comply with the provisions of said section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
 - "C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
 - "D. The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
 - "E. Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR, Section 135.135."
- e. The Owner agrees that he will be bound by the above Employment of Project Area Residents and Contractors clause with respect to his own employment practices when he participates in federally assisted work.

2.2 EQUAL EMPLOYMENT OPPORTUNITY.³

- a. The Owner shall incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR, Chapter 60, which is to be performed pursuant to this Agreement, the following Equal Opportunity clause:

"EQUAL EMPLOYMENT OPPORTUNITY

"During the performance of this contract, the contractor agrees as follows:

²Strike this Section if the Contract Rents under the proposed Housing Assistance Payments Contract, over the maximum term of said Contract, are \$500,000 or less.

³As used in Section 2.2, "HUD" means the United States of America acting through the Department of Housing and Urban Development.

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by or at the direction of the Government setting forth the provisions of this Equal Opportunity clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

"(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's noncompliance with the Equal Opportunity clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.

"(7) The contractor will include the portion of the sentence immediately preceding Paragraph (1) and the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States."

- b. The Owner agrees that he will be bound by the above Equal Opportunity clause with respect to his own employment practices when he participates in federally assisted construction work.
- c. The Owner agrees that he will assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the Equal Opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that he will furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and that he will otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.
- d. The Owner further agrees that he will refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the Equal Opportunity clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order.

2.3 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The HFA and the Owner shall cooperate with the Government in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and rules and regulations pursuant thereto.

2.4 FLOOD INSURANCE. If the project is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, the Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.5 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT.⁴ In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, 39 F.R. 11099, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 1857, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees that:

- a. Any facility to be utilized in the performance of this Agreement or any subcontract shall not be a facility listed on the EPA List of Violating Facilities pursuant to section 15.20 of said regulations;
- b. He will promptly notify the HFA of the receipt of any communication from the EPA indicating that a facility to be utilized for the Agreement is under consideration to be listed on the EPA List of Violating Facilities;
- c. He will comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder; and
- d. He will include or cause to be included the provisions of this Section in every nonexempt subcontract, and that he will take such action as the Government may direct as a means of enforcing such provisions.

2.6 PREVAILING WAGE RATES.⁵

- a. Attached hereto and incorporated herein as Exhibit E is a schedule of minimum rates of wages applicable to this Agreement.
- b. All laborers and mechanics employed in the construction of the project shall be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the regulations issued by the Secretary of Labor under the Copeland Act (29 CFR, Part 3)), the full amounts due at the time of payment computed at wage rates not less than those contained in the wage determination decision of the Secretary of Labor of the United States, which is incorporated herein, regardless of any contractual relationship which may be alleged to exist between the Owner or any subcontractor and such laborers and

⁴Strike this Section if the Contract Rents under the proposed Housing Assistance Payments Contract, over the maximum term of said Contract, are \$100,000 or less.

⁵As used in Section 2.6 through 2.11, "HUD" means the United States of America acting through the Department of Housing and Urban Development. Strike Sections 2.6 through 2.11 if the project involves fewer than nine Contract units.

mechanics; and the wage determination decision and the Department of Labor Wage Rate Information Poster shall be posted by the Owner at the site of the work in a prominent place where it can be easily seen by the workers. For the purpose of this clause, contributions made or costs reasonably anticipated under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics subject to the provisions of paragraph c of this Section. Also for the purpose of this clause, regular contributions made or costs incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

- c. The Owner may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, or any bona fide fringe benefits not expressly listed in section 1(b)(2) of the Davis-Bacon Act or otherwise not listed in the wage determination decision of the Secretary of Labor which is included in this Agreement, only when the Secretary of Labor has found, upon the written request of the Owner, that the applicable standards of the Davis-Bacon Act have been met. Whenever practicable, the Owner should request the Secretary of Labor to make such findings before the making of the Agreement. In the case of unfunded plans and programs, the Secretary of Labor may require the Owner to set aside in a separate account assets for the meeting of obligations under the plan or program.
- d. The Owner shall comply with the Copeland (Anti-Kickback) Regulations (29 CFR, Part 3) of the Secretary of Labor which are herein incorporated by reference.
- e. Any class of laborers or mechanics (including apprentices and trainees) which is not listed in the wage determination and which is to be employed under the Agreement shall be classified or reclassified conformably to the wage determination. In the event that agreement cannot be reached on the proper classification or reclassification of a particular class of laborers and mechanics (including apprentices and trainees) to be used, the question will be referred by HUD to the Secretary of Labor for final determination.
- f. Whenever the minimum wage rate prescribed in the Agreement for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly wage rate and the Owner is obligated to pay a cash equivalent of such a fringe benefit, an hourly cash equivalent thereof shall be established. In the event that agreement cannot be reached upon a cash equivalent of the fringe benefit, the question will be referred by HUD to the Secretary of Labor for final determination.

(9)(i) Apprentices and Trainees - (i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the contractor as to his entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate, who is not a trainee as defined in subdivision (ii) of this subparagraph or is not registered or otherwise employed as stated above, shall be paid the wage rate determined by the Secretary of Labor for the classification of work he actually performed. The contractor or subcontractor will be required to furnish to the contracting officer or a representative of the Wage-Hour Division of the U. S. Department of Labor written evidence of the registration of his program and apprentices as well as the appropriate ratios and wage rates (expressed in percentages of the journeyman hourly rates), for the area of construction prior to using any apprentices on the contract work. The wage rate paid apprentices shall be not less than the appropriate percentage of the journeyman's rate contained in the applicable wage determination.

(ii) Trainees. Except as provided in 29 CFR 5.15 trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to an individually registered in a program which has received prior approval, evidenced by formal certification, by the U. S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training. The ratio of trainees to journeymen shall not be greater than permitted under the plan approved by the Bureau of Apprenticeship and Training. Every trainee must be paid at not less than the rate specified in the approved program for his level of progress. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Bureau of Apprenticeship and Training shall be paid not less than the wage rate determined by the Secretary of Labor for the classification of work he actually performed. The contractor or subcontractor will be required to furnish the contracting officer or a representative of the Wage-Hour Division of the U. S. Department of Labor written evidence of the certification of his program, the registration of the trainees, and the ratios and wage rates prescribed in that program. In the event the Bureau of Apprenticeship and Training withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

2.7 SUBMITTAL OF PAYROLLS AND RELATED REPORTS.

- a. Payrolls and basic records relating thereto shall be maintained during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics employed in the construction of the project. Such records shall contain the name and address of each such employee, his correct classification, rates of pay (including rates of contributions or costs anticipated of the types described in section 1(b)(2) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found under Section 2.06 that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Owner shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

- b. The Owner shall submit weekly to the other party to this Agreement such copies and summaries of all his payrolls and those of each of his subcontractors as such other party may require. Each payroll and summary shall be accompanied by a statement signed by the employer or his agent indicating that the payrolls are correct and complete, that the wage rates contained therein are not less than those determined by the Secretary of Labor, and that the classifications set forth for each laborer or mechanic conform with the work he performed. A submission of a "Weekly Statement of Compliance," which is required under this Agreement and the Copeland Regulations of the Secretary of Labor (29 CFR, Part 3), and the filing with the initial payroll or any subsequent payroll of a copy of any findings by the Secretary of Labor under Section 2.6c shall satisfy this requirement. The Owner shall make the records required under the labor standards clauses of this Agreement available for inspection by authorized representatives of HUD and the Department of Labor, and will permit such representatives to interview employees during working hours on the job.
- c. The Owner shall also furnish to the other parties to this Agreement any other information or certifications relating to employees in such form as such other party may request.

2.8 DISPUTES CONCERNING WAGE RATES AND CLASSIFICATIONS OF LABOR.

- a. All disputes concerning prevailing wage rates or classifications arising under this Agreement involving (1) significant sums of money, (2) large groups of employees, or (3) novel or unusual situations shall be promptly reported to HUD for decision or, at the option of HUD, referral to the Secretary of Labor of the United States. The decision of HUD or the Secretary of Labor, as the case may be, shall be final.
- b. All questions arising under this Agreement relating to the application or interpretation of the Copeland (Anti-Kickback) Act shall be referred to the Secretary of Labor of the United States for ruling or interpretation, and such ruling or interpretation shall be final.

2.9 WAGE CLAIMS AND ADJUSTMENTS. In cases of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the Owner (or any of his subcontractors), the Owner shall be required to place an amount in escrow, as determined by HUD, sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked, and the amounts withheld may be disbursed by HUD for and on account of the Owner or the subcontractor to the respective employees to whom they are due.

2.10 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION.

- a. Neither the Owner nor any subcontractor contracting for any part of the work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in any such workweek, as the case may be.
- b. In the event of any violation of the clause set forth in paragraph a of this Section, the Owner and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Owner and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in paragraph a of this Section, in the sum of \$10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph a.
- c. The Owner shall deposit in escrow such amounts determined by HUD to be necessary to satisfy any liability of the Owner or any subcontractor for liquidated damages as provided in paragraph b of this Section.

2.11 TERMINATION; DEBARMENT; SUBCONTRACTS.

- a. A breach of the provisions of the foregoing Sections 2.6, 2.7, 2.8, 2.9, and 2.10 may be grounds for termination of this Agreement and for debarment as provided in 29 CFR, Section 5.6.
- b. The Owner shall insert in any subcontracts Sections 2.6 (and with respect to Section 2.6g(2), copies of 29 CFR, Sections 5a.4, 5a.5, 5a.6 and 5a.7 shall be attached), 2.7, 2.8, 2.9, 2.10, and 2.11a, and also a clause requiring the subcontractors to include these Sections in any lower tier subcontract which they may enter into, together with a clause requiring this insertion in any further subcontracts that may in turn be made.

2.12 DISPUTES.

- a. Except as otherwise provided herein, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement of the HFA and the Owner may be submitted by either party to the Department of Housing and Urban Development field office director who shall make a decision and shall mail or otherwise furnish a written copy thereof to the Owner and the HFA.
- b. The decision of the field office director shall be final and conclusive unless, within 30 days from the date of receipt of such copy, either party mails or otherwise furnishes to the Government a written appeal addressed to the Secretary of Housing and Urban Development. The decision of the Secretary or duly authorized representative for the determination of such appeals shall be final and conclusive, unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this Section, the appellant shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, both parties shall proceed diligently with the performance of the Agreement and in accordance with the decision of the field office director.
- c. This Section does not preclude consideration of questions of law in connection with decisions rendered under paragraphs a and b of this Section; Provided, however, that nothing herein shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

2.13 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF HFA, MEMBERS OF STATE OR LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS. No member, officer, or employee of the HFA, no member of the governing body of the State or locality (city and county) in which the project is situated, and no other public official of such State or locality who exercises any functions or responsibilities with respect to the project, during his tenure or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or in any proceeds or benefits arising therefrom. In the case of a project owned by a public housing agency, the foregoing prohibition shall also apply to members of the governing body of the locality (city and county) in which such public housing agency was activated.

2.14 INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Agreement or to any benefits which may arise therefrom.

2.15 NONASSIGNABILITY.

- a. The Owner agrees that he has not made and will not make any sale, assignment, or conveyance or transfer in any other form, of this Agreement or the project or any part thereof or any of his interest therein, without the prior consent of the HFA and the Government; Provided, however, that in the case of an assignment as security for the purpose of obtaining financing of the project, the HFA and the Government shall consent in writing if the terms of the financing have been approved by the Government.

- b. The Owner agrees that he will not change to a different developer or rehabilitator from the one named in the preamble of this Agreement, except with the prior consent of the HFA and the Government.
 - c. The Owner agrees that the approved developer or rehabilitator has not made, and will not make, except with the prior consent of the HFA and the Government, any assignment or transfer in any form of the developer's or rehabilitator's contract to construct or rehabilitate the project, or any part thereof, or any of the developer's or rehabilitator's interests therein.
 - d. The Owner agrees to notify the HFA and the Government promptly of any proposed action covered by paragraph a or b or c of this Section. The Owner further agrees to request the written consent of the HFA and the Government in regard thereto.
- c. (1) A transfer by the Owner, in whole or in part, or a transfer by a party having a substantial interest in said Owner, or transfers by more than one party of interests aggregating a substantial interest in said Owner, or any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution thereof, or with respect to the parties in control of the Owner or the degree thereof, by any other method or means (e.g., increased capitalization, merger with another corporation or other entity, corporate or other amendments, issuance of new or additional ownership interests or classification of ownership interests or otherwise) shall be deemed an assignment, conveyance, or transfer for purposes of this Section 2.15. An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer.
- (2) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.
- (3) The Owner, and the party signing this Agreement on behalf of said Owner, represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect thereto.
- (4) The provisions of this Section 2.15 shall also apply to transfers of interest by the developer or rehabilitator, as the case may be, and by persons having interests in said developer or rehabilitator.

EXHIBIT A

VIRGINIA
HOUSING
DEVELOPMENT
AUTHORITY

11B
FILE

JOHN RITCHIE, JR.
Executive Director

13 SOUTH 13TH STREET • RICHMOND • VIRGINIA 23219 • TELEPHONE 804/782-1986

November 1, 1979

U. S. Department of Housing
and Urban Development
701 East Franklin Street
Richmond, VA 23219

Attention: Mrs. I. Margaret White, Area Manager

RE: Landura/Hillsville Apartments
Town of Hillsville, Carrol County, Virginia
HUD Project No.: VA 36-H027-170
VHDA Development No.: 2.2.3.203-S/8

Dear Mrs. White:

I am pleased to acknowledge receipt of your notification of approval of the Section 8 Proposal for the captioned proposed housing development and to record Virginia Housing's acceptance of such notification. As requested, I enclose two copies of your notification with the acceptance thereof executed on behalf of Virginia Housing. Enclosed is the documentation required by 24 CFR Section 883.312(b)(1). The documentation required by 24 CFR Section 883.312(b)(2) and (3) will be forwarded on or about November 30, 1979. The construction of this development is anticipated to commence on or about November 30, 1979.

If you have any questions or comments concerning this matter, contact Virginia Housing.

Thank you again for your cooperation and assistance.

Very truly yours,

VIRGINIA HOUSING DEVELOPMENT AUTHORITY



John Ritchie, Jr.
EXECUTIVE DIRECTOR

JRjr/JFHjr/dvt
Enclosure



REGION III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
RICHMOND AREA OFFICE
701 EAST FRANKLIN STREET
RICHMOND, VIRGINIA 23219

JUL 30 1979

Pro. File Copy

FILE
515 9/10/79

IN REPLY REFER TO:

3.4HDH

Mr. John Ritchie, Jr.
Executive Director, Virginia
Housing Development Authority
13 South 13th Street
Richmond, VA 23219

RECEIVED

AUG 7 1979

Hillsville

Dear Mr. Ritchie:

Subject: Project No. VA 36-H027-170

You are hereby notified that: (1) your Agency's Application for Assignment of Portion of Set-Aside to Landura/Hillsville, Hillsville, Virginia, project dated July 12, 1979, for housing to be assisted by housing assistance payments pursuant to Section 8 of the United States Act of 1937 is approved; (2) annual contributions contract authority in the amount of \$243,624 has been reserved for this project; (3) this contract authority includes \$0 for the finance contingency; and (4) your Agency is authorized to submit to HUD a final proposal in accordance with 24 CFR, Sections 883.105 or 883.309, as applicable. Unless an Agreement to Enter into Housing Assistance Payments Contract is executed by your Agency and an Owner and submitted to this Office within six months of the date of this notification, this notification shall expire and the units not covered by any such Agreement shall automatically be cancelled, unless the Assistant Secretary for Housing Production and Mortgage Credit agrees in writing to extend the date.

Subject to fulfillment of all administrative and statutory requirements, an Annual Contributions Contract will be executed covering the number of units specified below:

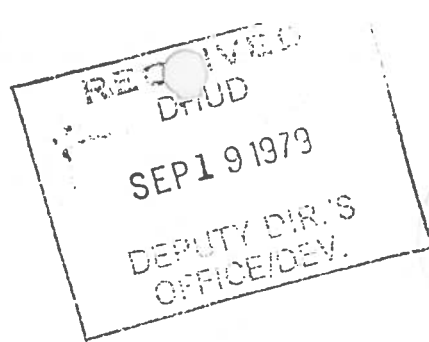
<u>Unit Size</u>	<u>Rents</u>	<u>Total Units</u>
1 BR Handicapped	\$310.00	1
<i>4 BR</i> → 4 BR Handicapped	\$487.00	1
1 BR Family	\$295.00	13
2 BR Family	\$359.00	28
3 BR Family	\$418.00	9
4 BR Family	\$464.00	4
		<u>56</u>

Sincerely,

I. Margaret White

I. Margaret White
Area Manager

VIRGINIA
HOUSING
DEVELOPMENT
AUTHORITY



FILE
138
JOHN RITCHIE, JR.
Executive Director

13 SOUTH 13TH STREET • RICHMOND • VIRGINIA 23219 • TELEPHONE 804/782-1986

September 14, 1979

U.S. Department of Housing
and Urban Development
Richmond Area Office
701 East Franklin Street
Richmond, VA 23219

Attention: Mrs. I. Margaret White, Area Manager

RE: Landura/Hillsville Apartments
Town of Hillsville, Carrol County, VA
HUD Project No.: VA-36-H027-170
VHDA Development No.: 2.2.3.203-S/8

Dear Mrs. White:

I enclose herewith a Proposal for housing to be assisted by Housing Assistance Payments pursuant to Section 8 of the United States Housing Act of 1937, as amended. The contract authority for which this Proposal is submitted is in the total amount of \$243,624.

As has been requested by your Office, enclosed are the original and four copies of all documents constituting the Proposal and all required exhibits.

The subject housing development is proposed to be newly constructed and is to consist of a total of 56 units, 100% of which are proposed to be assisted through Section 8 Housing Assistance Payments. The location of the proposed development is:

Intersection of Rt. T1020
& Rt. T714
Street Address

Carrol County
City or County

Ninth
Congressional District

The development is to consist of the following:

Number of Assisted Units

<u>Building Type</u>	<u>Number of Buildings</u>	<u>Number of Stories</u>	<u>Number Bedroom/Bath</u>	<u>Number Units Subsidized</u>
R	14*	1	1BR/1B (Hndcp)	1
R		1	1BR/1B	13
R		2	2BR/1B	28
R		2	3BR/1½B	9
R		2	4BR/2B	4
R		2	4BR/2B (Hndcp)	1
				<u>56</u>

*All units will be mixed in a total of 14 buildings.

The identities of the developer, owner, builder and management agent are:

Developer (Name)	Hillsville Associates
(Address)	Post Office Box 1401 Winston-Salem, NC 27012
Owner (Name)	Hillsville Associates
(Address)	Post Office Box 1401 Winston-Salem, NC 27012
Builder (Name)	Landura Corporation of the Southeast
	Post Office Box 1401 Winston-Salem, NC 27012
Management Agent (Name)	Landura Corporation of the Southeast
(Address)	Post Office Box 1401 Winston-Salem, NC 27012

The anticipated dates for commencement and completion of construction are: October 30, 1979, and September 30, 1980.

The anticipated Contract Rents are:

MONTHLY CONTRACT RENTS BY BEDROOM AND
 BUILDING TYPES

<u>Building Type</u>	<u>Number of Bedrooms</u>	<u>Contract Rents</u>
R	1 BR	\$250
R	1 BR Hdcp.	265
R	2 BR	291
R	3 BR	335
R	4 BR	374
R	4 BR Hdcp	397

The equipment to be included in the Contract Rent consist of: range, refrigerator, heat pump system, kitchen exhaust fan, washer/dryer hook-ups in 3 and 4 bedroom units, patios, and privacy fences.

Site amenities will include open spaces, tot lot, and basketball court.

The utilities and services which are to be included in the Contract Rent are: electricity for common areas only.

The utilities and services to be paid directly by the residents are: electricity, water/sewer charges, and solid waste removal.

The amount of the allowance for utilities and other services are:

Monthly Allowance for Utilities and Other Services
 By Bedroom and Building Types

<u>Building Type</u>	<u>Number of Bedrooms</u>	<u>Allowance</u>
R	1 BR	\$45
R	2 BR	68
R	3 BR	83
R	4 BR	90

The proposed total term, including all renewals, of the Housing Assistance Payments Contract is forty (40) years. This term is equal to the term of permanent mortgage loan financing and a portion of the construction loan to be provided by VHDA for the development.

In submitting this Proposal, I hereby certify on behalf of the Virginia Housing Development Authority, that:

- (a) The developer, builder and owner are acceptable to VHDA for the purpose of meeting all the obligations of the Agree-

ment to Enter Into Housing Assistance Payments Contract;

- (b) The proposed site meets the standards specified in 24 CFR Section 883.209(a)(1), (4), (6), and (7) and 24 CFR Section 209(b)(1) and (3);
- (c) As required by 24 CFR Section 883.205(b), VHDA has determined that the Contract Rents as proposed are reasonable in relation to the rents for comparable units, taking into account the quality, location, amenities, management and maintenance services of the development, and the Contract Rents, is as follows:

Market Rate Financing if available = 10 5/8%, 28 year term
which requires a 11.21% Constant and yields in annual
Debt Service \$163,829

VHDA Tax Exempt Bond Financing proposed = 8.82%, 39.5
year term which requires a 9.10% Constant and yields in
annual Debt Service \$133,035

Savings in required Cash Flow for total 56 units \$ 30,794

- (d) The owner and management agent are acceptable to VHDA for purposes of meeting all the obligations of the Housing Assistance Payments Contract;
- (e) There are no present occupants of the site, and therefore no considerations exist as to the displacement or relocation of site occupants;
- (f) The form of lease required by VHDA to be used by the owner will meet the requirements of 24 CFR Section 883.319;
- (g) The projected rate of borrowing by Virginia Housing Development Authority for construction financing for the captioned development is 6.50% and for permanent financing is 7.32%;
- (h) The projected rate of construction financing provided to the Owner/Mortgagor of the development is 8.00%;
- (i) The projected captial cost of the project is \$1,623,836 and the term of the permanent financing to be provided to the Owner/Mortgagor of the project is 39.5 years at a rate of 8.82%;

- (j) The projected monthly debt service on which the Contract rents are based is \$11,086.;
- (k) The spread between the projected rate of borrowing and the projected rate of lending by Virginia Housing is 1.5%; and
- (l) The spread between the actual rate of borrowing and the actual rate of lending to the Owner/Mortgagor for the development will not be greater than the projected spread nor greater than the spread allowed for the borrowing as a whole under the Department of Treasury Regulations regarding arbitrage; the terms of the financing, the amount of the obligations issued with respect to the development and the use of the funds raised will be in compliance with applicable Department of Treasury Regulations regarding arbitrage.

Additionally, as required by 24 CFR Section 883.309(c)(2), (3), (6), (7), and (8), the following documents are submitted in support of this Proposal:

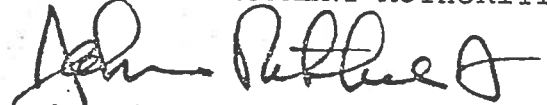
- (a) Neighborhood map showing the location of the site and racial composition of the neighborhood;
- (b) Owner's Affirmative Fair Housing Marketing Plan;
- (c) Owner's Assurance of Compliance with HUD Regulations under Title VI of the Civil Rights Act of 1964;
- (d) Owner's Assurance of Compliance with Executive Order 11063 and Title VII of the Civil Rights Act of 1968;
- (e) Owner's Equal Employment Opportunity Certification as required pursuant to Executive Order 11246;
- (f) Owner's Assurance of Compliance with HUD Regulations pursuant to Section 3 of the Housing and Urban Development Act of 1968; and
- (g) Project Notification and A-95 Reviews.

Mrs. I. Margaret White
LANDURA/HILLSVILLE
September , 1979
Page Six

I trust that you will find the enclosures are adequate to permit review and approval of the Proposal. If you have any questions, do not hesitate to contact Virginia Housing.

Very truly yours,

VIRGINIA HOUSING DEVELOPMENT AUTHORITY



John Ritchie, Jr.
EXECUTIVE DIRECTOR

JRjr/JFHjr/dvt

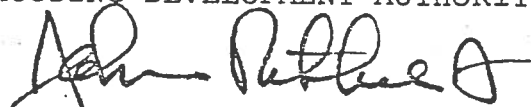
Enclosures

Mrs. I. Margaret White
LANDURA/HILLSVILLE
September , 1979
Page Six

I trust that you will find the enclosures are adequate to permit review and approval of the Proposal. If you have any questions, do not hesitate to contact Virginia Housing.

Very truly yours,

VIRGINIA HOUSING DEVELOPMENT AUTHORITY



John Ritchie, Jr.
EXECUTIVE DIRECTOR

JRjr/JFHjr/dvt

Enclosures



MOUNT ROGERS PLANNING DISTRICT COMMISSION

GALT MARSHALL, CHAIRMAN
C. PAUL KINKADE, VICE CHAIRMAN

JOHN KING, JR., TREASURER
JACK N. LEE, EXECUTIVE DIRECTOR

1021 Terrace Drive

P. O. Box 1068
Marion, Virginia 24354

Phone (703) 783-7483

A-95 MEMORANDUM

DATE: August 2, 1979

TO: Mr. John F. Hastings, Jr.
Virginia Housing Development Authority
13 South 13th Street
Richmond, Virginia 23219

RECEIVED
AUG 6 1979

JOHN F. HASTINGS, JR.

FROM: Jack N. Lee, Executive Director
Regional Clearinghouse: Mount Rogers Planning District Commission

SUBJECT: Project Notification and Review

Project: Hillsville Apartments
Project Control Number: 80-03-011
Regional Clearinghouse Staff Contact: Cay Cotton *cay cotton*
Housing Planner

This is to inform you that your notification of intent to apply for federal and/or state assistance on the above referenced project was received by this office on 7-24-79. The application will be brought before the Commission's Executive Committee on 9-6-79. If you have questions about the review procedure, contact the staff person identified above.

Form MRPDC A95-1

SERVING LOCAL GOVERNMENTS IN

BLAND • CARROLL • GRAYSON • SMYTH • WASHINGTON • WYTHE
BRISTOL • GALAX



REGION III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RICHMOND AREA OFFICE
701 EAST FRANKLIN STREET
RICHMOND, VIRGINIA 23219

OCT 31 1979

FILE

IN REPLY REFER TO:

3.4HDH

Mr. John Ritchie, Jr.
Executive Director, Virginia
Housing Development Authority
13 South 13th Street
Richmond, VA 23219

Dear Mr. Ritchie;

Subject: Project No. VA 36-HO27-170, Landura/Hillsville
Apartments

You are hereby notified that this Office has approved your Proposal, dated September 14, 1976, to provide 56 units of housing at Intersection of Route T1020 and T714, Carrol County, Virginia, of which 56 units are to be the subject of a contract for the making of housing assistance payments on behalf of eligible lower-income families leasing such units. A reservation of annual contributions contract authority for this project in the amount of \$243,624 is in effect. This is an increase/decrease of \$ 0 from the amount previously reserved as stated in your Notification of Application Approval, dated July 30, 1979. Subject to the fulfillment of all administrative and statutory requirements, an Annual Contributions Contract will be prepared and executed covering the size of units described below:

<u>Unit Size</u> <u>No. of Bedrooms</u>	<u>No. of Units</u>	<u>Gross</u> <u>Rents</u>
1 BR Family	13	\$295
1 BR Handicapped	1	\$310
2 BR Family	28	\$359
3 BR Family	9	\$418
4 BR Family	4	\$464
4 BR Handicapped	<u>1</u>	\$487
	56	

This includes Contract Authority in the amount of \$ 0 for a financing cost contingency.

This approval is based upon your proposal as submitted, including the financing certifications required by 24 CFR, Section 883.205(b). If, at any time, you make changes, including changes to your financing methods which would affect the correctness of any element of the financing certifications, you must submit such changes to this Office for review and approval.

Please indicate your acceptance of this Notification by signing in the space provided and returning two copies to this Office within 10 days of the date of this Notification, together with a letter indicating (1) the date by which you will submit the documentation required by 24 CFR 883.312(b) and (2) the date construction or rehabilitation, as appropriate, is expected to begin. If we do not receive the signed copies and cover letter by the specified date, HUD may rescind this Notification.

Sincerely,


I. Margaret White
Area Manager

Accepted 

EXECUTIVE DIRECTOR
Title

November 1, 1979
Date

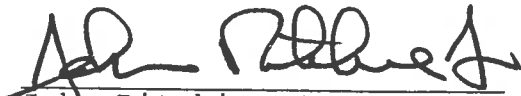
CERTIFICATE OF WORKING DRAWINGS AND SPECIFICATIONS

VHDA Development No.: 2.2.3.203-S/8
Development Name: LANDURA/HILLSVILLE APARTMENTS
Location: Carrol County, Virginia
Mortgagor: Hillsville Associates
Winston-Salem, NC
HUD Project No.: VA 36-H027-170

VIRGINIA HOUSING DEVELOPMENT AUTHORITY hereby certifies to the U. S. Department of Housing and Urban Development, based upon an analysis and report by the design architect of the above referenced project or by an architect employed or engaged by the Authority that (1) the working drawings and specifications have been completed and are consistent with the approved proposal on the above referenced project, (2) the proposed construction in accordance with these plans and specifications is permissible under the applicable zoning, building, housing, and other codes, ordinances, or regulations as modified by any waivers obtained from the appropriate officials, and (3) the above referenced project complies with the appropriate Minimum Property Standards and other standards, guidelines, and criteria applicable pursuant to 24 CFR Section 883.208(a)(2).

VIRGINIA HOUSING DEVELOPMENT
AUTHORITY

BY:


John Ritchie, Jr.
Its: Executive Director

Date: November 1, 1979

VIRGINIA
HOUSING
DEVELOPMENT
AUTHORITY

JOHN RITCHIE, JR.
Executive Director

13 SOUTH 13TH STREET • RICHMOND • VIRGINIA 23219 • TELEPHONE 804/782-1986

March 6, 1981

Mrs. I. Margaret White
Area Director
U. S. Department of Housing and
Urban Development
701 East Franklin Street
Richmond, Virginia 23219

Re: Laurel Ridge Apartments
VHDA Project No. VA36-HO27-170

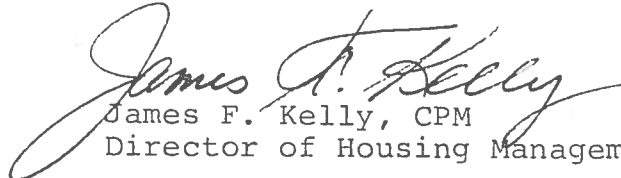
Dear Mrs. White:

Enclosed herewith are five (5) copies each of the Housing Assistance Payments Contract and Certifications for subject development.

We are enclosing the final proposal as Exhibits A, B, and C, and the approved Affirmative Fair Housing Marketing Plan for the HAP Contract.

If you have any questions regarding the enclosed, please contact Larry L. Burnett, Housing Management Officer.

Sincerely,


James F. Kelly, CPM
Director of Housing Management

JFK/jd

Enclosures

CC: Judson McKellar

Rec'd MFHP
MAR 6 1981
DHUO

County of Carroll



Department of Building Inspection

P. O. BOX 515
HILLSVILLE, VIRGINIA 24343

MILBURN E. BARNES
BUILDING OFFICIAL
PHONE NO. 728-2551

February 12, 1981

Hillsville Associates
Landura Corporation
P. O. Box 1401
Winston-Salem, North Carolina 27102

CERTIFICATE OF OCCUPANCY

Certificates of Occupancy have been issued by the Department of Building Inspection, Carroll County, Virginia, for the following buildings of the Landura Apartment Complex:

Building #5 - Footing inspected 5/22/80 - approved by
Milburn E. Barnes

Electrical Release issued 11/18/80 - approved
by Milburn E. Barnes

Building #6 - Footing inspection 5/27/80 - approved by
Milburn E. Barnes

Rough-In plumbing - 5/27/80 - approved by
Milburn E. Barnes

Rough-In electrical - 8/15/80 - approved by
Milburn E. Barnes

Electrical release issued 11/18/80 - approved
by Milburn E. Barnes

Building #7 - Footing inspection 5/22/80 - approved by
Milburn E. Barnes

Rough-In electrical - 8/12/80 - approved by
Milburn E. Barnes

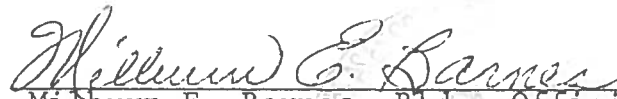
Electrical release issued 10/15/80 - approved
by Milburn E. Barnes

(Continued)

Certificate of Occupancy
Landura Apartment Project
Page 2

- Building #8 - Footing inspection 5/22/80 - approved by
Milburn E. Barnes
- Rough-In inspection 8/15/80 - approved by
Milburn E. Barnes and 8/4/80
- Electrical release issued 10/15/80 - approved
by Milburn E. Barnes
- Building #9 - Rough-In plumbing 5/5/80 - approved by Milburn
E. Barnes
- Footing/Slab inspection 5/13/80 - approved by
Milburn E. Barnes
- Rough-In plumbing & electrical 7/7/80 -
approved by Milburn E. Barnes
- Insulation 7/16/80 - approved by Milburn E.
Barnes
- Electrical release issued 10/15/80 - approved
by Milburn E. Barnes
- Building #10- Rough-In plumbing 5/5/80 - approved by Milburn
E. Barnes
- Rough-In plumbing & electrical 7/23/80 -
approved by Milburn E. Barnes

This is to certify that Permits of Occupancy have been
issued to Landura Corporation allowing occupancy of Buildings
Number 5, 6, 7, 8, 9, and 10. These Permits of Occupancy are
hereby issued February 12, 1981.


Milburn E. Barnes, Bldg. Official



R

Documentation of
Operating Budget
& Utility
Allowances

Rent Schedule Low Rent Housing

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0012
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name Laurel Ridge	FHA Project Number VA36-HO27-170	Date Rents Will Be Effective (mm/dd/yyyy) 11/01/2018
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Part A – Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy) 11 / 1 / 2018)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 BDM	13	478	6.214	95	573		0
1 BDM - H	1	487	487	78	565		0
2 BDM	28	545	15,260	127	672		0
3 BDM	9	667	6,003	163	830		0
4 BDM	4	698	2,792	169	867		0
4 BDM - H	1	729	729	215	944		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Units	56	Monthly Contract Rent Potential (Add Col. 4)* \$31.485				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$377.820				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B – Items Included in Rent			Part D – Non-Revenue Producing Space			
Equipment/Furnishings in Unit (Check those included in rent.)			Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent	
<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Dishwasher	<input type="checkbox"/>				
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Carpet	<input type="checkbox"/>				
<input checked="" type="checkbox"/> Air Conditioner	<input type="checkbox"/> Drapes	<input type="checkbox"/>				
<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Blinds	<input type="checkbox"/>				
Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item) E=electric; G=gas; F=fuel oil or coal.			Total Rent Loss Due to Non-Revenue Units \$ 0			
<input type="checkbox"/> Heating <u>E</u>	<input type="checkbox"/> Hot Water <u>E</u>	<input type="checkbox"/> Lights, etc. <u>E</u>	Part E – Commercial Space (retail, offices, garages, etc.)			
<input type="checkbox"/> Cooling <u>E</u>	<input type="checkbox"/> Cooking <u>E</u>	<input type="checkbox"/>	Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
Services/Facilities (check those included in rent)						
<input checked="" type="checkbox"/> Parking	<input type="checkbox"/>	<input type="checkbox"/> Nursing Care				
<input checked="" type="checkbox"/> Laundry	<input type="checkbox"/>	<input type="checkbox"/> Linen/Maid Service				
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/>	<input type="checkbox"/>				
<input type="checkbox"/> Tennis Courts	<input type="checkbox"/>	<input type="checkbox"/>				
Part C – Charges in Addition to Rent (e.g., parking, cable TV, meals)			Total Commercial Rent Potential			
Purpose	Monthly Charge					
	\$					
	\$					
	\$					
	\$					
	\$					
	\$ 0					
Part F – Maximum Allowable Rent Potential			Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender)			
			\$ 31.485			

Part G - Information on Mortgagor Entity

Name of Entity

Hillsville Associates

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
- Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Richard J Bjelland, General Partner

Name and Title

Roger B. Midura, General Partner

Name and Title

Ronald J. Midura, General Partner

Name and Title

Landura Virginia Properties, Limited Partner

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H - Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Ronald J. Midura, General Partner

Authorized Official's Signature

Ronald J. Midura
 By: *William R. Ogden* Date (mm/dd/yyyy) *09/17/18*

Part I - HUD/Lender Approval

Addendum Number

HAP Contract Number

Exhibit Number

Branch Chief/Lender Official Signature

Date (mm/dd/yyyy)

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

Loan Servicer Signature

Date (mm/dd/yyyy)

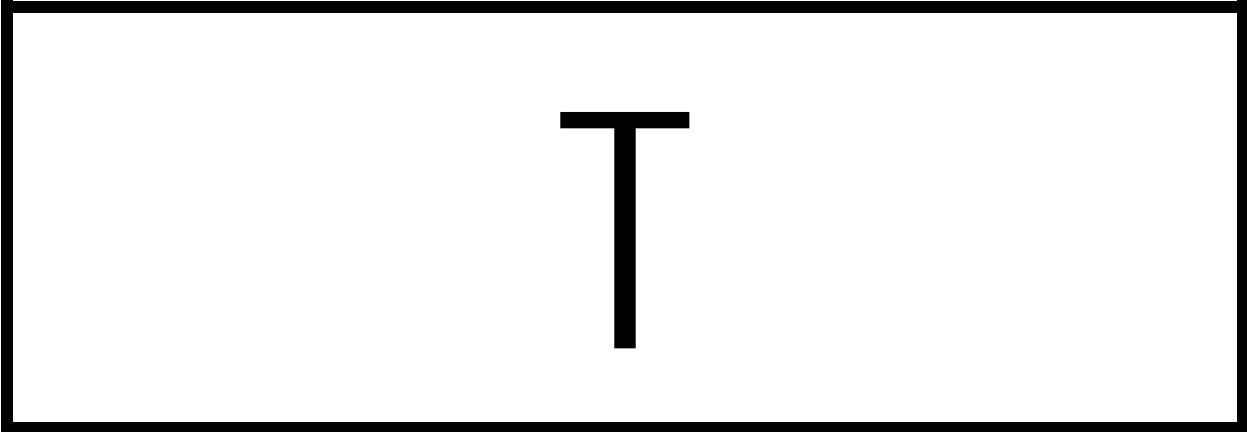
Acinda Ghelard *09/10/2018*

Carol Bjelland *9/12/18*

S

Supportive Housing
Certification

This deal does not require
information behind this tab.



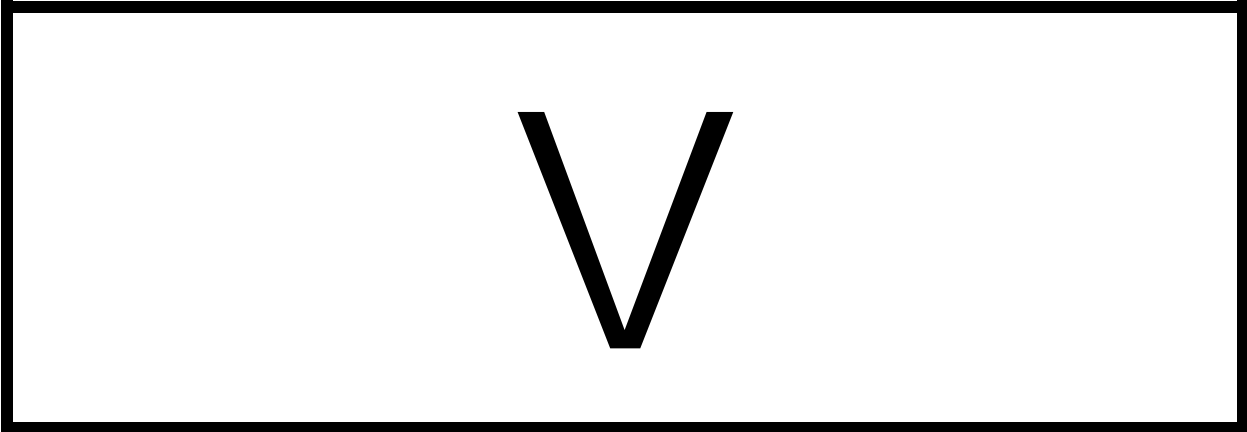
T

Funding Documentation

This deal does not require
information behind this tab.

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

This deal does not require
information behind this tab.

W

(Reserved)



480124728169



Delivered

Monday 3/11/2019 at 8:56 am



DELIVERED

Signature release on file

[GET STATUS UPDATES](#)

[OBTAIN PROOF OF DELIVERY](#)

FROM
TAMPA, FL US

TO
RICHMOND, VA US

Shipment Facts

TRACKING NUMBER
480124728169

SERVICE
FedEx Standard Overnight

WEIGHT
0.5 lbs / 0.23 kgs

TOTAL PIECES
1

TOTAL SHIPMENT WEIGHT
0.5 lbs / 0.23 kgs

TERMS
Shipper

PACKAGING
FedEx Envelope

SPECIAL HANDLING SECTION
Deliver Weekday

STANDARD TRANSIT
 3/11/2019 by 3:00 pm

SHIP DATE
 Fri 3/08/2019

ACTUAL DELIVERY
Mon 3/11/2019 8:56 am

Travel History

Local Scan Time

Monday, 3/11/2019

8:56 am	RICHMOND, VA	Delivered Package delivered to recipient address - release authorized
7:44 am	MECHANICSVILLE, VA	On FedEx vehicle for delivery
6:59 am	MECHANICSVILLE, VA	At local FedEx facility

Saturday, 3/09/2019

8:21 am	MECHANICSVILLE, VA	At local FedEx facility
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Package not due for delivery

8:21 am	MECHANICSVILLE, VA	At local FedEx facility
7:11 am	RICHMOND, VA	At destination sort facility
4:35 am	MEMPHIS, TN	Departed FedEx location

Friday, 3/08/2019

10:22 pm	MEMPHIS, TN	Arrived at FedEx location
8:10 pm	TAMPA, FL	Left FedEx origin facility
5:28 pm	TAMPA, FL	Picked up
2:05 pm		Shipment information sent to FedEx

From: [Dylan Ames](#)
To: [Burton, Jovan](#)
Cc: [PJ Hornik](#)
Subject: RE: VHDA Application Fee Delivery Notification
Date: Monday, March 11, 2019 12:17:14 PM

Great. Thanks!

Best,

Dylan Ames
Southport Financial Services, Inc
5403 West Gray Street
Tampa, FL 33609
Main: (813) 288-6988

From: Burton, Jovan <Jovan.Burton@VHDA.com>
Sent: Monday, March 11, 2019 12:16 PM
To: Dylan Ames <dames@sphome.com>
Subject: RE: VHDA Application Fee Delivery Notification

Yes, our department received the check a few minutes ago. Thank you for touching base.

Best,
-Jovan

From: Dylan Ames <dames@sphome.com>
Sent: Monday, March 11, 2019 12:10 PM
To: Burton, Jovan <Jovan.Burton@VHDA.com>
Cc: Coleman Rutter, Hope <Hope.Rutter@VHDA.com>; PJ Hornik <pjhornik@sphome.com>
Subject: RE: VHDA Application Fee Delivery Notification

CAUTION: This email originated from outside of VHDA. Use caution when clicking on links or opening attachments.

Good afternoon – I show the application check for Laurel Ridge was received at 8:56 am this morning, just wanted to confirm receipt.

Best,

Dylan Ames
Southport Financial Services, Inc
5403 West Gray Street
Tampa, FL 33609
Main: (813) 288-6988

From: Dylan Ames

Sent: Friday, March 8, 2019 2:55 PM

To: 'Jovan.burton@vhda.com' <Jovan.burton@vhda.com>

Cc: 'hope.rutter@vhda.com' <hope.rutter@vhda.com>; PJ Hornik <PJHornik@sphome.com>

Subject: VHDA Application Fee Delivery Notification

Good afternoon – Please have this e-mail serve as notice that the VHDA application fee will be delivered to 601 S Belvidere St, Richmond, VA 23220 via FedEx overnight delivery in regards to the following;

1. Name of Development: Laurel Ridge Apartments
2. Type of Fee: Application Fee
3. Date of transaction: 3/8/2019
4. Fee amount: \$1,000.00

The tracking number is 4801-2472-8169.

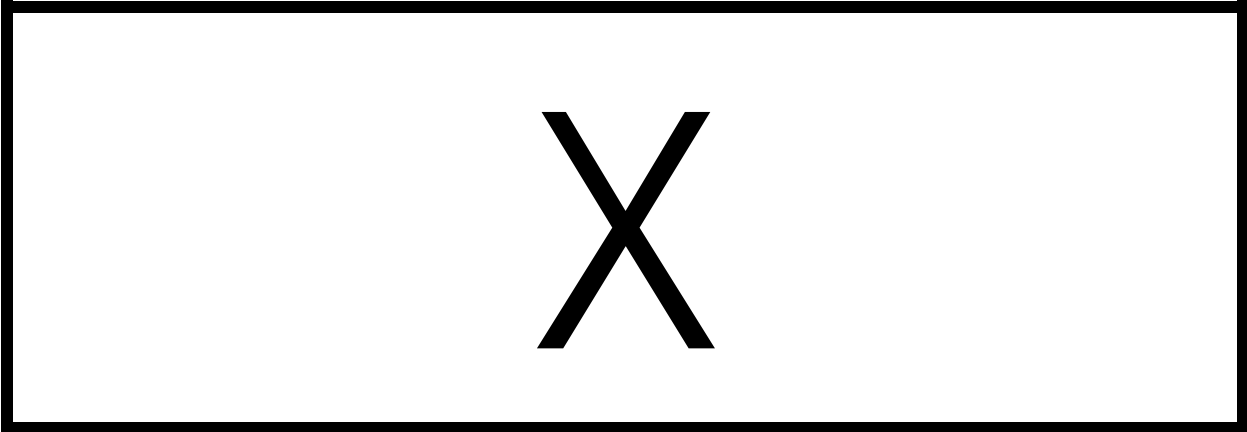
Best,

Dylan Ames
Southport Financial Services, Inc
5403 West Gray Street
Tampa, FL 33609
Main: (813) 288-6988

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This deal does not require
information behind this tab.



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Laurel Ridge Apartments
620 West Grayson Street, Hillsville, VA 24343
Marketing Plan for Units Which Conform to
Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that Laurel Ridge Apartments will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

The Management Agent will be responsible for the management of Laurel Ridge Apartments. Edgewood Management, the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, Edgewood Management will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

Edgewood Management is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. Edgewood Management, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Associate Director or the Executive Director of Edgewood Management.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

Edgewood Management will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- **Area Center for Independent Living (276-236-6055)**
 - Appalachian Independence Center - Galax
104 Rex Lane (P.O. Box 864), Galax, VA 24333
<https://www.aicadvocates.org/>

Email: aicinfo@aicadvocates.org
Director: Dave Barrett (dbarrett@aicadvocates.org)

- **Virginia Board for People with Disabilities (804-786-0016)**
 - Washington Building
1100 Bank Street, 7th Floor, Richmond, VA 23219
<https://www.vaboard.org/>
info@vbpd.virginia.gov

- **Virginia Department for Aging and Rehabilitative Services (276-634-3633)**
 - Rehabilitative Services Department
233 Commonwealth Blvd W, Martinsville, VA 24112
<https://www.vadars.org/>
dars@dars.virginia.gov

 - DARS (804-662-7000)
8004 Franklin Farms Drive, Henrico, VA 23229

- **Centers for Independent Living (CIL) (276-628-2979)**
 - #3 Appalachian Independence Center
230 Charwood Drive, Abingdon, VA 24210
aicinfo@aicadvocates.org
<http://www.aicadvocates.org>

- **Disability Resource Center (540-266-1435)**
 - New River Valley Disability Resource Center
53 West Main St., Suite A, Christiansburg, VA 24073
<https://nrvdrc.org/>
info@nrvdrc.org

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- **Unless prohibited by and applicable federal subsidy program.**
- **A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.**
- **Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.**
- **Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status**
- **Target Population units will be confirmed by VHDA.**
- **Elizabeth Seward, Director, Statewide Housing Initiatives, (804) 343-5615, elizabeth.seward@vhda.com**

2. Internet Search

Laurel Ridge Apartments will also be listed on the following websites:

www.virginiahousingsearch.com

www.hud.gov
www.craigslist.org
accessva.org
dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the Lynchburg area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage**—A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.
- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. Edgewood Management encourages and supports an affirmative marketing program in which there are no barriers to obtaining

housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness

of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit and no negative rental history and no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note- If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which YOUR Apartments is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.
- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled

for housing in the units specifically designated for the handicapped or disabled.

- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.

- Held Vacant for 60 Days**

Unit must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 60-point Units and 30-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit or a 30-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.