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

application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit equired 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.

Pinclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

VHDA LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@vhda.com	(804) 343-5725
Hope Coleman Rutter	hope.rutter@vhda.com	(804) 343-5574
Sheila Stone	sheila.stone@vhda.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@vhda.com	(804) 343-5939
la Freeth!	pamela.freeth@vhda.com	(804) 343-5563
Je . an 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 nandatory 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.

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

			VHDA TRACKIN	IG NUMBER	2019-C-66
GEN	ERAL INFORMATION ABO	UT PROPOSED DEVELOPMENT		Application Date:	3/14/2019
_					
1.	Development Name:	Magnolia Place			1
2.	Address (line 1): Address (line 2):	701 Church Street	_		
	City:	Blackstone	State: VA	Zip: <u>2382</u>	24
3.	If complete address is no your surveyor deems ap	ot available, provide longitude and latitude coo propriate. Longitude: 00.00000 (Only necessary if street addre	Latitu	de: <u>00.00000</u>	
4.	The Circuit Court Clerk's City/County of	office in which the deed to the development is Nottoway County	or will be record	led:	
5.	·	more jurisdictional boundaries County is the site located in besides response to	FALSE p #4?	W	
6.	Development is located	in the census tract of: 1.00			
7.	Development is located	in a Qualified Census Tract	FALSE		
8.	Development is located in	in a Difficult Development Area	TRUE		
9.	Development is located i	in a Revitalization Area based on QCT	<u>FAL</u> S	SE	
10.	Development is located i	in a Revitalization Area designated by resolut i	on	FALSE	
11.	Development is located i	in an Opportunity Zone (with a binding commit	tment for funding	g)	FALSE
	(If 9, 10 or 11 are True, <i>I</i>	Action: Provide required form in TAB K1)			
12.	Development is located i	n a census tract with a poverty rate of			12%
			FALS	SE FALSE	FALSE
13.	Enter only Numeric Values Congressional District: Planning District: State Senate District: State House District:	below: 116 Click on the following districts related to thi 15 Link to VHDA's HOMI	s development:	-	
14.	ACTION: Provide Location	on Map (TAB K2)			
15.	Development Description	n: In the space provided below, give a brief des	scription of the p	roposed developme	nt
	income elderly in the Town	elderly housing apartment community consisting of Blackstone and the greater Nottoway County are mapartments. Magnolia Apartments Limited Partric.	ea. The project wi	ll have a vinyl siding e	xterior and

	VHDA	TRACKING NUM	BER	2019-C-66				
RAL INFORMATION ABOUT PROPOSE	D DEVELOPMENT	Applic	ation Date:	3/14/2019				
Local Needs and Support								
a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or Co Administrator of the political jurisdiction in which the development will be located:								
Chief Executive Officer's Name:	Philip Vannoorbeeck							
Chief Executive Officer's Title:	Town Manager	Phone:	434-292	2-7251				
Street Address:	905 Brunswick Avenue							
City:	Blackstone Sta	ite: VA	Zip: 2	23824				
Name and title of local official you have discussed this project with who could answer questions for the local CEO: Philip Vannoorbeeck, Town Manager								
b. If the development overlaps anoth	ner jurisdiction, please fill in the following							
Chief Executive Officer's Name:								
Chief Executive Officer's Title:		Phone:						
Street Address:								
City:	Sta	te:	Zip:					
	 a. Provide the name and the address Administrator of the political juris. Chief Executive Officer's Name: Chief Executive Officer's Title: Street Address: City: Name and title of local official you for the local CEO: b. If the development overlaps anoth Chief Executive Officer's Name: Chief Executive Officer's Title: 	a. Provide the name and the address of the chief executive officer (City Mana Administrator of the political jurisdiction in which the development will be Chief Executive Officer's Name: Chief Executive Officer's Title: Street Address: City: Blackstone Sta Name and title of local official you have discussed this project with who confor the local CEO: Philip Vannoorbeeck, Town Manager b. If the development overlaps another jurisdiction, please fill in the followin Chief Executive Officer's Name: Chief Executive Officer's Title:	a. Provide the name and the address of the chief executive officer (City Manager, Town Mana Administrator of the political jurisdiction in which the development will be located: Chief Executive Officer's Name: Chief Executive Officer's Title: Street Address: City: Blackstone Philip Vannoorbeeck Town Manager Phone: Blackstone State: VA Name and title of local official you have discussed this project with who could answer quest for the local CEO: Philip Vannoorbeeck, Town Manager b. If the development overlaps another jurisdiction, please fill in the following: Chief Executive Officer's Name: Chief Executive Officer's Title: Phone:	a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or Count Administrator of the political jurisdiction in which the development will be located: Chief Executive Officer's Name: Chief Executive Officer's Title: Street Address: City: Name and title of local official you have discussed this project with who could answer questions for the local CEO: Philip Vannoorbeeck, Town Manager b. If the development overlaps another jurisdiction, please fill in the following: Chief Executive Officer's Name: Chief Executive Officer's Title: Phone:				

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

2019 Low-Income Housing Tax Credit Application For Reservation **B. RESERVATION REQUEST INFORMATION Requesting Credits From:** 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: Regular Allocation means all of the buildings in the development are expected to be placed in service this calendar year, 2019. 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 **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? Total Units within 4% Tax Exempt allocation Request? 0 Total Units: % of units in 4% Tax Exempt Allocation Request: 0.00% 6. Extended Use Restriction Note: Each recipient of an allocation of credits will be required to record an Extended Use Agreement as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract. Must Select One: Definition of selection: Development will be subject to the standard extended use agreement of 15 extended use period

(after the mandatory 15-year compliance period.)

C. OWNERSHIP INFORMATION

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

1. Owner Information:			Must be an individual or legally formed entity.				
	Owner Name: Magnolia Apartments Limited Partnership						
	Developer Name:	AS Squared Development	LLC				
	Contact: M/M Mr.	First: Adam	MI: J La	ast: Stockmaster			
	Address: 1375 Pic	card Drive, Suite 150					
	City: Rockville		St. 🛌 MD	Zip: 20850	: -		
	Phone: (240) 428-7	7799 Ext. 102	Fax: (240) 428-7631				
	Email address: astock	kmaster@tmadevelopment	t.com				
	Federal I.D. No. TBD		(If not available, obtai	n prior to Carryover Al	location.)		
)	Select type of entity:	Limited Partnership	P <mark>artnership Formation State:</mark>		VA		
		e Provide Name, Email and le@tmadevelopment.com,		15			
		ner's organizational docun rtification from Virginia Sta		, ,			
2.	Principal(s) of the General	Partner: List names of inc	dividuals and ownership	o interest.			
	Names **		<u>Phone</u>	Type Ownership	% Ownership		
	AS Squared, LLC		(240) 428-7799	GP	90.000%		
	Adam J. Stockmaster		(240) 428-7799	Manager	60.000%		
	Ari Severe		(240) 428-7799	Member	40.000%		
	Petersburg Community De	velopment Corporation	(804) 420-6458	GP	10.000%		
	James Hendricks		(804) 420-6458	President	100.000%		
					0.000%		
					0.000%		

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.

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

FALSE

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

number of units of this proposed development (can include Market units).FALSE

- 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

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:

7/31/2020

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).)

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
- 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

5. Seller Information:

Name: Blackstone Rural Associates Limited Partnership

Address: 1375 Piccard Drive, Suite 150

City: Rockville St.: MD Zip: 20850

Contact Person: Robert B. Margolis Phone: (240) 428-7799

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

If above statement is TRUE, complete the following:

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

<u>Names</u>	<u>Phone</u>	Type Ownership	% Ownership
Marshell, LLC		GP	100.00%
Lester Severe	(301) 412-1090	Member	25.00%
Shelley Severe	(301) 412-1090	Member	25.00%
Robert Margolis	(240) 428-7799	Member	25.00%
Elizabeth Margolis	(240) 428-7799	Member	25.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION Complete the following as applicable to your development team. Provide Contact and Firm Name. 1. Tax Attorney: Allison T. Domson This is a Related Entity. FALSE Firm Name: Williams Mullen Address: 200 South 10th Street, Suite 1600, Richmond, VA 23219 Email: adomson@williamsmullen.com Phone: (804) 420-6915 2. Tax Accountant: Todd Fentress This is a Related Entity. FALSE Firm Name: Tidwell Group Address: 4249 Easton Way, Suite 210, Columbus, OH 43219 todd.fentress@tidwellgroup.com Email: Phone: (614) 528-1441 3. Consultant: This is a Related Entity. **FALSE** Firm Name: Role: Address: Email: Phone: 4. Management Entity: Matt Melnick This is a Related Entity. TRUE Firm Name: TM Associates Management, Inc 1375 Piccard Drive, Suite 150, Rockville, MD 20850 Address: Email: mmelnick@tmamgroup.com Phone: (240) 683-0300 Contractor: Larry Canterbury This is a Related Entity. FALSE Firm Name: Canterbury Construction, Inc. Address: 118 Main Street East, Oak Hill, WV 25901 Email: lbc.cancon@gmail.com Phone: 304-469-6352 Architect: Alan R. Miner This is a Related Entity. **FALSE** Firm Name: Miner Fienstein Architects Address: 31 West Patrick Street, Suite 100 Frederick MD 21701 Email: alan@mfarchitects.com Phone: (301) 760-7988 7. Real Estate Attorney: Allison T. Domson This is a Related Entity. FALSE Firm Name: Williams Mullen Address: 200 South 10th Street, Suite 1600, Richmond, VA 23219 Email: adomson@williamsmullen.com Phone: (804) 420-6915 8. Mortgage Banker: This is a Related Entity. FALSE Firm Name: Address: Email: Phone: 9. Other: This is a Related Entity. **FALSE** Firm Name: Role: Address:

Email:

Phone:

	REH	HAB INFORMATION	
1.		Acquisition Credit Information	
	a.	Credits are being requested for existing buildings being acquired for development	TRUE
	b.	This development has received a previous allocation of credits	
	c.	The development is listed on the RD 515 Rehabilitation Priority List?	TRUE
	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 applicant is seeking points in this category, then the applicant must either waive their rights to developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement 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	the
2.	Т	Fen-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% bas	is/
		\$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),	
		i Subsection (I) <mark>FALSE</mark> _	
		ii. Subsection (II) FALSE	
		iii. Subsection (III) FALSE	
		iv. Subsection (IV)FALSE	
		v. Subsection (V) FALSE	

The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant

There are different circumstances for different buildings.....

Action: (If True, provide an explanation for each building in Tab K)

to IRC Section 42(d)(6)......TRUE

c.

FALSE

	REHAB INFORMATION							
3.	. Rehabilitation Credit Information							
	a.	Credit	s are being requested for rehabilitation expenditures <u>TRUE</u>					
	b,	Minin	num Expenditure Requirements					
		i.	All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)					
		ii.	All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)					
		iii.	All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception					
		iv.	There are different circumstances for different buildings					
4.	1	Request	For Exception					
	a.	create for be	roposed new construction development (including adaptive reuse and rehabilitation that is additional rental space) is subject to an assessment of up to minus 20 points ing located in a pool identified by the Authority as a pool with little or no increase the burdened population					
	b.		ant seeks an exception to this restriction in accordance with one of the following ions 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

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

FALSE

Phone:

(804) 420-6458

G.	N	NONPROFIT INVOLVEMENT						
	A	oplications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.						
	AI	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. FALSE b. FALSE c. FALSE d. FALSE e. FALSE f. FALSE g.	Be authorized to do business in Virginia. Be substantially based or active in the community of the development. 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. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest. Not be affiliated with or controlled by a for-profit organization. Not have been formed for the principal purpose of competition in the Non Profit Pool. 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.	ne	cessarily satisfy all	ualify for points under the ranking system, the nonprofit's involvement need not of the requirements for participation in the nonprofit tax credit pool.					
		There is nonprofit	t involvement in this development					
		Action: If there i	s nonprofit involvement, provide completed Non Profit Questionnaire (Mandatory TAB I).					
	В.	or	ent: it meets eligibility requirement for points only, not pool					
	C.		ofit (All nonprofit applicants): anization involved in this development is: Owner					
		Name: Petersbu	Irg Community Development Corporation, Inc. (Please fit NP name within available space)					
		Contact Person:	Alexander C. Graham					
		Street Address:	200 South 10th Street, Suite 1600					
		City:	Richmond State: VA Zip: 23219-0000					

Extension:

Contact Email: sgraham@williamsmullen.

G. NONPROFIT INVOLVEMENT

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

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

10.0%

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

A. TRUE

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

Action:

Provide Option or Right of First Refusal in Recordable Form (TAB V)

Provide Nonprofit Questionnaire (if applicable) (TAB I)

Name of qualified nonprofit:

Petersburg Community Development Corporation, Inc.

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

FALSE

FALSE

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

Action:

Provide Homeownership Plan (TAB N)

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

H. STRUCTURE AND UNITS INFORMATION

∡. Ge	eneral Information			
a.	Total number of all units in development	56	bedrooms	56
	Total number of rental units in development	56	bedrooms	56
	Number of low-income rental units	56	bedrooms	56
	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	• X
	Number of rehab units:56	bedrooms	56	a u
c.	If any, indicate number of planned exempt units (included in total	of all units in develop	ment)	0
d.	Total Floor Area For The Entire Development		34,160.00	(Sq. ft.)
e.	Unheated Floor Area (i.e. Breezeways, Balconies, Storage)	0.00 (Sq. ft.)		
f.	Nonresidential Commercial Floor Area (Not eligible for funding)		0.00	
g.	Total Usable Residential Heated Area		34,160.00	(Sq. ft.)
h.	Percentage of Net Rentable Square Feet Deemed To Be New Rent	al Space	0.00%	
i.	Exact area of site in acres 3.440			
j. j.	Locality has approved a final site plan or plan of development If True , Provide required documentation (TAB O).		FALSE	
k.	Requirement as of 2016: Site must be properly zoned for propose ACTION: Provide required zoning documentation (MANDATORY)			
l.	Development is eligible for Historic Rehab credits Definition:		FALSE	
	The structure is historic, by virtue of being listed individually in the	- National Register of	Historic Places, or d	ue to

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 Foo		Foot	# of LIHTC Units
Supportive Housing	0.00	SF	0
1 Story Eff - Elderly	0.00	SF	0
1 Story 1BR - Elderly	610.00	SF	56
1 Story 2BR - Elderly	0.00	SF	0
Eff - Elderly	0.00	SF	0
1BR Elderly	0.00	SF	0
2BR Elderly	0.00	SF	0
Eff - Garden	0.00	SF	0
1BR Garden	0.00	SF	0
2BR Garden	0.00	SF	0
3BR Garden	0.00	SF	0
4BR Garden	0.00	SF	0
2+ Story 2BR Townhouse	0.00	SF	0
2+ Story 3BR Townhouse	0.00	SF	0
2+ Story 4BR Townhouse	0.00	SF	0
be sure to enter the values in	the		56

Total Rental
Units
0
0
56
0
0
0
0
0
0
0
0
0
0
0
0
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

	Number of Buildings (containing rental un Age of Structure:	38 years	
d.	The development is a <u>scattered site</u> develo	ppmentFALSE	
e.	Commercial Area Intended Use:	N/A	
f.	Development consists primarily of :	(Only One Option Below Can Be True)	
		ny structural elements made of wood)	TRUE
	ii. Mid Rise Building(s) - (5-7 stories with <u>r</u>	no structural elements made of wood)	FALSE

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

FALSE

Н.		STRUCTURE AND UNITS INFORMATION				
			16			
	g.	Indicate True for all development's structu	iral features that a	pply:		
		i. Row House/Townhouse	FALSE	v. Detached Single-famil	у	FALSE
		ii. Garden Apartments	TRUE	vi. Detached Two-family		FALSE
		iii. Slab on Grade	TRUE	vii. Basement		FALSE
		iv. Crawl space	FALSE			
	h.	Development contains an elevator(s). If true, # of Elevators. Elevator Type (if known)	FALSE 0	2		
	i.	Roof Type	Pitched			
	i.	Construction Type	Frame			
	k.	Primary Exterior Finish	Vinyl			
4.	Sit	e Amenities (indicate all proposed)				
		a. Business Center	FALSE	f. Limited Access	FALSE	
		b. Covered Parking	FALSE	g. Playground	FALSE	
		c. Exercise Room	FALSE	h. Pool	FALSE	
		d. Gated access to Site	FALSE	i. Rental Office	TRUE	
1		e. Laundry facilities	TRUE	j. Sports Activity Court	FALSE	
				k. Other:	Community Room	
	ĺ.	Describe Community Facilities:	Laundry Room, M	aintenance Facilities, Renta	I <mark>l Office, Communit</mark> y	/ Room
	m.	Number of Proposed Parking Spaces	60			
		Parking is shared with another entity	FALSE			
	n.	Development located within 1/2 mile of an or 1/4 mile from existing public bus stop.	_			TAB K3).

H. STRUCTURE AND UNITS INFORMATION

. Plans and Specifications

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

<u>NOTE:</u> 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.

5. Market Study Data:

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

Project Wide Capture Rate - LIHTC Units	10.40%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	10.40%
Project Wide Absorption Period (Months)	6

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:

3	TRUE	a.	A community/meeting room with a minimum of 749 square feet is provided.
20	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.
d	TRUE	c.	Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
2	TRUE	d.	Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
33	TRUE	e.	Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
19	TRUE	f.	Free WiFi access will be provided in community room for resident only usage.
	FALSE	g.	Each unit is provided free individual high speed internet access.
	or TRUE	h.	Each unit is provided free individual WiFi access.
	TRUE	i.	Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
34	FALSE	j.	Full bath fans are equipped with a humidistat.
	TRUE or	k.	Cooking surfaces are equipped with fire prevention features
	FALSE	i.	Cooking surfaces are equipped with fire suppression features.
(18)	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

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

from face of building and a minimum size of 30 square feet.

TRUE a. All cooking ranges have front controls.

EN	IHANCEIVIEN IS		
	TRUE b. Bathrooms have an independent or supple c. All entrance doors have two eye viewers,		ha athar at standard hairbt
	c. All entrance doors have two eye viewers,	one at 42 inches and t	the other at standard neight.
2.	Green Certification		
a.	Applicant agrees to meet the base line energy performance category as listed above.	e standard applicable t	to the development's construction
	The applicant will also obtain one of the following:		
	TRUE Earthcraft Gold or higher certification	FALSE	National Green Building Standard (NGBS) certification of Silver or higher.
	FALSE U.S. Green Building Council LEED certification	FALSE	Enterprise Green Communities (EGC) Certification
	If Green Certification is selected, no points		
	Action: If seeking any points associated Green certificat	tion, provide appropria	te documentation at TAB F.
b.	Applicant will pursue one of the following certifications to (Failure to reach this goal will not result in a penalty.)	be awarded points on	a future development application.
	FALSE Zero Energy Ready Home Requirements	FALSE	Passive House Standards
3.	Universal Design - Units Meeting Universal Design Standar	rds (units must be shov	vn on Plans)
)	TRUE a. Architect of record certifies that units will	be constructed to mee	t VHDA's Universal Design standards.
	56 b. Number of Rental Units constructed to me	et VHDA's Universal D	esign standards:
4.	FALSE Market-rate units' amenities are substantially	equivalent to those of	the low income units.
	If not, please explain: N/A		

I. UTILITIES

Describe the Heating/AC System:

Split System

2. Services Included:

Utilities	Type of Utility Utilities Enter Allowances by Bedroom Size						
	(Gas, Electric, Oil, etc.)	Paid by:	0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Electric	Tenant	0	15	0	0	0
Air Conditioning	Electric	Tenant	0	15	0	0	0
Cooking	Electric	Tenant	0	6	0	0	0
Lighting	Electric	Tenant	0	6	0	0	0
Hot Water	Electric	Tenant	0	10	0	0	0
Water		Tenant	0	15	0	0	0
Sewer		Tenant	0	20	0	0	0
Trash		Owner	0	0	0	0	0
Total ut	cility allowance for costs paid by	tenant	\$0	\$87	\$0	\$0	\$0

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

a. FALSE HUD

d. FALSE Local PHA

b. FALSE Utility Company (Estimate)

e. TRUE Other: USDA - RD

c. FALSE Utility Company (Actual Survey)

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.	SPEC	IAL HOUSING NEEDS
2		cial Housing Needs/Leasing Preference:
		a. If not general population, select applicable special population:
		TRUE Elderly (as defined by the United States Fair Housing Act.)
		FALSE Persons with Disabilities (must meet the requirements of the Federal
		Americans with Disabilities Act) - Accessible Supportive Housing Pool only
		FALSE Supportive Housing (as described in the Tax Credit Manual)
		Action: Provide Permanent Supportive Housing Certification (Tab S)
		b. The development has existing tenants and a relocation plan has been developed
		(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	. Leasii	ng Preferences
	a.	Will leasing preference be given to applicants on a public housing waiting list and/or Section 8
		waiting list? select: Yes
		Organization which holds such waiting list: Virginia Housing Development Authority
		Contact person: Anton Shaw
)		Title: HCVP Director
		Phone Number (804) 343-5911
		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:
		providing three or more bedrooms: % of total Low Income Units 0%
		NOTE: Development must utilize a VHDA Certified Management Agent. Proof of management

TC App 2019 Magnolia Place 3.13.19

certification must be provided before 8609s are issued.

K.	CDEC		1101	ICINIC	NEEDS
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4.	R	an	ta	1 /	Δc	ci	ct		n	r	0
┯.	176	= 1	La		-13	31	31	.a			_

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

FALSE Section 8 Project Based Assistance

TRUE 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:

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew.....

56	5
1.0	0
8/23/2	2019
TRU	JE
wided (TAD O)	

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

L. UNIT DETAILS

Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
6	10.71%	40% Area Median	
0	0.00%	50% Area Median	
50	89.29%	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	FALSE			
	If above is true, should the points based of	n the units assigned	to the levels above be v	vaived and therefor	e 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)
Mix 1	1 BR - 1 Bath
Mix 2	1 BR - 1 Bath
Mix 3	1 BR - 1 Bath
Mix 4	
Mix 5	
Mix 6	
Mix 7	
Mix 8	
Mix 9	
Mix 10	
<i>Mix 11</i>	
Mix 12	
<i>Mix 13</i>	
Mix 14	
Mix 15	
Mix 16	
Mix 17	
<i>Mix 18</i>	
Mix 19	
Mix 20	
Mix 21	
Mix 22	
Air 22	

>	
Rent Target	
(Select One)	
40% AMI	
50% AMI	ĺ
60% AMI	
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	20
	1
	l

Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
6	6	527.00	\$503.00	\$3,018
22		527.00	\$503.00	\$11,066
28		527.00	\$503.00	\$14,084
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0
				\$0

L. UNIT DETAILS

Mix 24					-		\$0
Mix 25							\$0 \$0 \$0
Mix 26							\$0
Mix 27							\$0
Mix 28				 			\$0
Mix 29				-			\$0
							\$0
Mix 30							\$0 \$0 \$0 \$0
Mix 31							\$0
Mix 32							\$0
Mix 33							\$0
Mix 34				1			\$0
Mix 35				.			\$0
Mix 36				ł			¢n
				-			\$0 \$0
Mix 37		3 4					\$0 \$0 \$0 \$0 \$0 \$0
Mix 38							\$0
Mix 39							\$0
Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
Mix 43							ŚŊ
Mix 44				+			\$0 \$0 \$0 \$0
				-			\$0
Mix 45							\$0
Mix 46							\$0
Mix 47							\$0
Mix 48							\$0
Mix 49							\$0 \$0
Mix 50							\$0
Mix 51							\$0
Mix 52			=				¢n
		-					\$0 \$0 \$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0 \$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0 \$0
Mix 67							\$0
Mix 68	-						\$0
Mix 69		<u> </u>					\$0 \$0
							\$0
Mix 70							\$0 \$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83						+	¢n
Mix 84	-						\$0 \$0
IVIIX 04							\$0

L. UNIT DETAILS

Mix 85						\$0
Mix 86						\$0
Mix 87						\$0
Mix 88						\$0
Mix 89						\$0
Mix 90						\$0
Mix 91						\$0
Mix 92						\$0
Mix 93						\$0
Mix 94						\$0
Mix 95						\$0
Mix 96						\$0
Mix 97	1!					\$0
Mix 98						\$0
Mix 99						\$0
Mix 100						\$0
TOTALS	*	56	6	1,581.00	\$1,509	\$28,168

Total Units	56	Net Rentable SF:	TC Units	29,512.00
			MKT Units	0.00
			Total NR SF:	29,512.00

Floor Space Fraction (to 7 decimals) 100.00000%

M. OPERATING EXPENSES

Administrative: Use Who	ole Numbers Only!
1. Advertising/Marketing	\$300
2. Office Salaries	\$0
3. Office Supplies	\$4,250
4. Office/Model Apartment (type)	\$0
5. Management Fee	\$42,336
12.22% of EGI \$756.00 Per Unit	
6. Manager Salaries	\$28,500
7. Staff Unit (s) (type) \$0
8. Legal	\$100
9. Auditing	\$7,250
10. Bookkeeping/Accounting Fees	\$0
11. Telephone & Answering Service	\$2,500
12. Tax Credit Monitoring Fee	\$0
13. Miscellaneous Administrative	\$2,000
Total Administrative	\$87,236
Utilities	
14. Fuel Oil	\$0
15. Electricity	\$6,600
16. Water	\$10,000
17. Gas	\$350
18. Sewer	\$10,500
Total Utility	\$27,450
Operating:	
19. Janitor/Cleaning Payroll	\$0
20. Janitor/Cleaning Supplies	\$0
21. Janitor/Cleaning Contract	\$0
22. Exterminating	\$5,000
23. Trash Removal	\$500
24. Security Payroll/Contract	\$0
25. Grounds Payroll	\$0
26. Grounds Supplies	\$0
27. Grounds Contract	\$2,200
28. Maintenance/Repairs Payroll	\$51,000
29. Repairs/Material	\$5,950
30. Repairs Contract	\$1,750
31. Elevator Maintenance/Contract	\$0
32. Heating/Cooling Repairs & Maintenance	\$0
33. Pool Maintenance/Contract/Staff	\$0
34. Snow Removal	\$300
35. Decorating/Payroll/Contract	\$0
36. Decorating Supplies	\$2,000
37. Miscellaneous	\$0
Totals Operating & Maintenance	\$68,700

M. OPERATING EXPENSES

Taxes & Insurance	
38. Real Estate Taxes	\$9,200
39. Payroll Taxes	\$10,100
40. Miscellaneous Taxes/Licenses/Permits	\$2,530
41. Property & Liability Insurance	\$14,840
42. Fidelity Bond	\$66
43. Workman's Compensation	\$3,000
44. Health Insurance & Employee Benefits	\$13,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$52,736
Total Operating Expense	\$236,122
Total Operating \$4,216 C. Total Operating 68.14%	
Expenses Per Unit Expenses as % of EGI	
Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$28,000
Total Expenses	\$264,122

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

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	2/28/2019	Adam J. Stockmaster
b. Site Acquisition	10/31/2019	Adam J. Stockmaster
c. Zoning Approval	1/31/2019	Phillip Vannoorbeeck
d. Site Plan Approval	N/A	N/A
2. Financing		
a. Construction Loan	1	
i. Loan Application	10/1/2019	Adam J. Stockmaster
ii. Conditional Commitment	11/1/2019	Corbin Anderson
iii. Firm Commitment	12/1/2019	Corbin Anderson
b. Permanent Loan - First Lien		
i. Loan Application	10/1/2019	Adam J. Stockmaster
ii. Conditional Commitment	11/1/2019	Adam J. Stockmaster
iii. Firm Commitment	2/1/2020	Adam J. Stockmaster
c. Permanent Loan-Second Lien		
i. Loan Application	3/1/2019	Adam J. Stockmaster
ii. Conditional Commitment	3/12/2019	Ora Rollins
iii. Firm Commitment	10/1/2019	Ora Rollins
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	1/31/2018	Adam J. Stockmaster
3. IRS Approval of Nonprofit Status	8/1/1990	James Hendricks
4. Closing and Transfer of Property to Owner	10/31/2019	Adam J. Stockmaster
5. Plans and Specifications, Working Drawings	3/1/2019	Alan R. Miner
6. Building Permit Issued by Local Government	2/1/2020	Larry Canterbury
7. Start Construction	2/1/2020	Adam J. Stockmaster
8. Begin Lease-up	2/1/2020	Matt Melnick
9. Complete Construction	9/1/2020	Adam J. Stockmaster
10. Complete Lease-Up	9/1/2020	Matt Melnick
11. Credit Placed in Service Date	9/1/2020	Adam J. Stockmaster

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.

				Amount of Cost up to 100% Includable in			
		Must Use Whole Numbers C	<u> Only!</u>	Eligible BasisUse Applicable Column(s):			
				"30% Prese	nt Value Credit"	(D)	
		ltem	(A) Cost	(B) Acquisition	(C) Rehab/	"70 % Present	
					New Construction	Value Credit"	
1.	Con	tractor Cost					
	a.	Unit Structures (New)	0	0	0	0	
	b.	Unit Structures (Rehab)	2,570,175	0	0	2,570,175	
	c.	Non Residential Structures	0	0	0	0	
	d.	Commercial Space Costs	0	0	0	0	
	e.	Structured Parking Garage	0	0	0	0	
		Total Structure	2,570,175	0	0	2,570,175	
	f.	Earthwork	0	0	0	0	
	g.	Site Utilities	0	0	0	0	
	h.	Roads & Walks	0	0	0	0	
	i.	Site Improvements	225,300	0	0	225,300	
	j.	Lawns & Planting	0	0	0	0	
	k.	Engineering	0	0	0	0	
)	I.	Off-Site Improvements	0	0	0	0	
ſ	m.	Site Environmental Mitigation	0	0	0	0	
	n.	Demolition	0	0	0	0	
	o.	Site Work	0	0	0	0	
	p.	Other Site work	0	0	0	0	
		Total Land Improvements	225,300	0	0	225,300	
		Total Structure and Land	2,795,475	0	0	2,795,475	
	q.	General Requirements	167,728	0	0	167,728	
	r.	Builder's Overhead	55,909	0	0	55,909	
	(2.0% Contract)					
ļ	s.	Builder's Profit	167,728	0	0	167,728	
	(6.0% Contract)					
	t.	Bonds	31,868	0	0	31,868	
	u.	Building Permits	31,868	0	0	31,868	
	v.	Special Construction	0	0	0	0	
	w.	Special Equipment	0	0	0	0	
1	x.	Other 1: Termite Treatment	8,000	0	0	8,000	
	у.	Other 2:	0	0	0	0	
	z.	Other 3:	0	0	0	0	
		Contractor Costs	\$3,258,576	\$0	\$0	\$3,258,576	
				=======================================			

O. PROJECT BUDGET - OWNER COSTS

MUST	USE	WHOLE	NUMBERS	SONIY

	MOST OSE WHOLE NOWBERS ON		Amount o	f Cost up to 100% Inc	rludable in
			Eligible BasisUse Applicable Column(s):		
		-	"30% Present Value Credit" (D)		
		(A) Cost	(B) Acquisition	(C) Rehab/	"70 % Present
	item	(A) Cost	(b) Acquisition	New Construction	Value Credit"
				New Construction	Value Credit
2 0	ner Costs				
2. OWI	iei costs				
a.	Building Permit	0	0	0	0
b.	Architecture/Engineering Design Fee	42,500	0	0	42,500
D.	\$759 /Unit)	42,300			42,300
	Architecture Supervision Fee	42.500	0	0	42 500
c.	\$759 /Unit)	42,500	0	0	42,500
- 4	· · ·		0	0	0
d.	Tap Fees Environmental	0	<u>0</u>	0	0
e.		6,000	5,391	0	0
f.	Soil Borings	0	0	0	0
g.	EarthCraft/LEED	19,600	0	0	19,600
h.	Appraisal	8,000	0	0	8,000
i.	Market Study	4,000	3,594	0	0
J.	Site Engineering / Survey	9,000	8,087	0	0
k.	Construction/Development Mgt	0	0	0	0
1.	Structural/Mechanical Study	4,000	0	0	4,000
m.	Construction Loan	38,700	0	0	38,700
0	Origination Fee				
n.	Construction Interest	115,000	0	0	0
	(<u>6.0%</u> for <u>9</u> months)				·
0.	Taxes During Construction	0	0	0	0
p.	Insurance During Construction	0	0	0	0
q.	Permanent Loan Fee	15,000	0	0	0
	(<u>1.5%</u>)				
r.	Other Permanent Loan Fees	0	0	0	0
s.	Letter of Credit	0	0	0	0
t.	Cost Certification Fee	15,000	2,246	0	12,500
u.	Accounting	0	0	0	0
V.	Title and Recording	50,000	28,753	0	18,000
w.	Legal Fees for Closing	50,000	8,985	0	40,000
x.	Mortgage Banker	51,500	0	0	0
у.	Tax Credit Fee	28,440			
z.	Tenant Relocation	20,000	0	0	0
aa.	Fixtures, Furnitures and Equipment	0	0	0	0
ab.	Organization Costs	0	0	0	0
ac.	Operating Reserve	160,335	0	0	0
ad.	Contingency	239,013	0	0	239,013
ae.	Security	0	0	0	0
af.	Utilities	0	0	0	0
(1)	Other* specify:	0	0	0	0
(2)	Other* specify:	0	0	0	0
(3)	Other* specify:	0	0	0	0
(4)	Other* specify:	0	0	0	0
(5)	Other * specify:	0	0	0	0
(6)	Other* specify:	0	0	0	0
(7)	Other* specify:	0	0	0	0
4.7	1 8				

O. PROJECT BUDGET - OWNER COSTS

(8) Other* specify:	0 0	0	0	0 0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A2(10))	\$918,588	\$57,056	<u> </u>	\$464,813
Subtotal 1 + 2	\$4,177,164	\$57,056	\$0	\$3,723,389
(Owner + Contractor Costs)				
3. Developer's Fees	705,000	0	0	705,000
4. Owner's Acquisition Costs				
Land	110,000			
Existing Improvements	1,343,861	974,152		
Subtotal 4:	\$1,453,861	\$974,152		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$6,336,025	\$1,031,208	\$0	\$4,428,389

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:

\$705,723

Proposed Development's Cost per Unit:

per Sq Foot

Applicable Cost Limit per unit:

\$113,143 **Meets Limits**

\$143 **Meets Limits**

\$199,972

P. ELIGIBLE BASIS CALCULATION

	Ĩ		Amount of Cost up to 100% Includable in Eligible BasisUse Applicable Column(s):		
	ltem (,	A) Cost	"30 % Present V		(D) "70 % Present Value Credit"
1.	Total Development Costs	6,336,025	1,031,208	0	4,428,38
2.	Reductions in Eligible Basis				0
	 a. Amount of federal grant(s) used to finan qualifying development costs 	ce	0	0	
	b. Amount of nonqualified, nonrecourse fir	nancing	0	0	
	c. Costs of nonqualifying units of higher qu (or excess portion thereof)	ality	0	0	
	d. Historic Tax Credit (residential portion)		0	0	
3. Total Eligible Basis (1 - 2 above)		1,031,208	0	4,428,38	
4.	Adjustment(s) to Eligible Basis (For non-acc	quisition costs in	eligible basis)		
	a. For QCT or DDA (Eligible Basis x 30%)		-	0	1,328,51
State Designated Basis Boosts: b. For Revitalization or Supportive Housing (Eligible Basis x 30 c. For Green Certification (Eligible Basis x 10%)		30%)	0		
	Total Adjusted Eligible basis		-	0	5,756,90
5.	Applicable Fraction		100.00000%	100.00000%	100.00000
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		1,031,208	0	5,756,90	
	Applicable Percentage Beginning with 2016 Allocations, use the stance	•	3.27%	0.00%	9.00
8.	For tax exempt bonds, use the most recently p Maximum Allowable Credit under IRC §42	oublished rates.)	\$33,721	\$0	\$518,122
	(Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or I than credit amount allowed)	ess	Combine	\$551,843 ed 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:

		Date of	Date of	Amount of	
	Source of Funds	Application	Commitment	Funds	Name of Contact Person
1.					
2.					
3.					
	Total Construction Funding	g:		\$0	

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

			(Whole Numbers only)		Interest	Amortization	Term of
		Date of	Date of	Amount of	Annual Debt	Rate of	Period	Loan
	Source of Funds	Application	Commitment	Funds	Service Cost	Loan	IN YEARS	(years)
1.	FHTF	10/1/2019	2/1/2020	\$780,000	\$23,400	3.00%	1000.00	30.00
2.	USDA-Rural Development	3/1/2019	3/12/2019	\$1,303,861	\$33,148	1.00%	50.00	50.00
3.	FHLB	6/1/2019	10/31/2019	\$500,000		0.00%	1000.00	30.00
4.								
5.								
6.								
7.								
8.								
9.								
10.								
	Total Permanent Funding:			\$2,583,861	\$56,548			

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
\vdash	Jource of Fullus	Application	Commitment	ruitus	Name of Contact Person
1.					76
2.					
3.					×
4.					
5.					
6.					
	Total Permanent Grants:		_	\$0	

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

Below-Market Loans

a.	Tax Exempt Bonds		\$0
	RD 515	\$1,303,861	
	Section 221(d)(3)	\$0	
	Section 312	\$0	
e.	Section 236	\$0	
f.	VHDA SPARC/REACH	\$0	
g.	HOME Funds		\$0
h.	Other:	FHTF	\$780,000
i.	Other:	FHLB	\$500,000

Market-Rate Loans

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

Grants*

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

<u>Grants</u>

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.

. sou	RCES OF FUNDS	
1		
6. For 1	For purposes of the 50%	Exempt Bonds Seeking 4% Credits: 6 Test, and based only on the data entered to this of the aggregate basis of buildings and land financed with N/A
7. Som		inancing has credit enhancements
8. Othe	r 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 HU	D approval for transfer o	of physical asset is requiredFALSE

Must be equal to or greater than 85%

R.

R. E	QUITY					
F	quity					
a.		tion Proceeds Attributable to	Historic Tax Credit			
u.	Amount of Federa		\$0	x Equity \$	\$0.000 =	\$0
	Amount of Virginia		\$0	x Equity \$	\$0.000 =	\$0
				4		70
b.	, , , , , , , , , , , , , , , , , , , ,		40			
	i. Cash Investn		\$0			
		Land/Building	\$0			
	iii. Deferred De		\$91,762	(Note: Deferr	ed Developer Fee can	not be negative.)
	iv. Other: <u>Ca</u>	pital Reserve Funds	\$250,000			
		Equity Total	\$341,762			
2. Ec	quity Gap Calculation					
a.	Total Developmen	t Cost				\$6,336,025
b.	Total of Permanen	t Funding, Grants and Equity			W)	\$2,925,623
c.	Equity Gap					\$3,410,402
d.	Developer Equity				· _	\$341
e.	Equity gap to be fu	inded with low-income tax cre	dit proceeds			\$3,410,061
3. Sy a.	Indication Informatio Actual or Anticipat Contact Person:	n (If Applicable) ed Name of Syndicator: Joshua Gould	Boston Capital	Phone:	(617) 624-8835	
	Street Address:	One Boston Place, 21st Floo	r	THORE.	(017) 024 0033	
	City: Boston		te: MA	Zip:	02108	
	-			a	R	
b.	Syndication Equity					
	i. Anticipated A	Annual Credits				\$392,000.00
		s Per Credit (e.g., \$0.85 per do				\$0.870
		wnership entity (e.g., 99% or 9	•			99.99000%
		costs not included in Total Dev		g., advisory f	ees)	\$0
		nount anticipated by user of c				\$391,961
	vi. Total to be p	aid by anticipated users of cre	dit (e.g., limited par	tners)	5	\$3,410,061
c.	Syndication:	Private				
d.	Investors:	Corporate				
4. N	et Syndication Amour	nt				\$3,410,061
		 ay for Total Development Cost	S		·	73, .10,001
	et Equity Factor					87.0000520460%
J. 140	er Equity 1 actor					67.0000320400%

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		\$6,336,025
2.	Less Total of Permanent Funding, Grants and Equity	:=	\$2,925,623
3.	Equals Equity Gap		\$3,410,402
4.	Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity	investment)	87.0000520460%
5.	Equals Ten-Year Credit Amount Needed to Fund Gap		\$3,920,000
	Divided by ten years		10
6.	Equals Annual Tax Credit Required to Fund the Equity Gap		\$392,000
7.	Maximum Allowable Credit Amount (from Eligible Basis Calculation)		\$551,843
8.	Requested Credit Amount	For 30% PV Credit:	\$30,000
	Credit per LI Units \$7,000.0000	For 70% PV Credit:	\$362,000
	Credit per LI Bedroom \$7,000.0000	Combined 30% & 70%	
	· · · · · · · · · · · · · · · · · · ·	PV Credit Requested	\$392,000

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	\$28,168
Plus Other Income Source (list):	Laundry, Fees and W&S Reimbursements	\$2,230
Equals Total Monthly Income:		\$30,398
Twelve Months		x12
Equals Annual Gross Potential Inc	come	\$364,776
Less Vacancy Allowance	5.0%	\$18,239
Equals Annual Effective Gross Inc	come (EGI) - Low Income Units	\$346,537

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

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

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

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	\$346,537
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$346,537
d.	Total Expenses	\$264,122
e.	Net Operating Income	\$82,415
f.	Total Annual Debt Service	\$56,548
g.	Cash Flow Available for Distribution	\$25,867

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	346,537	353,468	360,537	367,748	375,103
Less Oper. Expenses	264,122	272,046	280,207	288,613	297,272
Net Income	82,415	81,422	80,330	79,135	77,831
Less Debt Service	56,548	56,548	56,548	56,548	56,548
Cash Flow	25,867	24,874	23,782	22,587	21,283
Debt Coverage Ratio	1.46	1.44	1.42	1.40	1.38

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	382,605	390,257	398,062	406,024	414,144
Less Oper. Expenses	306,190	315,375	324,837	334,582	344,619
Net Income	76,415	74,882	73,226	71,442	69,525
Less Debt Service	56,548	56,548	56,548	56,548	56,548
Cash Flow	19,867	18,334	16,678	14,894	12,977
Debt Coverage Ratio	1.35	1.32	1.29	1.26	1.23

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	422,427	430,875	439,493	448,283	457,248
Less Oper. Expenses	354,958	365,607	376,575	387,872	399,508
Net Income	67,469	65,269	62,918	60,411	57,740
Less Debt Service	56,548	56,548	56,548	56,548	56,548
Cash Flow	10,921	8,721	6,370	3,863	1,192
Debt Coverage Ratio	1.19	1.15	1.11	1.07	1.02

Estimated Annual Percentage Increase in Revenue Estimated Annual Percentage Increase in Expenses

2.00% (Must be < 2%) 3.00% (Must be > 3%)

Building-by-Building Information j

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

Must Complete

4

Number of BINS:

\$518,122 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 \$37,009 Credit %00.6 %00.6 %00.6 %00.6 %00.6 %00.6 %00.6 %00.6 %00.6 %00.6 70% Present Value Credit 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 Anticipated In-Service 12/31/19 12/31/19 Actual or \$411,207 \$411,207 \$411,207 \$411,208 \$411,208 \$411,208 \$411,208 \$411,208 \$411,208 \$5,756,906 \$411,208 8 8 8 8 S 8 8 8 8 8 8 8 8 8 8 8 ŞO 8 8 8 \$0 8 8 8 8 ŝ 8 8 \$0 Credit Credit for Rehab / New Construction Applicable 30% Present Value Actual or Anticipated In-Service Date Estimate Qualified Basis \$2,409 \$2,409 \$2,409 \$2,409 \$2,409 \$2,409 \$2,409 \$2,409 \$0 8 8 & & S S S ŝ S 8 8 ŞO Ş \$ ŝ 8 \$0 \$33,721 Credit 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% 3.27% Credit for Acquisition
Actual or
Anticipated
In-Service Applicable 30% Present Value 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 12/31/19 Date \$73,658 \$73,658 \$73,658 \$73,658 \$73,657 \$73,658 \$73,658 \$73,658 \$73,657 \$73,657 \$73,658 \$1,031,208 \$73,657 \$73,658 Estimate Qualified FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID 23824 23824 23824 23824 23824 23824 23824 23824 23824 23824 23824 23824 23824 Zip Blackstone Blackstone Blackstone Blackstone Blackstone Blackstone Blackstone Blackstone City Street Address 2 A5-A8 B1-B4 C1-C4 D1-D4 E1-E4 E5-E8 F1-F4 F5-F8 G1-G4 H1-H4 J1-J4 A1-A4 K1-K4 K5-K8 Totals from all buildings 701 Church Street Street Address 1 MARKET RATE 0 0 0 0 0 0 NUMBER TAX CREDIT UNITS 26 VA0102002
VA0102003
VA0102004
VA0102005
VA0102006
VA0102009
VA0102009
VA0102001
VA0102011 VA0102001 VA0102013 VA0102014 BIN

14

Number of BINS:

Credit Amount should equal Gap Calculation Request,

V. STATEMENT OF OWNER

undersigned hereby acknowledges the following:

- 1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
- 2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to VHDA's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
- 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

- 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.
- 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.
- 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.
 - 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:

Magnolia Apartments Limited Partnership

By: AS Squared LLC, Managing General Partner

By:

Its: Adam J. Stockmaster, Manager

(Title)

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

; 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		Υ	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
I. 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) 		Υ	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		Υ	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program		Υ	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		0%	0, 20, 25 or30	0.00
g. Development listed on the Rural Development Rehab Priority List		Υ	0 or 15	15.00
h. Dev. located in area with little or no increase in rent burdened population		γ	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population		N	Up to 20	0.00
	Total:			40.00

325 Point Threshold - Tax Exempt Bonds

3. DEVELOPMENT CHARACTERISTICS:				
a. Amenities (See calculations below)				44.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units		Υ	0 or 60	60.00
HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units		N.	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units		N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)		Y10	0, 10 or 20	10.00
f. Development will be Green Certified		Υ 10	0, 10 0/ 20 0 or 10	
· · · · · · · · · · · · · · · · · · ·				10.00
g. Units constructed to meet VHDA's Universal Design standards		100%	Up to 15	15.00
h. Developments with less than 100 units		Y	up to 20	17.60
i. Historic Structure	190	N	0 or 5	0.00
	Total:			156.60
4. TENANT POPULATION CHARACTERISTICS: Locality AMI State AMI \$55,600 \$55,900				
			0 45	0.00
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 11 in the control of Low Income units with 3 or more bedrooms 12 in the control of Low Income units with 3 or more bedrooms 13 in the control of Low Income units with 3 or more bedrooms 14 in the control of Low Income units with 3 or more bedrooms 15 in the control of Low Income units with 3 or more bedrooms 16 in the control of Low Income units with 3 or more bedrooms 17 in the control of Low Income units with 3 or more bedrooms 18 in the control of Low Incom</plus>		0.00%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)		0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)		10.71%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI		10.71%	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:			60.00
5. SPONSOR CHARACTERISTICS:				
a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units		Υ	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:			50.00
C ESSIGNATION OF SECONDARY				
6. EFFICIENT USE OF RESOURCES:				E4 74
a. Credit per unit			Up to 200	51.71
b. Cost per unit			Up to 100	22.98
	Total:			74.69
7. BONUS POINTS:				
a. Extended compliance		O Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option		Υ	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option		N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan		N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool		N	0 or 10	0.00
	Total:			60.00
425 Point Threshold - all 9% Tax Credits		TOTAL SCO	RE:	441.29
225 Point Threshold Tay Survey Band				

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	5.00
	d. Watersense labeled faucets, toilets and showerheads	3	0.00
	e. Infrastructure for high speed internet/broadband	1	1.00
	f. Free WiFi Access in community room	4	4.00
	g. Each unit provided free individual high speed internet access	6	0.00
	h. Each unit provided free individual WiFi	8	8.00
	i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
	j. Baths equipped with humidistat	3	0.00
	k. Cooking Surfaces equipped with fire prevention features	4	4.00
	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
			41.00
	All elderly units have:		
	t. Front-control ranges	1	1.00
	u. Independent/suppl. heat source	1	1.00
	v. Two eye viewers	1	1.00
		-	3.00

Total amenities:

44.00

Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

ા Name: Magnolia Place

Cycle Type:

Total LI Units

9% Tax Credits

Allocation Type: Total Units

56

Acquisition/Rehab

56

Project Gross Sq Ft: **Green Certified?**

34,160.00 TRUE

Requested Credit Amount:

Jurisdiction:

Nottoway County

Population Target: Elderly

Total Score 441.29

Owner Contact: Adam

Stockmaster

\$392,000

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$2,583,861	\$46,140	\$76	\$56,548

Uses of Funds - Actual Costs					
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC	
Improvements	\$2,795,475	\$49,919	\$82	44.12%	
General Req/Overhead/Profit	\$391,365	\$6,989	\$11	6.18%	
Other Contract Costs	\$71,736	\$1,281	\$2	1.13%	
Owner Costs	\$918,588	\$16,403	\$27	14.50%	
Acquisition	\$1,453,861	\$25,962	\$43	22.95%	
Developer Fee	\$705,000	\$12,589	\$21	11.13%	

Total Uses \$6,336,025 \$113,143

Total Development Costs			
Total Improvements	\$4,177,164		
Land Acquisition	\$1,453,861		
Developer Fee	\$705,000		
Total Development Costs	\$6,336,025		

Proposed Cost Limit/Unit: \$113,143 **Applicable Cost Limit/Unit:** \$199,972 Proposed Cost Limit/Sq Ft: \$143 Applicable Cost Limit/Sq Ft: \$120

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

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

Income Averaging?

FALSE

Extended Use Restriction?

30

	Income						
Gross Potential Incom	ne - Li Units	\$364,776					
Gross Potential Incom	ne - Mkt Units	\$0					
1	Subtotal	\$364,776					
Luss Vacancy %	5.00%	\$18,239					
Effective G	\$346,537						

Rental Assistance?

TRUE

Expenses						
Category	Total	Per Unit				
Administrative	\$87,236	\$1,558				
Utilities	\$27,450	\$490				
Operating & Maintenance	\$68,700	\$1,227				
Taxes & Insurance	\$52,736	\$942				
Total Operating Expenses	\$236,122	\$4,216				
Replacement Reserves	\$28,000	\$500				
Total Expenses	\$264,122	\$4,716				

Cash Flow	
EGI	\$346,537
Total Expenses	\$264,122
Net Income	\$82,415
Debt Service	\$56,548
Debt Coverage Ratio (YR1):	1.46

\$/SF =

\$177.57

Credits/SF =

11.47541 Const \$/unit =

\$58,188.8571

TYPE OF PROJECT TATION
OF CONSTRUCTION

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

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

600

	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	610.00	0.00
NUMBER OF UNITS	0	0	0	0	0	56	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	140,625	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	o	0	0	0	140,625	0
PARAMETER-(COSTS<50,000)	o o	o o	ő	0	0	0	0
COST DADANASTED				_	_		_
COST PARAMETER	0	0	0	0	0	140,625	0
PROJECT COST PER UNIT	0	0	0	0	0	108,316	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	9,441	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	o	0	9,441	0
PARAMETER-(CREDITS<50,000)	0	ő	ō	0	o	0	0
CREDIT RABANGEER			2				
CREDIT PARAMETER	0	0	0	0	0	9,441	0
PROJECT CREDIT PER UNIT	.0	0	0	0	0	7,000	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	22.98	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	51.71	0.00

GENERAL									
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH	
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
NUMBER OF UNITS	0	0	0	0	0	0	0	0	
PARAMETER-(COSTS=>35,000)	O	0	0	0	0	o o	0	0	
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0	
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0		
PARAMETER-(COSTS<50,000)	0	0	ō	ō	0	ō	ō	ō	
COST PARAMETER	0	0	0	0	0	n	0	٠ .	
`OJECT COST PER UNIT	0	0	0	0	0	0	ō	ő	
.તAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0	0	
PARAMETER-(CREDITS<35,000)	0	0	0	0	Ö	ō	ő	0	
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0	0	
PARAMETER-(CREDITS<50,000)	0	0	0	0	o	o	o o	0	
CREDIT PARAMETER	0	0	0	0	0	0	0	О	
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0	
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
REDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

TOTAL COST PER UNIT POINTS

22.98

TOTAL CREDIT PER UNIT POINTS

51.71

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

	Cost Parameters - Elderly					
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	140,625	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	140,625	0

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

Credit Parameters - Elderly					
EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	9,441	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	9,441	0
			The state of the s		EFF-E 1 BR-E 2 BR-E EFF-E-1 ST 1 BR-E-1 ST 0 0 0 0 9,441 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

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

2 BR-TH	3 BR-TH	4 BR-TH
0	0	0
0	0	0
0	0	0
0	0	0
	0	.0 0

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

	Credit Para	meters - General					
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

Northern Virginia Beltway

(Rehab costs \$15,000-\$50,000)

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

	Cost Param	eters - Elderly				
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	140,625	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	.0	0	140,625	0

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

	Credit Para	meters - Elderly				
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	9,441	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	9 441	n

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

	Cost Param	eters - General	ers - General				
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 8R-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

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

	Credit Para	meters - General						
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 8R-TH	4 BR-TH	
0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	
0	0	00	0	0	0	0	0	
0	0	0	0	0	0	0	0	

\$177.57

Credits/SF =

11.47541 Const \$/unit =

\$58,188.86

TYPE OF PROJECT CATION OF CONSTRUCTION GENERAL = 11000; ELDERLY = 12000

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

		(, , -, (-	-,, -				
	*REHABS LO	OCATED IN BELTWAY (\$	(10,000-\$50,000) See Bi	elow			
	GENERAL			Eld	erly		
	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	610.00	0.00
NUMBER OF UNITS	0	0	0	0	0	56	0
PARAMETER (COSTS=>35,000)	0	0	0	0	0	140,625	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	ó	О
PARAMETER-(COSTS=>50,000)	0	0	0	0	o	140,625	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	Ö	0
COST PARAMETER	0	0	0	0	О	140,625	0
PROJECT COST PER UNIT	0	0	0	0	0	108,316	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	9,441	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	9,441	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	o	o	9,441	o
PROJECT CREDIT PER UNIT	0	0	0	0	0	7,000	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	22.98	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	51.71	0.00

				GENERAL				
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	ő	0	o	0	0	0
PARAMETER (COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	О	0	0	0	0	0	0	0
COJECT COST PER UNIT	0	0	0	0	0	0	0	0
AMETER-(CREDITS=>35,000)	0	0	Ö	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0	0
ARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
REDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
OST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS

22.98

TOTAL CREDIT PER UNIT POINTS

51.71

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

Cost Parameters - Elderly Supportive Hsg EFF-E 1 BR-E 2 BR-E EFF-E-1 ST 1 BR-E-1 5T 2 BR-E-1 ST 0 140,625 0 0 0 0 0 0 0 0 0 0 0 0 140,625

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

	Credit Para	meters - Elderly				
Supportive Hsg	EFF-E	1 BR-E	Z BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	9,441	0
0	0	0	0	0	0	0
0	.0	0	0	0	0	0
0	0	0	0	0	9,441	0

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

Cost Param	eters - General					
1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	Ü	0	D	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
		Cost Parameters - General 1 BR-G 2 BR-G 0 0 0 0 0 0 0 0 0 0	HGADDINAMORE ALICENDED	TOTAL TRANSPORT THE PARTY OF TH	HIGH PARKET RICE (NO. 1977)	1 BR-G 2 BR-G 3 BR-G 4 BR-G 2 BR-TH 3 BR-TH

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

	Credit Para	meters - General					
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	.0	0	0
0	0	0	0	0	0	0	0

Northern Virginia Beltway

(Rehab costs \$10,000-\$50,000)

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

	Cost Param	neters - Elderly				
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	140,625	. 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	140,625	0

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

	Credit Para	meters - Elderly				
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
0	0	0	0	0	9,441	.0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	9.441	0

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

	Cost Param	eters - General					
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	O	0	0	0	0	0	0
0	0	0	0	0	0	0	0

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

	Credit Para	meters - General					
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0



Partnership or Operating Agreement

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

AGREEMENT OF LIMITED PARTNERSHIP OF MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (this "<u>Agreement</u>") is made as of March 12, 2019, by and among AS Squared, LLC, a Virginia limited liability company ("<u>AS Squared</u>" and sometimes "<u>Managing General Partner</u>") and Petersburg Community Development Corporation, Inc., a Virginia nonstock corporation ("<u>PCDC</u>") in accordance with the provisions of the Virginia Revised Uniform Limited Partnership Act, Title 50, Chapter 2.1 of the Code of Virginia.

RECITALS:

WHERAS, the Partnership was formed by ICZ Associates LLC, as general partner ("Original General Partner"), pursuant to a Certificate of Limited Partnership filed with the Virginia State Corporation Commission ("VA SCC") on January 31, 2018, but never executed an agreement of limited partnership; and

WHEREAS, pursuant to a Certificate of Amendment to Certificate of Limited Partnership filed with the VA SCC on the date hereof, Original General Partner withdrew as a general partner of the Partnership and Managing General Partner and PCDC were admitted as substitute general partners; and

WHEREAS, the parties hereto desire to enter into this Agreement pursuant to the terms hereof.

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

- I. Name. Magnolia Apartments Limited Partnership.
- II. <u>Business</u>. The business of the Partnership is to acquire, construct, develop, improve, invest in, hold, lease, maintain, operate and otherwise deal with that certain multifamily affordable housing development located in Nottoway County, Virginia, commonly known as Magnolia Apartments (the "Project").
- III. **Principal Office.** The address of the principal office of the Partnership, where records required to be maintained by Section 50-73.8 of the Act are to be kept, is at 1375 Piccard Drive, Suite 150, Rockville, Maryland 20850. The Partnership's registered agent for purposes of the Act is Cogency Global, Inc. having a business address if 250 Browns Hill Court, Midlothian (Chesterfield County), Virginia 23114. The sole duty of the registered agent is to forward to the Partnership any notice that is served on it as registered agent.
 - IV. Partners. The name and the business address of the General Partners and

Limited Partners, and the percentages of ownership and cash flow in the Partnership by each such Partner, are as follows:

General Partners:

Name	Address	Percentage of Ownership
AS Squared, LLC	1375 Piccard Road Suite 150 Rockville, MD 20850	4.5%
Petersburg Community Development Corporation, Inc.	511 Spring Street Vienna, VA 22180	0.5%

Limited Partners:

AS Squared, LLC	1375 Piccard Drive	95%
_	Suite 150	
	Rockville, MD 20850	

- V. <u>Term, Dissolution and Winding Up.</u> The Partnership shall continue until December 31, 2069, except that the Partnership shall be dissolved, and its affairs wound up, prior to such date upon the happening of any of the following:
- A. The sale or other disposition of all or substantially all the assets of the Partnership, or
- B. The retirement (which term includes the death, dissolution, adjudication of insanity or incompetence, bankruptcy or withdrawal for any reason) of a General Partner, unless the remaining General Partners or Limited Partners elect to continue the business of the Partnership pursuant to Paragraph XIII hereof, or
 - C. The retirement of a General Partner if no General Partner remains, or
 - D. The decision of all the General Partners to terminate the Partnership.
- VI. <u>Capital Contributions Capital Accounts</u>. Each Partner has made capital contributions to the Partnership. A capital account shall be maintained for each Partner and such account shall be adjusted for each Partner's share of all items of profit and loss and distributions and each Partner's contributions to the Partnership.

- VII. <u>Additional Contributions</u>. No Limited Partner has agreed to make any additional capital contribution. Except to the extent required by law, no General Partner shall be required to make any additional capital contribution.
- VIII. <u>Returns.</u> No time has been agreed upon for the return of the contributions of the Limited Partners.
- IX. **Profits.** All profits, losses and distributions (including profits and proceeds from the sale or disposition of all or substantially all Partnership assets and all proceeds from a refinancing) shall be shared by the Partners in the ratio which the capital contributions of each Partner bear to the aggregate capital contributions of all the Partners. If the Partnership assets are distributed in kind to the Partners upon the dissolution and liquidation of the Partnership, the capital accounts of the Partners shall be adjusted to reflect their share of all unrecognized gains and losses and the assets shall be distributed based on the fair market value of such assets.
- X. <u>Assignments</u>. In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor or incompetent, and such attempted assignment shall be void and ineffectual and shall not bind the Partnership.

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

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

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

If any assignment of the interest of a Limited Partner shall be made, there shall be filed

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

- XI. <u>Additional Limited Partners</u>. The General Partners are authorized at any time and from time to time, to admit to the Partnership additional Limited Partners upon each such additional Limited Partner's making, or agreeing to make, such contributions to the capital of the Partnership as the General Partners shall determine.
- XII. <u>Priorities</u>. No Limited Partner has any right of priority over any other Limited Partner, as to contributions or as to compensation by way of income.
- XIII. <u>Continuation</u>. Upon the death, dissolution, incapacity, bankruptcy, or withdrawal from the Partnership of a General Partner, any remaining or surviving General Partner or Limited Partners may elect to continue the business of the Partnership.
- XIV. <u>Demands for Property</u>. A Limited Partner has no right to demand and receive property in return for his capital contribution.

XV. Additional Provisions.

- A. Management and control of the business and affairs of the Partnership shall be vested in AS Squared, as the Managing General Partner, and except as otherwise expressly provided herein, no Limited Partner shall have or exercise any rights in connection with the management of such business. The General Partners shall devote to the conduct of the business of the Partnership so much of their time as may be reasonably necessary to efficient operations, but they shall not be precluded from conducting other businesses as well, even if they compete with the Partnership.
- B. AS Squared is specifically authorized to execute such documents as it deems necessary in connection with the acquisition, development and financing of Partnership property, including without limiting the generality hereof, any note, mortgage, loan and regulatory agreements and any other documents which may be required in connection with the acquisition of the Partnership property or the financing and development thereof; and the Company is specifically authorized to execute such documents as it deems necessary in connection with all documents and actions necessary to qualify for, and apply to Virginia Housing Development Authority for financing and an allocation of low income housing tax credits for the Project (as defined below) under Section 42 of the Internal Revenue Code of 1986, as amended.
- C. The Partnership is hereby authorized to borrow, by a mortgage loan from any lender, whatever amounts may be required for the acquisition of the Property, the development thereon of improvements constituting the Project, and the operation of the Project. Any such mortgage loan shall provide that neither the Partnership nor any Partner shall have any

personal liability for the repayment of all or any part of such mortgage loan after the completion of the Project.

- D. Except as provided in Paragraph XV. C. hereof, the General Partners shall be bound by the terms of any mortgage note, mortgage, loan agreement and regulatory agreement and any other documents required in connection with the financing of the acquisition of the Property and the development of the Project thereon. Any incoming General Partner shall as a condition of receiving any interest in the Partnership property agree to be bound by the terms of such instruments and documents to the same extent and on the same terms as the other General Partners. Upon any dissolution of the Partnership, or any transfer of the Property subject to any applicable mortgage, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by any regulatory or other agreement applicable to the Partnership or the Property in a manner satisfactory to the regulating agency or authority. In the event of any inconsistency between the provisions of this Agreement and any applicable regulatory agreement, the provisions of such regulatory agreement shall prevail.
- E. Each General Partner and each Limited Partner (including a Substitute or additional General Partner or Limited Partner) hereby irrevocably constitutes, and empowers to act alone, the General Partner, as attorney-in-fact for such General Partner and such Limited Partner, with full power of substitution, with authority to execute, acknowledge and swear to all instruments, and file all documents, requisite to carrying out the intention and purpose of this Agreement, including, without limitation, all business certificates and necessary Certificates of Limited Partnership and amendments thereto from time to time in accordance with all applicable laws. The foregoing appointment shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Partners under this Agreement will be relying upon the power of the General Partner to act as contemplated by this Agreement in such filing and other action on behalf of the Partnership and the Partners. The foregoing power of attorney shall survive the assignment by any partner of the whole or any part of his or its interest hereunder or the retirement of any appointing General Partner.
- F. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto. This Agreement may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. If any clause or provision hereof shall be deemed unlawful or unenforceable, in whole or in part, then such clause or provision shall have no force or effect as though not herein contained and the remainder of this Agreement shall remain operative and in full force and effect.
- G. In addition to the purposes and powers of the Partnership as set forth in this Agreement, the Partnership shall be specifically empowered and authorized to apply for, obtain and/or assume loans, mortgages, funds for rehabilitation, interest subsidies, rent supplements, and rental assistance payments (collectively, the "RHS" Loan") from the Rural Housing Service ("RHS") (successor-in-interest to Farmers Home Administration), an agency of the United States Department of Agriculture, and any successor entity, pursuant to the provisions

of the Housing Act of 1949, as amended, or any other applicable law. The Managing General Partner is authorized and empowered, for and on behalf of the Partnership, to negotiate, execute and comply with any and all agreements and related documents that may be required by RHS in applying for, obtaining and/or assuming the RHS Loan. The aforesaid authorization shall, without limitation, empower and authorize AS Squared as Managing General Partner, to execute for and on behalf of the Partnership, any note, deed of trust, rehabilitation loan agreement, rehabilitation contract, and/or regulatory agreement as may, at any time, be required by RHS. Any requirements imposed on the Partnership under the Housing Act of 1949, as amended, or in any agreement between RHS and the Partnership, if inconsistent with any provision of this Agreement, shall be controlling and shall govern the rights and obligations of the parties hereto. Notwithstanding any other provision contained in this Agreement to the contrary, so long as there exists of record any mortgage or deed of trust between the Partnership and RHS encumbering property owned by the Partnership, or so long as there exists of record any mortgage or deed of trust executed by the Partnership which is insured by RHS encumbering property owned by the Partnership, and any such mortgage or deed of trust has not been released from record, then, the Partnership and the Partners shall not, without the prior written consent of RHS: (1) voluntarily add or substitute any new Partner to the Partnership; (2) voluntarily add, substitute, remove or allow the withdrawal of a General Partner of the Partnership; (3) amend this Agreement; or (4) voluntarily dissolve or terminate the Partnership or sell all or substantially all of the assets of the Partnership.

H. The Partnership was formed by ICZ Associates, LLC ("ICZ"), as sole general partner, pursuant to that certain Certificate of Limited Partnership filed with the Virginia State Corporation Commission ("SCC") on January 31, 2018 (the "Certificate"). Pursuant to a Certificate of Amendment to the Certificate filed with the SCC effective as of the date hereof, ICZ withdrew as general partner of the Partnership and AS Squared and PCDC were admitted as substitute general partners. ICZ hereby confirms that it has withdrawn from the Partnership as a general partner and acknowledges that, as of the date hereof, it no longer has any interest in, or rights or claims against, the Partnership in its capacity as a partner of the Partnership or otherwise.

[Signature Pages Follow]

SIGNATURE PAGE TO AGREEMENT OF LIMITED PARTNERSHIP OF MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

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

GENERAL PARTNER and LIMITED PARTNER:

AS Squared, LLC, a Virginia limited liability company

By (SEAL)
Adam Stockmaster, Manager

SEEN AND CONSENTED TO SOLELY FOR PURPOSES OF SECTION XV.H HEREOF:

ICZ Associates, LLC, a Virginia limited liability company

Ari Severe, Manager

AGREEMENT OF LIMITED PARTNERSHIP OF MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

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

GENERAL PARTNER:

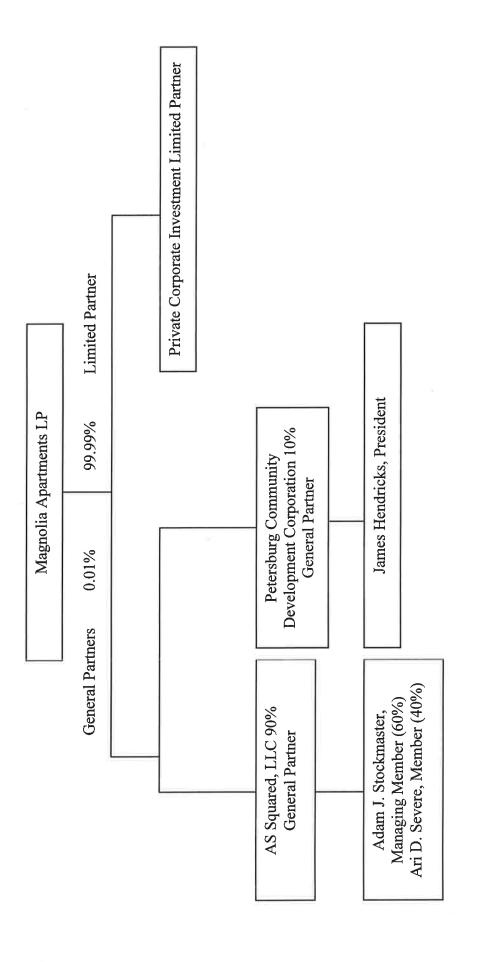
Petersburg Community Development Corporation, Inc., a Virginia nonstock corporation

By:

(SEAL)

President

38418633_1



Magnolia Apartments Limited Partnership

Development Services Agreement

This Development Services Agreement is made on March 13, 2019 by and between Magnolia Apartments Limited Partnership, a Virginia limited partnership company (the "Company") and AS Squared Development LLC., a Virginia Limited Liability Company ("ASD") (together, the "Developer").

Recitals

- 1. The Company was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project consisting of 56 dwelling units located in Blackstone, Virginia (the "Project").
- 2. The Project, following the Completion of Construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Internal Revenue Code of 1986, as amended).
- 3. The Developer has provided and is obligated hereunder to continue to provide certain services with respect to the acquisition, development and construction of the Project.
- 4. In consideration for such services, the Company has agreed to pay to the Developer a fee in the amount set forth herein.

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

Section 1. Defined Terms

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

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

"State" means the Commonwealth of Virginia.

Section 2. <u>Development Services</u>

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

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

- (b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in the following subparagraphs of this Section 2(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:
 - (i) Negotiate and assist in the structuring of the acquisition of the site by the Company;
 - (ii) Negotiate and cause to be executed in the name and on behalf of the Operating Agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Company;
 - (iii) Assist the Company in dealing with neighborhood groups, local organizations, abutters and other parties interested in the development of the Project;
 - (iv) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;
 - (v) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:
 - (A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design of the Project;
 - (B) administration of any construction contracts on behalf of the Company;
 - (C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;
 - (D) the rendering of advice and recommendations as to the selection procedures for, and selection of, subcontractors and suppliers;
 - (E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements with any lending institutions providing funds for the benefit of the Company for the design or construction of any improvements;
 - (F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

- (G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;
- (H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;
- (I) furnishing such consultation and advice relating to the construction and development of the Project as may be reasonably requested from time to time by the Company;
- (J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company;
- (K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and
- (L) at the Company's expense, filing on behalf of, and as the attorney-in-fact for, the Company, any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of dwelling units and other space in the Project, if applicable.
- (vi) Assist the Company in obtaining access to utilities and required zoning approvals;
- (vii) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design and construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event that the same is not being so carried out, to promptly so notify the Company;
- (viii) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design and construction of the Project contained in any loan agreement or security agreement entered into in connection with any financing for the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;
- (ix) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project;

- (x) Assist the Company in obtaining and maintaining insurance coverage for the Project, the Company during the development phase of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;
- (xi) During the construction and development period of the Project, comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter called "laws") of all Federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors to comply with all such applicable laws;
- (xii) Prepare, accumulate and furnish to the Managing Members and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;
- (xiii) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;
- (xiv) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;
- (xv) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and
- (xvi) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 3. <u>Limitations and Restrictions</u>

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

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

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

- (b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Managing Members, or in the cost thereof, or any change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Managing Members; or
- (c) Expending an amount greater than the amount which the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

Section 4. <u>Accounts and Records</u>.

- (a) The Developer, on behalf of the Company, shall keep such books of account and other records as may be required and approved by the Managing Members, including, but not limited to, records relating to the costs for which construction advances have been requested and/or received. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Managing Members, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of construction. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Company upon demand without charge therefor.
- (b) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Managing Members, and shall be available for and subject to audit, inspection and copying by the management agent for the Project, the Managing Members or any representative or auditor therefor or supervisory or regulatory authority, at the times and in the manner set forth in the Amended and Restated Agreement of Operating Agreement of the Company dated as of the date hereof (the "Operating Agreement").

Section 5. <u>Accrual of Development Fee</u>

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

The Development Fee shall be in the amount of \$705,000 in the aggregate and shall be deemed to have been earned pro rata as and when the dwelling units in the Project shall have been completed and are placed in service as evidenced by the issuance of an architect's certificate.

Section 6. Payment of Development Fee

The Development Fee shall be paid as nearly as practicable to the date earned utilizing the proceeds of the Capital Contribution payable under the Partnership Agreement, Partnership cash flow and sale or refinancing proceeds, and any other sources available to the Partnership. In no event shall any portion of the Development Fee be paid later than December 31, 2034, at which date the Developer shall have the right to payment as a fully recourse obligation of the Partnership and the General Partner.

Section 7. <u>Applicable Law</u>

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

Section 8. <u>Binding Agreement</u>

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

Section 9. <u>Assignment</u>

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

Section 10. <u>Headings</u>

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

Section 11. Terminology

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

Section 12. Benefit of Agreement

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

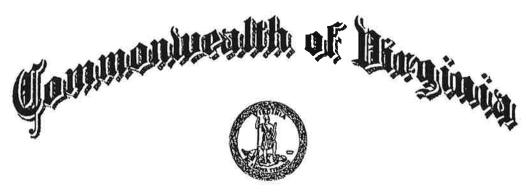
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IN WITNESS WHEREOF, the parties have caused this Development Services Agreement to be duly executed on the date first written above.

COMPANY	DEVELOPER
MAGNOLIA APARTMENTS LIMITED PARTNERSHIP	AS SQUARED LLC., a VIRGINIA LLC
By: AS Squared, LLC, a Virginia limited liability company, it's General Partner	
By: Adam J. Stockmaster, Manager	By:Adam J. Stockmaster, Manager

В

Virginia State Corporation Commission Certification (MANDATORY)



STATE CORPORATION COMMISSION

Richmond, January 31, 2018

This is to certify that the certificate of limited partnership of

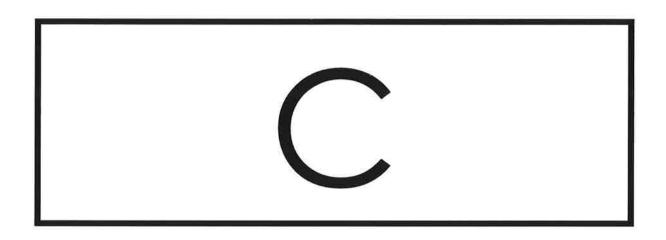
Magnolia Apartments Limited Partnership

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



State Corporation Commission Attest:

Clerk of the Commission



Principal's Previous Participation Certification (MANDATORY)



Previous Participation Certification

Development Name:	Magnolia Place Apartments	
Name of Applicant (entity):	Magnolia Apartments Limited Partnership	
	-	

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.
- 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

2019

Previous Participation Certification, cont'd

- 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

Adam J. Stockmaster

Printed Name

February 27, 2019

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

List of LIHTC Developments

(Schedule A)
(MANDATORY)



Development Name: Magnolia Place Apartments

Name of Applicant: Magnolia Apartments LP

INSTRUCTIONS:

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

3	Adam Sto	ockmaster	Controllin			ed' Managing ed property?*		
	Development Name/Location Meadowbrook Heights Culpeper, VA	Name of Ownership Entity and Phone Number Meadowbrook Heights LP (240)428-7799	CGP or 'Named' Managing Member at the time of dev.? (Y/N)* AS Squared, LLC Y	Total Dev. Units 42	Total Low Income Units 42	Placed in Service Date 2010	8609(s) Issue Date 2010	Uncorrected 8823's? (Y/N Explain "Y" N
	Chuckatuck Square Suffolk, VA	Chuckatuck I LP (240)428-7799	AS Squared, LLC Y	42	42	2003	2009	N
	Newport Village Franklin, VA	Newport Village LP (240)428-7799	AS Squared, LLC Y	48	48	2009	2009	N
9	Pine Street Village II Wakefield, VA	Birch Island II LP (240)428-7799	AS Squared, LLC Y	16	16	2009	2010	Z
	Stephens Village Stephens City, VA	Stephens Village I LP (240)428-7799	AS Squared, LLC Y	46	46	2009	2010	N
	Chelyan Village Cabin Creek, WV	Chelyan LP (240)428-7799	Adam J. Stockmast er Y	48	48	2010	2010	N
	Indian Creek Kilmarnock, VA	New Indian Creek LP (240)428-7799	AS Squared, LLC Y	20	20	2010	2010	N
	Burnt Ordinary Village Toano, VA	Burnt Ordinary Village LP (240)428-7799	AS Squared, LLC Y	22	22	2012	2012	N

	LIS	I OI LIHIC Devel	opmer	112 (20	meat	ле А)		
9	Meadow Run Apartments Gordonsville, VA	Meadow Run Apartments LP (240)428-7799	AS Squared, LLC Y	43	43	2012	2012	Z
10	Amherst Village Amherst, VA	Amherst Village LP (240)428-7799	AS Squared, LLC Y	48	48	2012	2012	N
11	Cricket Hill Mathews, VA	Cricket Hill LP (240)428-7799	AS Squared, LLC Y	30	30	2013	2013	N
12	Pine Ridge Louisa, VA	Pine Ridge Apartments I LP (240)428-7799	AS Squared, LLC Y	27	27	2014	2015	7
13	Surry Village II Apartments Spring Grove, VA	New Surry Village II LP (240)428-7799	AS Squared, LLC Y	32	32	2015	2016	N
14	Country Green Apartments South Boston, VA	Country Green I LP (240)428-7799	AS Squared, LLC Y	44	44	2015	2017	Ν
15	Windemere Apartments Lexington, VA	Windemere Apartments LP (240)428-7799	AS Squared, LLC Y	38	38	2016	2017	Z
16	Warrenton Manor Apts Warrenton, VA	Warrenton Manor Elderly LP (240)428-7799	AS Squared, LLC Y	68	68	2016	2017	N
17	Weaver Manor Apts Emporia, VA	Weaver Manor I LP (240)428-7799	AS Squared, LLC Y	42	42	2017	2018	N
18	Crewe Village Apts Crewe, VA	Crewe Village LP (240)428-7799	AS Squared, LLC Y	40	40	2018	TBD	И
19	Chestertown Cove Apts Chestertown, MD	Chestertown Cove Preservation LP (240)428-7799	AS Squared, LLC Y	34	34	2017	2019	N
20	Stevens Woods II Apts Courtland, VA	Stevens Woods II Apts LP (240)428-7799	AS Squared, LLC Y	24	24	TBD	TBD	N
21	Birchwood I Apts Brambleton, VA	Birchwood Apts LLC (240)428-7799	AS Squared, LLC Y	56	56	2019	TBD	N
22	Birchwood II Apts Brambleton, VA	Birchwood II, LLC (240)428-7799	AS Squared, LLC Y	27	27	2019	TBD	N
23								

* 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: 837

LIHTC as % of 100% Total Units

Resume of Housing Experience AS Squared, LLC

Managing Member: Adam J. Stockmaster

Education & Training:

- Adam is a graduate of American University with a Bachelors Degree in Finance and a Minor in Economics.
- He has earned the Star Certification in USDA-Rural Development training and has attended numerous workshops and seminars on the Federal Low-Income Housing Tax Credit program

Mr. Stockmaster is the Executive Vice President of T.M. Associates, Inc. Adam has more than twenty years of experience in the real estate industry. In his twenty years with T.M. Associates, Inc., Adam has been successful in receiving over 80 awards of LIHTC financing from many State Housing Finance Agencies for properties located in Maryland, New York, Pennsylvania, Virginia, West Virginia and North Carolina

Member: Ari D. Severe

Education & Training:

- o Ari is a graduate of the University of Maryland with a Bachelors Degree in Accounting.
- He is a Certified Public Accountant and has attended numerous workshops and seminars on the Federal Low-Income Housing Tax Credit program

Ari has more than seventeen years of experience in the real estate industry. Mr. Severe is the Executive Vice President, Finance for T.M. Associates, Inc.



Development Name: Magnolia Place Apartments

Name of Applicant: Magnolia Apartments LP

INSTRUCTIONS:

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

	Ari Severe Principal's Name:					ed' Managing ed property?*		
1	Development Name/Location Meadowbrook Heights Culpeper, VA	Name of Ownership Entity and Phone Number Meadowbrook Heights LP (240)428-7799	CGP or 'Named' Managing Member at the time of dev.? (Y/N)* AS Squared, LLC	Total Dev. Units 42	Total Low Income Units 42	Placed in Service Date 2010	8609(s) Issue Date 2010	Uncorrected 8823's? (Y/N) Explain "Y" N
•			Y		40		0000	
2	Chuckatuck Square Suffolk, VA	Chuckatuck I LP (240)428-7799	AS Squared, LLC Y	42	42	2003	2009	N
3	Newport Village Franklin, VA	Newport Village LP (240)428-7799	AS Squared, LLC Y	48	48	2009	2009	N
4	Pine Street Village II Wakefield, VA	Birch Island II LP (240)428-7799	AS Squared, LLC Y	16	16	2009	2010	Z
5	Stephens Village Stephens City, VA	Stephens Village I LP (240)428-7799	AS Squared, LLC Y	46	46	2009	2010	Z
6	Indian Creek Kilmarnock, VA	New Indian Creek LP (240)428-7799	AS Squared, LLC Y	20	20	2010	2010	И
7	Burnt Ordinary Village Toano, VA	Burnt Ordinary Village LP (240)428-7799	AS Squared, LLC Y	22	22	2012	2012	N
В	Meadow Run Apartments Gordonsville, VA	Meadow Run Apartments LP (240)428-7799	AS Squared, LLC Y	43	43	2012	2012	N

	LI3	OF LITTIC Devel	opiner	112 (20	neat	ile Aj		
9	Amherst Village Amherst, VA	Amherst Village LP (240)428-7799	AS Squared, LLC Y	48	48	2012	2012	N
10	Cricket Hill Mathews, VA	Cricket Hill LP (240)428-7799	AS Squared, LLC Y	30	30	2013	2013	N
1 1	Pine Ridge Louisa, VA	Pine Ridge Apartments I LP (240)428-7799	AS Squared, LLC Y	27	27	2014	2015	Z
12	Surry Village II Apartments Spring Grove, VA	New Surry Village II LP (240)428-7799	AS Squared, LLC Y	32	32	2015	2016	N
13	Country Green Apartments South Boston, VA	Country Green I LP (240)428-7799	AS Squared, LLC Y	44	44	2015	2017	N
14	Windemere Apartments Lexington, VA	Windemere Apartments LP (240)428-7799	AS Squared, LLC Y	38	38	2016	2017	И
15	Warrenton Manor Apts Warrenton, VA	Warrenton Manor Elderly LP (240)428-7799	AS Squared, LLC Y	68	68	2016	2017	N
16	Weaver Manor Apts Emporia, VA	Weaver Manor I LP (240)428-7799	AS Squared, LLC Y	42	42	2017	2018	N
17	Crewe Village Apts Crewe, VA	Crewe Village LP (240)428-7799	AS Squared, LLC Y	40	40	2018	TBD	N
18	Chestertown Cove Apts Chestertown, MD	Chestertown Cove Preservation LP (240)428-7799	AS Squared, LLC Y	34	34	2017	2019	N
19	Stevens Woods II Apts Courtland, VA	Stevens Woods II Apts LP (240)428-7799	AS Squared, LLC Y	24	24	TBD	TBD	N
20	Birchwood I Apts Brambleton, VA	Birchwood Apts LLC (240)428-7799	AS Squared, LLC Y	83	83	2019	TBD	N
21	Birchwood II Apts Brambleton, VA	Birchwood II, LLC (240)428-7799	AS Squared, LLC Y	27	27	2019	TBD	N
22	Alpine Village Apts Terra Alta, WV	Alpine Village Apts LP (240)428-7799	AS Squared, LLC N	44	44	2018	TBD	Z
23 24								

* 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:

860 860

LIHTC as % of 100% Total Units

Resume of Housing Experience AS Squared, LLC

Managing Member: Adam J. Stockmaster

Education & Training:

- Adam is a graduate of American University with a Bachelors Degree in Finance and a Minor in Economics.
- He has earned the Star Certification in USDA-Rural Development training and has attended numerous workshops and seminars on the Federal Low-Income Housing Tax Credit program

Mr. Stockmaster is the Executive Vice President of T.M. Associates, Inc. Adam has more than twenty years of experience in the real estate industry. In his twenty years with T.M. Associates, Inc., Adam has been successful in receiving over 80 awards of LIHTC financing from many State Housing Finance Agencies for properties located in Maryland, New York, Pennsylvania, Virginia, West Virginia and North Carolina

Member: Ari D. Severe

Education & Training:

- Ari is a graduate of the University of Maryland with a Bachelors Degree in Accounting.
- He is a Certified Public Accountant and has attended numerous workshops and seminars on the Federal Low-Income Housing Tax Credit program

Ari has more than seventeen years of experience in the real estate industry. Mr. Severe is the Executive Vice President, Finance for T.M. Associates, Inc.



Development Name: Magnolia Place Apartments
Name of Applicant: Magnolia Apartments LP

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.

Petersburg Community Development Corporation Inc Controlling GP (CGP) or 'Named' Managing

- 2 For each property for which an <u>uncorrected</u> 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

parlnership/operating agreements and one 8609 (per entity/development) for a total of 6.

riincipai s Name:			Membe	Тогтороз	ea property?	TOTIN	
Development Name/Location	Name of Ownership Enlity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Unils	Total Low Income Unils	Placed in Service Date	8609(s) Issue Date	Uncorrecte 8823's? (Y/ Explain "Y
Surry Village	Surry Village I LP 804-420-6458	Y (100% GP)	48	48	2007	2008	N
Henry Williams Townhomes	Owens Court LP 804-420-6458	N (99% GP)	42	42	2012	2013	N
American Tobacco Lofts	American Tobacco Holdings LLC 804-420-6458	N (10% GP)	134	134	2018	2018	N
Petersburg Artist Space	110 South Perry LLC 804-420-6458	N (10% GP)	226	226	TBD	TBD	N
School House/Springford	Spring School Preservation LP 804-420-6458	N (40% GP)	69	69	TBD	TBD	N
Pinecrest Apartments	Pinecrest Preservation LLC 804-420-6458	N (10% GP)	64	64	TBD	TBD	N

583

583

LIHTC as % of

100% Total Units

1st PAGE

TOTAL:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37133389_1

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

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE is made this <u>12th</u> day of <u>March</u> 2019, by and between **BLACKSTONE** RURAL ASSOCIATES LIMITED **PARTNERSHIP**, a Virginia limited partnership, (hereinafter referred to as the "Seller") and <u>MAGNOLIA</u> APARTMENTS LIMITED PARTNERSHIP, a Virginia limited partnership, (hereinafter referred to as the "Buyer").

WITNESSETH:

- 1. That for and in consideration of the Deposit of One Dollar (\$1.00) paid by Buyer to Seller, the receipt and sufficiency of which is hereby acknowledged, the Seller hereby agrees to sell to the Buyer, its successors and assigns, and the Buyer agrees to purchase from the Seller the real property in **Blackstone**, **Nottoway County**, **Virginia**, which is known as **Magnolia Place Apartments**, together with all easements, rights, and appurtenances attached thereto and all improvements thereon (all of which is hereinafter referred to as the "Real Estate"), for a purchase price of **One Hundred Fifty Thousand Dollars** (\$150,000.00) plus an assumption of a first mortgage lien in favor of Farmers Home Administration (the "Purchase Price").
- 2. The Seller hereby represents and warrants to the Buyer that its title to the Real Estate is good, merchantable and marketable fee simple title, free and clear of all liens and encumbrances, except the lien of a first mortgage to Farmers Home Administration and any easements of record which do not adversely effect the use of the property for residential purposes.
- 3. Buyer will assume and agrees to pay all assessments becoming a lien after the date of the closing hereunder. The Seller shall not receive a credit for the real estate taxes assessed during the taxable year in which the Closing occurs.
- 4. In the event of any condemnation of the Real Estate or any part thereof prior to closing, Buyer may elect either to terminate this Agreement, or to purchase the remainder of the Real Estate with a pro rata reduction in the purchase price.
- 5. The closing of the purchase and sale of the Real Estate shall occur at the office of the closing attorney or Title Company designated by the Buyer on or before **July 31, 2020.**
 - 6. At closing, the Buyer shall pay the Purchase Price to the Seller.
- 7. At the closing, Seller shall execute, acknowledge and deliver to Buyer, or its nominee, successor, or assignee, a general warranty deed in form satisfactory and acceptable to Buyer's counsel, with full English Covenants of title, conveying the Real Estate to the Buyer, its nominee, successor or assignee, free and clear of all liens, encumbrances, title defects and exceptions and rights of others except the lien of a first

mortgage to the Farmers Home Administration and any easements of record which do not adversely effect the use of the property for residential purposes. The cost of any documentary, transfer and exercise taxes imposed upon the conveyance, other than the Grantor's Tax, shall be paid by the Buyer. The Seller shall pay the Grantor's Tax. Possession of the Real Estate shall be delivered to Buyer at closing in the same condition as it now is in, ordinary wear and tear only expected. In addition, the Seller shall deliver to the Buyer all cash in all accounts of the Seller, including the operating account, escrow accounts, reserve accounts and tenant security accounts. The Seller shall also deliver to the Buyer all records and files of the Seller relating to or in any way pertaining to the Real Estate and the apartment project situated thereon which are in the possession of or under the control of the Seller or the managing agent employed by the Seller.

- 8. This Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective successors and assigns.
- 9. If the Seller fails to perform its obligations hereunder, Buyer shall be entitled to its remedies at law and to enforce this Agreement by an action for specific performance. If the Buyer fails to perform its obligations hereunder, the Seller shall retain the Deposit as its sole and exclusive remedy.
- 10. No delay, forbearance or neglect by the Buyer in the enforcement of any of the conditions of this Agreement or any of Buyer's rights or remedies hereunder shall constitute or be construed as a waiver thereof. No waiver of any of the conditions of this agreement by Buyer shall be effective unless expressly and affirmatively made and given by Buyer in writing.
- 11. Time is of the essence for the performance of each and every covenant contained herein.
- 12. This instrument contains and constitutes the entire agreement of the parties regarding the subject matter hereof, and there are no other agreements, written or oral between the parties affecting the subject matter hereof. No amendment of this agreement shall be effective unless it is in writing and signed by the parties hereto.
- 13. This agreement shall be interpreted and enforced according to the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have signed, sealed and delivered this Agreement of Purchase and Sale on the date first above written.

(Seal)

SELLER:

BLACKSTONE RURAL ASSOCIATES LIMITED PARTNERSHIP

By: MARSHELL, LLC, General Partner

PURCHASER:

MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

By: AS Squared, LLC, General Partner

Adam J. Stockmaster, Managing Member



Boston Capital | Asset Management LP

March 13, 2019

Mr. Adam Stockmaster c/o AS Squared LLC 1375 Piccard Dr, Suite 150 Rockville, MD 20850

Re:

Blackstone Rural Associates Limited Partnership (the "Operating Partnership") Boston Capital Corporate Tax Credit Fund XVII, A Limited Partnership (the "Investment Partnership")

Dear Adam:

This letter will confirm that upon your receipt of a reservation of 2019 Low Income Housing Tax Credits, Boston Capital will solicit consent to the sale of the Operating Partnership from the limited partners of the Investment Partnership. The Investment Partnership is the sole limited partner of the Operating Partnership. The agreed upon purchase price is \$150,000, which will be paid to the Investment Partnership. The closing of this transaction will occur on or before December 31, 2020.

If you have any questions or comments, please feel free to call me.

Very truly yours,

Michael D Regan

Vice President – Dispositions Boston Capital Asset Management (617) 624-8665

Return to Property Card or Search Results

Keturii to F	operty Card of Scarch Results	<u> </u>
Property Identification Run Dt: 1/16/20 Mag N: 50825 125 1* Acct N: 000529350-001 Address: 000701 CHURCH ST City/St: HLACKSTONE, VA 23824	19 Owner Name/Address BLACKSTONE RURAL ASSOCIATES LIMITED	Legal Description001 of 02 701 CHURCH ST
Acct #: 000523350-001	PARTNERSHIP WHAGHOLIA PLACE	1-40
Address: 000701 CHURCH ST	1375 PICCARD DR	3.44 ACRES
City/St: HLACKSTONE, VA 23824	ROCKVILLE, MD 20850	J.44 ACRES
	KUCKATITE' WD 50820	Deed Bk/Pg: 0339/ 867/
		Plat Bk/Pg: 0000/ /
Occupancy: COMMERCIAL	Year Built: 1981	Acreage: 3.440
Dwl Type: APARTMENTS MH/Type: / Use/Class: COMMERCIAL/COMMERICAL-INDUSTRI	Year Rmld:	Land Use:
Use/Class: COMMERCIAL/COMMERICAL-INDUSTRI	ALYear Efft: 1985	Total Mineral:
Year Assd: 2017	Condition: AVERAGE	Total Land: 110100
Zoning:	On Site Date: (BS) 3/07/2017	Total Imp: 1166620
Dist:	Condition: AVERAGE On Site Date: (BS) 3/07/2017 Review Date: (KB) 7/27/2017	Total Value: 1276720
Improvement Description	n	
Exterior Improvement Description EXTR-VINYL FLOR-CARPET FNOT-SLAB ROOF-COMPOSITION S	Site	
EXTR-VINYL FLOR-CARPET	SITE-PAVED	
FNDT-SLAB	SITE-PUHLIC SEWER	
ROOF-COMPOSITION S	SITE-PUBLIC WATER	
	TOPO-LEVEL	
Them Size	Rate Value	
PORT.TC WAT		
Item Size PUBLIC WAT 1 PUBLIC SEW 1		
Grade Factor (D)	.81	
Replacement Cost New	102	
Phys Depr. % (.310) 1985 - RVG		
Total Bldg. Value		
Cls Grad YEff Description Str/# Size	The Both Malling	
Cis Grad Merr Description Str/W Size	Kate Put Value	
051 D 1981 OFFICE 2556	55 00 30 31245 55 00 30 34035	
001 D 1981 APARTMENT 2288	33.08 .30 74873	
001 D 1981 APARTMENT 2288	33.00 .30 14013	
001 D 1981 APARTMENT 2288	33.00 ,30 (40/3 55.00 30 34075	
001 D 1981 APARTMENT 2286	33.00 .30 /40/3	
001 D 1981 APARTMENT 2286	Rate Pct Value 60.00 .30 91249 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 55.00 .30 74875 Sec Type S 55.00 .30 74875 Total Square Fee 55.00 .30 74875 Land 55.00 .30 74875 Total 55.00 .30 74875 Sec Type S 55.00 .30 74875 Land 55.00 .30 74875 Land 55.00 .30 74875 Sec Type S 55.00 .30 74875 Land 155.00 .30 74875 Land 155.00 .30 74875 Ryerage Price Pe 55.00 .30 74875 Ryerage Price Pe 55.00 .30 74875 Sale Date/Amount 2.10 .30 20580	tu Bosseintion 3
001 D 1981 APARTMENT 2286	55.00 .30 74873 Sec Type S	tr Description area
001 D 1981 APARTMENT 2286	55.00 .30 74875 Total Square ree	τ
001 D 1981 APARTMENT 2286	00.00 .30 74.875	11 1 No 11 1 A 65
001 D 1981 APARTMENT 2288	55.00 .30 74875 Cur	. Value Prev. Value WCng.
001 D 1981 APARTMENT 2286	55.00 .30 74875 Land	110100 110100 %
001 D 1981 APARTMENT 2288	55.00 .30 74875 Improvements 1	166620 1165220 %
001 D 1981 APARTMENT 2288	55.80 .30 74875 Total 1	276720 1275320 %
001 D 1981 APARTMENT 2288	55.00 .30 74875 Average Price Pe	r Acre 32000
001 D 1981 APARTMENT 2288	55.00 .30 74875 Sale Date/Amount	10/01/2001
056 PAVINGCONCRETE 14000	2.10 .30 20580	
099 D 1981 WOOD DECK 864	10.00 .30 5141	

Disclaimer

Every Reasonable Effort has been made to assure the Accuracy of these maps and associated data. Nottoway County, Virginia and Pearson Appraisal Assume no liability arising from use of these Values or Data contained on this website. The values and property data is provided without warranty of any kind either expressed or implied, including, but not limited to, the implied warrantees of merchantability and fitness for a particular purpose.

Return to Property Card or Search Results

Property Identification Run Dt: 1/:	16/2019 UWNET Mame/Address	redut reservi	SCTOWOOS OF OS
Map #: 50R25 125 1*	BLACKSTONE RURAL ASSOCIATES LIMITED	701 CHURCH ST	r
Boot #+ 000523350-001	PARTMERSHIP %MAGNULIA FLACE 1375 PICCARD DR STE 150 RUCKVILLE, ND 20050	1-40	
Address Books Company Co	1336 BTCCBUD DD		
ROOTESS: UDUIT CHURCH SI	1373 FICCARD DR	3.44 ACR	ec
CIEY/SE: BLACKSTUME, VA 23024	21E 130	3.44 HOO	
	ROCKVILLE, MD 20050	BK/Pg:	0339/ 867/
		Plat Bk/Pg:	0000/ /
Total Market Value	1165220		
Other Improvements	Valuation		
Desc Length Width Size Grad			
STG FR/CB 10.0 12.0 120			
Total Imp Value	1408		
Land Valuation	n		
M Cls Desc G Size Dpth	Rate FV/Pct Value		
A 26 COMM./INDU J 3.440			
Total Land Value 3 440	110100		
Total Land Value 3.440			
14 UNITS, 4 APARTMENTS IN EACH, 1 E			
CENTRAL HEAT & AIR PER EACH APARTME	NT, OFFICE HAS		
LAUNDRY ROOM & COMMUNITY ROOM 2005			
Total Property Value	1276720		
incar tropercy varue	22.10.120		

Disclaimer

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



INSTRUCTIONS FOR THE COMPLETION OF APPENDIX F ARCHITECT'S CERTIFICATION

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

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

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

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

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

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





Architect's Certification

Name of Development:	Magnolia Place Apartments
Address of Development:	701 Church Street Blackstone, VA 23824
Name of Owner:	Magnolia Apartments Limited Partnership

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

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

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.
- 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

Miner Feinstein Architects LLC • 31 West Patrick Street, Suite 100 • Frederick, Maryland 21701 301.760.7988 • www.MFArchitects.net

INITIALS _____

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. <u>Net Rentable Square Feet</u>: 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:

34,160.00	
0.00	
0.00	Ī
34,160.00	

- (A) Total gross floor area in (sq. ft.) for the entire development
- (B) Unheated floor area (breezeways, balconies, storage)
- (C) Nonresidential, (commercial income producing) area
- (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.

	Average		Number of		Total
Unit Types	Unit Sq. Ft.	x	Units/Type		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	610.00		56		34,160.00
2 Bedrooms Elderly	0.00		0		0.00
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	0.00		0		0.00
2 Bedrooms Garden	0.00		0		0.00
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	0.00		0		0.00
2+ Story 3 BR Townhouse	0.00		0		0.00
2+ Story 4 BR Townhouse	0.00		0		0.00
·	Tota	al	56 To	al	34,160.00

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

2. Net Rentable Square Feet *

For purposes of calculating <u>Net Rentable Square Feet</u>, 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.)

	Floor Plan	Number of Units	
Unit Type	Square Feet	This Floor Plan	Total
1 BR - 1 Bath	527	56	29512
2			0
			0
			0
	1		0
			0
			0
			0
			0
0			0
1		·	0
2			0
3			0
4		-	0
5			0
6			0
7			0
8			0
9			0
0			0
1			0
2			0
3			0
4			0
5		· ·	0
6			0
7			0
8			0
9			0
2			0
1			0
2			0
3			0
4			0
5			0
6			0
7			0
8			0
9			0
			0
1			0
2			0
3			0
4			0
5			0
6			0
7			0
8			0
9			0
0			0

^{*}This Information should match Unit Details page of the excel application

DEV Name: Magnolia Place 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...........

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)

www.VHDA.com

(Enter TRUE in each box where appropriate)

TRUE	a. The development will have a community/meeting room with a minimum of 749 square feet.

FALSE b.i,ii Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls (excluding triangular gable end area, doors, windows, kneewalls, columns, retaining walls, stairwells and any features that are not a part of the façade)

Community buildings are to be included in percentage calculations.

TRUE c. Water expense will be sub-metered (tenant will pay monthly or bi-m	thly or bi-monthly bill)
--	--------------------------

TRUE d. Each bathroom consists only of Water Sense labeled tollets, faucets and showerheads

TRUE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.

TRUE f. Free WI-FI access will be provided for community room for resident only usage.

FALSE g. Each Unit is provided free individual high-speed Internet access

OR
TRUE h. Each Unit is provided free individual Wi-Fi access

TRUE i..j. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR Bath Fan with humidistat

TRUE k. Fire Prevention - all Ranges equipped with temperature limiting controls OR

FALSE I. 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

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: Magnolia Place Apartments

TRUE

For all developments exclusively serving elderly tenants upon completion of construction/renabilitation: (optional point items)
TRUE a. All cooking ranges will have front controls
TRUE b. All full bathrooms will have an independent or supplemental heat source
TRUE c. All entrance doors have two eye viewers, one at 42" and the other at standard height
For all rehabilitation and adaptive reuse developments, upon completion of construction/rehabilitation: (optional point items)
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 <u>any</u> structural elements being wood frame construction)
Mid-Rise (5-7 stories with <u>no</u> structural elements being wood frame construction)
High-Rise (8 or more stories with <u>no</u> 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 pemanent 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.

INITIALS #

DEV Name: Magnolia Place Apartments

As architect of record for the above referenced development, the above certifications are correct to the best of my knowledge. Signed: Printed Name: Alan R. Miner, AIA Title: ALAN RICHARD Principal MINER Virginia Registration #: 0401011591 Lic. No. 011591 Phone: 301.760.7988 Date: March 14, 2019

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

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

DEV Name: Magnolla Place Apartments

INITIALS #





Appendix F VHDA's Universal Design Certification

	velopment will meet VHDA's Universal Design Guideline: e of IRS Form 8609, applicant will provide documentation to V	
	such units meet VHDA's Universal Design guidelines.	HUM 03
The number of re	ental units that will meet these standards:	56
The total numbe	er of rental units in this development:	56
NOTE:	For Elderly Developments, 100% of the units in the devel Universal Design standards in order to qualify for points.	•
	For Family Developments, points are awarded based on number of units meeting the Universal Design standards	
	For the tax credit applicant to qualify for points associate the architect of record must be on VHDA's list of Univers VHDA Universal Design Certifications are only valid for 2 certification date is after January 1, 2014	al Design certified architects.
	plications which include amenity points for providing VHDA Un ust include plans that clearly identify the following items in th be awarded:	
of vertical transp include a legend	plans identifying the location of Universal Design dwelling uni portation (if applicable), along the accessible route(Minimum s I and Universal Design General Notes section. Anything other presented to and approved by VHDA for this project at least to lication.	scale 1/8″=1′-0″). than a fully handicap accessible elevator
room, laundry fa	acility, mailboxes, garbage collection areas and public transpor and consider any obstructions. Include required number of acc	niversal Design units to accessible parking, leasing office, community tation pick up areas. Architect must identify running slope and cross essible parking spaces, a legend for the accessible route, and a Universal
- Enlarged Univers	sal Design unit plans (Minimum scale 1/4"=1'-0") identifying ci	earances and all Essential Elements
	Signed:	
	Printed Name:	Alan R. Miner, AlA

DEV Name: Magnolia Place Apartments

Architect of Record (same individual as on page 7)

INITIALS #

1.01.19 v.2

Date: 3/14/19



Appendix F RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

and/or physically disabled households).
In addition provide HERS rating documention 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.
Later and the second se
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.
no rom 6665, applicant will obtain and provide ecranication to virule.
TRUE Earthcraft Certification - The development's design meets the criteria to obtain
Viridiant's EarthCraft Multifamily program Gold certification or higher
FALSE LEED Certification - The development's design meets the criteria for the U.S.
Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria
for meeting the NGBS Silver or higher standards to obtain certification
FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting
The second comments of the content of the co
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
11-to/ ken
Signed: Math Way
Date: 3/13/19 Printed Name: Matt Waring
Date: 3/13/19 Printed Name: Matt Waring RESNET Rater
Resnet Provider Agency
Viridiant Signature

Home Energy Rating Certificate

Projected Report

Registry ID: Unregistered Ekotrope ID: 9vgM3WRL Rating Date:

HERS® Index Score:

energy efficient the home. To learn relative performance score. The lower the number, the more Your home's HERS score is a

Annual Savings

Relative to an average U.S. home 5143

701 Church Street Blackstone, VA 23824 **Builder:**

more, visit www.hersindex.com

This home meets or exceeds the criteria of the following:

Your Home's Estimated Energy Use:

Use [MBtu]

Heating	8.6
Cooling	1.9
Hot Water	6.6
Lights/Appliances	12.6
Service Charges	
Generation (e.g. Solar)	0.0
Total:	29.6

Home Feature Summary:

More Energy

HERS Index

Resistance Heater's Electric • 1 Adjusted Efficiency Water Heater • Electric • 0.89 Energy Factor Air Conditioner • Electric • 8.5 EER 847 CFM50 (11.10 ACH50) Apartment, end unit 565 sq. ft. N/A Home Type: Community: Conditioned Floor Area: Number of Bedrooms: Primary Heating System: Primary Cooling System: Primary Water Heating: House Tightness:

100

Reference Home

Existing Homes

U-Value: 0.87, SHGC: 0.73 Attic, R-31 Untested None Ventilation: Above Grade Walls: Window Type: Foundation Walls: Duct Leakage to Outside:

Rating Completed by:

Energy Rater: Manon Shankle RESNET ID:5201257 Rating Company:Viridiant 1431 W. Main Street, Richmond, VA 23220

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



Manon Shankle, Certified Energy Rater Date: 3/14/19 at 8:01 AM

Less Energy

EDOLD RESNET

Zero Energy Home

Home Energy Rating Certificate

Projected Report

Rating Date:

Registry ID: Unregistered Ekotrope ID: Pda6kbev

HERS® Index Score:

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

*Relative to an average U.S. home

Home: 701 Church Street Blackstone, VA 23824 Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	4.3
Cooling	0.7
Hot Water	5.7
Lights/Appliances	10.6
Service Charges	
Generation (e.g. Solar)	0.0
Total:	21.3

72

HERS Index

140

Existing

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: 565 sq. ft.

Number of Bedrooms:

Primary Heating System: Air Source Heat Pump • Electric • 9.5 HSPF Primary Cooling System: Air Source Heat Pump • Electric • 17 SEER Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor

House Tightness:

30.0 CFM • 23.0 Watts Ventilation: Duct Leakage to Outside: 45.216 CFM25 (8 / 100 s.f.)

Above Grade Walls: R-13 Attic, R-38

> Window Type: U-Value: 0.32, SHGC: 0.27

Foundation Walls:

Rating Completed by:

Energy Rater: Manon Shankle RESNET ID:5201257

Rating Company: Viridiant

1431 $\overline{\text{W}}$. Main Street, Richmond, VA 23220

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



Manon Shankle, Certifled Energy Rater Date: 3/13/19 at 9:44 AM



The Home Energy Rating Standard Disclosure for this house is available from the rating provider This report does not constitute any warranty or guarantee

G

Zoning Certification Letter (MANDATORY)

WILLIAM D. COLEBURN Mayor

COUNCIL MEMBERS

BARBARA THOMPSON President of Council

ERIC M. NASH LONNIE MORGAN NATHANIEL MILLER SHELIA JONES TOM WILKINSON CHRISTINE HASBROUCK TOWN OF BLACKSTONE

100 WEST ELM STREET BLACKSTONE, VIRGINIA 23824 PHONE (434) 292-7251 FAX (434) 292-6560 PHILIP VANNOORBEECK Town Manager

> BRITTANY HARRIS Treasurer

JENNIFER HARDY Finance Director

JENNIFER S. DANIEL Town Clerk

NICHOLAS C. KUZMIAK Chief of Police

TESSIE BARNES BACON Town Attorney

DATE:

January 31, 2019

TO:

Virginia Housing Development Authority

601 South Belvidere Street Richmond, Virginia 23220 Attention: JD Bondurant

RE:

ZONING CERTIFICATION

Name of Development:

Magnolia Place

Name of Owner/Applicant:

Magnolia Apartments Limited Partnership

Name of Seller/Current Owner:

Blackstone Rural Associates 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:

701 Church Street, Blackstone, VA 23824

Legal Description:

See Attached

Proposed Improvements:

New Construction: # Units # Buildings Total Floor Area Sq. Ft.

Adaptive Reuse: # Units # Buildings Total Floor Area Sq. Ft.

Rehabilitation: <u>56</u> #Units <u>14</u> # Buildings <u>33,992</u> Total Floor Area Sq. Ft.

Current Zoning: <u>R-3, Heavy Residential</u> allowing a density of <u>36</u> one-bedroom units per acre, and the following other applicable conditions:

Other Descriptive Information:

Magnolia Apartments is an elderly housing apartment community consisting of 14 one-story apartment buildings targeting low-income elderly in the Town of Blackstone and the greater Nottoway County area. The project will have a vinyl siding exterior and consists of (56) one-bedroom apartments. Magnolia Apartments Limited Partnership plans to expend \$40,000 per unit in hard costs if awarded tax credits.

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 goning approvals and/or special use permits are required.

Signature:

Printed Name: Philip Vannoorbeeck

Title of Local Official or Civil Engineer: Town Manager

Phone: <u>434-292-7251</u>

Date: January 31, 2019

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

All that certain tract or parcel of land situate, lying and being in the Town of Blackstone, Nottoway County, Virginia, designated as Tax Identification Number 50A-25-1-25-1, containing 3.444 Acres, as shown on plat of survey made by Acres of Virginia, Inc., Surveyors, Engineers, Planners & Soil Consultants, entitled, "PLAT SHOWING AS-BUILT SURVEY, BLOCK 25 WEST BLACKSTONE, MAGNOLIA PLACE, FORMERLY KNOWN AS BLACKSTONE MANOR, TOWN OF BLACKSTONE, NOTTOWAY COUNTY, VIRGINIA, SURVEYED FOR: BLACKSTONE RURAL ASSOCIATES LIMITED PARTNERSHIP," dated September 12, 2002, a copy of which plat of survey is to be recorded in the Clerk's Office of the Circuit Court for the County of Nottoway, Virginia, and to which plat of survey reference is here made for a more accurate and particular description of the said property.

Attorney's Opinion (MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6915 adomson@williamsmullen.com

March 14, 2019

TO: Virginia Housing Development Authority

601 South Belvidere Street Richmond, VA 23220

RE: 2019 Tax Credit Reservation Request

Name of Development: Magnolia Place

Name of Owner: Magnolia Apartments Limited Partnership

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 14, 2019 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

- 1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
- 2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
- 3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
- 4. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.

WILLIAMS MULLEN

March 14, 2019 Page 2

- 5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.
- 6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
- 7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
- 8. 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.
- 9. 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.

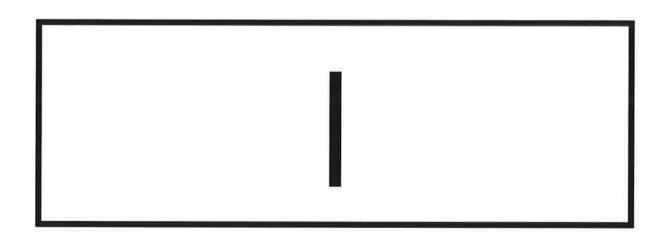
WILLIAMS MULLEN, A Professional Corporation

I cliesar Danisen

Allison T. Domson

Its: Shareholder

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Nonprofit Questionnaire (MANDATORY for points or pool)



Non-profit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the non-profit pool established under the Plan and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. Attach additional sheets as necessary to complete each question.

	. General Information		
٦.	a. Name of development: Magnolia	a Place Apartments	
٥.	o. Name of owner/applicant: Magnolia	Magnolia Apartments Limited Partnership	
· .	. Name of non-profit entity: Petersbu	Petersburg Community Development Corporation, Inc.	
	· · · ·	Address of principal place of business of non-profit entity: 200 South 10th Street, Suite 1600, Richmond, VA 23219	
	Indicate funding sources and amount used to pay for office space: Office in personal residence of Executive Director.		
	. Tax exempt status:	3)	
	Date of legal formation of non-profit (m evidenced by the following docume November 21 1989; evidence by certificate of Incorporate	ntation:	
	Date of IRS 501(c)(3) or 501(c)(4) deterr deadline and copy must be attached) August 1990.	nination letter (must be prior to application :	
	of incorporation):	le the fostering of low-income housing in its articles be sold or otherwise transferred to low and moderate income individuals.	
	Expected life (in years) of non-profit:		

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j.	Explain the anticipated future activities of the non-profit over the next five years: Hold general partner interest in low/moderate income apartment communities and hold options to purches such projects at the		
	end of the tax credit compliance period to ensure continued affordability.		
k.	How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)? How many part time, paid staff members?		
	Describe the duties of all staff members: Part-time executive director works on specific projects as funding is available; board members volunteer their services.		
J.	Does the non-profit share staff with any other entity besides a related non-profit described above?		
	Yes No If yes, explain in detail:		
m.	How many volunteers does the non-profit and, if applicable, any related non-profit have? Less than 25.		
n.	What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development Private donations, grants, cash distributions from properties where PCDC serves as general partner.		
0.	List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses: See attached list.		
2. No	n-profit Formation		
a.	Explain in detail the genesis of the formation of the non-profit: Organized in 1989 to own, rehab and sell single family homes to first time home buyers, subsequently worked on redevelopment plans and co-developed a LIHTC property in Petersburg, VA "Henry Williams Townhomes" and Surry Village in Surry, VA.		

3. Non-profit Involvement

b.	Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?		
	Yes No If yes, explain in detail: PCDC was rescued in 2004 by Petersburg Redevelopment and Housing Authority when it was defunct; PCDC and the Housin Authority pursued projects jointly until they "divorced" in 2009 over their differences about what constitutes affordable hous PCDC elects it's own board.		
C.	Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit? Yes No If yes, explain:		
d.	Does any for-profit organization or local housing authority have the right to make such appointments? Yes No If yes, explain:		
e.	Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control? Yes No, If yes, explain:		
f.	Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?		
g.	Yes No Explain in detail the past experience of the non-profit including, if applicable, the past		
9.	experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.): Originally bought and sold rehabbed single family homes to first time home buyers; developed Van Buren Estates subdivision in Petersburg; co-developed Henry Williams Townhomes in Petersburg (2012). Currently PCDC is general partner in Pinecrest Apartments in Bedford, VA which received a 9% allocation of Tax-Credits by VHDA in 2018.		
h.	If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit. N/A		

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a.	Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?
	■Yes No
	(i) Will the non-profit own at least 10% of the general partnership/owning entity? Tes No
	(ii) Will the non-profit own 100% of the general partnership interest/owning entity? ☐ Yes ■ No
	If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest: Non-Profit owns 10% of GP interest.
).	(i) Will the non-profit be the managing member or managing general partner? Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?
	(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No
S O	Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?
	Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced? The ROFR will be referenced in the tax credit investors Amended and Restated Agreement of Limited Partnership.
	Recordable agreement attached to the Tax Credit Application as TAB V
	If no at the end of the compliance period explain how the disposition of the assets will be structured:
	Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?
	☐ Yes ■ No If yes,
	(i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:
	(ii) Describe the nature and extent of the non-profit's involvement in the operation or

	time period of occupancy restrictions of the low-income units in the Development):
(iii)	Will the non-profit invest in its overall interaction with the development more than 50 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:
resp mer The de	ain how the idea for the proposed development was conceived. For example, was it conse to a need identified by a local neighborhood group? Local government? Board mber? Housing needs study? Third party consultant? Other? Involvement plan for several more appropriately was identified by a 3rd party which had been working on the site redevelopment plan for several more property.
-	PCDC's involvement. PCDC was contacted through another non-profit that was unable to participate, since PCDC's mission the development of affordable housing in the state of VAand the location of the planned development fit within PCDC footput
be t	all general partners/managing members of the Owner of the Development (one must he non-profit) and the relative percentages of their interests; of the property is Magnolia Apartments LP. General Partners are AS Squared, LLC (90%) and PCDC (10%).
mer con	s is a joint venture, (i.e. the non-profit is not the sole general partner/managing mber), explain the nature and extent of the joint venture partner's involvement in the struction or rehabilitation and operation or management of the proposed elopment.
lego (i) ex reho AS Squ to the p	for profit entity providing development services (excluding architectural, engineering, al, and accounting services) to the proposed development? Yes No If yes, explain the nature and extent of the consultant's involvement in the construction or abilitation and operation or management of the proposed development. Yes No If yes, explain the nature and extent of the consultant's involvement in the construction or abilitation and operation or management of the proposed development. Yes No If yes, explain the construction has been selected by PCDC to provide real estate development services agreement, AS Squared, LLC will provide financial guarantees as necessarily investment limited partner and construction lender.
(ii)	Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services? TM Associates Inc. manages several AS Squared properties and is also the property manager of the majority of PCDC communication.
Will t	he non-profit or the Owner (as identified in the application) pay a joint venture partner

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Under the development services agreement, AS Squared, LLC will be paid a developers fee of approximately \$705,000
Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.
Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow Yes No If yes, explain:
Will any member of the board of directors, officer, or staff member of the non-profit particip in the development and/or operation of the proposed development in any for-profit capacity Yes No If yes, explain:
Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner: AS Squared, LLC has previously worked with PCDC on a LIHTC development in VA. TM Associates Management currently management communities which PCDC is the General partner of.
Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development? Yes No If yes, explain in detail, including the compensation for the other non-profits

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4. Virginia and Community Activity Has the Virginia State Corporation Commission authorized the non-profit to do business in a. ■ Yes □ No Virginia? b. Define the non-profit's geographic target area or population to be served: Low and moderate income individuals in the United States, PCDC currently owns properties in PA and VA and is currently pursuing opportunities in OH, NC, and SC. C. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)? ■Yes ☐ No If yes, or no, explain nature, extent and duration of any service: PCDC has participated in local activism to increase affordable housing in the Newport News region. PCDC is the General Partner of two low-income communities in the nearby area of Surry. d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain: No, but PCDC has conducted focus groups and feasability studies in the affected communities to solicit input from prospective tenants and users of the facilities being proposed. e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community? ■Yes □ No f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community? ■ Yes □No If yes, explain: PCDC was successfully awarded project based vouchers from the local housing authority to be utilized at another community. Has the non-profit conducted any meetings with neighborhood, civic, or community groups g. and/or tenant associations to discuss the proposed development and solicit input? No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:

Are at least 33% of the members of the board of directors representatives of the community

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h.

being served? Yes INO If yes,

(i) low-income residents of the community?

Yes

No

	(ii) elected representatives of low-income neighborhood organizations? $\ \square$ Yes $\ \square$ No
i.	Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No
j.	Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule: Annual Meetings to elect board and officers and special meetings when needed.
k.	Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U.S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes, however CHDO status has since expired
Ĭ,	Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:
m.	Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain: However, when its focus was on the Petersburg area, PCDC received grants from the city of Petersburg in competitive proposal solicitations
	where other non-profits also submitted proposals.
n.	Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Tes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).
	Henry Williams Townhomes 2010 & 2011 LiHTC applications; recieved award in 2011 for 42 units. TM Associates and MARG Rural were 49% GP and PCDC was 51% GP.
	Pinecrest Apartments in 2018 LIHTC application; recieved award same year for 64 units. Green Street Housing is 90% GP and PCDC is
	10% GP. Surry Village, 2007 LIHTC award, PCDC is 100% GP.
0.	Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).
p.	To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No If yes, explain:

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q.	i is	Has the non-profit been an owner or appreservation in a previous application rour VHDA Housing Funds? Tyes No If ye VHDA loans on Henry Williams and Surry Village and planner	
r.	9	years old and that, at a minimum identifie.	ty needs assessment that is no more than three is all of the defined target area's housing needs explain the need identified:
s.		strategy for addressing identified communicand timeline for implementing the strategy and comprehensive strategy were developed.	unity plan that (1) outlines a comprehensive ty housing needs, (2) offers a detailed work plan, and (3) documents that the needs assessment ped with the maximum possible input from the fyes, explain the plan:
	-		
	*		
5. Attachments			
	Documentation of any of the above need not be submitted unless requested by VHDA		submitted unless requested by VHDA
	The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge of the foregoing information is complete and accurate. Furthermore, each certifies that attempt has been or will be made to circumvent the requirements for non-profit participat contained in the Plan or Section 42 of the Internal Revenue Code.		accurate. Furthermore, each certifies that no not the requirements for non-profit participation
	3/7/20	19	Magnolia Apartments LP
	Date	>	Owner/Applicant By: Adam J. Stockmaster Its: Managing Member, AS Squared LLC, its General Partner Title
	3/7/201 Date	19	Petersburg Community Development Corporation Non-profit
			By: Board Chairman

By:

Presiden

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

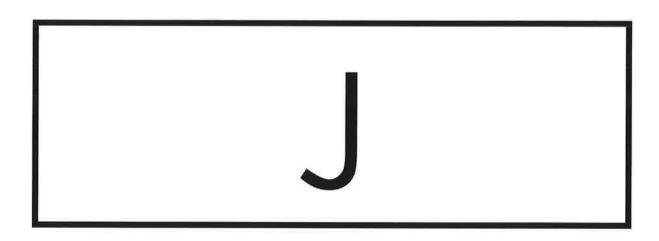
PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, INC.

Board of Directors

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

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

James Hendricks 511 Spring St. SE Vienna, VA 22180 <u>irhendricks@gmail.com</u>



Relocation Plan

(MANDATORY, if tenants are displaced)

Magnolia Place Apartments Renovation and Relocation Plan

March 1, 2019

PROJECT AND CONTACT INFORMATION

Project: Magnolia Place Apartments, 701 Church Street, Blackstone, Virginia 23824

Owner: Magnolia Apartments Limited Partnership

c/o T.M. Associates, Inc., 1375 Piccard Drive, Suite 150, Rockville, Maryland 20850

Contact: Adam J. Stockmaster, astockmaster@tmadevelopment.com, 240-428-7799 x 102

Property Management: TM Associates Management, Inc. 1375 Piccard Drive, Suite 150, Rockville,

Maryland 20850

Contact: Shay Dugan, sdugan@tmamgroup.com, 240-683-0300

REHABILITATION ACTIVITIES

Magnolia Apartments LP intends to purchase the existing Magnolia Place Apartments, and a significant capital investment is planned. The planned acquisition of the property is scheduled to occur in June 2019.

This renovation plan relates to Magnolia Place Apartments. The property consists of 56 apartment units offering one-bedroom units. The leasing office for Magnolia Place Apartments will remain where it is located. Existing community amenities include a community room space, with kitchen, for resident activities, as well as a secondary seating area with vending. The scope of work for rehabilitation includes, but is not limited to the following:

- · Replacement of kitchen cabinets and countertops
- Replacement of bathroom vanities and toilets replacement of select tubs
- · Replacement of water heaters and HVAC units
- · Replacement of windows
- Upgrades to electrical and plumbing systems, including new lighting and ceiling fans
- · Installation of new flooring in most units
- · Replacement of appliances in most units and installation of dishwashers
- Increased attic insulation
- Site improvements, including new landscaping, replacement of select sidewalks and a new building entry

The new appliances and mechanical equipment will offer higher efficiency than what is currently being

used at the property. Along with new windows and new insulation, the units will be significantly more energy efficient and should lead to lower utility bills for the residents.

PROJECT SCHEDULE

The rehabilitation work will be performed by Canterbury Construction, Inc., a large general contractor with significant experience managing rehabilitation projects of this scope. The construction is intended to progress with exterior work being completed first, followed by interior work and finishes. This plan contemplates a construction start of June 1, 2020. The planned renovation work is expected to by materially complete by December 31, 2020, with the punch list work expected to be complete by March 2021. The schedule for when construction activity will be updated regularly with sufficient notification to residents for work that needs to be completed in their apartment. Once the schedule is finalized, this plan will be updated and redistributed as needed. All of the renovation work is intended to be completed around the existing residents, with the residents to remain in their unit, but both the community room and seating area will be available for the residents to enjoy while work is ongoing in their apartment should they choose to not remain in their apartment.

Start Renovation June 1, 2020, Substantially Complete Renovation by December 31, 2020 with all work anticipated to be completed by March 31, 2021. This schedule is subject to change and the residents will be notified of schedule changes as soon as possible.

RESIDENT IMPACT

The property management staff and company will not change and the same experienced property manager, known for their professionalism and attentive service to the residents they serve. All of the members of the management team will be tasked to keep the residents informed of changes to the renovation plans throughout the construction period. The proposed construction activity in each unit will be performed in such a fashion to limit resident inconveniences.

Resident furnishings and belongings will be moved as needed by the general contractor and subcontractors at the ownership's expense. We ask that the residents please pack-up their small items and valuables with materials that property management will furnish. As needed assistance can be provided for residents with special needs.

RENTS AND RENTAL POLICIES FOLLOWING REHABILITATION

Magnolia Place Apartments is being renovated using housing tax credit financing along with a new mortgage. With this source of financing, housing costs, including rent and an allowance for tenant-paid utilities, are restricted so as to be affordable to households that earn 60% of the Area Median Income. Also, only households with incomes below 60% of the Area Median Income (as adjusted for household size) are eligible to live in the community.

These rent and income restrictions are no different than what is currently in place for the property under the previous ownership, so it is expected that all existing residents at Magnolia Place Apartments will be income qualified. Property Management will annual certify the incomes of the residents and they will reach out to each of the existing residents to verify the income of the household.

Current income limits and the projected post-rehabilitation rents are shown in the attached Resident Selection Criteria (RSC) for the property. Due to the project based rental subsidy contract on a majority of the units, the resident paid portion of the rents is not expected to change for these units.

Residents will continue to be responsible for their own electrical costs, which includes heat, air conditioning, cooking, water heating, and lighting/general electric use. Residents are also responsible for any optional services desired, such as telephone, cable TV or internet service. Following completion of the renovation work, the water and sewer service will be individually sub metered and the resident will become responsible for this billing. Trash service will continue to be paid for by the ownership.

Rent and Utility Changes Proposed

Current Rents Proposed Rents

1Bedroom Units \$476/month \$466/month

Utility Allowance Changes Proposed

Current Utility Allowance Proposed Utility Allowance

1Bedroom Units \$76/month \$52/month

Permanent Relocation

Existing residents are NOT expected to be permanently relocated as a result of the acquisition or rehabilitation of Magnolia Place Apartments. If a current resident is found to be over income or found to have been over income when the resident initially occupied their unit, they will be permanently relocated from Magnolia Place Apartments property. As the previous ownership of Magnolia Place was held to the same income verification requirements as the new ownership. We do not expect there to be any situation where a current resident will be found to not qualify for their apartment unit.

The site management team will provide Full Relocation Assistance as required in the VHDA's Relocation Assistance Guidelines. Such assistance includes Advisory Services and Moving Cost Reimbursement to the extent a relocation is necessary to perform the planned renovation work.

OWNER'S RESPONSIBILITIES TO TENANTS

Advisory Services will include:

- Providing referrals for tenants to replacement properties
- · Providing tenants with written information
- Providing appropriate translation and counseling for tenants who are unable to read and understand notices
- Communicating the name and telephone number of a contact person who can answer questions or provide other needed help
- Providing transportation for tenants needing to look at other housing, especially those who are elderly or disabled
- Giving special consideration to the needs of families with school age children
- Extending regular business hours, including evenings and weekends, so that tenants won't have to miss work

Moving Cost Reimbursement to displaced residents will be based on the following guidelines:

- The Federal Highway Administration's Fixed Residential Moving Cost Schedule (includes utility hook up costs) for Virginia is as follows:
 - 1 Room of Furniture-\$700
 - Rooms of Furniture-\$900
 - 3 Rooms of Furniture-\$1100
 - 4 Rooms of Furniture-\$1300

0r

- Based on tenant's actual reasonable moving and related expenses. Reimbursement of actual
 moving and related expenses is defined as either labor or equipment.
- · As needed, residents will receive assistance in packing and moving furniture and belongs
- Temporary storage units will be provided for convenience as well.

Temporary Relocation

All residents are scheduled to remain in their same apartment. However, 5 units will receive significant handicap upgrades that may necessitate a temporary relocation of the resident. Residents temporarily relocated will be offered Moving Cost Reimbursement. Most residents that are temporarily relocated will endure no more than four to six weeks of relocation. Residents will receive assistance in packing and moving furniture and belongs, plus temporary storage units will be provided for convenience as well.

Tenant Notices

The new ownership intends to provide thorough and well-documented communication with residents of relocation and renovation plans. Initial notices have already been provided by property management, and further notices will begin on the settlement date, beyond the earlier 120-day notice. The 120-day notice will provide residents with notice of the owner's intent to acquire the property, general information and notice of relocation eligibility. Further notice, at least 30-days in advance of work commencing in the resident apartment. Mailings will be prepared in advance so that they may be mailed as of the notice date.

No tenant will be required to vacate a unit with less than 120-day advance notice.

Copies of all notices with tenant acknowledgement will be provided to VHDA as soon as possible.

This Renovation and Relocation Plan will be made available to residents upon request and will be posted in the leasing office in plain sight for tenant review. Copies of all notices, checks and other documents related to the relocation will be included in each tenant's file.

Moving Cost Reimbursements

Residents seeking reimbursement of actual moving expenses must provide documentation, including bills, certified prices, appraisals or other evidence of expenses within 30-days of receiving same. The ownership's responsibilities with respect to Moving Cost Reimbursements are as follows:

- Owners must provide reasonable assistance necessary to complete and file tenants' claims for payment.
- Moving cost reimbursements shall be made upon receipt of billing documentation from the tenant.
- Owners must provide expedited return of security deposits or allow tenants to apply security deposits to the last month's rent.
- Owners must make advanced payments, if a tenant demonstrates the need, in order to avoid or reduce a hardship.
- If the owner disapproves all or part of a payment claimed or refuses to consider the claim on its
 merits because of untimely filing or other grounds, it shall promptly notify the claimant in writing
 of its determination, the basis for its determination and the procedures for appealing that
 determination.
- An owner shall not propose or request that a displaced tenant waive his or her rights or entitlements to relocation assistance and benefits.

DOCUMENTATION OF COMPLIANCE WITH GUIDELINES

A Final Moving Cost Reimbursement summary in rent roll format (by tenant, by unit) will be submitted to VHDA by 12/31/2020, but no later than 30-days after the last tenant is relocated. In addition, the ownership will provide a certification that the Owner has met the VHDA Moving Cost Reimbursement and Relocation Assistance Guidelines.

PLAN UPDATES

This plan may be updated from time to time. Copies of the updated plan will be made available to residents affected by the project.

Attachments:

Moving Cost Reimbursement Schedule

Rent Roll w/Potential Moving Cost Reimbursement

Tenant Notices of upcoming renovations

Tenant Selection Criteria

Magnolia Place Apartments-Moving Cost Reimbursement Schedule

Note: This pre-determination of moving cost reimbursements assumes that no more than six residential units may need to be vacated on a volunteer basis. This pre-determination assumes that half of volunteers will move twice (in-and-out of their unit). To account for assumed vacancy at the start of the notice period, total moving costs are reduced by 20%. A contingency of \$100/unit is also added to the estimated costs.

Moving Cost Reimbursement

Pre Determination

• \$ 900 1 Bedroom Unit (2 rooms w/ furniture)

Documentation of Development Location:

K. 1

Revitalization Area Certification

N/A

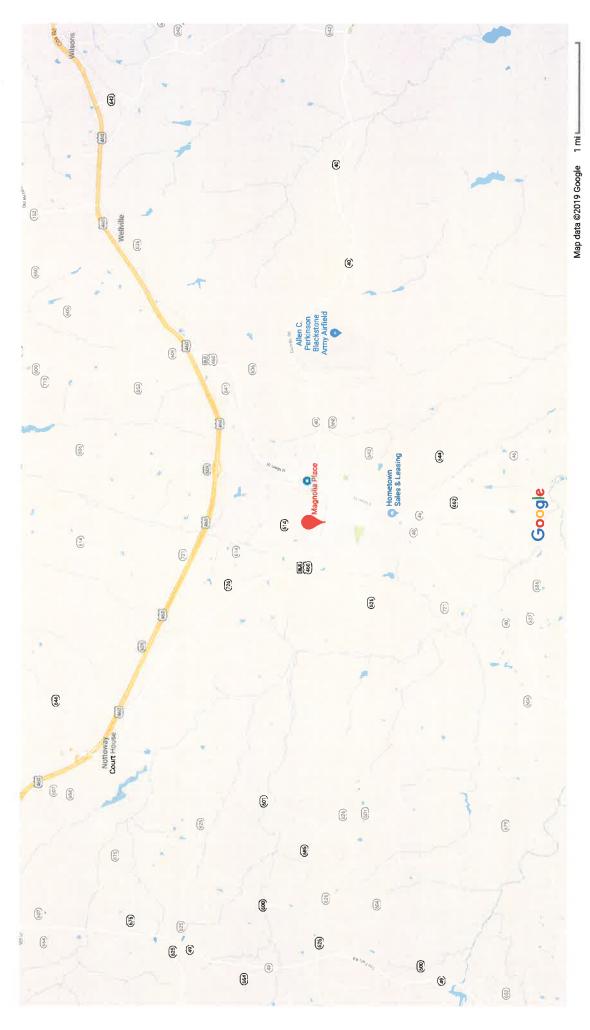
K.2

Location Map



Magnolia Place

701 Church Street, Blackstone, Virginia 23824



K.3

Surveyor's Certification of Proximity to Public Transportation

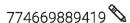


Surveyor's Certification of Proximity to Transportation

DATE:	2/19/19						
TO:	Virginia Housing Developmer 601 South Belvidere Street Richmond, VA 23220-6500	nt Authority					
RE:	2019 Tax Credit Reservation R Name of Development: Name of Owner:						
Gentle	emen:						
			of the Owner's Application for Reservation ation 42 of the Internal Revenue Code of				
necess within:	sary this firm certifies that: the		ite and any other matters as it deemed eet boundary entrance to the property is				
	2,640 feet or ½ mile or rail, light rail or subwar		est access point to an existing commuter r				
	1,320 feet or ¼ mile of stop.	of the near	est access point to an existing public bus				
		TOWN	ES SITE ENGINEERING				
	alla a		Firm Name				
1	Menl	Ву:	FINELT. LIPSCOMY JECTUL				
	1-1-1-1	Its:	LAND SURVEYOR				
	2/20/19		Title				
	"Principles and ""	ASK U	S HOW.				

PHA/Section 8 Notification Letter







Delivered Tuesday 3/12/2019 at 9:23 am



DELIVERED

Signed for by: D.THURMAN



GET STATUS UPDATES OBTAIN PROOF OF DELIVERY

FROM

T.M. Associates, Inc Development Office 1375 Piccard Drive Suite 150 Rockville, MD US 20850 240 428-7799

TO

VHDA Anton Shaw RICHMOND, VA US 23220 877 843-2123

Shipment Facts

TRACKING NUMBER

774669889419

DELIVERY ATTEMPTS

TOTAL SHIPMENT WEIGHT 0.5 lbs / 0.23 kgs

SPECIAL HANDLING SECTION

Deliver Weekday

SERVICE

FedEx Priority Overnight

DELIVERED TOMailroom

TERMS Shipper

STANDARD TRANSIT

0

3/12/2019 by 10:30 am

WEIGHT

0.5 lbs / 0.23 kgs

TOTAL PIECES

1

PACKAGINGFedEx Envelope

SHIP DATE

(?)

Mon 3/11/2019

ACTUAL DELIVERY

Tue 3/12/2019 9:23 am

Tuesday , 3/12/2019		
9:23 am	RICHMOND, VA	Delivered
8:54 am	MECHANICSVILLE, VA	On FedEx vehicle for delivery
7:54 am	MECHANICSVILLE, VA	At local FedEx facility
6:37 am	RICHMOND, VA	At destination sort facility
4:08 am	MEMPHIS, TN	Departed FedEx location
Monday , 3/11/2019		
11:59 pm	MEMPHIS, TN	Arrived at FedEx location
9:10 pm	ROCKVILLE, MD	Left FedEx origin facility
6:54 pm	ROCKVILLE, MD	Picked up
12:23 pm		Shipment information sent to FedEx
12:23 pm		Shipment information sent to FedEx



PHA or Section 8 Notification Letter

Development Name: Magnolia Place Apartments

Tracking #: 2019-C-66

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

General Instructions

- 1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have project based Section 8 or project based vouchers.
- 2. This PHA or Section 8 Notification letter must be included with the application.
- 3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
- 4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
- 5. 'Proposed Rents' should correspond with VII.C of the Application.
- 6. 'Other Descriptive Information' should correspond with information in the application.

NOTE: Any change to this form letter may result in a reduction of points under the scoring system.

PHA or Section 8 Notification Letter

DATE:	March 11, 2019
TO:	Anton Shaw, HCVP Director VHDA, 601 South Belvidere Street
	Richmond, VA 23220
RE:	PROPOSED AFFORDABLE HOUSING DEVELOPMENT
	Name of Development: Magnolia Place Apartments Name of Owner: Magnolia Apartments LP
federa (VHDA prefere compl The fol Develo	opment to be completed in your jurisdiction. We are in the process of applying for all low-income housing tax credits from the Virginia Housing Development Authority (a). We expect to make a representation in that application that we will give leasing ence to households on the local PHA or Section 8 waiting list. Units are expected to be eted and available for occupancy beginning on 12/31/2020 (date). Illowing is a brief description of the proposed development:
	rch Street
BIACKSTOR	ne, VA 23824
Propos	sed Improvements:
	New Constr.:# units# BldgsAdaptive Reuse:# units# Bldgs■ Rehabilitation:56# units# Bldgs
Propos	sed Rents:
	☐ Efficiencies: \$ / month ☐ 1 Bedroom Units: \$ 466
	Descriptive Information: partments is an elderly housing apartment community consisting of 14 one-story apartment buildings targeting low-income elderly in the
	ekstone and the greater Nottoway County area. The project will have a vinyl siding exterior and consists of (56) one-bedroom apartments.
A silognol	Anartments Limited Partnership plans to expend \$40,000 per unit in hard costs if awarded tax credits

PHA or Section 8 Notification Letter

We appreciate your assistance wit	th identifying qualified tenants.
If you have any questions about 240-428-7799 x 105	ut the proposed development, please call med
	Sincerely yours. Adam J. Stockmaster Name Managing Member, AS Squared, LLC Title sing Authority or Sec 8 Administrator:
Seen and Acknowledged By:	
Printed Name:	
Title:	 :
Phone:	
Date:	

M

Locality CEO Response Letter

WILLIAM D. COLEBURN Mayor

COUNCIL MEMBERS

BARBARA THOMPSON President of Council

ERIC M. NASH LONNIE MORGAN NATHANIEL MILLER SHELIA JONES TOM WILKINSON CHRISTINE HASBROUCK TOWN OF BLACKSTONE

100 WEST ELM STREET BLACKSTONE, VIRGINIA 23824 PHONE (434) 292-7251 FAX (434) 292-6560 PHILIP VANNOORBEECK Town Manager

> BRITTANY HARRIS Treasurer

JENNIFER HARDY Finance Director

JENNIFER S. DANIEL Town Clerk

NICHOLAS C. KUZMIAK Chief of Police

TESSIE BARNES BACON Town Attorney

DATE:

January 31, 2019

TO:

Virginia Housing Development Authority

601 South Belvidere Street Richmond, Virginia 23220 Attention: JD Bondurant

VHDA Tracking Number:

2019-C-66

Name of Development:

Magnolia Place Apartments

Name of Owner/Applicant:

Magnolia Apartments LP

The construction or rehabilitation of Magnolia Place Apartments and the allocation of federal housing tax credits available under IRC Section 42 for that development will help meet the housing needs and priorities of the Town of Blackstone. Accordingly, the Town of Blackstone supports the allocation of federal housing tax credits requested by Magnolia Apartments LP for that development.

Philip Vannoorbeeck

Town Manager

Homeownership Plan

N/A

Plan of Development Certification Letter

N/A

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes: Updated: 2/26/2019

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

- 1 Alexander, Randall P.
- 2 Arista, Roberto
- 3 Barnhart, Richard K.
- 4 Baron, Richard
- 5 Bennett, Vincent R.
- 6 Burns, Laura P.
- 7 Chapman, Tim
- 8 Cohen, Howard Earl
- 9 Connelly, T. Kevin
- 10 Connors, Cathy
- 11 Copeland, M. Scott
- 12 Copeland, Robert O.
- 13 Copeland, Todd A.
- 14 Cordingley, Bruce A. 15 Counselman, Richard
- 16 Crosland, Jr., John
- 17 Curtis, Lawrence H.
- 18 Daigle, Marc
- 19 Dambly, Mark H.
- 20 Deutch, David O.
- 21 Dischinger, Chris
- 22 Douglas, David D.
- 23 Edmondson, Jim
- 24 Ellis, Gary D.
- 25 Fekas, William L. 26 Fitch, Hollis M.
- 27 Fore, Richard L.

- 28 Franklin, Wendell C.
- 29 Friedman, Mitchell M.
- 30 Gardner, Mark E.
- 31 Gunderman, Timothy L.
- 32 Haskins, Robert G.
- 33 Heatwole, F. Andrew
- 34 Honeycutt, Thomas W.
- 35 Hunt, Michael C.
- 36 Jester, M. David
- 37 Johnston, Thomas M.
- 38 Jones Kirkland, Janice
- 39 Kirkland, Milton L.
- 40 Kittle, Jeffery L.
- 41 Koogler, David M.
- 42 Koogler, David Mark
- 43 Lancaster, Dale 44 Lawson, Phillip O.
- 45 Lawson, Steve
- 46 Leon, Miles B.
- 47 Lewis, David R.
- 48 Margolis, Robert B.
- 49 McCormack, Kevin
- 50 McNamara, Michael L.
- 51 Meiton, Melvin B.
- 52 Midura, Ronald J.
- 53 Mirmelstein, George
- 54 Nelson, IV, John M.

- 55 Orth, Kevin
- 56 Parent, Brian
- 57 Park, Richard A.
- 58 Park, William N.
- 59 Pasquesi, R.J.
- 60 Pedigo, Gerald K.
- 61 Poulin, Brian M.
- 62 Queener, Brad 63 Ripley, F. Scott
- 64 Ripley, Ronald C.
- 65 Ross, Stephen M.
- 66 Salazar, Tony
- 67 Sari, Lisa A.
- 68 Sinito, Frank T.
- 69 Stockmaster, Adam J.
- 70 Stoffregen, Phillip J.
- 71 Surber, Jen
- 72 Valey, Ernst
- 73 Uram, David
- 74 Woda, Jeffrey J.
- 75 Wohl, Michael D.
- 76 Wolfson, III, Louis

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Better Housing Coalition
- 5 Buckeye Community Hope Foundation
- 6 Community Housing Partners
- 7 Community Housing, Inc.
- 8 ElderHomes (dba Project: Homes)
- 9 Enterprise Homes, Inc
- 10 Fairfax County RHA
- 11 Homes for America, Inc.
- 12 Humanities Foundation, Inc.
- 13 Huntington Housing, Inc.
- 14 Newport News RHA
- 15 NHT Communities
- 16 Norfolk Redevelopment Housing Authority
- 17 People Incorporated
- 18 Piedmont Housing Alliance
- 19 Portsmouth RHA
- 20 RHA/Housing, Inc. 21 The Community Builders
- 22 Virginia Supportive Housing

Q

Documentation of Rental Assistance

Form RD 3560-27 (02-05)

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT RURAL HOUSING SERVICE

FORM APPROVED OMB NO. 0575-0189

RENTAL ASSISTANCE AGREEMENT

CASE NO. 54 - 084 - 879916227	
PROJECT NO.	
016	
This Agreement effective on the 1st day of Oc	 etween
Blackstone Rural Associates Limited	

("borrower") and its successors and the United States of America acting through the Rural Housing Service ("the Government")

pursuant to section 521 (a)(2)(A) of Title V of the Housing Act of 1949.

In consideration of the mutual covenants set forth, the Parties agree as follows:

Section 1 The Government agrees to provide rental assistance in accordance with its governing rules and regulations for the number

of units of housing provided according to the attached Form RD 3560-51 (Part III), "Multiple Housing Obligation-Fund Analysis," or RD 3560-55, "Multiple Family Housing Transfer of Rental Assistance," for the project located

at 701 Church Street, Blackstone, VA 23824

- Section 2 The borrower agrees to abide by the present and future regulations of the Government in the administration of this program,
- Section 3 Borrower agrees to use due diligence in the verification and certification of tenants' incomes.

Section 4 In the event that any tenant suffers a hardship because rental assistance may not be available in the project because of the limitations on the number of units from the Government, the borrower may request additional units. If the Government provides additional units, then copies of the obligation screens will be attached by the Government to, and become a part of, this Agreement.

Section 5 Borrower agrees to comply with Government priorities for selecting tenants that receive rental assistance.

Section 6 Provisions Applicable if the Borrower is a Cooperative -

When the Borrower is a Cooperative:

- (a) The term "tenant or occupant" will include a member of a cooperative. The term "household contribution" or "rent" will include the charges under the occupancy agreement between the member and the cooperative.
- (b) A member of a cooperative approved for rental assistance shall agree upon a sale of their membership, any equity attributable to supplemental rent payments will be paid to the Government through the cooperative.

According to the Paperwork Reduction Act of 1993, an agency may not conductor sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is estimated in average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Section 7 Renegotiation, Modification, Transfer, Termination -

- (a) The provisions of the Agreement may be modified, amended, or terminated, upon written agreement of the parties.
- (b) If the borrower defaults under any provision of the loan agreement, resolution, note, interest credit agreement, security instrument, or other supplementary or related agreements, or violates any program regulations, then the Government may suspend or terminate this Agreement on any specified date following the default.
- (c) If the Government determines that rental assistance units are not being used after initial rent-up or are not needed because of a lack of eligible tenants in the area, then they may be transferred to another project.

Section 8 Term of Agreement and Condition for Termination -

- (a) This Agreement and its attachments, and any additional rental assistance will expire automatically upon total disbursement or credit of rental assistance to the borrower's account, unless earlier suspended, transferred or terminated according to section 7 of this Agreement.
- (b) The attachments, Form RD 3560-51 (Part III) or RD 3560-55, to this Agreement are not renewable. If additional rental assistance is needed, the borrower may submit a "Request for Rental Assistance" on Form RD 3560-7 (Budget) at anytime. If additional or replacement units are provided, a copy of the AMAS Screen M1BI will be attached to and become a part this Agreement.

RURAL HOUSING SERVICE

By: Decrea (1) years with Agreement and that it becomes a part hereof, and may be identified in Section 10 below.

RURAL HOUSING SERVICE

By: Decrea (1) years with Date (1) years with Date (1) (Part III) or RD 3560-55

Record of Attachments For RD 3560-51 (Part III) or RD 3560-55

AGREEMENT # 150100 # UNITS 55 \$ 250,140.00

AGREEMENT # 160100 # UNITS 55 \$ \$182,864.00

AGREEMENT	#	160100	#	UNITS 55	\$ 182,864.00
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$
AGREEMENT	#		#	UNITS	\$

Report: Fra2200

Multi-Family Information System (MFIS) Rental Assistance Agreement Detail

em (MFIS)

1/2019 1 of 1

Date: Page:

Summary:Y Unpaid Bal Filter: UNPAID Agreement Status: Paid Code: Active County: ALL Detail:Y Labor Housing Type:ALL Servicing Office: ALL Usable Units:ALL Fiscal Year:ALL Fund Code:ALL Management Agent/Borrower:ALL Project Name: MAGNOLIA PLACE Assigned To:ALL Expiration: NA State:ALL Filters >>

Sort >> State/Servicing Office/County/Project Name

le s	
Usable Units	¥
Oblg Units	55
Unpaid Replaced Balance By Agrmnt	.37,975.32
	137
Amt Vouchered	60,363.68
Amt Oblg	198,339.00
Type	匨
Apprvl Date	08/23/2018
Agrment Number	180100
	18
≥roject Name Case Nbr	MAGNOLIA PLACE 54-84-879916227 01-6
Cty Project Name Case Nbr	84 MAGNOLIA PLACE 54-84-879916227 01-6
Project Name Case Nbr	7 01-6

Total Number of Tenants Receiving RA:55 Active RA Units:55

Average Months RA Usage from Project Payments: 15543.91 Number of Months Ra Remaining at Average Usage:8

R

Documentation of Operating Budget

Financial Statements
and Supplementary Information
For the Years Ended December 31, 2017 and 2016
with
Report of Independent Auditors



Blackstone Rural Associates Limited Partnership

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Report of Independent Auditors

To the Partners of
Blackstone Rural Associates Limited Partnership:
DBA Magnolia Place

Report on the Financial Statements

We have audited the accompanying financial statements of Blackstone Rural Associates Limited Partnership, a Virginia limited partnership, which comprise the balance sheet as of December 31, 2017, and the related statements of operations, changes in partners' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OFFICE

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blackstone Rural Associates Limited Partnership as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Blackstone Rural Associates Limited Partnership as of December 31, 2016 were audited by other auditors, whose report dated March 4, 2017 expressed an unmodified opinion on those statements.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis as required by United States Development of Agriculture Rural Development ("RD") and is not a required part of the financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The multi-family housing borrower balance sheet, multiple family housing project budget/utility allowance, managing agent's certification and partner's certification have not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

Novogodac & Company LLP

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2018 on our consideration of Blackstone Rural Associates Limited Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Blackstone Rural Associates Limited Partnership's internal control over financial reporting and compliance.

Cleveland, Ohio March 8, 2018

Lead Auditor: Renee Beaver

Employer's Identification Number: 94-3108253

Balance Sheets December 31, 2017 and 2016

		2017)-	2016
	Assets				
Current Assets		×			
Cash and cash equivalents		\$	65,723	\$	90,288
Accounts receivable - tenants			937		1,165
Prepaid expenses			3,752		2,231
Total current assets			70,412		93,684
Restricted Cash and Funded Reserves					
Tenant security deposits			21,263		20,662
Reserve for taxes and insurance			2,735		1,738
Replacement reserve			277,442		241,010
Total restricted cash and funded reserves			301,440		263,410
Rental Property					
Land			86,000		86,000
Buildings and improvements			1,971,296		1,971,296
Furnishings and equipment			11,107		11,107
Total rental property			2,068,403		2,068,403
Less: accumulated depreciation			(794,008)		(742,263)
Net rental property			1,274,395		1,326,140
Total assets		\$	1,646,247	\$	1,683,234

Balance Sheets (Continued) December 31, 2017 and 2016

	2017	2016
Liabilities and Partners' Equity		
Current Liabilities		
Accounts payable - trade	\$ 10,812	\$ 14,596
Current portion of mortgages payable	16,513	14,181
Total current liabilities	27,325	28,777
Deposit and Prepayment Liabilities		
Tenant security deposits	20,172	19,392
Prepaid rent	421	238
Total deposit and prepayment liabilities	20,593	19,630
Long-Term Liabilities		
Mortgages payable, net of current portion	1,340,461	1,358,306
Less: unamortized debt issuance costs	(4,927)	(5,390)
Due to related parties	2,000	2,000
Total long-term liabilities	1,337,534	1,354,916
Total liabilities	1,385,452	1,403,323
Partners' Equity	260,795	279,911
Total Liabilities and Partners' Equity	\$ 1,646,247	\$ 1,683,234

Statements of Operations
For the Years Ended December 31, 2017 and 2016

	2017	2016
Revenue		
Apartments	\$ 115,376	\$ 112,800
Tenant assistance payments	188,368	181,536
Gross potential rent	303,744	294,336
Less: vacancies	(2,316)	(644)
Total rental revenue	301,428	293,692
Other Revenue		
Application fees	110	187
Laundry and vending	2,641	2,443
Tenant charges	967	945
Interest income	702	168
Other income	* 0	609
Total other revenue	4,420	4,352
Total Revenue	305,848	298,044
Operating Expenses		
Administrative	97,396	97,029
Operating and maintenance	71,145	70,650
Taxes and insurance	24,190	23,636
Utilities	26,871	28,765
Bad debt expense	131_	
Total operating expenses	219,733	220,080
Net Operating Income	86,115	77,964
Non-Operating (Income) and Expenses		
Interest subsidy income	(66,182)	(66,183)
Interest subsidy expense	66,182	66,183
Nonoperating repairs	17,539	24,068
Interest expense	27,056	28,077
Aseet management fee	2,000	2,000
Partnership management fee	2,000	2,000
Depreciation	51,745	51,461
Interest expense - debt issuance costs	463	469
Total non-operating (income) and expenses	100,803	108,075
Net Loss	\$ (14,688)	\$ (30,111)

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Partners' Equity For the Years Ended December 31, 2017 and 2016

	General Partner			Limited Partner	Total Partners' Capital		
BALANCE, JANUARY 1, 2016	\$	67,067	\$	247,383	\$	314,450	
Distributions		(2,214)		(2,214)		(4,428)	
Net loss		(3)	-	(30,108)		(30,111)	
BALANCE, DECEMBER 31, 2016		64,850		215,061		279,911	
Distributions		(2,214)		(2,214)		(4,428)	
Net loss		(1)		(14,687)		(14,688)	
BALANCE, DECEMBER 31, 2017	\$	62,635		198,160	\$	260,795	

Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

		2017		2016
Cash Flows from Operating Activities:				:
Net loss	\$	(14,688)	\$	(30,111)
Adjustments to reconcile net loss to net cash				
provided by operating activities				
Depreciation		51,745		51,461
Interest expense - debt issuance costs		463		469
Changes in operating assets and liabilities:				
Decrease (increase) in accounts receivable - tenants		228		(1,149)
Increase in prepaid expenses		(1,521)		(48)
Increase in tenant security deposits held in trust		(601)		(1,384)
(Decrease) increase in accounts payable - trade		(3,784)		10,526
Increase in tenant security deposits liability		780		454
Increase (decrease) in prepaid rent		183		(403)
Net cash provided by operating activities	\$ 	32,805		29,815
Cash Flows from Investing Activities:				
Net (deposits to) withdrawals from reserve for taxes and insurance		(997)		3,358
Net (deposits to) withdrawals from replacement reserve		(36,432)		10,796
Purchase of rental property				(7,840)
Net cash (used in) provided by investing activities		(37,429)	-	6,314
Cash Flows from Financing Activities:				
Principal payments on mortgages payable		(15,513)		(14,492)
Distributions		(4,428)		(4,428)
Net cash used in financing activities	=	(19,941)		(18,920)
Net (Decrease) Increase in Cash and Cash Equivalents		(24,565)		17,209
Cash and Cash Equivalents at Beginning of Year		90,288		73,079
Cash and Cash Equivalents at End of Year	\$	65,723	\$	90,288
Supplemental Disclosure of Cash Flow Information:				
Cash paid for interest	\$	27,056	\$	28,077
Interest subsidy received	\$	66,182	\$	66,183
•				

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements December 31, 2017 and 2016

1. Organization

Blackstone Rural Associates Limited Partnership (the "Partnership") was formed in December 2001 under the laws of the Commonwealth of Virginia and is governed by the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") dated January 1, 2002 and its subsequent amendments. The Partnership was formed for the purpose of constructing and operating a 56-unit apartment community known as Magnolia Place (the "Property") located in Blackstone, Virginia. The Property is financed by a United States Department of Agriculture Rural Development ("RD") loan under section 515 which regulates allowable rents charges to tenants, as well as the operating methods of the Property. Operations commenced in October 2001.

The management of the Partnership and the ongoing management of Blackstone Rural Associates Limited Partnership are vested in the partners. The Partnership has hired TM Associates Management, Inc. (the "Management Agent"), an affiliate of the General Partner, to provide day to day management for the property. Compensation for such services is determined under the partnership and management agreements.

2. Summary of Significant Accounting Policies and Nature of Operations

Basis of accounting

The Partnership prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, annual insurance and property tax payments, and repairs or improvements to the buildings which extend their useful lives.

Concentration of credit risk

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts. The Partnership believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable and bad debts

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. For the years ended December 31, 2017 and 2016, accounts written off totaled \$131 and \$0, respectively.

Notes to the Financial Statements December 31, 2017 and 2016

2. Summary of Significant Accounting Policies and Nature of Operations (Continued)

Rental property and depreciation

Rental property is recorded at cost. Improvements are capitalized, while expenditures for repairs and maintenance are expensed when incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Costs eligible for reimbursement through the replacement reserve account are recorded to other non-operating expense when incurred. Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$51,745 and \$51,461, respectively.

Rental property is depreciated under the straight-line method over the estimated useful service lives as follows:

Buildings and improvements	40 years
Land improvements	15 years
Furnishings and equipment	7 years

Impairment of long-lived assets

The Partnership reviews its investments in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized during 2017 or 2016.

Partners' equity

Profits and losses are allocated to Marshell, LLC (.01%) ("General Partner") and Boston Capital Tax Credit Fund XVII, LP (99.99%) ("Limited Partner"), other than special allocations (as defined by the Partnership Agreement) and certain other items which would be specifically allocated to the partners in accordance with the Partnership Agreement.

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Advance receipts of revenue are deferred and classified as liabilities until earned.

Notes to the Financial Statements December 31, 2017 and 2016

2. Summary of Significant Accounting Policies and Nature of Operations (Continued)

Income taxes

Income taxes on partnership income are levied on the partners at the partner level. Accordingly, all profits and losses of the Partnership are recognized by each partner on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Partnership to report information regarding its exposure to various tax positions taken by the Partnership. Management has determined whether any tax positions have met the recognition threshold and has measured the Partnership's exposure to those tax positions. Management believes that the Partnership has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Partnership are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Return to owner

In accordance with the RD loan agreement, the maximum annual cash return to owners allowable by RD for the project is \$8,428 or 8% of the originally required equity investment of \$105,350.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Economic concentrations

The Partnership operates one property in Blackstone, Virginia. Future operations could be affected by changes in the economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, RD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by RD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform with the current year presentation.

Subsequent events

Subsequent events have been evaluated through March 8, 2018, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

Notes to the Financial Statements December 31, 2017 and 2016

3. Restricted Cash

Restricted cash consists of tenant security deposits, tax and insurance escrow, and a reserve for replacement, which are held in interest bearing accounts. Restricted cash has been established in amounts considered by the partners to be adequate and in accordance with the Partnership Agreement and permanent loan documents. Use of the accounts is restricted as defined in the Partnership Agreement and by the lender and therefore has been excluded from cash in the accompanying balance sheets and for cash flow purposes.

4. Mortgage Payable

On October 15, 2002, the Partnership entered into a mortgage note agreement with RD for \$561,575. The mortgage note bears interest at a rate of 6.75% per annum. Monthly principal and interest installments of \$3,332 are due on the first day of each month until November 1, 2032, its maturity date. In connection with the mortgage, the Partnership entered into an Interest Credit and Rental Assistance Agreement in which RD provides monthly interest credit subsidies of \$2,015 to the Partnership, effectively reducing the mortgage note interest rate to 1% per annum. The mortgage note is secured by a mortgage on the real estate, as well as an assignment of rents and securities.

On September 28, 2001, the Partnership entered into a mortgage note agreement with RD for \$950,952. The mortgage note is payable to RD and bears interest at a rate of 6.875% per annum. Monthly principal and interest installments of \$5,730 are due on the first day of each month until October 1, 2031, its maturity date. In connection with the mortgage, the Partnership entered into an Interest Credit and Rental Assistance Agreement in which RD provides monthly interest credit subsidies of \$3,500 to the Partnership, effectively reducing the mortgage note interest rate to 1% per annum. The mortgage note is secured by a mortgage on the real estate, as well as an assignment of rents and securities.

Interest incurred and expensed on the mortgages for the years ended December 31, 2017 and 2016 totaled \$27,056 and \$28,077, respectively.

Future aggregate minimum principal payment requirements over the next five years and thereafter is as follows:

2018	\$	16,513
2019		17,677
2020		18,923
2021		20,256
2022		21,685
Thereafter	-	1,261,920
Total	\$	1,356,974

Debt issuance costs of \$13,498 incurred with obtaining the mortgages are being amortized over the lives of the loans on a straight-line basis. For the years ended December 31, 2017 and 2016, interest expense incurred on debt issuance costs totaled \$463 and \$469, respectively. The effective interest rate of the mortgages for the years ended December 31, 2017 and 2016 was 1.03% for both years.

Notes to the Financial Statements December 31, 2017 and 2016

5. Related Party Transactions

Management fees

Pursuant to the Management Agreement dated January 19, 2017, the Partnership entered into an agreement with the Management Agent to manage the rental operations of the Property. In return, the Management Agent receives a monthly fee for its services equal to \$59 per occupied unit, per month. For the years ended December 31, 2017 and 2016, property management fees accrued and expensed totaled \$38,802 and \$38,304, respectively. The amount due to the Management Agent as of December 31, 2017 and 2016 totaled \$3,248 and \$3,192, respectively, and is included in accounts payable - trade on the accompanying balance sheets.

Management services

The Management Agent provides administrative services to the Partnership. For the years ended December 31, 2017 and 2016, the Management Agent was reimbursed \$86,928 and \$80,062, respectively, for the cost of site employee payroll and employee benefits.

Insurance

The Partnership paid insurance premiums to Chubb Group of Insurance Companies ("Chubb") for insurance coverage required under the Partnership Agreement and by RD. Chubb in turn ceded a portion of the risk to Rural Housing Reinsurance Company International, Ltd., an affiliate of the General Partner. For the years ended December 31, 2017 and 2016, insurance premiums paid totaled \$13,548 and \$13,335, respectively.

Asset management fee

Pursuant to the Partnership Agreement, the Partnership shall pay to the Limited Partner an annual asset management fee of \$2,000 for its services in assisting in monitoring Partnership activities. The fee is cumulative and payable without interest from cash flow as defined in the Partnership Agreement. As of December 31, 2017 and 2016, accrued and unpaid asset management fees totaled \$2,000 for both years, and are included in due to related parties on the accompanying balance sheets.

Partnership management fee

Pursuant to the Partnership Agreement, the Partnership shall pay to the General Partner, an annual partnership management fee of \$2,000 to the General Partner. To the extent there is insufficient cash flow to pay the full amount of the fee, the fee shall be suspended and accrued upon which time cash flow is sufficient to make such payment. Partnership management fees accrued and paid for the years ended December 31, 2017 and 2016 totaled \$2,000 for both years.

6. Commitments and Contingencies

Interest credit and rental assistance agreement

Under an agreement with RD, the Partnership is provided mortgage subsidy which effectively reduces the interest rate on its mortgage to approximately 1%. RD may terminate the agreement if it determines that subsidy is no longer required, or if the Partnership violates the provisions of the loan agreement.

Notes to the Financial Statements December 31, 2017 and 2016

6. Commitments and Contingencies (Continued)

Rental assistance agreement

The Partnership has entered into a Rental Assistance Agreement with RD. The agreement provides for rental assistance in an amount equal to the difference between RD's approved rent and the tenant's share of the rent as determined in accordance with the agreement. The agreement expires automatically upon total disbursement of the established amount, but is then renewable under contract with RD pending congressional approval of budget authority.

Operating deficit guaranty

The Partnership Agreement provides for an operating deficit guaranty from the General Partners after all funds have been depleted from the Operating Reserve. Such guaranty requires the General Partner, or an affiliate to provide funds as defined in the Partnership Agreement to satisfy any operating deficits over a defined period to permit the Partnership to meet all reasonable costs of operations. Such funding shall be treated as a non-interest bearing loan and be payable as cash flow permits as determined by the Partnership Agreement. The General Partner do not receive a fee for providing this guaranty. As of December 31, 2017 and 2016, no operating deficit funds have been advanced from the General Partner.

Tax credit guaranty

The Partnership was allocated federal low income housing tax credits under IRC Section 42, (the "Tax Credits"). The tax credits are not reflected in the accompanying financial statements of the Partnership and, therefore, have not been audited. However, the Partnership Agreement provides for a credit reduction payment if any of the following events occur: i) total amount of credits obtained is less than the total amount projected, ii) there is a timing difference in the tax credits made available to the Limited Partner when compared to what was projected, or iii) the Limited Partner is at any time obligated to recapture credits previously claimed. The Limited Partner shall reduce their required capital contribution by the amount of the shortfall as defined in the Partnership Agreement.

In the event that the Limited Partner's capital contribution cannot be reduced, the General Partner will pay the Limited Partner up to a specified amount detailed in the Partnership Agreement for the credits lost. Amounts paid by the General Partner pursuant to this agreement shall be treated as a non-interest bearing loan and be payable as cash flow permits as determined by the Partnership Agreement. The General Partner do not receive a fee for providing this guaranty. As of December 31, 2017 and 2016, no credit reduction payments have been made by the General Partner.

Notes to the Financial Statements December 31, 2017 and 2016

7. Low-Income Housing Tax Credits (Unaudited)

The Partnership was allocated federal low-income housing tax credits ("Tax Credits"). Generally, such credits become available for use by its partners pro-rata over a ten-year period. The year in which the credit period begins is determined on a building-by-building basis within the Partnership. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 15 years beyond the initial 15 year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Limited Partner under the terms of the Partnership Agreement. The final Tax Credits were earned and claimed in 2012.

SUPPLEMENTARY INFORMATION

Management Fee Calculation, Insurance Coverage, and Return to Owner December 31, 2017

1. Management Fee Calculation

The management fee calculation is based on a fee per unit occupied by tenants for a minimum of one day each month.

Total qualified units (56 x 12 months) Less: Vacancies Total occupied units	<u>. — — — — — — — — — — — — — — — — — — —</u>	672 (3) 669
Fee per unit	\$	58
Management fee expense	\$	38,802

2. <u>Insurance Coverage</u>

Insurance coverage in effect as of December 31, 2017 was as follows:

	Dec	<u>luctible</u>	<u>Coverage</u>
Property coverage on buildings Comprehensive business liability	\$	1,000 N/A	\$ 4,758,600
Fidelity/employee dishonesty	\$	2,500	\$ 1,000,000 1,000,000

3. Return to Owner

In accordance with the Loan Agreement, the annual return to owner is as follows:

Maximum return to owner	 8,428
Budgeted return to owner	\$ 8,428
Return to owner paid for 2017:	
Asset management fee	\$ 2,000
Partnership management fee	2,000
Distribution - General Partner	2,214
Distribution - Limited Partner	2,214
Total return to owner	\$ 8,428

Position 3

Form RD 3560-10 (02-05)

MULTI-FAMILY HOUSING BORROWER BALANCE SHEET (UNAUDITED)

FORM APPROVED OMB NO.0575-0189

PART I - BALANCE SHEET

PR	DJECTNAME	BORROWER NAME		B	ORROWER ID AND	PROJECT NO.
M	agnolia Place	Blackstone Rural	al Assoc LP 879916227			016
	<u>ASSETS</u>	BEGINNING DATES> ENDING DATES>	CURRENT YEAD (01 - 01 -2017 (12 - 31 -2017	·)	PRIOR YEAR (01- 01 -2016) (12- 31 -2016)	COMMENTS
CU	RRENT ASSETS					
1.	GENERAL OPERATING ACCOUNT		65,722.95		90,287.98	
2.	R.E. TAX & INSURANCE ACCOUNT		2,735.38		1,738.46	
3.	RESERVE ACCOUNT		277,441.90	_	241,009.73	
4.	SECURITY DEPOSIT ACCOUNT		21,262.66		20,661.50	
5.	OTHER CASH (identify)		0.00		0.00	
6.	337 (5000000000000000000000000000000000000		0.00	_	0.00	
7.	TOTAL ACCOUNTS RECEIVABL		936.99		0.500.00	
		752.00			9,598.00	
		29.00			269.00	
	ACCTS RCVBL 60-90 DAYS ACCTS RCVBL OVER 90 DAYS	0.00			0.00	
8.	LESS: ALLOWANCE FOR DOUBTI			-	0.00	
9.	INVENTORIES (supplies)		0.00	1	0.00	
10.	PREPAYMENTS		(0.00 3,752.33	-	(0.00) 2,231.00	
11.	TREE / TIVE TO		0.00	\neg	0.00	
12.	TOTAL CURRENT ASSETS (A	dd thru	371.852.21		365,795.67	
13.	ED ASSETS LAND		86,000.00		86,000.00	
14.			1,971,296,00		1,971,296.00	
15.	LESS: ACCUMULATED DEPRECIA		(785,149.05)	(734,991.01)	
16.	FURNITURE & EQUIPMENT		11,106.96		11,106.96	
17. 18.	LESS: ACCUMULATED DEPRECIA	110N	(8,859.13)	(7,272.00)	
19.	TOTAL FIXED ASSETS (Add 1	3 thru 18)	0.00	+	0.00 1,326,139.95	
ΩТ	HER ASSETS					
20.			4,927.05		5,394.46	prepaid insurance/re t
21.	TOTAL ASSETS (Add 12, 19, a	nd 20)	1,651,174.04		1,697,330.08	
LIA	BILITIES AND OWNERS EQUITY	,				
CU	RRENT LIABILITIES	1				ř
22.	TOTAL ACCOUNTS PAYABLE (A		3,812.14			
	ACCTS PAYABLE 0-30 DAYS	\$ 3,812.14		7	6,707.27	
	ACCTS PAYABLE 30-60 DAYS	\$			718.64	
	ACCTS PAYABLE 60-90 DAYS	\$ 0.00		1	209.50	
00	ACCTS PAYABLE OVER 90 DAY				185.27	
23.	NOTES PAYABLE (Attach list)		11,429.01	_	8,993.50	
24.	SECURITY DEPOSITS		20,172.39		19,392.39	
25.	TOTAL CURRENT LIABILITI	LS (Add 22 inru 24)	35,413,54		36,206.57	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

26. NOTES PAYABLE RURAL DEVELOPMENT	1,356,973,63	1.372.487.11	
	0.00	0.00	
27. OTHER (Identify)	1.356.973.63	1,372,487.11	
io. Total bond-term birdibities (Augzouna 27).			
9. TOTAL LIABILITIES (Add 25 and 28)	1.392.387.17	1,408,693,68	
	050 700 07		
0. OWNER'S EQUITY (Net Worth) (21 minus 29)	258,786.87	288,636.40	
1. TOTAL LIABILITIES AND OWNER'S EQUITY			
(Add 29 and 30)	1.651,174.04	1,697,330.08	
Warning: Section 1001 of Title 18, United States Code provides: department or agency of the United States knowingly a or device a material fact, or makes any false, fictitious any false writing or document knowing the same to cor be fined under this title or imprisoned not more than fix HAVE READ THE ABOVE WARNING STATEMENT AND I HERE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.	and willfully falsifies, or or fraudulent statementain any false, fictition we years, or both.	conceals or covers uents or representat us or fraudulent sta	up by any trick, schem ions, or makes or uses atement or entry, shall
(Date)	(Signature of Born	ower or Borrower	's Representative)
(Date)	(Signature of Born	ower or Borrower (Title)	's Representative)
(Date) PART II-THIRD PARTY VEI We have reviewed the borrower's records. The accompanying balance of the borrower's records.	RIFICATION OF REV	(Title) /IEW	
PART II-THIRD PARTY VEI We have reviewed the borrower's records. The accompanying bala	RIFICATION OF REV	(Title) /IEW ent of actual budget	and income on Form
PART II-THIRD PARTY VEI We have reviewed the borrower's records. The accompanying bala D 3560-7, is a fair presentation of the borrower's records. We certify that no identity of interest exists between me/us and any	RIFICATION OF REV ince sheet, and statement	(Title) /IEW ent of actual budget	and income on Form
PART II-THIRD PARTY VEI We have reviewed the borrower's records. The accompanying bala D 3560-7, is a fair presentation of the borrower's records. We certify that no identity of interest exists between me/us and any orrower.	RIFICATION OF REV ance sheet, and statement	(Title) /IEW ent of actual budget	and income on Form

certification is attached.

Position 3

Form RD 3560-7 (Rev. 05-06)

MULTIPLE FAMILY HOUSING PROJECT BUDGET/ UTILITY ALLOWANCE (UNAUDITED)

FORM APPROVED
OMB NO.0575-0189

(Rev. 05-06)	UTILIT	Y ALLOWANO	CE (UNAUDITI	£D)	
PROJECT NAME Magnolia Place	BORROWER N Blackstone Rui		BORRO 879916	WER ID AND P 227 016	
Loan/Transfer Amount \$ 3547.4400	Note Rate Payme	ent \$ 0.0000	IC Payr	nent \$ 0.000	0
Reporting Period Budget Type Project Re			wing utilities are maste		
Annual Initial Family				0 units	of RA. Current number
Quarterly Regular Report Elderl			icity Gas	of RA units_	55
Monthly Rent Change Congr			<u></u>	Borrower Ad	ccounting Method
SNR Group Other Servicing		Trash Other		Cash	Accrual
	PART I—CASI	H FLOW STAT	EMENT		
		CURRENT		PROPOSED	COMMENTS
DECD	DIDIC DATEC	BUDGET	ACTUAL	BUDGET	or (YTD)
	NING DATES ODING DATES	(01 - 01 - 2017) (12 - 31 - 2017)	(01 - 01 - 2017)	()	()
	DING DATES	(12 - 31 - 2017)	(12 - 31 - 2017)	()	1 ()
OPERATIONAL CASH SOURCES		000010 0000	T		T
1. RENTAL INCOME		309818.8800	113059.9000	0.0000	
2. RHS RENTAL ASSISTANCE RECEIVE			188368.0000		
3. APPLICATION FEES RECEIVED			110.0000		
4. LAUNDRY AND VENDING		1700.0400	2640.6800	0.0000	
5. INTEREST INCOME		650.0400	701.7600	0.0000	
6. TENANT CHARGES		750.0000	836.8800	0.0000	
7. OTHER - PROJECT SOURCES		0.0000	0.0000	0.0000	
8. LESS (Vacancy and Contingency Allowa		(0,0000)	-1 -1	(0.0000)	
9. LESS (Agency Approved Incentive Allow		(0.0000)		(0.0000)	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]		312918.9600	305717,2200	0.0000	
NON-OPERATIONAL CASH SOURCES					
11. CASH - NON PROJECT		0.0000	36681.0000	0.0000	excess cash from r
12. AUTHORIZED LOAN (Non-RHS)		0.0000	0.0000	0.0000	
13. TRANSFER FROM RESERVE		25700.0400	17539,2500	0.0000	
14. SUB-TOTAL (11 thru 13)		25700.0400	54220.2500	0.0000	
15. TOTAL CASH SOURCES (10+14)		338619.0000	359937.4700	0.0000	
15. TOTAL CASH SOURCES (10+14) OPERATIONAL CASH USES		330019.0000	309937.4700	0.0000	
	771	233610,9600	219600.6200	0.0000	T
16. TOTAL O&M EXPENSES (From Part I 17. RHS DEBT PAYMENT		42569.0400	42569.2800	0.0000	
18. RHS PAYMENT (Overage)		42303.0400	0.0000	0.0000	
19. RHS PAYMENT (Late Fee)	***************************************	1	0.0000	. 71	
20. REDUCTION IN PRIOR YEAR PAYAB	ot ec		0.0000		
21. TENANT UTILITY PAYMENTS			0.0000		
22. TRANSFER TO RESERVE		0.0000	53971,4200	0.0000	
23. RETURN TO OWNER /NP ASSET MANA		8427.9600	8428.0000	0.0000	
24. SUB-TOTAL (16 thru 23)		284607.9600	324569,3200	0.0000	
NON-OPERATIONAL CASH USES	***************************************	201007.0000	024000,0200	0.0000	
25. AUTHORIZED DEBT PAYMENT (Non	DHG)	0.0000	0,0000	0.0000	
26. ANNUAL CAPITAL BUDGET (From Pa		25700.0400	17539,2500	0.0000	
27. MISCELLANEOUS		0.0000	0.0000	0,0000	
28. SUB-TOTAL (25 thru 27)		25700.0400	17539.2500	0.0000	
-0. 000 10 Hill (20 Hill (21)					
29. TOTAL CASH USES (24+28)		310308.0000	342108.5700	0.0000	
30. NET CASH (DEFICIT) (15–29)		28311.0000	17828.9000	0.0000	
CASH BALANCE			020.000	0.0000	
31. BEGINNING CASH BALANCE	[0.0000	92026.4400	0.0000	
32. ACCRUAL TO CASH ADJUSTMENT.		3,333	-41397.0100	0.5555	
33. ENDING CASH BALANCE (30+31+32		28311.0000	68458.3300	0.0000	
55. 2. DITO CHOILDINITED (50 151 152	/				11 11 11 11 11 11 11 11 11 11

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

			CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	or (YTD)
l.	MAINTENIANO	E AND REPAIRS PAYROLL[44426.0400	38643.9100	0.0000	
2.		1	8750,0400	5414,9400	0.0000	
		E AND REPAIRS SUPPLY	2499.9600	746.0700	0.0000	
-		E AND REPAIRS CONTRACT	4500.0000	2204,1400	0.0000	
			1100.0400	300.0000	0.0000	
		AL	0.0000	0.0000	0.0000	
		INTENANCE/CONTRACT	4200.0000	14372,3100		
			8046.9600	4680,0000	0.0000	
		TAL BUDGET (From Part V - Operating)	8184.9600	4581.3900	0.0000	
		ING EXPENSES (Itemize)	0.0000	0.0000	0.0000	
l.	SUB-TOTAL MA	AINT. & OPERATING (1 thru 10) L	81708.0000	70942.7600	0.0000	
,	ELECTRICITY	r	6800.0400	4765.5100	0.0000	
	WATER		8499.9600	11424.4000	0.0000	
	SEWER	check box on front.	9000.0000	10313.2900	0.0000	
		gront.	0.0000	201.8400	0.0000	
). -	FUEL (UII/Coai/	Gas)	1038.0000	367.5500	0.0000	
		RASH REMOVAL	0.0000	0.0000	0.0000	
		IES ILITIES (12 thru 17)	25338.0000	27072,5900	0.0000	
		MENT PAYROLL	23214.0000	18980.0300	0.0000	
).	MANAGEMENT	FEE	39648.0000	38802.0000	0.0000	
1.	PROJECT AUDI	TING EXPENSE	5675.0400	7100.0000	0.0000	
2.	PROJECT BOOK	KEEPING/ACCOUNTING	0.0000	0.0000	0.0000	
		SES	99.9600	0.0000	0.0000	
			800.0400	193.0000	0.0000	
		ANSWERING SERVICE	3800.0400	3572.4500	0.0000	
).	OFFICE SUPPLI	ES	3500.0400	5866.7500	0.0000	
٠.	OFFICE FURNIT	TURE & EQUIPMENT	0.0000	0.0000	0.0000	
	TRAINING EXP	ENSE	999.9600	1062.5000	0.0000	
١.	HEALTH INS. &	OTHER EMP. BENEFITS	14458.4400	10002.5700	0.0000	
	PAYROLL TAXE	s L	7778.6400	8256.1700	0.0000	
	WORKER'S CO	MPENSATIONL	1439.7600	1833.2100	0.0000	
		ISTRATIVE EXPENSES (Itemize)	1400.0400	1726.6200	0.0000	
	SUB-TOTAL AD	MINISTRATIVE (19 thru 32)	102813.9600	97395,3000	0.0000	
		r	9795 2222 1	0402 2224	2 2225	
		AXES	8799.9600	9182.3000	0.0000	
		SMENTS	0.0000	0.0000	0.0000	
		LICENSES & PERMITS	1449.9600	1400.0000	0.0000	
		ABILITY INSURANCE	13440.0000	13547.6700	0.0000	
		ERAGE INSURANCE	61.0800	60.0000	0.0000	
	OTHER INSURA	NCE	0.0000	0.0000	0.0000	
	SUB-TOTAL TAX	XES & INSURANCE (34 thru 39)	23751.0000	24189.9700	0.0000	
		-	т			
	TOTAL OWN EX	YPENSES (11+18+33+40)	233610.9600	219600.6200	0.0000	

		CURRENT		PROPOSED	COMMENTS
		BUDGET	ACTUAL	BUDGET	or (YTD)
R	ESERVE ACCOUNT:				
1.	BEGINNING BALANCE	0.0000	241009.7300	0.0000	
2.	TRANSFER TO RESERVE	0,0000	53971.4200	0.0000	
	TRANSFER FROM RESERVE				
	3. OPERATING DEFICIT	0.0000	0.0000	0.0000	
	4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	25700.0400	17539.2500	0.0000	
	5. BUILDING & EQUIPMENT REPAIR	0.0000	0.0000	0.0000	
	6. OTHER NON-OPERATING EXPENSES	0.0000	0.0000	0.0000	
	7. TOTAL (3 thru 6)	(25700.0400)	(17539.2500)	(0.0000)	
3.		-25700.0400	277441.9000	0.0000	
	EAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*				
	BEGINNING BALANCE ENDING BALANCE		1738.4600 2735.3800		
r)	ENANT SECURITY DEPOSIT ACCOUNT:*	9		0 9	
ΓI	BEGINNING BALANCE	Ì	20661,5000]	
ניז			20661,5000 21262,6600	[
	BEGINNING BALANCE			[

A CYTE	DENT	A PPROVI		RENT SCH		ND	UTILIT	YAI	LOWA	NCE (U	NAUDIT	ED)
		RIPTION	RENTS/ C	RENTAL RAT			P	OTE	NTIAL I EACH	NCOME F RATE	ROM	
BR SIZE	UNIT NOTE IZE TYPE NUMBER BASIC RATE HUD)	BASI	rC	NO RA	TE	HUD	UTILITY ALLOWANCI			
					1.02		2.10.				1102	ALLO WAITCH
											·	
				CURRENT R	ENT TOTA	LS:	BASI	íC	NO	TE.	HUD	
B. PRO	POSED	RENTS	- Effective Da	te:/_		is .						
IINIT	ר חביכרו	RIPTION		RENTAL RAT	EC		P	OTEN	ITIAL I EACH	NCOME F	ROM	
	UNIT			NOTE	1				NO'			
BR SIZE	TYPE	NUMBEI	BASIC	RATE	HUD		BASI	C	RA	re	HUD	
			-		-	-						
				PROPOSED F	RENT TOT	ALS:						
							BASI	С	NO'	ΓE	HUD	
C. PRO	POSED	UTILITY	ALLOWAN	CE - Effective	Date:		/_					
				MON'	THLY DO	LLAF	RALLOY	WAN	CES			
BR SIZE	UNIT	ГТҮРЕ	NUMBER	ELECTRIC	GAS		TER		WER	TRASH	OTHER	TOTAL
	ļ											
	1											
									F1			
												-
												-

PART V - ANNUAL CAPITAL BUDGET (UNAUDITED)

		Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:								***************************************
1 applications.	Range	0	0.0000	0.0000	0.0000	1878.5500	1878.5500	3
	Refrigerator	0	0.0000	0.0000	0.0000	1560.5500	1560.5500	2
	Range Hood	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Washers & Dryers	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Carpet & Vînyl:	Ottle1						nii -	
	1BR	0	0.0000	13275.1500	0.0000	0.0000	13275.1500	10
	2BR	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	3BR	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	4BR	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Cabinets:	Other:					0.000	0,0000	
Caomots.	Kitchens	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Bathrooms	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Other:	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Doors:			* * * * * *		* * * * * *			
	Exterior	0	0.0000	0.0000	0.0000	542.1100 0,0000	0.0000	3
	Interior	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Window Coverings	Other:		0.0000	0.0000	0.0000	0.0000	0.0000	
	List:	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Other:	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Heating & Air Con								
	Heating	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Air Conditioning	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
Plumbing:	Other:	U 1	0.0000	0.0000	0.0000	0.0000	0.0000	0
riumonig.	Water Heater	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Bath Sinks	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Kitchen Sinks	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Faucets	0	0.0000	0.0000	0.0000	0.0000	0.0000	0
	Toilets	0	0.0000	0.0000	0.0000	600.1800	600.1800	5
Main Planting	Other	L	0.0000	0.0000	0.0000	0.0000	0.0000	
Major Electrical:	List:	有形式物质	0.0000	0.0000	0.0000	0.0000	0.0000	证据数据
	Other:	是是 第二件	0.0000	0.0000	0.0000	0.0000	0.0000	新型開始 能用
Structures:		0 1	0.0000	0.0000	0.0000	0.0000	0.0000	0.1
	Windows	0	0.0000	0.0000	0.000.0	0.0000	0.0000	0
	Screens	COLUMN STATES	0.0000	0.0000	0.0000	0,0000	0.0000	NATIONAL PARTY
	Walls		0.0000	4264,1000	0.0000	0.0000	4264.1000	
	Roofing		0.0000	0.0000	0.0000	0.0000	0.0000	
	Exterior Painting		0,0000	0,0000	0.0000	0.0000	0.0000	DESCRIPTION OF
	Other	70 70	0.0000	0.0000	0.0000	0.0000	0.0000	
Paving:		DECOMES DE HORIZONES	0.0000	2 2000	0.0000	0.0000	0.0000	THE SECTION OF THE SECTION OF
	Asphalt		0.0000	0.0000	0.0000	0.0000	0.0000	
	Concrete		0.0000	0.0000	0.0000	0.0000	0.0000	1520 505
	Seal & Stripe Other:		0.0000	0.0000	0.0000	0.0000	0.0000	
Landscape & Groun								
	Landscaping		0.0000	0.0000	0.0000	0.0000	0.0000	
	Lawn Equipment	是 数 6 位置	0.0000	0.0000	0.0000	0.0000	0.0000	
	Fencing		0.0000	0.0000	0.0000 0.0000	0.000.0	0.0000 0.0000	
	Recreation Area		0.0000	0.0000	0.0000	0.0000	0.0000	
	Signs		0.0000	0.0000	0.0000	0.0000	0.0000	
Accessibility Featur	Other:							
	List:		0.0000	0.0000	0.0000	0.0000	0.0000	
	Other:	ECY SICKOW	0.0000	0.0000	0.0000	0.0000	0.0000	
Automation Equipm	ment:	Resemble to the second	0.0000	0.0000	0.0000	0.0000	0.0000	Charles and Charles
	Site Management	4	0.0000	0.0000	0.0000	0.0000	0.0000	
	Common Area		0.0000	0.0000	0.0000	0.0000	0.0000	
Other:	Other:							
	List:	45% Ret 7 45	0.0000	0.0000	0.0000	0.0000	0.0000	20 M
	List:		0.0000	0.0000	0.0000	0.0000	0.0000	设有的 种的
	List:		0.0000	0.0000	0.0000	0.0000	0.0000	- Control (Control
mam. =	-1-							
TOTAL CAPIT	IAL	0	0,0000	17539.2500	0.0000	4581.3900	22120.6400	23
EXPENSES:			3,0000		3.0000			
RD 3560-7 Pa	age 5							

PART VI -- SIGNATURES, DATES AND COMMENTS

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdict department or agency of the United States knowingly and willfully falsifies, conceals or covers up by scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or represen makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent or entry, shall be fined under this title or imprisoned not more than five years, or both.					
	AD THE ABOVE WARNING STATEMEN E AND ACCURATE TO THE BEST OF M	IT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS Y KNOWLEDGE.			
(DATE)		(Signature of Borrower or Borrower's Representative)			

(Title)

 ${\bf AGENCY\,APPROVAL}\;(Rural\ Development\ Approval\ Official):$

DATE:

COMMENTS:



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Partners of Blackstone Rural Associates Limited Partnership:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Blackstone Rural Associates Limited Partnership, which comprise the balance sheet as of December 31, 2017, and the related statements of operations, changes in partners' equity, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 8, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blackstone Rural Associates Limited Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blackstone Rural Associates Limited Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Blackstone Rural Associates Limited Partnership's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Blackstone Rural Associates Limited Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cleveland, Ohio March 8, 2018

Novogodac & Company LLP



REPORT ON COMPLIANCE FOR THE MAJOR RD PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

To the Partners of Blackstone Rural Associates Limited Partnership DBA Magnolia Place:

Report on Compliance for the Major RD Program

We have audited Blackstone Rural Associates Limited Partnership DBA Magnolia Place compliance with the compliance requirements described in the U.S. Department of Agriculture - Rural Development ("RD") Handbook 1-3565 (the "Handbook") that could have a direct and material effect on Blackstone Rural Associates Limited Partnership's major RD program for the year ended December 31, 2017. Blackstone Rural Associates Limited Partnership's major RD program and the related direct and material compliance requirements are as follows:

Name of Major RD Program

Direct and Material Compliance Requirements

Section 515 Rural Rental Housing Loan mortgage status, replacement reserve, distributions to owners, equity skimming, cash disbursements, tenant security deposits, management functions, unauthorized change of ownership/ acquisition of liabilities, and unauthorized loans of project funds

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its RD programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Blackstone Rural Associates Limited Partnership's major RD program based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Handbook. Those standards and the Handbook require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major RD program occurred. An audit includes examining, on a test basis, evidence about Blackstone Rural Associates Limited Partnership's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major RD program. However, our audit does not provide a legal determination of Blackstone Rural Associates Limited Partnership's compliance.

Opinion on the Major RD Program

In our opinion, Blackstone Rural Associates Limited Partnership complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major RD program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Blackstone Rural Associates Limited Partnership is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Blackstone Rural Associates Limited Partnership's internal control over compliance with the requirements that could have a direct and material effect on its major RD program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major RD program and to test and report on internal control over compliance in accordance with the Handbook, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Blackstone Rural Associates Limited Partnership's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of an RD program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of an RD program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of an RD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Novogodac & Company LLP Cleveland, Ohio March 8, 2018

Audit Findings on Compliance December 31, 2017

Reportable Conditions of Non-Compliance

December 31, 2017 - None noted

<u>Auditee's comments on Prior Audit Resolution Matters Related to United States Department of Agriculture Rural Development Programs</u>

There were no significant unresolved audit findings from previous annual audits, physical inspections, or management review reports during our audit of the 2017 financial statements. There were no compliance findings noted during our audit of the 2017 financial statements relating to physical inspections or management reviews for which the Partnership has not taken corrective action.

Managing Agent's Certification

We hereby certify that we have examined the accompanying financial statements and supplemental data of Blackstone Rural Associates Limited Partnership, d/b/a Magnolia Place and, to the best of our knowledge and belief, the same is complete and accurate. Additionally, we hereby certify that, to the best of our knowledge and belief, Blackstone Rural Associates Limited Partnership:

- has had no change in project ownership, other than those approved by the agency,
- has paid its real estate taxes in accordance with state and local requirements, and all amounts due are current, and
- its replacement reserve accounts were used only for authorized purposes.

TM Associates Management, Inc. 1375 Piccard Dr., Suite 150 Rockville, MD 20850

any Brown	3/9/2018
Signature	Date
Name of Signatory:	Amy Brown
Title of Certifying Official:	Chief Financial Officer
Employer Identification Number:	52-2173104

Partner's Certification

We hereby certify that we have examined the accompanying financial statements and supplemental data of Blackstone Rural Associates Limited Partnership, d/b/a Magnolia Place and, to the best of our knowledge and belief, the same is complete and accurate.

TM Associates Management, Inc. 1375 Piccard Dr., Suite 150 Rockville, MD 20850

a my	3/9/2018
Signature	Date
Name of Signatory:	Bob Margolis
Title of Certifying Official:	General Partner
Partnership Employer Identification Number:	52-2308144

S

Supportive Housing Certification

N/A

Funding Documentation



Rural Development

March 12, 2019

RD State Office

1606 Santa Rosa Rd Suite 238 Richmond, VA 23229

Voice 804-287-1547 Fax 855-636-4610 Mr. Adam J. Stockmaster c/o AS Squared, LLC 1375 Piccard Drive Suite 150 Rockville, Maryland 20850

Re:

Magnolia Place, Blackstone, Nottoway County, VA Purchaser: Magnolia Apartments Limited Partnership

Dear Mr. Stockmaster,

The purpose of this letter is to acknowledge your intent to submit application for the transfer of real estate security in the above referenced property.

This transfer will be processed in accordance with applicable Rural Development regulations. We anticipate approving the transfer, providing all processing guidelines and regulatory requirements are met. Both prior to and after the transfer is processed, the property will remain subject to the Rural Development belowmarket loans currently in place.

As always, we wish you the best of luck with your Low-Income Housing Tax Credits Application, but should you have any questions, please do not hesitate to contact the Multifamily Housing Division at 804-287-1564.

~

Sincerely

ORA D. ROLLINS

Director, Multifamily Housing Programs

			e
*			
	E		

Boston Capital

March 11, 2019

Mr. Adam J. Stockmaster AS Squared, LLC 1375 Piccard Drive, Suite 150 Rockville, Maryland 20850

RE:

MAGNOLIA APARTMENTS LIMITED PARTNERSHIP (the "Partnership")

Magnolia Place Apartments, Blackstone, Virginia (the "Property")

Dear Adam:

On behalf of Boston Capital ("BC"), I would like to thank you for the opportunity to present a proposal (this "Proposal Letter") for the equity financing of the Property (the "Transaction"). The parties intend to negotiate and execute binding agreements that reflect the terms of this Proposal Letter and certain other customary provisions subject to the conditions set forth below. Certain capitalized terms are more fully defined in Exhibit A attached.

Project Assumptions

Based on information we have received from you, we have made the following assumptions:

Development Structure

- The Partnership will acquire, rehabilitate, own and operate the Property, which will consist of 56 one-bedroom units in 5 buildings.
- BC will purchase a 99.99% limited partnership interest in the Partnership. An affiliate of BC will be the Special Limited Partner.
- The general partners of the Partnership will be AS Squared, LLC and Petersburg Community Development Corporation, Inc. (referred to as the "General Partners" even if there is only one).
- All of the obligations of the General Partners set forth in the partnership agreement of the Partnership (the "Partnership Agreement") will be guaranteed by Robert B. Margolis ("Guarantor"). The Guarantor must demonstrate to BC, in its sole and absolute discretion, its ability to provide meaningful guarantees.
- The management agent will be TM Associates Management, Inc.
- The contractor will be Canterbury Construction, Inc. Construction will be fully bonded.

Development Schedule

- BC's agreement to purchase the limited partnership interest at the pricing, terms and conditions
 contained in this proposal is based on the assumption that the Partnership closing, and if
 applicable, the financing closing, will occur on or before July 31, 2020.
- Construction will begin in August 2020 and completion will occur in May 2021.
- Initial lease up will begin in August 2020. Initial qualified occupancy will begin in January 2021.
- 100% qualified occupancy of the residential units will occur by June 2021.
- Permanent loan closing will occur by July 2021.
- Rental Achievement will occur by October 2021.

Financing/Assistance

- The Property will receive construction financing in the minimum amount of \$2,680,000.
- The Property will receive permanent financing in the aggregate amount of \$1,703,861, as follows:
 - a \$1,303,861 loan from USDA/Rural Development, to be assumed at close with an interest rate of 4.0% (to be subsidized with an interest credit subsidy to an effective rate of 1.0%), 50-year amortization, and a 30 year term.
 - a \$400,000 PRLF loan with an interest rate of 2.95%, 23-year amortization, and a 23-year term

The maximum amount of mortgage financing will be subject to a 1.15 DSC utilizing BC's underwritten rents, other income, operating expenses, replacement reserves and a 5% vacancy factor.

- The Property will also receive subordinate FHLB financing in the amount of \$500,000 with an interest rate of 0%, a 30-year term and no required debt service.
- All of the loans will be non-recourse during the compliance period and will be made by lenders unaffiliated with the General Partners.
- The Partnership will inherit existing reserve funds and other project cash deposits in the amount of \$369,709 of which \$170,000 will be used to rehabilitate the Property.
- The Property will benefit from a project-based USDA/Rural Development Rental Assistance Agreement that will subsidize the rent of all 56 units.

Reserves

- An operating reserve in the amount of \$160,622 will be funded from capital sources at or before Rental Achievement. In any event, the amount of the operating reserve must represent a minimum of six months of BC's underwritten operating expenses, replacement reserve deposits and hard debt service. The operating reserve will be held by the Partnership. Any draws on the operating reserve will be replenished with cash flow from operations.
- A replacement reserve will be funded in the amount of at least \$350 per unit per year, or such greater amount as may be required pursuant to applicable loan documents.
- A construction contingency in an amount of not less than 10% of the construction contract amount will be budgeted for the sole use of the Partnership.

Phone: 617-624-8900

Tax Credits

- The Property is applying for a reservation of tax credits for the year 2019 in the amount of \$336,000 ("Projected Credit") from Virginia Housing Development Authority (VHDA). Based upon the projected development costs, the applicable fraction of the development with tax credit-qualified units and the overall qualified basis of the development, it is anticipated that the final cost certification will support full use of this reservation amount.
- The Property is eligible for the 130% basis stepup.
- Tax credits will be generated from the Property for the Partnership as follows:

\$336,000 per year for each of the years 2021 - 2030

The Property has not been placed in service within the last ten years (unless permitted by an exception under the Code), and there is no more than 50% common ownership between the Partnership and anyone who previously placed the Property in service or the entity that will sell the Property to the Partnership.

Other Assumptions

- We have assumed 30-year depreciation for building improvements, and immediate expensing for land improvements and personal property.
- We have assumed \$150,000 will be expensed for site work in 2021 and \$196,000 will be expensed for personal property in 2021. Any change in this assumption will be evaluated and may result in revised investment terms to ensure a consistent yield to BC.
- The tax credits, depreciation and operating profits and losses of the Partnership will be allocated 99.99% to BC and 0.01% to the General Partners.
- Pricing is based on a 21% corporate tax rate and the material assumptions detailed in the proposal. Any change in these assumptions will be evaluated and may result in revised investment terms to ensure a consistent yield to BC.
- Satisfactory review of 704B capital accounts and residual value analysis by BC counsel.

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Fax: 617-624-8999

Investment Terms

Capital Contributions

Based upon these and other assumptions contained in the materials you submitted and subject to the satisfactory completion of BC's due diligence, BC will raise equity to make capital contributions to the Partnership in the aggregate amount of \$2,922,908 (\$0.87 per dollar of tax credit) in the installment amounts and subject to the conditions set forth below:

	Conditions	Amount	Percent
1st	on the latest to occur of (i) the tax credit reservation, (ii) closing of the construction financing, (iii) receipt of a commitment acceptable to BC for the permanent financing, (iv) assumption of the USDA/RD loan, (v) receipt of a commitment acceptable to BC for the subordinate financing, (vi) receipt of all building permits and an approved set of construction drawings or (vii) admission of BC;	\$438,436	15%
2nd	on the latest to occur of (i) the Completion Date, (ii) draft cost certification, (iii) updated insurance certificates, (iv) updated title insurance policy satisfactory to BC, which policy in no event shall contain a survey exception, (v) July 1, 2021 or (vi) satisfaction of all of the conditions to the payment of all prior Installments; and	\$2,046,035	70%
3rd	on the latest to occur of (i) Cost Certification, (ii) Permanent Mortgage Commencement, (iii) Initial Full Occupancy Date, (iv) receipt of satisfactory tenant file compliance review, (v) State Designation, (vi) Rental Achievement, (vii) January 1, 2022 or (viii) satisfaction of all of the conditions to the payment of all prior Installments.	\$438,436	15%

The first installment shall be held by BC or the construction lender and disbursed upon submission of draw requests and site inspection reports, in forms approved by BC, as construction progresses.

Adjusters

The capital contributions shown above shall be subject to adjustment based on the following circumstances. Reductions in capital contributions will be affected by reductions in future installments and then, if necessary, by a payment by the General Partners back to BC at the time of determination of any excess:

Initial Basis Shortfall Adjuster – In the event that the annual tax credit which will apply for each year in the credit period, as determined at cost certification, the issuance of 8609s or at anytime thereafter by the accountants or the IRS, is less than the Projected Credit, the capital contributions will be decreased by \$0.87 per dollar of the total credit shortfall aggregated for all ten years in the credit period.

<u>Performance Adjuster</u> - In the event that there is a credit shortfall or recapture of credits for any year after the Completion Date, to which the initial timing adjuster does not apply, the capital contributions will be decreased by the sum of (1) \$0.87 per dollar of the credit shortfall for such year, plus (2) the amount of any applicable recapture interest and penalties.

General Partners Obligations

In addition to the Adjuster obligations noted above and certain standard obligations set forth in the Partnership Agreement, the General Partners will have the following obligations:

<u>Development Obligation</u>. The General Partners will guarantee delivery of a completed, lien-free project (including all final certificates of occupancy), in accordance with plans and specifications approved by BC. The General Partners will be obligated to fund without reimbursement any overruns or development deficiencies incurred to achieve project delivery and Rental Achievement and to pay the full development fee (provided that a portion of the development fee, up to the amount projected for deferral at investment closing, may be deferred and paid from cash flow).

Operating Obligation. If the Partnership incurs an Operating Deficit for any period prior to Rental Achievement, the General Partners will furnish funds to cover the Operating Deficit on a non-reimbursable basis. Thereafter, Operating Deficits incurred after Rental Achievement will be met by General Partner advances ("Operating Deficit Loans") up to a maximum outstanding amount of \$175,000. This operating obligation will be released 60 months after Rental Achievement, provided (i) that the project has averaged 115% debt service coverage (based upon audited financials) for the twelve consecutive months occurring immediately prior to the release of this obligation, (ii) that the operating reserve is fully funded, and (iii) that the Rental Assistance Agreement remains intact without material modification. Operating Deficit Loans will bear no interest and will be repayable from future available cash flow or sale proceeds. Notwithstanding the foregoing, the obligation to advance funds to pay the Asset Management Fee and to fund the replacement reserve shall not be subject to the Operating Deficit Loan cap above and shall continue for the duration of BC's investment.

Repurchase Obligation. If certain development, operational or tax credit benchmarks (such as placement in service, issuance of 8609s, Permanent Mortgage Commencement or Rental Achievement) are not achieved by outside dates to be specified in the Partnership Agreement or in the

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Fax: 617-624-8999

event of a foreclosure, the General Partners will be obligated to repurchase BC's interest in the Partnership for a price equal to the excess of BC's Invested Amount less capital contributions not yet paid by BC to the Partnership plus any BC loans made to the Partnership to date.

Fees

<u>Development Fee.</u> The developer shall earn a development fee in the amount of \$585,000. Any portion thereof which is permitted to be deferred shall be paid from cash flow, provided that the General Partners shall be obligated to provide funds to pay any deferred amount outstanding on the thirteenth anniversary after the Completion Date.

<u>Partnership Management Fee.</u> The General Partners shall receive an annual fee in the amount of \$4,200 for each year starting with 2021, payable from each flow for such year if available.

<u>Incentive Management Fee.</u> The General Partners shall receive a noncumulative annual fee equal to 12% of net revenues from the Property less the base management fee, provided that it shall be paid only from the General Partners' share of cash flow under clause Sixth below.

Asset Management Fee. BC or its affiliate shall receive a guaranteed annual fee in the amount of \$4,200 for each year starting with 2021.

Allocation and Distributions

Cash flow from operations after payment of operating expenses, required mortgage debt service and funding of required replacement reserves shall be distributed as follows:

First, To BC as payment of the Asset Management Fee for the current and any prior years;

<u>Second</u>, To replenish the operating reserve;

<u>Third</u>, To the developer as payment of the deferred development fee if any;

Fourth, To the General Partners to repay any Operating Deficit Loans:

Fifth, To the General Partners as payment of the Partnership Management Fee for the current

year; and

Sixth, The remainder, 90% to the General Partners (first as payment of the Incentive

Management Fee and thereafter as a distribution) and 10% to BC.

The net proceeds of a sale or refinancing shall be distributed as follows:

First, To BC as payment of the Asset Management Fee for the current and any prior years;

Second, To the payment of all debts and liabilities of the Partnership not otherwise provided for,

first those due to BC and then those due to the General Partners or their affiliates;

Third, To the General Partners to repay any Operating Deficit Loans; and

Fourth, 90% to the General Partners and 10% to BC.

Notwithstanding the foregoing, in the event that an adjuster payment is due and payable to BC, cash flow and/or net proceeds, as applicable, shall be applied first to repay the adjuster amount and any accrued interest prior to being distributed.

Disposition of the Property

If requested by BC, and provided the Partnership has not waived such right as part of the tax credit application process, after the fourteenth year of the compliance period, the General Partners shall request the credit agency to find a purchaser for the Property pursuant to a "qualified contract" or to terminate the extended use agreement, and if acceptable to BC the Property shall be sold to such purchaser.

If the General Partners are otherwise unable to arrange a sale of the Property after the end of the tax credit compliance period on terms satisfactory to BC, then the General Partners shall have the option ("Purchase Option") to purchase BC's interest. The purchase price under such option shall be equal to the amount that would have been paid and distributed to BC under the partnership agreement in the event the Property was sold for its then fair market value, as determined by appraisal. The Purchase Option may be exercised by the General Partners during a period commencing at the end of the tax credit compliance period and expiring one year after the end of the tax credit compliance period; and the purchase of BC's interest must close no later than one year after the date the General Partners exercise the Purchase Option.

In the event that the General Partners do not exercise the Purchase Option and/or the General Partners do not close the transaction under the Purchase Option within one year after exercising the Purchase Option, BC shall have the right to require ("Required Sale Notice") that the General Partners initiate the sale of the Property to a third party. If a sale of the Property does not occur within one year from the Required Sale Notice, BC shall have the option of purchasing the General Partners interest based on the fair market value of the Property.

Right of First Refusal. For a period of one year following the end of the compliance period, if the Partnership receives a bona fide third-party offer to purchase the Property, the General Partners or their 501(c)3 non-profit affiliate, if the General Partners or their affiliate is a "qualified purchaser" as defined in Section 42(i)(7) of the Code, shall have a right of first refusal to purchase the Property (the "ROFR"). The purchase price shall be the lesser of (a) fair market value or (b) the minimum purchase price as defined in Section 42(i)(7)(B) of the Code. As to the ROFR, the purchase price shall never be less than an amount sufficient to assure payment to BC of all outstanding fees, adjusters, debts or other obligations owed to BC and any taxes projected to be payable by BC as a result of gain on the sale of the Property plus a disposition fee to BC of 1.5% of the purchase price.

Reporting and Other Provisions

The Partnership shall furnish BC with quarterly unaudited financial statements and annual audited financial statements and tax returns prepared by an independent firm of certified public accountants,

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Phone: 617-624-8900

approved by BC, who are familiar with reporting requirements applicable to tax credit properties, under a timetable to be specified in the partnership agreement.

Due Diligence and Closing Process

Upon receipt of an executed copy of this Proposal Letter and the Due Diligence Documents, the parties will agree upon a mutually acceptable due diligence period and closing schedule. Admission of BC to the Partnership is subject to a customary due diligence review, which includes, but may not be limited to, the following:

- a) Satisfactory due diligence, including a review of plans, specifications, scope of rehab work, asbestos and lead assessments/remediation plans and related construction documents.
- b) Satisfactory Phase I environmental report (ASTM Standards), addressed to the Partnership, dated within six months of admission and/or within six months of property conveyance, if prior to admission, and with a reliance letter in favor of BC.
- c) BC market study that will evaluate the Property's suitability and marketability as a tax credit property.
- d) Satisfactory financial statements of the General Partners, Partnership, Guarantor and affiliates.
- e) Satisfactory review of the backgrounds and credit worthiness of the General Partners and Guarantor.
- f) Site inspection by BC.
- g) Approval by BC Investment Committee in its sole and absolute discretion.
- h) Receipt of satisfactory commitment for construction and permanent financing and rental assistance.
- i) Receipt of satisfactory insurance policies.
- j) ALTA owner's policy of title insurance.
- k) Receipt of an acceptable partnership and local law opinion, to be provided by your counsel, and an acceptable tax opinion, to be provided by our counsel.
- Negotiation and execution of satisfactory partnership documentation, the parties acknowledging that such documentation is the only documentation intended to create a binding agreement between BC and the General Partners with respect to the Transaction.

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Costs and Expenses

Each party shall bear its own costs and expenses associated with the equity closing. Specifically, BC will pay for its own market study, its own counsel (including tax opinion) and the cost of any third party professionals it hires to aid it in the performance of its due diligence.

Confidentiality/Prohibition of Marketing

Until the execution of final, binding documentation for the Transaction, the General Partners agree not to disclose any of the terms of this Proposal Letter to anyone who is not a participant or potential lender to the Transaction. Notwithstanding anything to the contrary contained herein, (i) each party may disclose the tax structure of the proposed Transaction to any party without restriction, and (ii) BC shall have the right to disclose any information, financial projections and documentation received in conjunction with its proposed syndication of an equity investment in the Property to any prospective investor considering such investment.

The General Partners, on behalf of itself and its affiliates, hereby certifies that there are no other executed equity proposals or letters of intent with respect to the equity financing of the Property. Further, during the term of this Proposal Letter, neither the General Partners nor any affiliate shall solicit any other person or entity to provide, structure, arrange or syndicate an investment in the Property without the advance written consent of BC and the reimbursement of BC's actual out-of-pocket expenses incurred in connection with the Transaction.

Proposal Letter

This Proposal Letter expresses the intent of and summarizes only the major terms and conditions pursuant to which BC is prepared to provide equity financing for the Property. While this Proposal Letter reflects our mutual understanding, each party acknowledges that the provisions of this Proposal Letter (other than the sections entitled Costs and Expenses and Confidentiality/Prohibition of Marketing) are non-binding, and not intended to create or constitute any legally binding obligation between the parties. Neither party shall have any liability or obligation with respect to the non-binding provisions.

If the General Partners accept and approve the terms set forth in this Proposal Letter, please have the authorized party indicate by signing below. This Proposal Letter shall expire 14 calendar days from the date first set forth above. Furthermore, in the event that for whatever reason the Transaction proposed herein does not close on or before July 31, 2020, this Proposal Letter shall be deemed terminated with no further action by either party and shall be of no further force and effect. Upon such termination, all of the terms contained in this Proposal Letter shall be subject to change to reflect then-current market conditions. This Proposal Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and any dispute or action arising in connection with this Proposal Letter shall be brought only in the courts located in Boston, Massachusetts.

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Fax: 617-624-8999

Boston, MA 02108-4406

Mr. Adam J. Stockmaster
March 11, 2019
Page 10

We look forward to working with you on this exciting project. Thank you very much for your consideration.

Sincerely,

Joshua K. Gould
Vice President, Acquisitions

ACCEPTED ON THE ___ DAY OF ____ 2019 FOR

MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

as General Partner

Mr. Adam J. Stockmaster March 11, 2019 Page 11

Exhibit A

Defined Terms

"Completion Date" means the date upon which the Property has been completed as evidenced by (i) the issuance by the inspecting architect and by each governmental agency having jurisdiction of certificates of substantial completion and certificates of occupancy with respect to all units in the Property, and (ii) satisfaction of all due diligence recommendations and receipt of lender estoppel letters, an as-built survey and a contractor's payoff letter.

"Cost Certification" means the receipt by BC of certification of the accountants as to the itemized amounts of the construction and development costs of the Property and its tax credit eligible basis and applicable percentage.

"Initial Full Occupancy Date" means the first date, after BC has received documentation evidencing that tax credits have begun to flow for all units, on which at least 95% of all units are leased and physically occupied.

"Invested Amount" means for BC, an amount equal to its total capital contribution divided by 0.90, and for any other Partner, an amount equal to its capital contribution.

"Operating Deficit" means any shortfall in operating revenue and funds available from the operating reserve necessary to pay all operating expenses (including full payment of the Asset Management Fee to BC and replacement reserve deposits) and debt service.

"Partial Completion" means partial completion, at the specified percentage of hard costs, of construction of the Property.

"Permanent Mortgage Commencement" means occurrence of the Completion Date, repayment of the construction financing, closing of the permanent financing and commencement of permanent loan debt service payments.

"Rental Achievement" means the first time, based upon three consecutive full calendar months of operation after Permanent Mortgage Commencement, with each month taken individually, that debt service coverage (based on the greater of actual or projected future operating expenses) equals or exceeds 115%.

"State Designation" means the date upon which the Partnership receives the final tax credit allocation for the Property pursuant to Form(s) 8609.

U

Documentation to Request Exception to Restriction-Pools with Little/No Increase in Rent Burdened Population

N/A

V

Nonprofit or LHA Purchase Option or Right of First Refusal

DT	N#:	
	M#.	

PURCHASE OPTIONS AND RIGHT OF FIRST REFUSAL AGREEMENT

This Purchase Option and Right of First Refusal Agreement (this "Agreement") is made as of the <u>13th</u> day of <u>March</u> 2019, by and between **MAGNOLIA APARTMENTS LIMITED PARTNERSHIP**, a Virginia limited partnership (the "Partnership") (index as "Grantor") and **PETERSBURG COMMUNITY DEVELOPMENT CORPORATION**, a Virginia nonprofit corporation, as the Grantee (index as "Grantee").

WHEREAS, Grantee has been instrumental in the redevelopment of a multi-family real estate apartment development in the town of **Blackstone**, **Nottoway County**, **Virginia**, known as **Magnolia Place Apartments** (hereinafter, the "Property"), and will act as guarantor of certain obligations in the formation and continuation of the Partnership for the further development of the Property; and

WHEREAS, the Property is or will be subject to one of more governmental agency regulatory agreements (collectively, the "Regulatory Agreement") restricting its use to low-income housing (the "Use Restrictions"); and

WHEREAS, Grantee desires to provide for the continuation of the project as low-income housing upon termination of the Partnership by Grantee purchasing the Property at the applicable price determined under this Agreement and operating the Property in accordance with the Use Restrictions; and

NOW, THEREFORE, in consideration of the execution and delivery of the Partnership Agreement, the performance of the services by the Grantee to the Partnership and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- 1. Grant of Option. The Partnership hereby grants to Grantee an option to purchase the real estate, fixtures, and personal property comprising the Property or associated with the physical operation thereof, located at the Property and owned by the Partnership at the time of purchase (the "Option"), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Property (the "Compliance Period") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of such Options specified herein. The Property real estate is described in Exhibit A attached hereto and made a part hereof. The Regulatory Agreement containing the Use Restrictions to which the Property real estate will remain subject is described in Exhibit B attached hereto and made a part hereof.
- 2. <u>Grant of Refusal Right</u>. In the event that the Partnership receives a bona fide offer to purchase the Property at any time during the period beginning on the date of termination of the Compliance Period, the Partnership will not sell the Property or any portion thereof without first providing the

Grantee with a written notice (the "Notice of Refusal Right") offering to the Grantee a right of first refusal to purchase the Property (the "Refusal Right") after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Paragraph 8 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Paragraph 8 hereof meeting the requirements of Section 42(i)(7)(A) of the Code.

3. Purchase Price Under Option. The purchase price under the Option shall be:

<u>Debt and Taxes.</u> The sum of: (a) an amount sufficient to pay all debts (including Member loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, or (b) an amount sufficient to distribute to the Partners pursuant the Partnership Agreement, cash proceeds equal to the state, local and federal taxes projected to be imposed on the Members as a result of the sale of the Property pursuant to the Option.

<u>Fair Market Value</u>. The fair market of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser who is a member of the Master Appraiser Institute ("MAI") and who has experience in the geographic area in which the Property is located. The fair market value of the Project shall be determined by an MAI appraiser selected by and paid for by the Partnership.

- **4.** Purchase Price Under Refusal Right. The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of: (a) an amount sufficient to pay all debts (including Partner loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right and (b) an amount sufficient to distribute to the Partners cash proceeds equal to the state, local, and federal taxes projected to be imposed on the Partners as a result of the sale pursuant to the Refusal Right; provided, however, that in no event shall the purchase price pursuant to the Right of First Refusal be less than the amount of the "minimum purchase price" as defined in Section 42(i)(7)(B) of the Code.
- **5.** Exercise of Option or Refusal Right. The Option and the Refusal Right may each be exercised by Grantee by (a) giving written notice of its intent to exercise the Option or the Refusal Right to the Partnership and each of its Partners in compliance with the requirements of this Paragraph 5, and (b) complying with the contract and closing requirements of Paragraph 7 hereof. Any such notice of intent to exercise the Option shall be given the last twelve (12) months of the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within ninety (90)

days after Grantee has received the Partnership's Notice of Refusal Right pursuant to Paragraph 2 hereof. In either case, the notice of intent shall specify a closing date within one hundred eighty (180) days immediately following the end of the Compliance Period. If the foregoing requirements are not met as when provided herein, the Option or the Refusal Right, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all of the other rights shall be subordinated to the rights then being so exercised unless and until such exercise is withdrawn or discontinued.

- **6.** <u>Determination of Price.</u> Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Partnership and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property.
- 7. Contract and Closing. Upon determination of the purchase price, the Partnership and Grantee shall enter into a written contract for the purchase and sale of the Property, as the case may be, in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Property is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise the Option or the Refusal Right, as applicable, or thirty (30) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of wither one of the Options or the Refusal Right, as applicable.
- **8.** Assignment. Grantee may assign all or any of its rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation or the Property (each a "Permitted Assignee") that demonstrates its ability and willingness to maintain the Property as low-income housing in accordance with the Use Restrictions and subject in any event to the conditions precedent to the Refusal Right grant and the Option price set forth in Paragraphs 2 and 3 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Partnership. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.
- **9.** <u>Miscellaneous.</u> This Agreement shall be liberally construed in accordance with the laws of the Commonwealth of Virginia in order to effectuate the purposes of this Agreement. This Agreement may be executed in counterparts signature pages, which together shall constitute a single agreement.

(Signatures on Next Page)

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

PARTNERSHIP:

MAGNOLIA APARTMENTS LIMITED PARTNERSHIP

By: AS Squared, LLC, Majority General Partner

By:

Adam J. Stockmaster, Manager

STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me, Anthony E. Calkins, a Notary Public, this 13th day of March, 2019, by Adam J. Stockmaster, who has presented identification of a District of Columbia Driver's License. Adam J. Stockmaster voluntarily acknowledged this instrument under the penalty of perjury as Manager of AS Squared, LLC, the Majority General Partner of MAGNOLIA Apartments Limited Partnership, on behalf of the partnership.

My commission Expires: December 16th, 2019

Notary Public

NOTARIAL SEAL (Sharp, legible, photographically reproducible)



GRANTEE:

PETERSBURG COMMUNITY DEVELOPMENT CORPORATION

James Hendricks, Executive Director

STATE OF MARYLAND

to wit:

COUNTY OF MONTGOMERY

The foregoing instrument was acknowledged before me, Anthony E. Calkins, a Notary Public, this 13th day of March, 2019, by James Hendricks, who has presented identification of a Virginia Driver's License. James Hendricks voluntarily acknowledged this instrument under the penalty of perjury as Executive Director of PETERSBURG COMMUNITY DEVELOPMENT CORPORATION, a Virginia nonprofit corporation and is duly authorized to act on behalf of said Corporation that said instrument was signed and sealed by him, and being informed of the contents thereof, acknowledged execution of the foregoing instrument on behalf of said Corporation.

My commission Expires: December 16th, 2019

Notary Public

NOTARIAL SEAL (Sharp, legible, photographically reproducible)

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

All that certain tract or parcel of land situate, lying and being in the Town of Blackstone, Nottoway County, Virginia, designated as Tax Identification Number 50A-25-1-25-1, containing 3.444 Acres, as shown on plat of survey made by Acres of Virginia, Inc., Surveyors, Engineers, Planners & Soil Consultants, entitled, "PLAT SHOWING AS-BUILT SURVEY, BLOCK 25 WEST BLACKSTONE, MAGNOLIA PLACE, FORMERLY KNOWN AS BLACKSTONE MANOR, TOWN OF BLACKSTONE, NOTTOWAY COUNTY, VIRGINIA, SURVEYED FOR: BLACKSTONE RURAL ASSOCIATES LIMITED PARTNERSHIP," dated September 12, 2002, a copy of which plat of survey is to be recorded in the Clerk's Office of the Circuit Court for the County of Nottoway, Virginia, and to which plat of survey reference is here made for a more accurate and particular description of the said property.

EXHIBIT B

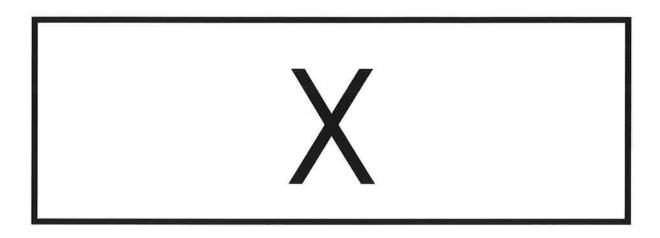
DESCRIPTION OF REGULATORY AGREEMENT

Title: Exte	ended Use Regulatory Agreement and Declaration of Restrictive Covenants
Parties:	MAGNOLIA Apartments Limited Partnership as Grantor and Virginia Housing Development Authority, as Grantee
Date:	·
Recording I	nformation:

[Attach additional page(s) if there is more than one Regulatory Agreement.]

W

(Reserved)



Marketing Plan

For units meeting accessibility requirements of HUD section 504

Magnolia Place Apartments Blackstone, Nottoway County, Virginia

Marketing Plan for Units Meeting Accessibility Requirements of HUD Section 504

This marketing plan has been developed for the units in this apartment development that will be fully renovated to meet the accessibility requirements of HUD Section 504 (the "Marketing Plan"). This Marketing Plan has been designed to convey to current and potential residents with disabilities, that **Magnolia Place Apartments** will continue to be a unique rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. This plan will address ways in which property management will endeavor to secure and actively market the project to qualified tenants that are mobility impaired and likely will be served well by the features of a HUD Section 504 designed units. In addition, management will ensure quality tenancy, and effective management of the property.

The Management Agent will be responsible for the management of **Magnolia Place Apartments** as well as the marketing efforts to mobility impaired persons. The Management Agent will be responsible for all of the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications.

I. Affirmative Fair Housing Marketing

The Management Agent is pledged to the letter and the spirit of the USDA – Rural Development policy of the achievement of equal housing opportunity throughout the Nation's rural communities and will actively promote fair housing in the development and marketing of this project. Management Agent, it's Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, age, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act.

Any employee who has discriminated in the acceptance of a resident will be subject to disciplinary actions which may include dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income, and conformity with the requirements of the USDA – Rural Development, Section 8 and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure. Any resident who has questions not answered by the leasing staff will be referred to the Supervisor of the site staff.

All 504 designated units will be continually marketed on an ongoing basis. These units will be held vacant for at least 60 days in accordance to Virginia Housing Development Authorities' guidelines. Any move/relocation that is a result of accommodating a temporary/non-disabled tenant will be paid for by the owner of the Apartment Community.

II. Marketing and Outreach

Locating people with disabilities to occupy the units meeting accessibility requirements of HUD Section 504 will be accomplished as follows:

1. Networking

The Management Agent will contact local centers for independent living and disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

Page County Department of Social Services 540-778-1053

Nottoway County Health Department – 434-645-7595 http://nottoway.org/government/county/departments/health-department/

Nottoway County Department of Social Services – 434-645-8494 http://nottoway.org/government/county/departments/social-services/

Virginia Department of Medical Assistance Services 804-786-7933 http://www.dmas.virginia.gov/

Virginia Department of Behavioral Health & Developmental Services 804-786-3921 http://www.dbhds.virginia.gov/

2. Print Media

Print media sources will also be identified in the **Blackstone/ Nottoway County** area that cater to people with disabilities as well as the public at large. These typically include The Virginia Gazette and other local, minority oriented newspapers. Other sources may include, but are not limited to, rental magazines such as the Apartment Shoppers Guide, Apartments For Rent, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo type, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

3. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property. Flyers will be distributed to residents along with the project newsletter announcing the tenant referral program.

4. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo.

These marketing materials include:

Brochures - A simple, two color brochure can be produced at low cost which will effectively sell the apartments and community. This brochure will include the floor plans, a listing of features and amenities. The floor plans should be printed in as large a format as possible.

Flyers - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic. As such, each flyer should include a special offer with a deadline.

Internet – Listing on VirginiaHousingSearch.com

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. Also posted in the Rental Office are instructions to anyone who feels they have been discriminated against to contact the Supervisor of the site staff at the Management Agent directly. The Management Agent encourages and supports an affirmative fair housing marketing program as required by USDA – Rural Development in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, physical or mental handicap, political affiliation, source of income, or place of residence or business.

IV. Preference for Persons with Intellectual or Development Disability

First Preference will be given to persons with an intellectual or development disability (ID/DD) as determined by the Virginia Department of Medical Assistance Services (DMAS) or the Virginia Department of Behavioral Health and Developmental Services (DBHDS). This will be accomplished by obtaining tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or the Virginia Department of Behavioral Health and Developmental Services (DBHDS), subject to appropriate federal approval.

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Magnolia Place

701 Church Street - Blackstone, VA 23824

₹7

↓ Report an Issue ↓

Seniors or eligible people with disabilities only. Licensed.

Income Restricted •

\$0 - \$438

Income Based Rent @

Deposit \$438

Waiting List

Application Fee: \$11 Per Adult . Utilities Included: Water, Sewer One Year Lease

Credit Check : YES Criminal Check : YES

1 Bed • 1 Bath • Apartments 698 sq.ft. • Built 1981 (approx.)

Up to 3 Occupants



2/27/2019

13

(8)

Basic Features

Pets	Fee See Comments •
Smoking	Allowed •
Trash Service	\$15/mo
Address-Based School District	Nottoway County Public Schools
School Information	Nottoway County
Flooring	Carpet, Vinyl
Other Features	Lawn Care Included, Patio. Dining Room

Stove Microwav Refrigeral Clothes Dryer Clother Appliances Miniblinds Stove Microwav Controls (On Site)

Specialized Information

Electric Electric

Yes

Central

Air Conditioner
Heating Type
Water Heater
Cable Ready

Utilities

353782	• o _N	Yes	Seniors and Qualified Disabled	62 Years Old	Yes
Listing ID	Familiar with Section 8 process	Tax Credit Property	Seniors Only		L icensed

Accessibility

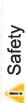
Standard Height	Counters and Vanity	Unknown
CounterAlanity	Counter/ valuity	Door/Faucet Handles

Kitchen Standard Bathroom Standard

Kitchen & Bath Accessibility

↓ Comprehensive List ↓

↓ Comprehensive List ↓



Yes •	HUD Lead Paint Guidelines Lead Paint Disclosure Rule	Smoke Detector With Strobe
Lead-free / Passes Lead Safe Guidelines	L Learn More	Fire Safety

ntry	Off Street	Yes	From Outside	Flat or no-step entry	Doorway clear width h 32" or wider	Standard PeepholeAccessible PeepholeDeadbolt on Entry DoorUnit on First Floor
O Parking and Entry	Parking Type	Parking in Front of Entrance	Entry Location	Unit Entry	Unit Minimum Door Width	Other Entry Options
		- · ·	1			

訖 Nearby Services

Bus Stop Shooping Venues	On Site Within One Mile
Grocery Shopping	Within One Mile
Recreational Facilities	Within One Mile
Hospital	Five or More Miles
Pharmacy	Within One Mile
	 Sidewalks
Also Mosrby	 Dumpsters
io ivearby	 Clubhouse
	 Recreational Facilities

2/27/2019

Comments

more information regarding income restrictions and individuals with or without children. Please call for Housing for elderly (62 and over) and disabled qualifications. Qualifiers For Sliding Scale or Income Restriction

\$250 pet fee. Assistance animals are exempt from

Please bring a photo ID, Social Security card, and a this fee.

birth certificate for minors.

Owner/Manager Comments

Property Comments

Report Listing Read Scam Alert We monitor listings, but if you see an issue, we want to hear from you!

Under the 🔄 Federal Fair Housing Act of 1968, as amended in 1988, it is illegal to engage in discriminatory advertising based on race, color, religion, sex, familial status, disability, and national origin.

Virginia Housing Development Authority

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VirginiaHour - Search.com | Property Details

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