
2020 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 **12:00 PM**
Richmond, VA Time On **March 12, 2020**

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 2020 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 12, 2020**. 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 only accepts files via our work center sites on Procorem. Contact TaxCreditApps@vhda.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

VHDA LIHTC Allocation Staff Contact Information

| Name | Email | Phone Number |
|--------------------|--|---------------------|
| JD Bondurant | johndavid.bondurant@vhda.com | (804) 343-5725 |
| Sheila Stone | sheila.stone@vhda.com | (804) 343-5582 |
| Stephanie Flanders | stephanie.flanders@vhda.com | (804) 343-5939 |
| Phil Cunningham | phillip.cunningham@vhda.com | (804) 343-5514 |
| Pamela Freeth | pamela.freeth@vhda.com | (804) 343-5563 |
| Aniyah Moaney | Aniyah.moaney@vhda.com | (804) 343-5518 |

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2020 Low-Income Housing Tax Credit Application For Reservation

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

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/27/2020

1. Development Name: COGIC High-Rise Apartments
2. Address (line 1): 2412 East Virginia Beach Boulevard
 Address (line 2): _____
 City: Norfolk State: VA Zip: 23504
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 36.85265 Latitude: 0-76.263763
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Norfolk City
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?..... _____
6. Development is located in the census tract of: 43.00
7. Development is located in a **Qualified Census Tract**..... TRUE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** TRUE
10. Development is located in a **Revitalization Area designated by resolution** FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

| | | |
|-------|-------|-------|
| 3% | 10% | 12% |
| FALSE | FALSE | FALSE |

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 23
- State Senate District: 5
- State House District: 90

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

[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

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

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

COGIC High Rise Apartments is located at 2412 East Virginia Beach Boulevard in Norfolk, Virginia. The property is a preexisting Section 8 property designated for seniors 62 and older; the subject property is made up of a pre-existing 11-story building containing a 150 units (35 Studio units, 105 One Bedroom units, and 10 Two Bedroom units). The subject property will undergo a renovation consisting of \$34,000 a unit in hard cots. The tenants will be relocated during working hours as their respective unit is under construction.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/27/2020

16. Local Needs and Support

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

Chief Executive Officer's Name: Larry Filer
 Chief Executive Officer's Title: City Manager Phone: (757) 664-4242
 Street Address: 810 Union Street, Suite 1101
 City: Norfolk State: VA Zip: 23510

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

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

Chief Executive Officer's Name:
 Chief Executive Officer's Title: Phone:
 Street Address:
 City: State: Zip:

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

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

B. RESERVATION REQUEST INFORMATION

1. **Requesting Credits From:**

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

or

b. If requesting Tax Exempt Bonds, select development type:

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)

Skip to Number 4 below.

2. **Type(s) of Allocation/Allocation Year**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2019.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2019, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2019 credits pursuant to Section 42(h)(1)(E).

3. **Select Building Allocation type:**

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?

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

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)

Name of companion development:

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

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?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

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 an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: COGIC Memorial Home for the Elderly Preservation, L.P.

Developer Name: Progressive Affordable Development

Contact: M/M ▶ Mr. First: Ryan MI: V Last: Songerath

Address: 2412 East Virginia Beach Boulevard

City: Norfolk St. ▶ VA Zip: 23504

Phone: (310) 309-6731 Ext. Fax: (310) 986-6485

Email address: rsongerath@bluegreenpreservation.com

Federal I.D. No. 83-1453124 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.

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

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

| <u>Names</u> ** | <u>Phone</u> | <u>Type Ownership</u> | <u>% Ownership</u> |
|--|----------------|-----------------------|--------------------|
| COGIC Memorial Preservation, LLC | (757) 424-3235 | Managing Member | 100.000% |
| COGIC Memorial Home for the Elderly, Inc | (757) 424-3235 | President | 0.000% |
| Bishop Wilbert L. Daniels, President of NP | (757) 424-3235 | President | 0.000% |
| | | | 0.000% |
| | | | 0.000% |
| | | | 0.000% |
| | | | 0.000% |

needs
needs

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

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

C. OWNERSHIP INFORMATION

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract
Expiration Date:

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

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

- a. FALSE Owner already controls site by either deed or long-term lease.
- b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... .
- c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

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

D. SITE CONTROL

3. Seller Information:

Name: COGIC Memorial Home for the Elderly, Inc.
 Address: 2412 East Virginia Beach Boulevard
 City: Norfolk St.: VA Zip: 23504
 Contact Person: Elder Lemuel Williams Phone: (757) 621-4523

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

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

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

| <u>Names</u> | <u>Phone</u> | <u>Type Ownership</u> | <u>% Ownership</u> |
|--|----------------|--------------------------|--------------------|
| COGIC Memorial Preservation, LLC | (757) 424-3235 | Managing General Partner | 0.01% |
| COGIC Memorial Home for the Elderly | (757) 424-3235 | President | 0.00% |
| Bishop Wilbert L. Danials, President o | (757) 424-3235 | President | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |

needs ownership %
needs ownership %

2020 Low-Income Housing Tax Credit Application For Reservation

E. DEVELOPMENT TEAM INFORMATION

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

1. Tax Attorney: Jason Hobson This is a Related Entity. FALSE
Firm Name: Hobson Bernardino
Address: 444 South Flower Street, Suite 3100, Los Angeles, CA 90071
Email: jhobson@hbdlegal.com Phone: (213) 235-9191
2. Tax Accountant: Jeremy Densmore, CPA This is a Related Entity. FALSE
Firm Name: Tidwell Group
Address: 11340 Lakefield Drive, Suite 150, Johns Creek, GA 30097
Email: jeremy.densmore@tidwellgroup.com Phone: (470) 273-6610
3. Consultant: Ryne Johnson This is a Related Entity. FALSE
Firm Name: Astoria, LLC Role: Application Consultation
Address: 3450 Lady Marian Ct., Medothian, VA 23113
Email: rynejohnson@astoriallc.com Phone: (804) 320-0585
4. Management Entity: Lemuel Williams This is a Related Entity. FALSE
Firm Name: COGIC Memorial Homes for the Elderly, Inc.
Address: 2412 East Virginia Bopulevard, Norfolk, VA 23504
Email: info2@cogichighrise.com Phone: (757) 621-4523
5. Contractor: Brian Revere This is a Related Entity. FALSE
Firm Name: Breedan Construction
Address: 4501 Marshall Run Circle
Email: brianr@breedenconstruction.com Phone: (804) 622-3250
6. Architect: Juan Self This is a Related Entity. FALSE
Firm Name: Self + Tucker Architects
Address: 480 Doctor M.L.K. Jr. Avenue, Suite 201, Memphis, TN 38126
Email: jsself@selftucker.com Phone: (901) 261-1505
7. Real Estate Attorney: Vincent J. Mastracco Jr. This is a Related Entity. FALSE
Firm Name: Kaufman & Canoles
Address: 10 West Main Street, 21st Floor, Norfolk, VA 23514
Email: vjmastracco@kaufcan.com Phone: (757) 624-3213
8. Mortgage Banker: Mark Ragsdale This is a Related Entity. FALSE
Firm Name: PNC Real Estate
Address: 575 Market Street, Suite 2800
Email: mark.ragsdale@pnc.om Phone: (415) 733-1533
9. Other: Matthew Harrington This is a Related Entity. FALSE
Firm Name: PNC Tax Credit Capital Role: Equity Investor
Address: 121 SW Morrison, Suite 1300
Email: mathew.harrington@pnc.com Phone: (503) 808-1349

F. REHAB INFORMATION

1. Acquisition Credit Information

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

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

b. Minimum Expenditure Requirements

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

4. Request For Exception

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

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... TRUE (If false, go on to part III.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (Mandatory TAB I).

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... FALSE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... TRUE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Other

Name: COGIC Memorial Home for the Elderly, Inc. (Please fit NP name within available space)

Contact Person: Lemuel Williams

Street Address: 2412 East Virginia Beach Boulevard

City: Norfolk State: VA Zip: 00002-3504

Phone: (757) 621-4523 Extension: Contact Email: infor2@cogichighrise.com

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 100.0%

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: COGIC Memorial Home for the Elderly, Inc.

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

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

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

Action: Provide Homeownership Plan **(TAB N)**

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

H. STRUCTURE AND UNITS INFORMATION

1. General Information

| | | | |
|---|--------|----------|-------------------------------------|
| a. Total number of all units in development | 150 | bedrooms | 160 |
| Total number of rental units in development | 150 | bedrooms | 160 |
| Number of low-income rental units | 148 | bedrooms | 157 |
| Percentage of rental units designated low-income | 98.67% | | |
| b. Number of new units:..... | 0 | bedrooms | 0 |
| Number of adaptive reuse units: | 0 | bedrooms | 0 |
| Number of rehab units:..... | 150 | bedrooms | 160 |
| c. If any, indicate number of planned exempt units (included in total of all units in development)..... | | | 2 |
| d. Total Floor Area For The Entire Development..... | | | 114,483.00 <small>(Sq. ft.)</small> |
| e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... | | | 6,473.00 <small>(Sq. ft.)</small> |
| f. Nonresidential Commercial Floor Area (Not eligible for funding)..... | | | 1,430.00 |
| g. Total Usable Residential Heated Area..... | | | 106,580.00 <small>(Sq. ft.)</small> |
| h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space | | | 0.00% |
| i. Exact area of site in acres | 1.000 | | |
| j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O). | | | TRUE |
| k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G) | | | |
| l. Development is eligible for Historic Rehab credits..... | | | FALSE |

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

| Unit Type | Average Sq Foot | | # of LIHTC Units | Total Rental Units |
|------------------------|-----------------|----|------------------|--------------------|
| Supportive Housing | 0.00 | SF | 0 | 0 |
| 1 Story Eff - Elderly | 0.00 | SF | 0 | 0 |
| 1 Story 1BR - Elderly | 0.00 | SF | 0 | 0 |
| 1 Story 2BR - Elderly | 0.00 | SF | 0 | 0 |
| Eff - Elderly | 533.43 | SF | 35 | 35 |
| 1BR Elderly | 750.00 | SF | 104 | 105 |
| 2BR Elderly | 916.00 | SF | 9 | 10 |
| Eff - Garden | 0.00 | SF | 0 | 0 |
| 1BR Garden | 0.00 | SF | 0 | 0 |
| 2BR Garden | 0.00 | SF | 0 | 0 |
| 3BR Garden | 0.00 | SF | 0 | 0 |
| 4BR Garden | 0.00 | SF | 0 | 0 |
| 2+ Story 2BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 3BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 4BR Townhouse | 0.00 | SF | 0 | 0 |
| | | | 148 | 150 |

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

3. Structures

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

b. Age of Structure:..... 45 years

c. Number of stories:..... 11

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

e. Commercial Area Intended Use: Medical Clinic and Hair Salon

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

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

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

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

H. STRUCTURE AND UNITS INFORMATION

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

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

h. Development contains an elevator(s). **TRUE**

If true, # of Elevators. **1**

Elevator Type (if known)

i. Roof Type **▶ Flat**

j. Construction Type **▶ Masonry**

k. Primary Exterior Finish **▶ Brick**

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities:

m. Number of Proposed Parking Spaces..... **64**

Parking is shared with another entity **FALSE**

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. **TRUE**

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
 - i. A location map with development clearly defined.
 - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
 - iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structureNotes must indicate basic materials in structure, floor and exterior finish.
- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
 - i. Phase I environmental assessment.
 - ii. Physical needs assessment for any rehab only development.

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

6. Market Study Data:

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

| | |
|--|--------|
| Project Wide Capture Rate - LIHTC Units | 21.40% |
| Project Wide Capture Rate - Market Units | 0.00% |
| Project Wide Capture Rate - All Units | 21.40% |
| Project Wide Absorption Period (Months) | 14 |

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 RESNET rater certification (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (Tab W) if options selected below.

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 63.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- FALSE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- FALSE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- FALSE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- FALSE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

J. ENHANCEMENTS

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

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

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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


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

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

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

If not, please explain:

N/A

 Architect of Record initial here that the above information is accurate per certification statement within this application.

I. UTILITIES

1. Utilities Types:

- a. Heating Type Electric Baseboard
- b. Cooking Type Electric
- c. AC Type Window Unit
- d. Hot Water Type Gas

2. Indicate True if the following services will be included in Rent:

- | | | | |
|-----------------|-------------|----------------------|-------------|
| Water?..... | <u>TRUE</u> | Heat?..... | <u>TRUE</u> |
| Hot Water?..... | <u>TRUE</u> | AC?..... | <u>TRUE</u> |
| Lighting?..... | <u>TRUE</u> | Sewer?..... | <u>TRUE</u> |
| Cooking? | <u>TRUE</u> | Trash Removal? | <u>TRUE</u> |

| Utilities | Enter Allowances by Bedroom Size | | | | |
|--|----------------------------------|------|------|------|------|
| | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR |
| Heating | 0 | 0 | 0 | 0 | 0 |
| Air Conditioning | 0 | 0 | 0 | 0 | 0 |
| Cooking | 0 | 0 | 0 | 0 | 0 |
| Lighting | 0 | 0 | 0 | 0 | 0 |
| Hot Water | 0 | 0 | 0 | 0 | 0 |
| Water | 0 | 0 | 0 | 0 | 0 |
| Sewer | 0 | 0 | 0 | 0 | 0 |
| Trash | 0 | 0 | 0 | 0 | 0 |
| Total utility allowance for costs paid by tenant | \$0 | \$0 | \$0 | \$0 | \$0 |

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

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

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

K. SPECIAL HOUSING NEEDS

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

1. **Accessibility:** Indicate True for the following point categories, as appropriate.
Action: Provide appropriate documentation (**Tab X**)

FALSE

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

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

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

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

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


TRUE

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

FALSE

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

For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.

 Architect of Record initial here that the above information is accurate per certification statement within this application.

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

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

Action: Provide Permanent Supportive Housing Certification (Tab S)

b. The development has existing tenants and a relocation plan has been developed..... TRUE
 (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 and Unit Delivery Schedule (Mandatory if tenants are displaced - Tab J)

3. Leasing Preferences

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

Organization which holds waiting list: COGIC Memorial Home for the Elderly, Inc.

Contact person: Teresa Stratton

Title: Property Manager

Phone Number (757) 622-2513

Action: Provide required notification documentation (TAB L)

b. Leasing preference will be given to individuals and families with children..... FALSE
 (Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0
 % of total Low Income Units 0%

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

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

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

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

| | |
|---|-----------|
| d. Number of units receiving assistance: | 148 |
| How many years in rental assistance contract? | 16.00 |
| Expiration date of contract: | 7/31/2033 |
| There is an Option to Renew..... | TRUE |

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

L. UNIT DETAILS

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

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

a. Units Provided Per Household Type:

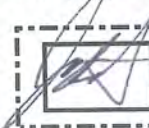
| Income Levels | | | Avg Inc. |
|---------------|------------|-----------------|---------------|
| # of Units | % of Units | | |
| 0 | 0.00% | 20% Area Median | 0% |
| 0 | 0.00% | 30% Area Median | 0% |
| 0 | 0.00% | 40% Area Median | 0% |
| 75 | 50.00% | 50% Area Median | 3750% |
| 73 | 48.67% | 60% Area Median | 4380% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 2 | 1.33% | Market Units | |
| 150 | 100.00% | Total | 54.93% |

| Rent Levels | | | Avg Inc. |
|-------------|------------|-----------------|---------------|
| # of Units | % of Units | | |
| 0 | 0.00% | 20% Area Median | 0% |
| 0 | 0.00% | 30% Area Median | 0% |
| 0 | 0.00% | 40% Area Median | 0% |
| 75 | 50.00% | 50% Area Median | 3750% |
| 73 | 48.67% | 60% Area Median | 4380% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 2 | 1.33% | Market Units | |
| 150 | 100.00% | Total | 54.93% |

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

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

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

 Architect of Record initial here that the information below is accurate per certification statement within this application.

| | Unit Type (Select One) | Rent Target (Select One) | Number of Units | # of Units 504 compliant | Net Rentable Square Feet | Monthly Rent Per Unit | Total Monthly Rent |
|--------|------------------------|--------------------------|-----------------|--------------------------|--------------------------|-----------------------|--------------------|
| Mix 1 | Efficiency | 50% AMI | 18 | 2 | 235.29 | \$940.00 | \$16,920 |
| Mix 2 | Efficiency | 60% AMI | 17 | | 235.29 | \$940.00 | \$15,980 |
| Mix 3 | 1 BR - 1 Bath | 50% AMI | 52 | 5 | 470.20 | \$1,065.00 | \$55,380 |
| Mix 4 | 1 BR - 1 Bath | 60% AMI | 52 | | 470.20 | \$1,065.00 | \$55,380 |
| Mix 5 | 1 BR - 1 Bath | Market 100% | 1 | | 470.20 | \$1,065.00 | \$1,065 |
| Mix 6 | 2 BR - 1 Bath | 50% AMI | 5 | 1 | 594.00 | \$1,320.00 | \$6,600 |
| Mix 7 | 2 BR - 1 Bath | 60% AMI | 4 | | 594.00 | \$1,320.00 | \$5,280 |
| Mix 8 | 2 BR - 1 Bath | Market 100% | 1 | | 594.00 | \$1,320.00 | \$1,320 |
| Mix 9 | | | | | | | \$0 |
| Mix 10 | | | | | | | \$0 |
| Mix 11 | | | | | | | \$0 |
| Mix 12 | | | | | | | \$0 |
| Mix 13 | | | | | | | \$0 |
| Mix 14 | | | | | | | \$0 |
| Mix 15 | | | | | | | \$0 |

L. UNIT DETAILS

| | | | | | | | |
|--------|--|--|--|--|--|--|-----|
| Mix 17 | | | | | | | \$0 |
| Mix 18 | | | | | | | \$0 |
| Mix 19 | | | | | | | \$0 |
| Mix 20 | | | | | | | \$0 |
| Mix 21 | | | | | | | \$0 |
| Mix 22 | | | | | | | \$0 |
| Mix 23 | | | | | | | \$0 |
| Mix 24 | | | | | | | \$0 |
| Mix 25 | | | | | | | \$0 |
| Mix 26 | | | | | | | \$0 |
| Mix 27 | | | | | | | \$0 |
| Mix 28 | | | | | | | \$0 |
| Mix 29 | | | | | | | \$0 |
| Mix 30 | | | | | | | \$0 |
| Mix 31 | | | | | | | \$0 |
| Mix 32 | | | | | | | \$0 |
| Mix 33 | | | | | | | \$0 |
| Mix 34 | | | | | | | \$0 |
| Mix 35 | | | | | | | \$0 |
| Mix 36 | | | | | | | \$0 |
| Mix 37 | | | | | | | \$0 |
| Mix 38 | | | | | | | \$0 |
| Mix 39 | | | | | | | \$0 |
| Mix 40 | | | | | | | \$0 |
| Mix 41 | | | | | | | \$0 |
| Mix 42 | | | | | | | \$0 |
| Mix 43 | | | | | | | \$0 |
| Mix 44 | | | | | | | \$0 |
| Mix 45 | | | | | | | \$0 |
| Mix 46 | | | | | | | \$0 |
| Mix 47 | | | | | | | \$0 |
| Mix 48 | | | | | | | \$0 |
| Mix 49 | | | | | | | \$0 |
| Mix 50 | | | | | | | \$0 |
| Mix 51 | | | | | | | \$0 |
| Mix 52 | | | | | | | \$0 |
| Mix 53 | | | | | | | \$0 |
| Mix 54 | | | | | | | \$0 |
| Mix 55 | | | | | | | \$0 |
| Mix 56 | | | | | | | \$0 |
| Mix 57 | | | | | | | \$0 |
| Mix 58 | | | | | | | \$0 |
| Mix 59 | | | | | | | \$0 |
| Mix 60 | | | | | | | \$0 |
| Mix 61 | | | | | | | \$0 |
| Mix 62 | | | | | | | \$0 |
| Mix 63 | | | | | | | \$0 |
| Mix 64 | | | | | | | \$0 |
| Mix 65 | | | | | | | \$0 |
| Mix 66 | | | | | | | \$0 |
| Mix 67 | | | | | | | \$0 |
| Mix 68 | | | | | | | \$0 |
| Mix 69 | | | | | | | \$0 |
| Mix 70 | | | | | | | \$0 |
| Mix 71 | | | | | | | \$0 |
| Mix 72 | | | | | | | \$0 |
| Mix 73 | | | | | | | \$0 |

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

| | | | | | | | |
|---------------|--|--|-----|----|--|--|-----------|
| Mix 74 | | | | | | | \$0 |
| Mix 75 | | | | | | | \$0 |
| Mix 76 | | | | | | | \$0 |
| Mix 77 | | | | | | | \$0 |
| Mix 78 | | | | | | | \$0 |
| Mix 79 | | | | | | | \$0 |
| Mix 80 | | | | | | | \$0 |
| Mix 81 | | | | | | | \$0 |
| Mix 82 | | | | | | | \$0 |
| Mix 83 | | | | | | | \$0 |
| Mix 84 | | | | | | | \$0 |
| Mix 85 | | | | | | | \$0 |
| Mix 86 | | | | | | | \$0 |
| Mix 87 | | | | | | | \$0 |
| Mix 88 | | | | | | | \$0 |
| Mix 89 | | | | | | | \$0 |
| Mix 90 | | | | | | | \$0 |
| Mix 91 | | | | | | | \$0 |
| Mix 92 | | | | | | | \$0 |
| Mix 93 | | | | | | | \$0 |
| Mix 94 | | | | | | | \$0 |
| Mix 95 | | | | | | | \$0 |
| Mix 96 | | | | | | | \$0 |
| Mix 97 | | | | | | | \$0 |
| Mix 98 | | | | | | | \$0 |
| Mix 99 | | | | | | | \$0 |
| Mix 100 | | | | | | | \$0 |
| TOTALS | | | 150 | 13 | | | \$157,925 |

| | | | | |
|--------------------|------------|-------------------------|---------------------|------------------|
| Total Units | 150 | Net Rentable SF: | TC Units | 62,481.95 |
| | | | MKT Units | 1,064.20 |
| | | | Total NR SF: | 63,546.15 |

Floor Space Fraction (to 7 decimals) 98.32531%

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

| | | | |
|---|-----------------|----------|------------------|
| 1. Advertising/Marketing | | | \$0 |
| 2. Office Salaries | | | \$77,740 |
| 3. Office Supplies | | | \$8,000 |
| 4. Office/Model Apartment | (type _____) | | \$0 |
| 5. Management Fee | | | \$91,787 |
| <u>5.02%</u> of EGI | <u>\$611.91</u> | Per Unit | |
| 6. Manager Salaries | | | \$45,000 |
| 7. Staff Unit (s) | (type _____) | | \$28,620 |
| 8. Legal | | | \$4,000 |
| 9. Auditing | | | \$8,500 |
| 10. Bookkeeping/Accounting Fees | | | \$8,950 |
| 11. Telephone & Answering Service | | | \$6,000 |
| 12. Tax Credit Monitoring Fee | | | \$5,180 |
| 13. Miscellaneous Administrative | | | \$25,670 |
| Total Administrative | | | <u>\$309,447</u> |
| Utilities | | | |
| 14. Fuel Oil | | | \$0 |
| 15. Electricity | | | \$115,804 |
| 16. Water | | | \$56,682 |
| 17. Gas | | | \$9,167 |
| 18. Sewer | | | \$26,222 |
| Total Utility | | | <u>\$207,875</u> |
| Operating: | | | |
| 19. Janitor/Cleaning Payroll | | | \$0 |
| 20. Janitor/Cleaning Supplies | | | \$11,856 |
| 21. Janitor/Cleaning Contract | | | \$0 |
| 22. Exterminating | | | \$18,000 |
| 23. Trash Removal | | | \$18,000 |
| 24. Security Payroll/Contract | | | \$85,000 |
| 25. Grounds Payroll | | | \$0 |
| 26. Grounds Supplies | | | \$0 |
| 27. Grounds Contract | | | \$15,600 |
| 28. Maintenance/Repairs Payroll | | | \$78,000 |
| 29. Repairs/Material | | | \$28,500 |
| 30. Repairs Contract | | | \$0 |
| 31. Elevator Maintenance/Contract | | | \$6,000 |
| 32. Heating/Cooling Repairs & Maintenance | | | \$22,500 |
| 33. Pool Maintenance/Contract/Staff | | | \$0 |
| 34. Snow Removal | | | \$3,000 |
| 35. Decorating/Payroll/Contract | | | \$7,500 |
| 36. Decorating Supplies | | | \$3,000 |
| 37. Miscellaneous | | | \$21,394 |
| Totals Operating & Maintenance | | | <u>\$318,350</u> |

M. OPERATING EXPENSES

Taxes & Insurance

| | |
|--|------------------|
| 38. Real Estate Taxes | \$98,620 |
| 39. Payroll Taxes | \$26,096 |
| 40. Miscellaneous Taxes/Licenses/Permits | \$0 |
| 41. Property & Liability Insurance | \$56,944 |
| 42. Fidelity Bond | \$0 |
| 43. Workman's Compensation | \$10,037 |
| 44. Health Insurance & Employee Benefits | \$96,678 |
| 45. Other Insurance | \$0 |
| Total Taxes & Insurance | \$288,375 |

Total Operating Expense **\$1,124,047**

| | | | |
|--|----------------|--|---------------|
| Total Operating Expenses Per Unit | <u>\$7,494</u> | C. Total Operating Expenses as % of EGI | <u>61.43%</u> |
|--|----------------|--|---------------|

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$45,000**

| | |
|-----------------------|--------------------|
| Total Expenses | \$1,169,047 |
|-----------------------|--------------------|

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

2020 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

| ACTIVITY | ACTUAL OR ANTICIPATED DATE | NAME OF RESPONSIBLE PERSON |
|--|----------------------------|----------------------------|
| 1. SITE | | |
| a. Option/Contract | | |
| b. Site Acquisition | 4/1/2020 | Ryan Songerath |
| c. Zoning Approval | N/A | Ryan Songerath |
| d. Site Plan Approval | N/A | Ryan Songerath |
| 2. Financing | | |
| a. Construction Loan | | |
| i. Loan Application | Done | |
| ii. Conditional Commitment | | |
| iii. Firm Commitment | 3/1/2020 | Ryan Songerath |
| b. Permanent Loan - First Lien | | |
| i. Loan Application | Done | |
| ii. Conditional Commitment | | |
| iii. Firm Commitment | 3/1/2020 | Ryan Songerath |
| c. Permanent Loan-Second Lien | | |
| i. Loan Application | | |
| ii. Conditional Commitment | | |
| iii. Firm Commitment | | |
| d. Other Loans & Grants | | |
| i. Type & Source, List | | |
| ii. Application | | |
| iii. Award/Commitment | | |
| 2. Formation of Owner | Done | |
| 3. IRS Approval of Nonprofit Status | Done | |
| 4. Closing and Transfer of Property to Owner | 4/1/2020 | Ryan Songerath |
| 5. Plans and Specifications, Working Drawings | 2/1/2020 | Ryan Songerath |
| 6. Building Permit Issued by Local Government | 3/1/2020 | Ryan Songerath |
| 7. Start Construction | 5/1/2020 | Ryan Songerath |
| 8. Begin Lease-up | N/A | |
| 9. Complete Construction | 5/31/2021 | Ryan Songerath |
| 10. Complete Lease-Up | 5/31/2021 | Ryan Songerath |
| 11. Credit Placed in Service Date | 5/31/2021 | Ryan Songerath |

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.

| Must Use Whole Numbers Only! | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | | | |
|--|---|------------|----------------------------|--------------------------------|-----------------------------|
| | Item | (A) Cost | "30% Present Value Credit" | | (D) |
| | | | (B) Acquisition | (C) Rehab/ New Construction | "70 % Present Value Credit" |
| 1. Contractor Cost | | | | | |
| a. Unit Structures (New) | 0 | 0 | 0 | 0 | |
| b. Unit Structures (Rehab) | 4,667,965 | 0 | 4,667,965 | 0 | |
| c. Non Residential Structures | 0 | 0 | 0 | 0 | |
| d. Commercial Space Costs | 148,026 | 0 | 0 | 0 | |
| e. Structured Parking Garage | 0 | 0 | 0 | 0 | |
| Total Structure | 4,815,991 | 0 | 4,667,965 | 0 | |
| f. Earthwork | 0 | 0 | 0 | 0 | |
| g. Site Utilities | 0 | 0 | 0 | 0 | |
| h. Roads & Walks | 0 | 0 | 0 | 0 | |
| i. Site Improvements | 0 | 0 | 0 | 0 | |
| j. Lawns & Planting | 0 | 0 | 0 | 0 | |
| k. Engineering | 0 | 0 | 0 | 0 | |
| l. Off-Site Improvements | 0 | 0 | 0 | 0 | |
| m. Site Environmental Mitigation | 0 | 0 | 0 | 0 | |
| n. Demolition | 0 | 0 | 0 | 0 | |
| o. Site Work | 118,219 | 0 | 118,219 | 0 | |
| p. Other Site work | 0 | 0 | 0 | 0 | |
| Total Land Improvements | 118,219 | 0 | 118,219 | 0 | |
| Total Structure and Land | 4,934,210 | 0 | 4,786,184 | 0 | |
| q. General Requirements | 296,053 | 0 | 287,171 | 0 | |
| r. Builder's Overhead (2.0% Contract) | 98,684 | 0 | 95,724 | 0 | |
| s. Builder's Profit (6.0% Contract) | 296,052 | 0 | 287,171 | 0 | |
| t. Bonds | 0 | 0 | 0 | 0 | |
| u. Building Permits | 0 | 0 | 0 | 0 | |
| v. Special Construction | 0 | 0 | 0 | 0 | |
| w. Special Equipment | 0 | 0 | 0 | 0 | |
| x. Other 1: <u>Builder's Risk Insuranc</u> | 74,000 | 0 | 71,780 | 0 | |
| y. Other 2: <u>Contingency</u> | 843,750 | 0 | 843,750 | 0 | |
| z. Other 3: <u></u> | 0 | 0 | 0 | 0 | |
| Contractor Costs | \$6,542,749 | \$0 | \$6,371,780 | \$0 | |

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|--|-----------|---|--------------------------------|-----------------------------|
| | | "30% Present Value Credit" | | (D) |
| | | (B) Acquisition | (C) Rehab/ New Construction | "70 % Present Value Credit" |
| 2. Owner Costs | | | | |
| a. Building Permit | 200,000 | 0 | 194,000 | 0 |
| b. Architecture/Engineering Design Fee \$1,333 /Unit) | 200,000 | 0 | 194,000 | 0 |
| c. Architecture Supervision Fee \$300 /Unit) | 45,000 | 0 | 43,650 | 0 |
| d. Tap Fees | 0 | 0 | 0 | 0 |
| e. Environmental | 8,000 | 0 | 8,000 | 0 |
| f. Soil Borings | 0 | 0 | 0 | 0 |
| g. Green Building (Earthcraft, LEED, etc.) | 0 | 0 | 0 | 0 |
| h. Appraisal | 8,600 | 0 | 8,600 | 0 |
| i. Market Study | 7,000 | 0 | 7,000 | 0 |
| j. Site Engineering / Survey | 8,000 | 0 | 8,000 | 0 |
| k. Construction/Development Mgt | 0 | 0 | 0 | 0 |
| l. Structural/Mechanical Study | 0 | 0 | 0 | 0 |
| m. Construction Loan Origination Fee | 122,200 | 0 | 22,000 | 0 |
| n. Construction Interest (0.0% for 0 months) | 1,283,367 | 0 | 895,490 | 0 |
| o. Taxes During Construction | 96,000 | 0 | 93,120 | 0 |
| p. Insurance During Construction | 56,000 | 0 | 54,320 | 0 |
| q. Permanent Loan Fee (0.0%) | 15,000 | 0 | 0 | 0 |
| r. Other Permanent Loan Fees | 0 | 0 | 0 | 0 |
| s. Letter of Credit | 0 | 0 | 0 | 0 |
| t. Cost Certification Fee | 0 | 0 | 0 | 0 |
| u. Accounting | 15,000 | 0 | 15,000 | 0 |
| v. Title and Recording | 155,000 | 0 | 126,100 | 0 |
| w. Legal Fees for Closing | 200,000 | 0 | 120,000 | 0 |
| x. Mortgage Banker | 0 | 0 | 0 | 0 |
| y. Tax Credit Fee | 58,984 | | | |
| z. Tenant Relocation | 222,000 | 0 | 215,340 | 0 |
| aa. Fixtures, Furnitures and Equipment | 20,000 | 0 | 20,000 | 0 |
| ab. Organization Costs | 10,000 | 0 | 0 | 0 |
| ac. Operating Reserve | 802,000 | 0 | 0 | 0 |
| ad. Contingency | 0 | 0 | 0 | 0 |
| ae. Security | 0 | 0 | 0 | 0 |
| af. Utilities | 0 | 0 | 0 | 0 |

O. PROJECT BUDGET - OWNER COSTS

| | | | | |
|--|---------------------|------------------|--------------------|------------|
| (1) Other* specify: Construction Loan Closing Costs | 60,000 | 0 | 0 | 0 |
| (2) Other* specify: Lender Legal | 60,000 | 0 | 0 | 0 |
| (3) Other* specify: Replacement Reserves | 45,000 | 0 | 0 | 0 |
| (4) Other* specify: Bond Issuance Costs | 150,000 | 0 | 0 | 0 |
| (5) Other * specify: Lead-Based Paint Report | 6,000 | 0 | 6,000 | 0 |
| (6) Other* specify: Soft Cost Contingency | 120,000 | 0 | 60,000 | 0 |
| (7) Other* specify: | 0 | 0 | 0 | 0 |
| (8) Other* specify: | 0 | 0 | 0 | 0 |
| (9) Other* specify: | 0 | 0 | 0 | 0 |
| (10) Other* specify: | 0 | 0 | 0 | 0 |
| Owner Costs Subtotal (Sum 2A..2(10)) | \$3,973,151 | \$0 | \$2,090,620 | \$0 |
| Subtotal 1 + 2 (Owner + Contractor Costs) | \$10,515,900 | \$0 | \$8,462,400 | \$0 |
| 3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A) | 2,115,600 | 1,325,000 | 790,600 | 0 |
| 4. Owner's Acquisition Costs | | | | |
| Land | 523,000 | | | |
| Existing Improvements | 12,727,000 | 12,613,000 | | |
| Subtotal 4: | \$13,250,000 | \$12,613,000 | | |
| 5. Total Development Costs | | | | |
| Subtotal 1+2+3+4: | \$25,881,500 | \$13,938,000 | \$9,253,000 | \$0 |

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:

\$2,115,600

Proposed Development's Cost per Sq Foot

\$110 **Meets Limits**

Applicable Cost Limit by Square Foot:

\$140

2020 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|----------------------------|------------|---|-----------------------------------|------------------------------------|
| | | "30 % Present Value Credit" | | (D) "70 % Present Value Credit" |
| | | (B) Acquisition | (C) Rehab/ New Construction | |
| 1. Total Development Costs | 25,881,500 | 13,938,000 | 9,253,000 | 0 |

2. Reductions in Eligible Basis

| | | | |
|---|---|---|---|
| a. Amount of federal grant(s) used to finance qualifying development costs | 0 | 0 | 0 |
| b. Amount of nonqualified, nonrecourse financing | 0 | 0 | 0 |
| c. Costs of nonqualifying units of higher quality (or excess portion thereof) | 0 | 0 | 0 |
| d. Historic Tax Credit (residential portion) | 0 | 0 | 0 |

3. Total Eligible Basis (1 - 2 above)

| | | |
|------------|-----------|---|
| 13,938,000 | 9,253,000 | 0 |
|------------|-----------|---|

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

| | | |
|---|-----------|---|
| a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i> | 2,775,900 | 0 |
| b. For Revitalization or Supportive Housing (Eligible Basis x 30%) | 0 | 0 |
| c. For Green Certification (Eligible Basis x 10%) | | 0 |

Total Adjusted Eligible basis

| | |
|------------|---|
| 12,028,900 | 0 |
|------------|---|

5. Applicable Fraction

| | | |
|------------|------------|------------|
| 100.00000% | 100.00000% | 100.00000% |
|------------|------------|------------|

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

| | | |
|------------|------------|---|
| 13,938,000 | 12,028,900 | 0 |
|------------|------------|---|

7. Applicable Percentage

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

| | | |
|-------|-------|-------|
| 3.19% | 3.19% | 9.00% |
|-------|-------|-------|

8. Maximum Allowable Credit under IRC §42

(Qualified Basis x Applicable Percentage)
(Must be same as BIN total and equal to or less than credit amount allowed)

| | | |
|-----------|-----------|-----|
| \$444,622 | \$383,722 | \$0 |
|-----------|-----------|-----|

| |
|--|
| \$828,344 Combined 30% & 70% P. V. Credit |
|--|

2020 Low-Income Housing Tax Credit Application For Reservation

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

| | Source of Funds | Date of Application | Date of Commitment | Amount of Funds | Name of Contact Person |
|-----------------------------|-----------------|---------------------|--------------------|-----------------|------------------------|
| 1. | PNC Real Estate | 10/15/19 | 03/01/20 | \$10,020,000 | |
| 2. | PNC Credit | 10/15/19 | 03/01/20 | \$3,870,000 | |
| 3. | Seller Note | N/A | N/A | \$7,400,000 | |
| Total Construction Funding: | | | | \$21,290,000 | |

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

| | Source of Funds | Date of Application | Date of Commitment | Amount of Funds <i>(Whole Numbers only)</i> | Annual Debt Service Cost | Interest Rate of Loan | Amortization Period IN YEARS | Term of Loan (years) |
|--------------------------|-----------------|---------------------|--------------------|--|--------------------------|-----------------------|---------------------------------|----------------------|
| 1. | PNC Real Estate | 10/15/2019 | 3/1/2020 | \$10,020,000 | \$576,513 | 4.60% | 35.00 | 16.00 |
| 2. | Seller Note | | | \$7,400,000 | | 0.00% | 0.00 | 0.00 |
| 3. | | | | | | | | |
| 4. | | | | | | | | |
| 5. | | | | | | | | |
| 6. | | | | | | | | |
| 7. | | | | | | | | |
| 8. | | | | | | | | |
| 9. | | | | | | | | |
| 10. | | | | | | | | |
| Total Permanent Funding: | | | | \$17,420,000 | \$576,513 | | | |

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

| | | |
|----|-------------------|--------------|
| a. | Tax Exempt Bonds | \$13,890,000 |
| b. | RD 515 | \$0 |
| c. | Section 221(d)(3) | \$0 |
| d. | Section 312 | \$0 |
| e. | Section 236 | \$0 |
| f. | VHDA SPARC/REACH | \$0 |
| g. | HOME Funds | \$0 |
| h. | Other: | \$7,400,000 |
| i. | Other: | |

Market-Rate Loans

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

Grants*

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

Grants

| | | |
|----|--------|--|
| c. | State | |
| d. | Local | |
| e. | Other: | |

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **58.29%**

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

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

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

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

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

c. **FALSE** Other _____

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

2020 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit

| | | | | | |
|-------------------------------------|-----|-------------|---------|---|-----|
| Amount of Federal historic credits | \$0 | x Equity \$ | \$0.000 | = | \$0 |
| Amount of Virginia historic credits | \$0 | x Equity \$ | \$0.000 | = | \$0 |

b. Equity that Sponsor will Fund:

| | | |
|-------------------------------|-----------|--|
| i. Cash Investment | \$0 | |
| ii. Contributed Land/Building | \$0 | |
| iii. Deferred Developer Fee | \$757,900 | (Note: Deferred Developer Fee cannot be negative.) |
| iv. Other: | \$0 | |

ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at **TAB A**.

Equity Total \$757,900

2. Equity Gap Calculation

| | |
|--|-----------------------|
| a. Total Development Cost | \$25,881,500 |
| b. Total of Permanent Funding, Grants and Equity | - <u>\$18,177,900</u> |
| c. Equity Gap | \$7,703,600 |
| d. Developer Equity | - <u>\$773</u> |
| e. Equity gap to be funded with low-income tax credit proceeds | \$7,702,827 |

3. Syndication Information (If Applicable)

| | | | |
|--|-----------------------------|--------|----------------|
| a. Actual or Anticipated Name of Syndicator: | PNC Tax Credit Capital | | |
| Contact Person: | Matthew Harrington | Phone: | (503) 808-1335 |
| Street Address: | 121 SW Morrison, Suite 1300 | | |
| City: | Portland | State: | 97204 |

b. Syndication Equity

| | |
|---|--------------|
| i. Anticipated Annual Credits | \$828,344.00 |
| ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit) | \$0.930 |
| iii. Percent of ownership entity (e.g., 99% or 99.9%) | 99.99000% |
| iv. Syndication costs not included in Total Development Costs (e.g., advisory fees) | \$0 |
| v. Net credit amount anticipated by user of credits | \$828,261 |
| vi. Total to be paid by anticipated users of credit (e.g., limited partners) | \$7,702,827 |

| | |
|-----------------|-----------|
| c. Syndication: | Private |
| d. Investors: | Corporate |

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$7,702,827

5. Net Equity Factor

Must be equal to or greater than 85% 92.9999777838%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

| | | |
|---|---------------------|---|
| 1. Total Development Costs | | <u>\$25,881,500</u> |
| 2. Less Total of Permanent Funding, Grants and Equity | - | <u>\$18,177,900</u> |
| 3. Equals Equity Gap | | <u>\$7,703,600</u> |
| 4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment) | | <u>92.9999777838%</u> |
| 5. Equals Ten-Year Credit Amount Needed to Fund Gap | | <u>\$8,283,443</u> |
| Divided by ten years | | <u>10</u> |
| 6. Equals Annual Tax Credit Required to Fund the Equity Gap | | <u>\$828,344</u> |
| 7. Maximum Allowable Credit Amount (from Eligible Basis Calculation) | | <u>\$828,344</u> |
| 8. Requested Credit Amount | For 30% PV Credit: | <u>\$828,344</u> |
| | For 70% PV Credit: | <u>\$0</u> |
| Credit per LI Units | <u>\$5,596.9189</u> | Combined 30% & 70% PV Credit Requested |
| Credit per LI Bedroom | <u>\$5,276.0764</u> | |
| | | \$828,344 |

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 | \$155,540 |
| Plus Other Income Source (list): <u>Cable & Laundry Income</u> | \$2,106 |
| Equals Total Monthly Income: | \$157,646 |
| Twelve Months | x12 |
| Equals Annual Gross Potential Income | \$1,891,752 |
| Less Vacancy Allowance <u>5.0%</u> | \$94,588 |
| Equals Annual Effective Gross Income (EGI) - Low Income Units | \$1,797,164 |

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

| | |
|---|-----------------|
| Total Monthly Income for Market Rate Units: | \$2,385 |
| Plus Other Income Source (list): <u>Cable & Laundry Income</u> | \$342 |
| Equals Total Monthly Income: | \$2,727 |
| Twelve Months | x12 |
| Equals Annual Gross Potential Income | \$32,724 |
| Less Vacancy Allowance <u>0.0%</u> | \$0 |
| Equals Annual Effective Gross Income (EGI) - Market Rate Units | \$32,724 |

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

3. Cash Flow (First Year)

| | |
|---|-------------|
| a. Annual EGI Low-Income Units | \$1,797,164 |
| b. Annual EGI Market Units | \$32,724 |
| c. Total Effective Gross Income | \$1,829,888 |
| d. Total Expenses | \$1,169,047 |
| e. Net Operating Income | \$660,841 |
| f. Total Annual Debt Service | \$576,513 |
| g. Cash Flow Available for Distribution | \$84,328 |

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 | 1,829,888 | 1,866,486 | 1,903,816 | 1,941,892 | 1,980,730 |
| Less Oper. Expenses | 1,169,047 | 1,204,118 | 1,240,242 | 1,277,449 | 1,315,773 |
| Net Income | 660,841 | 662,368 | 663,574 | 664,443 | 664,957 |
| Less Debt Service | 576,513 | 576,513 | 576,513 | 576,513 | 576,513 |
| Cash Flow | 84,328 | 85,855 | 87,061 | 87,930 | 88,444 |
| Debt Coverage Ratio | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |

| | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 2,020,345 | 2,060,752 | 2,101,967 | 2,144,006 | 2,186,886 |
| Less Oper. Expenses | 1,355,246 | 1,395,903 | 1,437,780 | 1,480,914 | 1,525,341 |
| Net Income | 665,099 | 664,848 | 664,186 | 663,092 | 661,545 |
| Less Debt Service | 576,513 | 576,513 | 576,513 | 576,513 | 576,513 |
| Cash Flow | 88,586 | 88,335 | 87,673 | 86,579 | 85,032 |
| Debt Coverage Ratio | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 2,230,624 | 2,275,236 | 2,320,741 | 2,367,156 | 2,414,499 |
| Less Oper. Expenses | 1,571,101 | 1,618,234 | 1,666,781 | 1,716,785 | 1,768,288 |
| Net Income | 659,522 | 657,002 | 653,959 | 650,371 | 646,210 |
| Less Debt Service | 576,513 | 576,513 | 576,513 | 576,513 | 576,513 |
| Cash Flow | 83,009 | 80,489 | 77,446 | 73,858 | 69,697 |
| Debt Coverage Ratio | 1.14 | 1.14 | 1.13 | 1.13 | 1.12 |

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 1

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

DO NOT use the CUT feature

| Bldg # | BIN if known | NUMBER OF | | Street Address 1 | Street Address 2 | City | State | Zip | 30% Present Value Credit for Acquisition | | | | 30% Present Value Credit for Rehab / New Construction | | | | 70% Present Value Credit | | | |
|--------|--------------|------------------|-------------------|--------------------------------|------------------|---------|-------|-------|--|---------------------------------------|-----------------------|---------------|---|---------------------------------------|-----------------------|---------------|--------------------------|---------------------------------------|-----------------------|---------------|
| | | TAX CREDIT UNITS | MARKET RATE UNITS | | | | | | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount |
| 1. | | 148 | 2 | 2412 East Virginia Beach Blvd. | | Norfolk | VA | 23504 | \$13,938,000 | 04/01/21 | 3.19% | \$444,622 | \$12,028,900 | 04/01/21 | 3.19% | \$383,722 | | | | \$0 |
| 2. | | | | | | | | | | | | | | | | | | | | \$0 |
| 3. | | | | | | | | | | | | | | | | | | | | \$0 |
| 4. | | | | | | | | | | | | | | | | | | | | \$0 |
| 5. | | | | | | | | | | | | | | | | | | | | \$0 |
| 6. | | | | | | | | | | | | | | | | | | | | \$0 |
| 7. | | | | | | | | | | | | | | | | | | | | \$0 |
| 8. | | | | | | | | | | | | | | | | | | | | \$0 |
| 9. | | | | | | | | | | | | | | | | | | | | \$0 |
| 10. | | | | | | | | | | | | | | | | | | | | \$0 |
| 11. | | | | | | | | | | | | | | | | | | | | \$0 |
| 12. | | | | | | | | | | | | | | | | | | | | \$0 |
| 13. | | | | | | | | | | | | | | | | | | | | \$0 |
| 14. | | | | | | | | | | | | | | | | | | | | \$0 |
| 15. | | | | | | | | | | | | | | | | | | | | \$0 |
| 16. | | | | | | | | | | | | | | | | | | | | \$0 |
| 17. | | | | | | | | | | | | | | | | | | | | \$0 |
| 18. | | | | | | | | | | | | | | | | | | | | \$0 |
| 19. | | | | | | | | | | | | | | | | | | | | \$0 |
| 20. | | | | | | | | | | | | | | | | | | | | \$0 |
| 21. | | | | | | | | | | | | | | | | | | | | \$0 |
| 22. | | | | | | | | | | | | | | | | | | | | \$0 |
| 23. | | | | | | | | | | | | | | | | | | | | \$0 |
| 24. | | | | | | | | | | | | | | | | | | | | \$0 |
| 25. | | | | | | | | | | | | | | | | | | | | \$0 |
| 26. | | | | | | | | | | | | | | | | | | | | \$0 |
| 27. | | | | | | | | | | | | | | | | | | | | \$0 |
| 28. | | | | | | | | | | | | | | | | | | | | \$0 |
| 29. | | | | | | | | | | | | | | | | | | | | \$0 |
| 30. | | | | | | | | | | | | | | | | | | | | \$0 |
| 31. | | | | | | | | | | | | | | | | | | | | \$0 |
| 32. | | | | | | | | | | | | | | | | | | | | \$0 |
| 33. | | | | | | | | | | | | | | | | | | | | \$0 |
| 34. | | | | | | | | | | | | | | | | | | | | \$0 |
| 35. | | | | | | | | | | | | | | | | | | | | \$0 |

148 2

Totals from all buildings

\$13,938,000

\$12,028,900

\$0

\$444,622

\$383,722

\$0

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

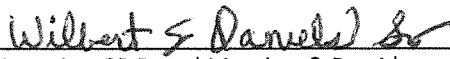
2020 Low-Income Housing Tax Credit Application For Reservation

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: COGIC Memorial Home for the Elderly
Preservation, L.P

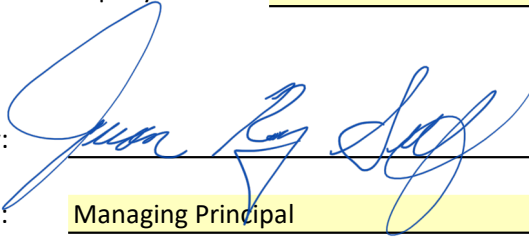
By: 
Its: Managing GP Board Member & President
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all VHDA Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

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 Architect: | Juan R Self |
| Virginia License#: | 0401018192 |
| Architecture Firm or Company: | Self + Tucker Architects |

By: 
Its: Managing Principal (Title)

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

W. **LIHTC SELF SCORE SHEET**

Self Scoring Process

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

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

MANDATORY ITEMS:

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

1. READINESS:

| | | | |
|--|---|----------|--------------|
| a. VHDA notification letter to CEO (via Locality Notification Information Application) | Y | 0 or -50 | 0.00 |
| b. Local CEO Opposition Letter | N | 0 or -25 | 0.00 |
| c. Plan of development | Y | 0 or 40 | 40.00 |
| d. Location in a revitalization area based on Qualified Census Tract | Y | 0 or 10 | 10.00 |
| 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: | | | 50.00 |

2. HOUSING NEEDS CHARACTERISTICS:

| | | | |
|--|-------|-----------------|-------------|
| a. Sec 8 or PHA waiting list preference | Y | 0 or up to 5 | 0.07 |
| b. Existing RD, HUD Section 8 or 236 program | N | 0 or 20 | 0.00 |
| c. Subsidized funding commitments | 0.00% | Up to 40 | 0.00 |
| d. Tax abatement on increase of property's value | N | 0 or 5 | 0.00 |
| e. New project based rental subsidy (HUD or RD) | N | 0 or 10 | 0.00 |
| f. Census tract with <12% poverty rate | 0% | 0, 20, 25 or 30 | 0.00 |
| g. Development listed on the Rural Development Rehab Priority List | N | 0 or 15 | 0.00 |
| h. Dev. located in area with little or no increase in rent burdened population | N | Up to -20 | 0.00 |
| i. Dev. located in area with increasing rent burdened population | N | Up to 20 | 0.00 |
| Total: | | | 0.07 |

2020 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

| | | | |
|---|-----|-------------|--------------|
| a. Amenities (See calculations below) | | | 33.50 |
| b. Project subsidies/HUD 504 accessibility for 5 or 10% of units | N | 0 or 60 | 0.00 |
| or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units | N | 0 or 30 | 0.00 |
| or d. HUD 504 accessibility for 5% of units | Y | 0 or 15 | 15.00 |
| e. Proximity to public transportation (within Northern VA or Tidewater) | Y10 | 0, 10 or 20 | 10.00 |
| f. Development will be Green Certified | N | 0 or 10 | 0.00 |
| g. Units constructed to meet VHDA's Universal Design standards | 0% | Up to 15 | 0.00 |
| h. Developments with less than 100 units | N | up to 20 | 0.00 |
| i. Historic Structure | N | 0 or 5 | 0.00 |
| Total: | | | <u>58.50</u> |

4. TENANT POPULATION CHARACTERISTICS:

| | |
|--------------|-----------|
| Locality AMI | State AMI |
| \$79,300 | \$55,900 |

| | | | |
|--|--------|----------|--------------|
| a. Less than or equal to 20% of units having 1 or less bedrooms | N | 0 or 15 | 0.00 |
| b. <plus> Percent of Low Income units with 3 or more bedrooms | 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) | 10.14% | Up to 10 | 10.00 |
| e. Units with rent and income at or below 50% of AMI | 60.81% | Up to 50 | 50.00 |
| f. Units with rents at or below 50% rented to tenants at or below 60% of AMI | 60.81% | Up to 25 | 0.00 |
| or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI | 60.81% | Up to 50 | 0.00 |
| Total: | | | <u>60.00</u> |

5. SPONSOR CHARACTERISTICS:

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

6. EFFICIENT USE OF RESOURCES:

| | | | |
|--------------------|--|-----------|---------------|
| a. Credit per unit | | Up to 200 | 116.36 |
| b. Cost per unit | | Up to 100 | 4.74 |
| Total: | | | <u>121.10</u> |

7. BONUS POINTS:

| | | | |
|--|----------|----------|--------------|
| a. Extended compliance | 35 Years | 40 or 50 | 50.00 |
| or b. Nonprofit or LHA purchase option | Y | 0 or 60 | 0.00 |
| or c. Nonprofit or LHA Home Ownership option | N | 0 or 5 | 0.00 |
| d. Combined 9% and 4% Tax Exempt Bond Site Plan | N | Up to 45 | 0.00 |
| e. RAD or PHA Conversion participation and competing in Local Housing Authority pool | N | 0 or 10 | 0.00 |
| Total: | | | <u>50.00</u> |

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

TOTAL SCORE: 339.67

Amenities:

| | Max Pts | Score |
|--|---------|---------------------|
| All units have: | | |
| a. Community Room | 5 | 5.00 |
| b. Exterior walls constructed with brick and other low maintenance materials | 25 | 19.50 |
| c. Sub metered water expense | 5 | 0.00 |
| d. Watersense labeled faucets, toilets and showerheads | 3 | 3.00 |
| e. Infrastructure for high speed internet/broadband | 1 | 1.00 |
| f. Free WiFi Access in community room | 4 | 0.00 |
| g. Each unit provided free individual high speed internet access | 6 | 0.00 |
| h. Each unit provided free individual WiFi | 8 | 0.00 |
| i. Bath Fan - Delayed timer or continuous exhaust | 3 | 0.00 |
| j. Baths equipped with humidistat | 3 | 0.00 |
| k. Cooking Surfaces equipped with fire prevention features | 4 | 4.00 |
| l. Cooking surfaces equipped with fire suppression features | 2 | 0.00 |
| m. Rehab only: dedicated space to accept permanent dehumidification system | 2 | 0.00 |
| n. Provides Permanently installed dehumidification system | 5 | 0.00 |
| o. All interior doors within units are solid core | 3 | 0.00 |
| p. USB in kitchen, living room and all bedrooms | 1 | 0.00 |
| q. LED Kitchen Light Fixtures | 2 | 0.00 |
| r. Shelf or Ledge at entrance within interior hallway | 2 | 0.00 |
| s. New Construction: Balcony or patio | 4 | 0.00 |
| | | <u>32.50</u> |
| All elderly units have: | | |
| t. Front-control ranges | 1 | 1.00 |
| u. Independent/suppl. heat source | 1 | 0.00 |
| v. Two eye viewers | 1 | 0.00 |
| | | <u>1.00</u> |
| Total amenities: | | <u>33.50</u> |

X. Development Summary

Summary Information

2020 Low-Income Housing Tax Credit Application For Reservation

Deal Name: COGIC High-Rise Apartments

Cycle Type: 4% Tax Exempt Bonds Credits
Allocation Type: 0
Total Units: 150
Total LI Units: 148
Project Gross Sq Ft: 114,483.00
Green Certified? FALSE

Requested Credit Amount: \$828,344
Jurisdiction: Norfolk City
Population Target: Elderly
Owner Contact: Ryan Songerath

| |
|------------------------------|
| Total Score 339.67 |
|------------------------------|

| Source of Funds | Amount | Per Unit | Per Sq Ft | Annual Debt Service |
|---------------------|--------------|-----------|-----------|---------------------|
| Permanent Financing | \$17,420,000 | \$116,133 | \$152 | \$576,513 |

| Uses of Funds - Actual Costs | | | | |
|------------------------------|---------------------|------------------|-------|----------|
| Type of Uses | Amount | Per Unit | Sq Ft | % of TDC |
| Improvements | \$4,934,210 | \$32,895 | \$43 | 19.06% |
| General Req/Overhead/Profit | \$690,789 | \$4,605 | \$6 | 2.67% |
| Other Contract Costs | \$917,750 | \$6,118 | \$8 | 3.55% |
| Owner Costs | \$3,973,151 | \$26,488 | \$35 | 15.35% |
| Acquisition | \$13,250,000 | \$88,333 | \$116 | 51.19% |
| Developer Fee | \$2,115,600 | \$14,104 | \$18 | 8.17% |
| Total Uses | \$25,881,500 | \$172,543 | | |

Total Development Costs

| | |
|--------------------------------|---------------------|
| Total Improvements | \$10,515,900 |
| Land Acquisition | \$13,250,000 |
| Developer Fee | \$2,115,600 |
| Total Development Costs | \$25,881,500 |

| Income | | |
|------------------------------------|-------|--------------------|
| Gross Potential Income - LI Units | | \$1,891,752 |
| Gross Potential Income - Mkt Units | | \$32,724 |
| Subtotal | | \$1,924,476 |
| Less Vacancy % | 5.00% | \$96,224 |
| Effective Gross Income | | \$1,828,252 |

Rental Assistance? TRUE

| Expenses | | |
|---------------------------------|--------------------|----------------|
| Category | Total | Per Unit |
| Administrative | \$309,447 | \$2,063 |
| Utilities | \$207,875 | \$1,386 |
| Operating & Maintenance | \$318,350 | \$2,122 |
| Taxes & Insurance | \$288,375 | \$1,923 |
| Total Operating Expenses | \$1,124,047 | \$7,494 |
| Replacement Reserves | \$45,000 | \$300 |
| Total Expenses | \$1,169,047 | \$7,794 |

| Cash Flow | |
|-----------------------------------|------------------|
| EGI | \$1,828,252 |
| Total Expenses | \$1,169,047 |
| Net Income | \$659,205 |
| Debt Service | \$576,513 |
| Debt Coverage Ratio (YR1): | 1.15 |

Proposed Cost Limit/Sq Ft: \$110
Applicable Cost Limit/Sq Ft: \$140

| Unit Breakdown | |
|--------------------|------------|
| Supp Hsg | 0 |
| # of Eff | 35 |
| # of 1BR | 105 |
| # of 2BR | 10 |
| # of 3BR | 0 |
| # of 4+ BR | 0 |
| Total Units | 150 |

| | Income Levels | Rent Levels |
|---------------|---------------|-------------|
| | # of Units | # of Units |
| <=30% AMI | 0 | 0 |
| 40% AMI | 15 | 15 |
| 50% AMI | 75 | 75 |
| 60% AMI | 58 | 58 |
| >60% AMI | 0 | 0 |
| Market | 2 | 2 |

Income Averaging? TRUE

Extended Use Restriction? 50

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$229.02** Credits/SF = **7.895453** Const \$/unit = **\$43,618.3267**

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

12000
500
3

500
4

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

| | GENERAL | | Elderly | | | | |
|-------------------------------|----------------|--------------|--------------|-------------|-------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 533.43 | 750.00 | 916.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 35 | 104 | 9 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 28,613 | 40,058 | 54,364 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 127,875 | 179,024 | 242,962 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 122,164 | 171,762 | 209,778 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 2,502 | 3,336 | 4,066 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 10,492 | 13,989 | 17,049 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 4,212 | 5,922 | 7,232 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 1.06 | 2.85 | 0.83 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 28.31 | 81.05 | 7.00 | 0.00 | 0.00 | 0.00 |

| | GENERAL | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
| AVG UNIT SIZE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

TOTAL COST PER UNIT POINTS **4.74**

TOTAL CREDIT PER UNIT POINTS **116.36**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|----------------|----------------|----------------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 9,465 | 13,250 | 17,983 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 127,875 | 179,024 | 242,962 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|---------------|---------------|---------------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 799 | 1,065 | 1,298 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 10,492 | 13,989 | 17,049 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Standard Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Standard Credit Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|----------------|----------------|----------------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 102,037 | 142,852 | 193,870 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 8,156 | 11,418 | 15,496 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 110,193 | 154,270 | 209,366 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|--------------|---------------|---------------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 8,382 | 11,176 | 13,620 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 691 | 921 | 1,123 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 9,073 | 12,097 | 14,743 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$229.02** Credits/SF = **7.895453** Const \$/unit = **\$43,618.33**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000
 LOCATION: Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(10,000-35,000)=4

12000
500
3

500
4

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

| | GENERAL | | Elderly | | | | |
|-------------------------------|----------------|--------------|--------------|-------------|-------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 533.43 | 750.00 | 916.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 35 | 104 | 9 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 28,613 | 40,058 | 54,364 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 127,875 | 179,024 | 242,962 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 122,164 | 171,762 | 209,778 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 2,502 | 3,336 | 4,066 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 10,492 | 13,989 | 17,049 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 4,212 | 5,922 | 7,232 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 1.06 | 2.85 | 0.83 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 28.31 | 81.05 | 7.00 | 0.00 | 0.00 | 0.00 |

| | GENERAL | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
| AVG UNIT SIZE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

TOTAL COST PER UNIT POINTS **4.74**

TOTAL CREDIT PER UNIT POINTS **116.36**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|---------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 118,410 | 165,774 | 224,979 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 9,465 | 13,250 | 17,983 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 127,875 | 179,024 | 242,962 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|--------|--------|--------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 9,693 | 12,924 | 15,751 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 799 | 1,065 | 1,298 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 10,492 | 13,989 | 17,049 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|----------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|--------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Credit Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|---------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 104,084 | 145,717 | 197,759 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 8,320 | 11,647 | 15,807 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 112,403 | 157,364 | 213,566 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 8,546 | 11,394 | 13,887 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 704 | 939 | 1,145 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 9,250 | 12,333 | 15,031 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

A

Partnership or Operating Agreement

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

**AGREEMENT OF LIMITED PARTNERSHIP
OF
COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P.**

(COGIC Highrise Apartments, 2412 E. Virginia Beach Blvd., Norfolk, Virginia)

THIS AGREEMENT OF LIMITED PARTNERSHIP OF COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P. (this “**Agreement**”) is made as of April 18, 2018, by and between COGIC MEMORIAL PRESERVATION, LLC, a Virginia limited liability company (the “**General Partner**”) and LAW OFFICES OF VIVIAN M. LUM, P.C., as the initial limited partner (the “**Limited Partner**,” and together with the General Partner, the “**Partners**”).

RECITALS

The Partners desire to form a limited partnership called COGIC Memorial Home for the Elderly Preservation, L.P., a Virginia limited partnership (the “**Partnership**”) under the law of the Commonwealth of Virginia, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Partners hereto agree as follows:

**ARTICLE I
DEFINED TERMS**

“**Affiliate**” means any Person directly or indirectly controlling, controlled by or under common control with the Person specified. The term “control” (including the term “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Act**” means the Virginia Revised Uniform Limited Partnership Act (Code of Virginia Section 50-73.1 *et seq.*), as it may be adopted or amended from time to time by the State, or any successor statute governing the operation of limited partnerships.

“**Agreement**” means this Agreement of Limited Partnership as it may be amended from time to time.

“**Capital Contribution**” means, with respect to any Partners, the amount of cash and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partners pursuant to the terms of this Agreement. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Partnership by the maker of the note shall not be included in the Capital Account of any Partners or a related person until permitted by Section 1.704-1(b)(2)(iv)(d)(2) of the Regulations.

“**Certificate**” means the Certificate of Limited Partnership as filed in the Commonwealth of Virginia State Corporation Commission in accordance with the Act, and as same may be amended in accordance with the terms hereof.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**Consent of the Limited Partner**” or approval of the Limited Partner means the prior written consent or approval of the Limited Partner. Any requirement for the approval of the Limited Partner contained in this Agreement shall mean the written approval of the Limited Partner.

“**Fiscal Year**” means the fiscal year of the Partnership for accounting purposes, which shall begin on January 1st of each calendar year and end on December 31st of the calendar year.

“**General Partner**” means COGIC Memorial Preservation, LLC, a Virginia limited liability company, and any Person or Persons who, at the time of reference thereto, have been admitted as an additional or successor General Partner of the Partnership.

“**Gross Asset Value**” means, with respect to any asset owned by the Partnership, the asset's adjusted basis for Federal income tax purposes, except as follows:

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

(ii) The Gross Asset Value of each asset shall be adjusted to equal its gross fair market value, as determined by the General Partner, as of the following times: (a) the acquisition of an additional Interest by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of property in consideration for its Interest; and (c) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) The Gross Asset Value of any asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution; and

(iv) The Gross Asset Value of each asset shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such asset pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustment is taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the General Partner determines that an adjustment pursuant to clause (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

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

“Interest” means the entire ownership interest of a Partner in the Partnership.

“Limited Partner(s)” means Law Offices of Vivian M. Lum, P.C. and its successors and assigns, and such successors and assigns shall have all of the rights and the obligations of the Limited Partner provided for in this Agreement.

“Liquidating Agent” shall have the meaning provided in Section 9.2 hereof (Actions of Liquidating Agent).

“Partners” means, collectively, the General Partner and the Limited Partner.

“Partnership” means the limited partnership governed by this Agreement, as such limited partnership may from time to time be reconstituted.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

“Person” means any individual or entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

“Permanent Loan” means the long-term permanent loan for the Project.

“Project” means that certain affordable housing development located at 2412 E. Virginia Beach Blvd., Norfolk, Virginia, and commonly known as the COGIC Highrise Apartments (aka COGIC Memorial Home for the Elderly Apartments).

“Project Documents” means this Agreement and all other documents associated therewith or in connection with the Project, as the same may be amended from time to time.

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

“Related Parties” means the directors, trustees, officers, employees, agents (including attorneys), Affiliates, lenders and contractors of the Person specified.

“State” means the Commonwealth of Virginia.

“Substituted Partner” means any transferee of the Interest of a Partner who is admitted to the Partnership as a successor partner in respect of the Interest of such Partners in accordance with Article VIII hereof (Assignment of Partners Interests).

“Tax Credits” means the Tax Credits available to the Partnership pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

“Tax Matters Partner” means the Partners designated from time to time as the Tax Matters Partner or as the “partnership representative” under Section 6223 of Chapter 63 of the Code.

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjectival forms “Withdrawing” and “Withdrawn”) means, as to a General Partner, the occurrence of the death, adjudication of insanity or incompetence, Bankruptcy, dissolution or liquidation of such Partners, or the withdrawal, removal, expulsion or retirement from the Partnership of such Partners for any reason, including any Assignment of its Interest and those situations when the General Partner may no longer continue as the General Partner by reason of any law or pursuant to any terms of this Agreement.

Each definition or pronoun herein shall be deemed to refer to the singular, plural, masculine, feminine or neuter as the context requires. Words such as “herein,” “hereinafter,” “hereof,” “hereto” and “hereunder,” when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

ARTICLE II ORGANIZATION

2.1 Creation of the Partnership. The Partnership has been formed pursuant to the Act and shall continue to exist on the terms and conditions set forth herein.

2.2 Name. The name of the Partnership shall be COGIC Memorial Home for the Elderly Preservation, L.P., which may be changed only with the consent of the Partners.

2.3 Partnership Documents. The Certificate has been filed with the Virginia State Corporation Commission. The General Partners shall from time to time take all such other actions as may be deemed by it to be necessary or appropriate to (a) effectuate and permit the continuation of the Partnership as a limited partnership under the laws of the State and (b) enable the Partnership to do business in the State, including the preparation and filing of such amendments to this Agreement and any other certificate, document or instrument as may be required under the laws of the State.

2.4 Principal Office. The principal office and the principal place of business of the Partnership shall be at the address designated in the Certificate. The General Partner may maintain such other offices on behalf of the Partnership as they may from time to time deem advisable. The Partnership's books and records will be made available to the Partners or their representatives at its principal office at reasonable times upon reasonable notice and for any reasonable purposes.

2.5 Resident Agent. The registered agent of the Partnership for service of process is the person designated in the Certificate, provided that the General Partner may change such registered agent to such other registered agent as they may designate, subject to compliance with the Act.

2.6 Term. The Partnership shall continue in full force and effect until December 31, 2088 or the earlier dissolution and termination of the Partnership pursuant to Article IX hereof (Dissolution and Termination of the Partnership).

2.7 Purpose.

(a) The business and purpose of the Partnership shall be to acquire, develop, own and operate the Project.

(b) In order to carry out its business and purpose under Section 2.7(a) hereof, subject to the terms and conditions hereof, the Partnership is hereby authorized to expend such funds and execute such documents and instruments as may be required to locate and acquire the Property and to develop, own and operate the Project.

**ARTICLE III
CAPITAL CONTRIBUTIONS**

3.1 Contributions. The General Partner shall contribute \$1.00 in cash and the Limited Partner shall contribute \$99.00 in cash. Each contribution shall be fully paid and contributed to the Partnership as of the date of this Agreement. For its contribution, each Partner shall have the following percentage interests in the Partnership (each, a "Percentage Interest"): the General Partner shall have a one percent (1%) Percentage Interest in the Partnership, as the general partner and the Limited Partner shall have a ninety-nine percent (99%) Percentage Interest in the Partnership, as a limited partner. Notwithstanding any provision of the Project Documents to the contrary, other than its initial capital contribution, the General Partner shall not be required to make any other capital contribution or loan of any type at any time to the Partnership or its Partners.

3.2 Treatment of Other Advances. If any Partner shall advance funds to the Partnership (other than the amount of its Capital Contribution), then the amount of such advance shall not be considered a contribution to the capital of the Partnership, but shall be deemed to be an interest-bearing loan to the Partnership from such Partner (a "Partner Advance"), provided that the Limited Partner shall have the right to elect to have any advance treated as a Capital Contribution by giving written notice of such election to the Partners at the time any such advance is made.

3.3 Capital Accounts; No Interest; Withdrawal. No Partner shall have the right to demand a return of its Capital Contribution, except as otherwise provided in this Agreement. No Partner shall have priority over any other Partner, either as to return of its Capital Contribution or as to profits, losses or distributions, except as otherwise specifically provided herein. Except as specifically provided herein, the General Partner shall not be personally liable for the return of the Capital Contribution, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Partnership. A Partner shall not be required to pay to the Partnership any deficit in its Capital Account upon dissolution or otherwise, except as provided by law, with respect to third party creditors of the Partnership. No interest shall be paid on any Capital Account or Capital Contribution. No Partner shall have the right to demand or receive property other than cash for its Interest. Each of the Partners does hereby agree to, and does hereby, waive any right such Partners may otherwise have to cause any asset of the Partnership to be partitioned or to file a complaint or institute any proceeding at law or in equity seeking to have any such asset partitioned. The acquisition of an Interest shall not result in a termination of the Partnership under Section 708 of the Code.

3.4 Liability of Limited Partner. No Limited Partner shall be liable for any debts, liabilities, contracts or obligations of the Partnership, except as provided by law.

**ARTICLE IV
RIGHTS, POWERS AND OBLIGATIONS
OF THE GENERAL PARTNERS
AND ADDITIONAL LIMITATIONS THEREON**

4.1 Management Vested in the General Partner. Subject to the limitations expressly provided in this Agreement and subject to Sections 4.2, 4.3 and 4.4 hereof, the General Partner shall have exclusive control over the business of the Partnership and shall have all rights, powers and authority conferred by law as necessary, advisable or consistent in connection therewith. Without limiting the generality of the foregoing, except as set forth in Sections 4.2, 4.3 and 4.4 hereof, the General Partner shall have the right, power and authority to execute any documents relating to the acquisition, financing, rehabilitation, operation and sale of all or any portion of the Project without the prior approval of the Limited Partner. Notwithstanding anything to the contrary set forth herein, the General Partner shall have the exclusive authority, without the prior approval of the Limited Partner, to enter into, execute and deliver letters of intent, purchase agreements and any other documents necessary or desirable to acquire, finance or develop the Project on behalf of the Partnership.

4.2 Specific Roles and Responsibilities of the General Partner.

(a) Notwithstanding anything to the contrary contained herein, the General Partner shall be responsible for coordinating the planning, design, financing, construction and development of the Project.

(b) The General Partner shall select an equity investor in the Project (the "Syndication Limited Partner"). The Syndication Limited Partner, shall be the Partnership's only limited partner, except that an affiliate of such investor may serve as an additional limited partner. Once the Syndication Limited Partner has been admitted to the Partnership, the General Partner and the Syndication Limited Partner shall renegotiate the ownership interests in the Partnership.

(c) The General Partner shall be responsible for matters relating to the Project that involve city, county and community relations and in matters relating to the marketing of the units in the Project to prospective tenants.

4.3 Other General Partner Provisions. Notwithstanding any other provisions to the contrary in the Project Documents, in the event of any conflict between this Agreement and any of the other Project Documents, this Section 4.3 shall govern as between the undersigned if such conflict has an adverse impact on the General Partner. This Section 4.3 shall survive the termination of the Project Documents and/or removal and termination of the General Partner from the Partnership for any reason and may not be modified without the prior written consent of the Partners, including, without limitation, the General Partner.

4.4 Restrictions on Authority. In addition to those acts and decisions set forth elsewhere in this Agreement, the Parties hereby agree that the General Partner not take any

action, expend any sum, or incur any obligation with respect to the following matters unless and until the same has been approved by the Limited Partner:

- (a) The approval of any and all plans and specifications for the Project;
- (b) The approval of any and all changes to the plans and specification of the Project that result in a cumulative change in the cost of the Project of more than \$5,000;
- (c) Acquisition of any asset unrelated to the Partnership and operation of the Project by the Partnership;
- (d) Sale, exchange, assignment, financing, refinancing or mortgaging of all or a substantial part of any Partnership asset (other than credit extended to the Partnership by usual trade creditors in the ordinary course of Partnership business);
- (e) Lending any funds or extending credit, or causing the Partnership to become a guarantor or surety for any purpose;
- (f) Entering into any contract or agreement with an Affiliate, other than those contracts and agreement contemplated in this Agreement;
- (g) The release, assignment or transfer of any Partnership claim, security interest, or all or any part of any other asset of the Partnership;
- (h) Confessing a judgment against the Partnership;
- (i) Any loan or advance from the Partners or Limited Partner to the Partnership;
- (j) The selection, employment or termination of any individual or entity employed by the Partnership, including the property manager and other agents or consultants, except as otherwise provided for in this Agreement;
- (k) Requesting that the Partners make any additional capital contribution to the Partnership;
- (l) The filing of bankruptcy by the Partnership;
- (m) The execution or delivery of any assignment of all or substantially all of the Partnership's assets for the benefit of the Partnership's creditors;
- (n) The use by any party, or any individual or entity affiliated with a party, of any real or personal property owned by the Partnership for a purpose other than in furtherance of the Partnership's business;
- (o) The establishment of annual operating budgets for the Project;
- (p) Borrowing any sums, or obtaining any credit on behalf of the Partnership;

and

- (q) The syndication of the limited Percentage Interest in the Partnership.

ARTICLE V
TAX MATTERS PARTNER AND LIMITATIONS
ON RIGHTS AND POWERS OF GENERAL PARTNERS

5.1 Tax Matters Partner. The General Partner shall be the "Tax Matters Partner" or "partnership representative" under Section 6223 of Chapter 63 of the Code and in connection with any audit of the Federal income tax returns of the Partnership. If the Tax Matters Partner shall, determine to litigate any administrative determination relating to Federal or State income tax matters, it shall litigate such matter in such court as the Tax Matters Partner shall decide.

5.2 Activities of Partners. The Partners and their respective Affiliates may engage or invest in any activity, including without limitation those that are in direct or indirect competition with the Partnership. Neither the Partnership nor any Partner shall have any right in or to such other activities or to the income or proceeds derived therefrom. No Partner shall be obligated to present any investment opportunity to the Partnership, even if the opportunity is of the character that, if presented to the Partnership, could be taken by the Partnership. Each Partner shall have the right to hold any investment opportunity for his, her or its own account or to recommend such opportunity to Persons other than the Partnership. The Partners acknowledge that the Partners and their Affiliates own and/or manage other businesses, including businesses that may compete with the Partnership and/or Partners' time. Each Partner hereby waives any and all rights and claims which he, she or it may otherwise have against the other Partners and their Affiliates as a result of any of such activities.

5.3 Indemnification. The Partnership does hereby indemnify, defend, protect and agree to hold the General Partner wholly harmless from and against any loss, cost, damage, liability, claim, suit, action, cause of action, fine, penalty or expense, including, without limitation, reasonable attorneys' fees, suffered by the General Partner by reason of anything which the General Partner may do or refrain from doing hereafter for or on behalf of the Partnership and in furtherance of its interest; provided, however, that the Partnership shall not be required to indemnify the General Partner from any loss, expense or damage which the General Partner may suffer as a result of its failure to perform its duties hereunder in good faith with due diligence or in taking any action beyond the authority of the General Partner.

5.4 Liability of Each Partner to Other Partners. No Partner shall have any liability or obligation to the other Partners or the Partnership for any decision made or action taken in connection with the discharge of its duties hereunder or when otherwise acting on behalf of the Partnership if such decision or action is made or taken in good faith and was authorized in accordance herewith, irrespective of whether the same may be reasonably prudent or whether bad judgment was exercised in connection therewith. Notwithstanding the foregoing, each Partner shall indemnify and save harmless the Partnership and the other Partners from and against any claim, loss, expense, liability, action or damage, including, without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel) due to or arising out of its fraud, bad faith, or gross negligence.

5.5 Transactions between the Partnership and the Partners. Notwithstanding that it may constitute a conflict of interest, the Partners, and their respective Affiliates may engage in any transaction with the Partnership (a) so long as such transactions, on an overall basis, are fair

and reasonable to the Partnership and are at least as favorable to the Partnership as those that are generally available from Persons capable of similarly performing them or (b) if a Partner holding a majority of the Percentage Interests held by the Partners, having no interest in such transaction (other than their interests as Partners) approve the transaction in writing.

ARTICLE VI ACCOUNTING, REPORTS, BOOKS, BANK ACCOUNTS AND FISCAL YEAR

6.1 Bank Accounts. The bank accounts of the Partnership shall be maintained in such banking institutions authorized to do business in the State and as the General Partner shall determine.

6.2 Books of Account; Fiscal Year. Books of account, in which shall be entered, fully and accurately, each and every transaction of the Partnership, shall be kept or caused to be kept by the General Partner. The books shall be kept on an accrual basis of accounting, and the fiscal year of the Partnership shall be the Fiscal Year. All of the Partnership's books of account, together with an executed copy of this Agreement and copies of such other instruments as the General Partner may execute hereunder, including amendments thereto, shall at all times be kept at the office of the General Partner and shall be available at such location at the principal office of the Partnership during normal business hours for inspection by any Partners or its duly authorized representative or, at the expense of any Partners, for audit by such Partners or its duly authorized representative.

6.3 Reports. The General Partner shall send to the Limited Partner such tax information as shall be necessary for inclusion by the General Partner and the Limited Partner in their Federal income tax returns and required state income tax and other tax returns. The General Partner shall send this information within sixty (60) days after the end of each Fiscal Year.

6.4 Tax Returns and Tax Treatment. The General Partner shall, for each Fiscal Year, file on behalf of the Partnership a United States Partnership Return of Income within the time

6.5 prescribed by law for such filing. The General Partner shall also file on behalf of the Partnership such other tax returns and other documents from time to time as may be required by the Federal government or by any state or any subdivision thereof. All tax returns shall be prepared by the Partnership's accountants. The General Partner shall send a copy of Schedule K-1, or any successor or replacement form thereof, and all tax returns to each Partner within sixty (60) days after the expiration of each Fiscal Year.

6.6 Partnership Expense. The costs of the reports, accounting and returns as required in this Article VI shall be expenses of the Partnership.

ARTICLE VII PROFITS AND LOSSES; DISTRIBUTIONS; FEES

7.1 Profits and Losses.

(a) Except as otherwise provided herein, profits and losses for each fiscal year, shall be allocated among the Partners in accordance with their Percentage Interests.

(b) All profits and losses shared by the Partners shall be credited or charged, as the case may be, to their Capital Accounts. Each Partner shall share in the profits and losses from the first day of the calendar month during which said Partner was admitted to the Partnership.

(c) The terms "profits" and "losses" as used in this Agreement mean taxable income and losses as determined in accordance with the accounting methods followed by the Partnership for Federal income tax purposes.

(d) The Partnership shall divide each fiscal year into twelve (12) segments, each consisting of one calendar month, for the purpose of allocating profits and losses pursuant to this Section 7.1 to Partners who are Partners of the Partnership during each such segment. If the Partnership's first or final fiscal year consists of less than twelve (12) calendar months, then such abbreviated fiscal year shall be divided into such number of segments as is equal to the number of full calendar months (and/or parts thereof) of such abbreviated fiscal year. In the event of a valid assignment, sale, transfer, or other disposition of all or any part of a Percentage Interest pursuant to Article VIII hereunder, the assignee shall share in the profits and losses from the first day of the calendar month during which such transfer occurs.

(e) Upon a revaluation of Partnership property, the amount of unrealized income, gain, loss or deduction in the Partnership property at the time of the revaluation shall be allocated to the Partners' Capital Accounts and shall be set forth on Schedule A attached hereto, and taxable income or tax loss shall be allocated among the Partners upon a sale of Partnership property or the liquidation of the Partnership in an amount equal to the unrealized income, gain, loss or deduction at the time of the contribution (with no further adjustment to the Partners' Capital Accounts), prior to the allocation of taxable income or tax loss to any other Partner.

(f) Notwithstanding anything to the contrary set forth in any Section or paragraph of this Agreement, if at the close of any taxable year (i) the foregoing allocations of this Section 7.1 and the other allocation provisions of this Agreement would, but for this paragraph (f), cause the negative Capital Account balance of any Partner to exceed such Partner's share (defined, as the aggregate nonrecourse deductions of the Partnership allocated to such Partner, plus such Partner's share of any net increase in minimum gain of the Partnership which is not attributable to items of loss, deduction and Section 705(a)(2)(B) of the Code expenditures of the Partnership, minus such Partner's share of any net decrease in the minimum gain of the Partnership) of the Partnership's "minimum gain" (as defined in Treasury Regulation Section 1.704-1(b)(4)(iv)), (5) and (6), plus any amounts which such Partner is required to restore to the Partnership upon liquidation (or which are treated as such amounts pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c)), or (ii) the allocation of further taxable loss or deductions of the Partnership pursuant to any other provisions of this Article VII would result in any such excess, then to the extent (but only to the extent) required to eliminate or prevent the creation of any such excess: (A) items of loss and deductions of the Partnership for such year and subsequent years shall be allocated to Partners having positive Capital Account balances in proportion to such balances until such balances are reduced to zero and (B) items of income and gain of the Partnership for such year and subsequent years shall be allocated to those Partners having excess negative Capital Account balances in proportion to such excess balances until such excess negative balances are reduced to zero. Thereafter all taxable income, taxable loss and deductions of the Partnership shall be allocated in accordance with the other provisions of

this Article VII. For purposes of this paragraph (f), a Partner's "minimum gain" shall include amounts distributed to such Partner of the proceeds of any non-recourse financing by the Partnership, unless the Regulations under Section 704 of the Code are amended specifically to prohibit inclusions of such distribution amount in "minimum gain." This paragraph (f) is intended to comply with the minimum gain chargeback requirement of Treasury Regulation Section 1.704-1(b)(4)(iv)(e) and with the qualified income offset requirement of Treasury Regulation Section 1.704-1(b)(2)(d).

7.2 Recapture Items. Notwithstanding any other provisions of this Agreement, if the Partnership realizes gain from the sale or other disposition of any asset owned by the Partnership or any pass-through entity in which the Partnership holds an interest which is required to be treated as ordinary income under the depreciation recapture provisions of the Code ("**Recapture Income**"), then any such gain shall be allocated to the Partners to the same extent and in the same proportion as the prior depreciation giving rise to the Recapture Income was allocated to the Partners, even though such allocation is not in accordance with the Percentage Interests at the time the gain is realized.

7.3 Distributions of Cash. If the General Partner shall determine that there is cash available for distribution by the Partnership for any fiscal year, the General Partner shall distribute such cash as follows and in the following order or priority:

- (a) To pay interest on any loans, including Partner Advances, from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution;
- (b) To repay principal of any loans, including Partner Advances, payable to Partners or their Affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;
- (c) to the Partners to the extent of, and in proportion to, their Adjusted Capital Contributions until their Adjusted Capital Contributions are reduced to zero; and
- (d) the balance, if any, to the Partners in accordance with their Percentage Interests.

7.4 Distributions and Allocations of Sale and Refinancing Proceeds.

(a) If the General Partner shall determine that there are proceeds available for distribution from a sale of Partnership property or refinancing of any Partnership debt, net proceeds of a sale of Partnership property and net proceeds of any distributions to the Partnership as a result of the sale of any property owned by an entity in which the Partnership has an interest (each a "**Sale**") and the net proceeds of distributions to the Partnership of any refinancing proceeds from any entity in which the Partnership holds an interest shall be distributed as follows and in the following order of priority:

- (i) To pay interest on any loans, including Partner Advances, from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution;

(ii) To repay principal of any loans, including Partner Advances, payable to Partners or their Affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;

(iii) To the Partners, to the extent of, and in proportion to, their Adjusted Capital Contributions until their Adjusted Capital Contributions are reduced to zero; and

(iv) The balance, if any, to the Partners in accordance with the Percentage Interests.

(b) Profit arising as the result of a Sale shall be allocated as follows and in the following order of priority:

(i) To pay interest on any loans, including Partner Advances, from Partners or their Affiliates provided for herein, pro rata in accordance with the amount of interest accrued as of the date of such distribution;

(ii) To repay principal of any loans, including Partner Advances, payable to Partners or their Affiliates, pro rata in accordance with the amount of the principal balances as of the date of such distribution;

(iii) To all Partners with a negative balance in their Capital Accounts, in proportion to such balances, until such zero;

(iv) To the Partners whose Adjusted Capital Contributions exceed their Capital Contributions, in proportion to such excesses, until the Capital Account of each Partner is equal to each Partner's Adjusted Capital Contributions; and

(v) Thereafter, to the Partners in accordance with their Percentage Interests.

(c) Loss arising as a result of a Sale shall be allocated first to all Partners with a positive balance in their Capital Accounts, in proportion to such balances, until such balances are increased to be reduced to zero, and thereafter, to the Partners in accordance with their Percentage Interests.

ARTICLE VIII ASSIGNMENT OF PARTNERS' INTERESTS

8.1 Assignment of Partners' Interests.

(a) Assignment of Limited Partner Interest. No Limited Partner shall have the right to assign all or any part of its Interest in the Partnership without the prior written consent of the General Partner which consent shall not unreasonably be withheld, conditioned or delayed.

(b) Assignment of General Partner Interest. No General Partner shall have the right to assign all or any part of its Interest in the Partnership without the prior written Consent of

the Limited Partner, and the lending institutions associated with the Partnership and the Project, which consent shall not unreasonably be withheld, conditioned or delayed.

8.2 Assignees.

(a) Requirements for Permitted Assignments. Except as provided below with respect to a pledge, no assignment of an Interest under Section 8.1 hereof (whether or not the assignee becomes a Substituted Partner as provided in Section 8.3 hereof) shall be effective unless (in addition to satisfaction of the requirements set forth in Section 8.1 hereof):

(i) The assignee expressly agrees to be bound, to the same extent as the assignor, by the provisions of this Agreement and any other documents required in connection therewith and to assume the obligations of the assignor hereunder;

(ii) The assignor or assignee shall have agreed to pay all reasonable expenses, including, without limitation, reasonable counsel fees and transfer taxes, incurred by the Partnership in connection with the Assignment;

(iii) The assignee executes a statement that it is acquiring the Interest for its own account for investment, and not with a view to distribution thereof;

(iv) The assignment, in the reasonable opinion of counsel for the Partnership, would not violate any provisions of federal or state securities or other comparable law;

(v) A duly executed and acknowledged counterpart of the instrument evidencing the assignment is filed with the Partnership and notice of such assignment is received by the other Partners. Notwithstanding the foregoing, only the requirements described in subsections (ii), (iii), (iv) and (v) are applicable to a pledge of an Interest.

(b) Assignees Bound by Partnership Agreement. Any Person who acquires in any manner whatsoever any Interest irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement or has been admitted as a Substituted Partner, shall be deemed by the acceptance of the benefit of the acquisition thereof to have agreed to be subject to and bound by all the obligations of this Agreement that any predecessor in interest of such Person was subject to or bound by. A Person acquiring an Interest, including the personal representatives and heirs of a deceased Partner, shall have only such rights, and shall be subject to all the obligations, as are set forth in this Agreement; and, without limiting the generality of the foregoing, such Person shall not have any right to have the value of his Interest ascertained or receive the value of such Interest or, in lieu thereof, profits attributable to any right in the Partnership, except as herein set forth.

(c) Assignee Who Is Not a Substituted Limited Partner. Any assignee of an Interest pursuant to an Assignment satisfying the conditions of this Article VIII (Assignment of Partners' Interests) who does not become a Substituted Partner in accordance with this Article VIII shall have only the right to receive the same share of the Profits and Losses and distributions of the Partnership to which his Assignor would have been entitled. If such assignee desires to make an assignment of his Interest, he shall be subject to all the provisions of this

Article VIII to the same extent and in the same manner as any Partner desiring to make an assignment.

(d) Assignor's Rights. Any Partner who shall assign all of his Interest shall cease to be a Partner and shall no longer have any rights or privileges of a Partners except that, unless and until his assignee is admitted to the Partnership as a Substituted Partner in accordance with this Article VIII (Assignment of Partners' Interests), such assignor shall continue to be a Partner and shall retain all rights and be subject to all obligations under the Act.

8.3 Substituted Partners: Admission.

(a) Admission of Assignee to the Partnership. Each assignee of the Limited Partner's Interest transferred in accordance with Sections 8.1 and 8.2 hereof shall at the request of the assignor be admitted to the Partnership as a Substituted Partner.

(b) Amendment to Partnership Agreement Upon Admission of Assignee. Upon the admission of a Substituted Partner, this Agreement shall be amended to eliminate the name and address of the assignor, and an amendment to this Agreement and the Certificates, if applicable, reflecting such admission shall be executed and filed in accordance with the Act.

ARTICLE IX DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

9.1 Events Which Cause a Dissolution. The Partnership shall continue in full force and effect until December 31, 2088, except that the Partnership shall be dissolved prior thereto upon the happening of any of the following events:

(a) A reasonable determination by either General Partner prior to the earlier to occur of (i) the date on which the Partnership enters into any written agreement binding the Partnership to lease, develop, or operate the Project, including, without limitation, a ground lease for the real property underlying the Project and (ii) the date on which the Partnership closes on the Project construction loan, that, development of the Project is economically infeasible for any reason; provided, however, such dissolution shall not occur thirty (30) days after the General Partner making such determination provides written notice of such determination to the other Partners.

(b) The Withdrawal of one or more of the then General Partners, provided that the Partnership shall not be dissolved if (i) at the time of such Withdrawal there is at least one remaining General Partner and that General Partner agrees to carry on the business of the Partnership or (ii) within 90 days after such Withdrawal all remaining Partners (excluding the Withdrawing General Partner) agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of such event, of one or more additional General Partners;

(c) Any event which shall make it unlawful for the existence of the Partnership to be continued;

(d) The sale or other disposition of all or substantially all of the assets of the Partnership; or

- (e) The written consent of the Partners.

9.2 Actions of Liquidating Agent Upon Dissolution. Upon the dissolution of the Partnership, the Partnership shall be liquidated in accordance with this Article IX and the Act. The liquidation shall be conducted and supervised by the General Partner or, if there is no remaining General Partner, by a Person who shall be designated for such purpose by vote of a majority in interest of the Limited Partners (the General Partner, or such Person so designated, being hereinafter referred to as the "Liquidating Agent"). The Liquidating Agent shall have all of the rights in connection with the liquidation and termination of the Partnership that a general partner would have with respect to the assets and liabilities of the Partnership during the term of the Partnership, and the Liquidating Agent is hereby expressly authorized and empowered to effectuate the liquidation and termination of the Partnership and the transfer of any assets and liabilities of the Partnership. The Liquidating Agent shall have the right from time to time, by revocable powers of attorney, to delegate to one or more Persons any or all of such rights and powers and the authority and power to execute documents in connection therewith, and to fix the reasonable compensation of each such Person, which compensation shall be charged as an expense of liquidation. The Liquidating Agent is also expressly authorized to distribute the Partnership's property to the Partners subject to liens.

9.3 Statements on Termination. Each Partner shall be furnished with a statement prepared by the Liquidating Agent which shall set forth the assets and liabilities of the Partnership as at the date of complete liquidation, and each Partner's share thereof. Upon compliance with the distribution plan set forth in Section 9.4 hereof, the Partners shall each cease to be partners of the Partnership, and the Liquidating Agent shall execute, acknowledge and cause to be filed a certificate of termination of the Partnership.

9.4 Priority on Liquidation: Distribution of Non-Liquid Assets.

(a) The Liquidating Agent shall, to the extent feasible, liquidate the assets of the Partnership as promptly as shall be practicable. To the extent the proceeds are sufficient therefore, as the Liquidating Agent shall deem appropriate, the proceeds of such liquidation shall be applied and distributed in the following order:

(i) to the payment of all debts and obligations of the Partnership other than amounts owing to Partners;

(ii) to repay any unpaid balances on any loans made by the Limited Partner;

(iii) to establish such reserves as the General Partner determines to be reasonably necessary for any contingent or foreseeable liability or obligation of the Partnership; provided, however, that the balance of any such reserve remaining at such time as the General Partner shall reasonably determine that such reserve is no longer necessary shall be distributed in accordance with this Section 9.4;

(iv) to the extent not previously paid, to the Partners, an amount equal to any compensation payable to them pursuant to this Agreement or any other agreement with the Partnership;

(v) to repay any unpaid balances on any Partner Loan;

(vi) the balance, if any, to the Limited Partner and the General Partner in accordance with their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

(b) If the Liquidating Agent shall determine that it is not feasible to liquidate all or part of the assets of the Partnership or that an immediate sale of all or part of such assets would cause an undue loss to the Partners, the Liquidating Agent shall cause the fair market value of the assets not so liquidated to be determined by independent appraisal. Such assets, as so appraised, may be retained or distributed by the Liquidating Agent in any manner not inconsistent with the priority set forth in Section 9.4(a) hereof or Section 1.704-1(b)(2) of the Regulations.

Any distribution of assets in kind shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. If the Liquidating Agent deems it not feasible to distribute to each Partners an aliquot share of each asset, the Liquidating Agent may allocate and distribute specific assets to one or more Partners as tenants-in-common as the Liquidating Agent shall determine, taking into consideration, inter alia the basis for tax purposes of each asset distributed and the effect of crediting or charging the Capital Accounts for any unrealized appreciation or unrealized depreciation.

(c) Notwithstanding any other provisions of this Article IX, in the event the Partnership is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations but no event specified in Section 9.1 hereof has occurred, the property of the Partnership shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed its property in kind to the Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to have recontributed such property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

9.5 Orderly Liquidation. A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities so as to minimize the losses normally attendant upon a liquidation.

9.6 No Goodwill Value. Unless required by the Regulations for purposes of maintaining Capital Accounts, at no time during continuation of the Partnership shall any value ever be placed on the Partnership name, or the right to its use, or to the goodwill appertaining to the Partnership or its business, either as among the Partners or for the purpose of determining the value of any Interest, nor shall the legal representatives of any Partner have any right to claim any such value. Unless required by the Regulations for purposes of maintaining Capital Accounts, in the event of a termination and dissolution of the Partnership as provided in this Agreement, neither the Partnership name, nor the right to its use, nor the same goodwill, if any, shall be considered as an asset of the Partnership, and no valuation shall be put thereon for the purpose of liquidation or distribution, or for any other purpose whatsoever; nor shall any value ever be placed thereon as between the remaining or surviving Partners and the legal

representatives of the estate of any deceased, insane, incompetent, dissolved, liquidated or Bankrupt Partners.

ARTICLE X MISCELLANEOUS

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

10.2 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Agreement shall be sufficient for all purposes without producing or accounting for any other counterpart thereof.

10.3 Partners Independently Bound. The General Partner and the Limited Partner shall become bound by this Agreement immediately upon its execution thereof and independently of the execution hereof by any other Partner.

10.4 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein (A) are determined to be invalid or contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid or (B) would cause the Limited Partner to be bound by the obligations of the Partnership (other than under the rules, directives and regulations of any Authority) under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

10.5 Address and Notice. All notices, demands, requests or other communications (collectively, "**notices**") required to be given or which may be given hereunder shall be in writing and shall be sent by (i) certified or registered mail, return receipt requested, postage prepaid, or (ii) national prepaid overnight delivery service, or (iii) telecopy or other facsimile transmissions (followed with hard copy sent by personal delivery with receipt acknowledged in writing or national prepaid overnight delivery service), or (iv) personal delivery with receipt acknowledged in writing. Any notice sent by certified or registered mail shall be deemed given on the date of receipt or refusal as indicated on the return receipt. All other notices shall be deemed given when actually received or refused by the party to whom the same is directed. A notice may be given either by a Partner or by such Partner's attorney, and shall be deemed received by a Partner when received or refused by such Partner and, in the event of refusal, even though not received by the Partner. Notices shall be addressed as follows:

(a) If to General Partner:

COGIC Memorial Preservation, LLC
c/o COGIC Memorial Home for the Elderly, Inc.
2412 E. Virginia Beach Blvd.,
Norfolk, Virginia
Attention: Chairman

(b) If to Limited Partner:

Law Offices of Vivian M. Lum, P.C.
10100 Santa Monica Boulevard, Suite 300
Santa Monica, California 90067
Attention: Vivian Lum, Esq.

10.6 Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included.

10.7 Titles and Captions. All article and section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

10.8 Entire Agreement. This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

10.9 Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives and permitted successors and assigns of the parties hereto.

10.10 Parties in Interest. Nothing herein shall be construed to be to the benefit of or enforceable by any third party including, but not limited to, any creditor of the Partnership.

10.11 Amendments; Other Actions. This Agreement may not be amended or modified except by the Partners.

10.12 Further Assurances. The Partners will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

10.13 Remedies Cumulative; Enforcement. No remedy conferred upon or reserved to the Partnership or any Partners by this Agreement is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Partnership or any Partners hereunder or now or hereafter existing at law or in equity or by statute.

10.14 Meetings. Meetings of the Partnership may be called by the General Partner for any matters for which the Partners may vote as set forth in this Agreement or to obtain information concerning the Partnership. A list of names and addresses of all Partners shall be maintained as part of the books and records of the Partnership and shall be made available upon request to any Partners or its representative at cost. Upon receipt of a request either in person or by registered mail stating the purposes of the meeting, the General Partner shall provide the Partners, within ten days after receipt of such request written notice of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 30 days after receipt of such request, at a time and place within or outside the State as convenient to the Partners.

10.15 Miscellaneous. Time is expressly made of the essence with respect to the performance of each and every obligation under this Agreement. The prevailing party shall be entitled to be reimbursed by the non-prevailing party for all costs, including collection, court and attorneys' fees and expenses, incurred by the prevailing party in any action or defense involving this Agreement. Any party's failure to enforce any provision of this Agreement shall not constitute a waiver of the right to enforce such provision. The provisions of this Agreement may be waived only in a writing executed by the party intended to be benefited by the provisions, and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions. This Agreement may be enforced by rights and remedies in law and in equity, including injunctive relief, and all of such rights and remedies shall be cumulative. No party shall have any liability for consequential, special, exemplary, punitive damages or other damages in addition to actual compensatory damages, as those actual compensatory damages may be further limited by this Agreement regardless of the form of action, whether in contract, warranty, tort (including negligence), strict liability, or otherwise. Each individual executing this Agreement hereby represents and warrants that he or she is duly authorized and has the legal capacity to execute this Agreement on behalf of the party in question. Each party hereby represents and warrants that such party is duly authorized to enter into this Agreement and that this Agreement constitutes the legal, valid, binding, and enforceable obligations of that party. All indemnifications, releases, representations, warranties, confidentiality covenants and limitations upon liability in this Agreement, if any, shall survive the termination of this Agreement for any reason.

[text continues on the following page]

COGIC MEMORIAL PRESERVATION, LLC

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (the “*Agreement*”) is made and entered into as of December 1, 2018 by COGIC MEMORIAL HOME FOR THE ELDERLY, INC., a Virginia nonprofit corporation (the “*Sole Member*”), and each other qualifying nonprofit public benefit corporation admitted from time to time as a Member of the Company (collectively, including the Sole Member, the “*Members*”), who hereby enter into this operating agreement of **COGIC MEMORIAL PRESERVATION, LLC**, a Virginia limited liability company (the “*Company*”), pursuant to the Virginia Limited Liability Company Act, as amended (the “*Act*”), and reads as follows:

1. Name. The name of the Company is COGIC Memorial Preservation, LLC. The affairs of the Company shall be conducted under the Company name, or such other name as the Manager may designate from time to time.

2. Principal Office; Registered Agent. The principal office of the Company shall be located in Norfolk, California, or at such other place or places as the Manager may from time to time designate. The Company shall maintain a registered agent for service of process and registered office in the Commonwealth of Virginia in accordance with the Act.

3. Company Exclusive Purpose. The Company is organized exclusively for and its activities shall be limited to the purpose of furthering the charitable purpose of the Sole Member (or any additional or successor Member) of providing affordable housing to low -income households, providing relief for poor and distressed persons, and engaging in the business of the development and operation of affordable rental housing and related activities for low-income households, to act as the general partner of COGIC Memorial Home For The Elderly Preservation, L.P., a Virginia limited partnership, and to engage in all activities and transactions necessary or advisable to carry out the purposes of the Company, and all other powers available to it as a limited liability company under the laws of the State of Virginia.

4. Qualification for Membership. The Sole Member, and any successor or additional Members shall be exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Code*”). Each Member shall have a valid, unrevoked letter from the Internal Revenue Service stating it qualifies as an exempt organization under Section 501(c)(3) of the Code.

5. Authorized Person. The Manager is hereby designated as an “authorized person” within the meaning of the Act.

6. Term. The term of the Company commences upon the date of filing of its Certificate of Formation with the Office of the State Corporation Commission of the Commonwealth of Virginia. The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following:

(a) the termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by the Act;

(b) the entry of a decree of judicial dissolution under the Act; or

(c) the written consent of a majority-in-interest of the Members.

7. Membership Percentages; Capital Contributions of the Members. Each Member shall have the "Membership Percentage" listed beside such Member's name on EXHIBIT A hereto. Each Member shall make capital contributions, *pro rata* in accordance with such Member's Membership Percentage, as determined from time to time by the Manager.

8. Allocation of Profit and Loss. All profits and losses of the Company shall be allocated to the Members *pro rata* in accordance with their respective Membership Percentages.

9. Distributions and Withdrawals. Distributions and withdrawals will be made solely at the discretion of the Manager. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a distribution to any Member on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

10. Interest. No interest shall be paid to any Member on account of its interest in the capital of, or on account of its investment in, the Company.

11. Management.

(a) The person designated as the manager of the Company (the "*Manager*") shall have the sole and exclusive right to manage, control, and conduct the affairs of the Company and to do any and all acts on behalf of the Company permitted by applicable law, and such person shall be a "manager" within the meaning of the Act. COGIC Memorial Home For The Elderly, Inc. is designated as the Manager of the Company. In the event that there is no Manager, approval or consent of the Manager shall be deemed to be effective upon the consent of the Sole Member, or if there are two or more Members, then Members who hold at least a majority-in-interest of the Membership Percentages.

(b) The management, operation, and policies of the Company are vested exclusively in the Members. Without limiting the foregoing, the Manager shall have the specific authority to (i) admit additional members to the Company and (ii) transfer, assign, pledge, hypothecate, encumber, or otherwise dispose of any asset of the Company. The Manager shall have the power on behalf of, and in the name of, the Company to carry out and implement any and all of the objects and purposes of the Company.

12. Sole Member Written Consent; If More than One Member. So long as the Sole Member is the single Member of the Company, the written approval of the Sole Member shall be the unanimous written consent of the Member of the Company and may bind the Company. If there are two or more Members, then no Member (other than a Manager) shall take part in the control or management of the affairs of the Company or have any authority to act for or on behalf of the Company.

13. Removal of a Member. A Member may be removed only with the consent of a majority-in-interest of the Members.

14. Transfer Only to an Exempt Entity. No Member shall sell, assign, pledge, mortgage, or otherwise dispose of or transfer its limited liability company interest in the Company, directly or indirectly, without the written consent of the Manager and Members. Any such permitted transferee shall be limited to an assignee that is exempt entity under Section 501(c)(3) of the Code.

15. Dissolution. Upon dissolution, all assets shall be distributed to an organization(s) organized and operated exclusively for charitable or religious purposes and which has established its tax exempt status under section 501(c)(3) of the Internal Revenue Code.

16. **Governing Law.** This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia as applied to agreements among the residents of such state made and to be performed entirely within such state.

17. **Limitation of Liability of the Manager and the Members.** Except as required by law, neither the Manager nor the Members, in their capacities as such, shall be bound by, nor be personally liable for, the expenses, liabilities, or obligations of the Company in excess of their respective capital contributions to the Company.

18. **Other Instruments and Acts.** The Manager and the Members agree to execute any other instruments and to perform any other acts that are or may be necessary or appropriate to effectuate and carry on the Company. In furtherance thereof, the Members hereby acknowledge and agree that this Agreement shall be amended and restated as soon as reasonably practicable in order to clarify certain issues relating to the management and operation of the Company.

19. **Binding Agreement.** This Agreement shall be binding upon the transferees, successors, assigns, and legal representatives of the Manager and the Members.

20. **Power of Attorney.** By signing this Agreement, the Members designate and appoint the Manager as their true and lawful attorney, in their name, place, and stead to make, execute, sign, and file any amendment to the Certificate and such other instruments, documents, or certificates that may from time to time be required of the Company by the laws of the United States of America, the laws of the Commonwealth of Virginia, or any other state or foreign jurisdiction in which the Company shall do business in order to qualify or otherwise enable the Company to do business in such jurisdictions. This power of attorney is coupled with an interest and shall survive and not be affected by the subsequent death, incapacity, disability, dissolution, termination or bankruptcy of the Member granting such power or attorney.

21. **Amendment.** This Agreement may be amended only with the written consent of the Members.

22. **Severability.** Each provision of this Agreement shall be considered severable, and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

23. **Entire Agreement.** The parties acknowledge and agree that this Agreement constitutes the full, complete, and final agreement of the Manager and the Members and supersedes all prior agreements among the Manager and the Members with respect to the Company in their entirety.

24. **Exculpation.** No Manager or Member shall be liable to any Member or Manager for any conduct or actions or for failure not to act, except for conduct, actions or inactions determined by a court of competent jurisdiction (or arbitrator) (a) not to have been undertaken in good faith for a purpose that was reasonably believed to be in the best interests of the Company or (b) to constitute fraud, recklessness, willful misconduct or gross negligence.

25. **Indemnification.** The Company agrees to indemnify, out of the assets of the Company only, the Manager and the Members (each such Person, an "*Indemnified Party*") to the fullest extent permitted by law and to save and hold them harmless from and in respect of all (a) reasonable fees, costs, and expenses paid in connection with or resulting from any claim, action, or demand against any Indemnified Party that arises out of or in any way relate to the Company, its properties, business, or

affairs and (b) such claims, actions, and demands and any losses or damages resulting from such claims, actions, and demands, including amounts paid in settlement or compromise (if recommended by attorneys for the Company) of any such claim, action or demand; *provided, however*, that this indemnity shall not extend to conduct or inaction not undertaken in good faith for a purpose that was reasonably believed to be in the best interests of the Company or by reason of fraud, recklessness, willful misconduct or gross negligence. Expenses incurred by any Indemnified Party in defending a claim or proceeding covered by this Section 26 shall be paid by the Company in advance of the final disposition of such claim or proceeding provided that the Indemnified Party (i) uses his or her diligent good faith efforts to seek indemnification from all other sources, (ii) undertakes to repay such amount if such Indemnified Party receives indemnification from other sources, and (iii) undertakes to repay such amount if it is ultimately determined that such Indemnified Party was not entitled to be indemnified.

26. Company Earnings Shall Not Benefit Non-Exempt Persons. The earnings of the Company shall not benefit any private shareholder, individual or entity not exempt under 501(c)(3) of the Code.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Operating Agreement as of the date first written above.

SOLE MEMBER:

COGIC MEMORIAL HOME FOR THE ELDERLY, INC.,
a Virginia nonprofit corporation

By: Dr. Wilbert L. Daniels, Sr.
Dr. Wilbert L. Daniels, Sr., President

COGIC MEMORIAL PRESERVATION, LLC

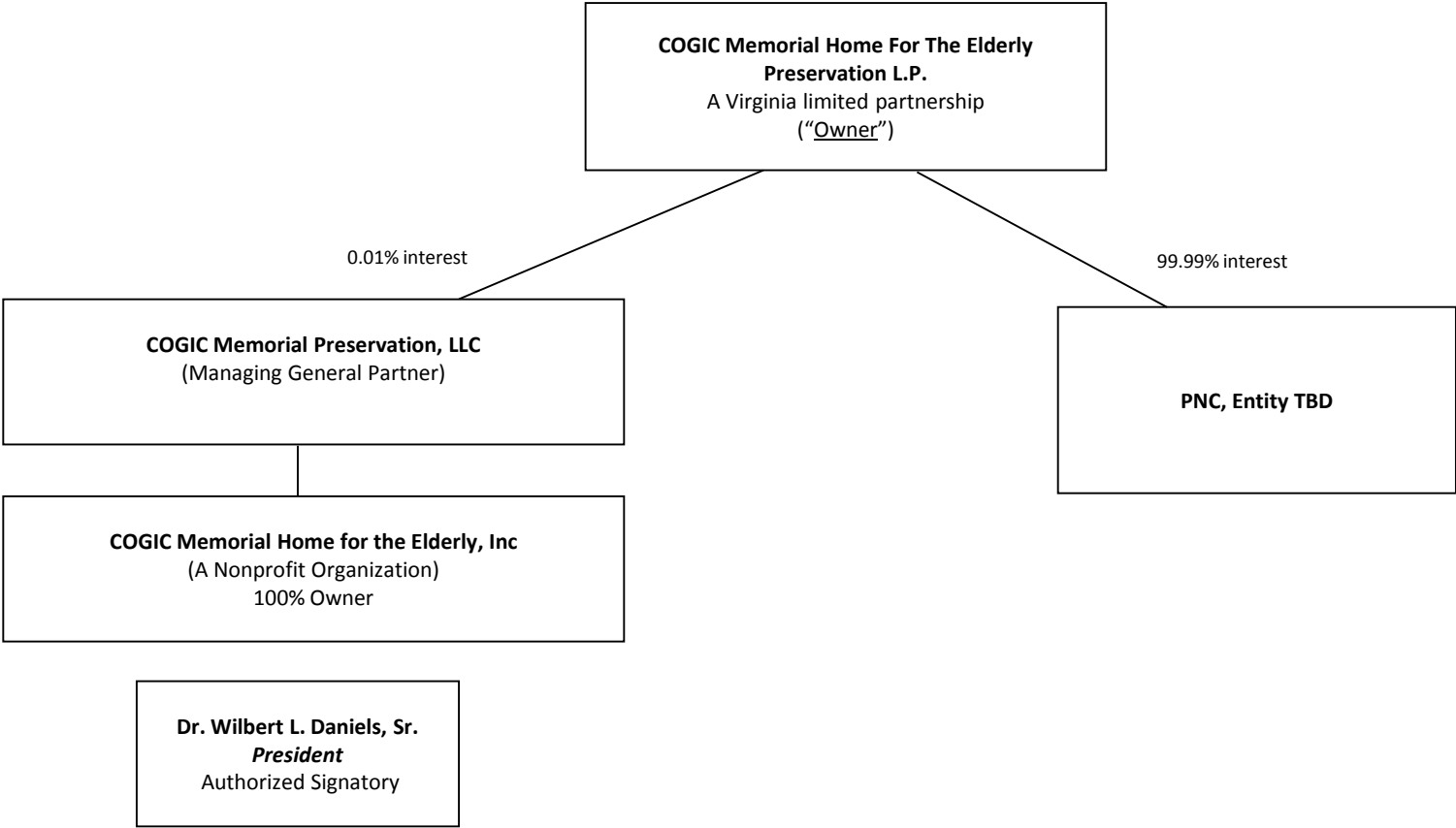
EXHIBIT A

SCHEDULE OF MEMBERS

| NAME AND ADDRESS | MEMBERSHIP PERCENTAGE |
|--|----------------------------------|
| COGIC MEMORIAL HOME FOR THE ELDERLY, INC. 2412 East Virginia Beach Blvd., Norfolk, VA 23504 Attention: President | 100.00% |
| TOTAL: | 100.00% |

Organizational Chart

COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P.



ARTICLES OF INCORPORATION

of

COGIC MEMORIAL HOME FOR THE ELDERLY, INC.

This is to certify that we, the undersigned, all being of full legal age, do hereby associate ourselves for the purpose of forming a nonprofit Corporation under and by virtue of the provisions of Chapter 2 of Title 13.1 of the Code of Virginia, 1950, as amended, and further certify that;

ARTICLE I

(a) The name of the Corporation is COGIC MEMORIAL HOME FOR THE ELDERLY, INC., hereinafter referred to as "the Corporation."

(b) The existence of the Corporation will be perpetual.

(c) The initial registered office of the Corporation will be located at 744 Goff Street, Norfolk, Virginia. The name of the city in which the initial registered office is located is Norfolk, Virginia.

(d) The name of the initial registered agent of the Corporation is David B. Williams who is a resident of Virginia and a director of the Corporation and whose business address is 744 Goff Street, Norfolk, Virginia.

ARTICLE II

The purpose for which the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

Section 1. To provide, on a nonprofit basis, housing for low and moderate income families and families displaced from urban renewal areas, or as a result of governmental action, or as a result of a major disaster, where no adequate housing exists for such groups, pursuant to the provisions of the National Housing Act, as amended.

Section 2. The Corporation is irrevocably dedicated to and operated exclusively for, nonprofit purposes; and no part of the income or assets of the Corporation shall be distributed to,

nor inure to the benefit of, any individual.

ARTICLE III

The Corporation is empowered:

(a) To buy, own, sell, convey, assign, mortgage or lease any interest in real estate and personal property and to construct, maintain and operate improvements thereon necessary or incident to the accomplishment of the purposes set forth in Article II hereof.

(b) To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business, and to secure the same by mortgage, pledge or other lien on the Corporation's property.

(c) To do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

(d) In the event of the dissolution of the Corporation or the winding up of its affairs, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for nonprofit purposes similar to those of

the Corporation: PROVIDED, however, that the Corporation shall at all times have the power to convey any or all of its property to the Secretary of Housing and Urban Development or his nominee.

ARTICLE IV

The number of directors constituting the initial board of directors shall be six (6). ~~They~~ ^{Future directors} shall be elected by the members of the Corporation from the membership. The directors of the Corporation must, at all times, be members of the Corporation. No nonmember of the Corporation may sit as a director. The names and addresses of the persons who are to serve as the initial directors are:

| | |
|------------------------|---|
| David B. Williams | 4644 Broad Street Virginia Beach, Virginia |
| Herman Clark, Sr. | 1816 Montclair Avenue Norfolk, Virginia |
| Wilbert L. Daniels | 2715 Kimball Terrace Norfolk, Virginia |
| James E. Williams | 1032 Willmington Street Norfolk, Virginia |
| William H. Fayton, Jr. | 1216 Pelham Street Norfolk, Virginia |
| Toney L. McNair | 536 Maryland Avenue Norfolk, Virginia |

The directors shall serve without compensation.

Membership in the Corporation shall, at all times, be limited to individuals who are either (1) trustees of any of the affiliated churches of The Church of God In Christ, Virginia, Second Diocese, or (2) members of any of the affiliated churches of The Church of God In Christ, Virginia, Second Diocese, and who have the approval of the trustees of any of the affiliated churches of The Church of God In Christ, Virginia, Second Diocese. In the event that a member of the Corporation ceases to be a trustee of any of the affiliated churches of The Church of God In Christ, Virginia, Second Diocese, or, if the aforesaid approval is withdrawn, then, in either event, such shall consti-

tute automatic resignation as a member and director of the Corporation.

The officers of the Corporation, as provided by the By-Laws of the Corporation, shall be elected by the directors of the Corporation, in the manner therein set out, and shall serve until their successors are elected and have qualified. The directors shall elect the regular officers of the Corporation at the annual meeting, for terms of one year. The Secretary and Treasurer may be one and the same person, and need not be a director of the Corporation. Other officers must be directors of the Corporation.

The annual meeting shall be held on the fourth Thursday in March of each year. If that day is a legal holiday, the annual meeting shall be held on the next succeeding day not a legal holiday.

ARTICLE V

✓ By-laws of the Corporation may be adopted by the directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles or of the Regulatory Agreement between the Corporation and the Secretary of Housing and Urban Development, pursuant to Article II hereof.


ARTICLE VI

So long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development, these Articles may not be amended without the prior written approval of the said secretary.

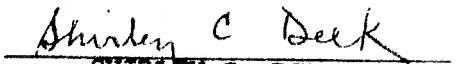
Signed by the incorporators this 15th day of March, 1972.


EDWARD DELK

6319 Whittier Drive
Norfolk, Virginia


BARBARA B. PHILLIPS

2920 Doris Avenue
Chesapeake, Virginia

67 
SHIRLEY C. DELK

6319 Whittier Drive
Norfolk, Virginia

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

**AT RICHMOND,
March 20, 1972**

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

Cogic Memorial Home for the Elderly, Inc.

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

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

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

STATE CORPORATION COMMISSION

By Ralph T. Catherall
Commissioner

VIRGINIA:

In the Clerk's Office of the Corporation Court, City of Norfolk

The foregoing certificate (including the accompanying articles) has been duly recorded in my office this 24th day of March, 1972 and is now returned to the State Corporation Commission by certified mail.

C8

Katherine V. Respass
By: Nami Hale D.C. Clerk

TAB A

LPA

Developer Fee Agreement

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this “**Agreement**”) is made and entered into effective as of February __, 2020, by and between **PROGRESSIVE AFFORDABLE DEVELOPMENT, LLC**, a California limited liability company (the “**Developer**”), and **COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P.**, a Virginia limited partnership (the “**Partnership**”).

W I T N E S S E T H :

WHEREAS, the Partnership has been formed for the purposes, inter alia, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of certain real property located in Norfolk, Virginia together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements) known as the COGIC Highrise Apartments (aka COGIC Home for the Elderly) located at 2412 E. Virginia Beach Blvd., Norfolk, Virginia 23504 (together, the “**Project**”), which Project upon completion will consist of a 150-unit apartment project for rental to low-income seniors, equipment, land, real property and personal property used in connection with the operation thereof, and is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”);

WHEREAS, in order to effectuate the purposes for which it has been formed, the Partnership has engaged the services of the Developer with respect to overseeing the development of the Project for the Partnership; and

WHEREAS, the parties desire to enter into this Agreement that amends and restates in total any and all prior agreements and sets forth the obligations of, and the services to be performed by, the Developer and the compensation for such services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Obligations of the Developer. The Developer shall have the following duties to the extent they have not already been performed:

- (a) to assist, advise and consult on the selection of and provide coordination and

supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for the Project and the renderings, drawings and specifications for construction of Improvements (the “**Plans and Specifications**”);

(b) to be cognizant of and advise the Partnership with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;

(c) to assist, coordinate and supervise the obtaining of all necessary building permits and approvals for and in connection with the development and construction of the Project;

(d) to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;

(e) to cooperate and coordinate with the construction contractors appointed by the Partnership;

(f) to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Project on a timely basis and within the contemplated budget;

(g) to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Partnership; and

(h) to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

The Developer may retain the services of independent consultants, provided the Partnership shall have no responsibility to such independent parties.

Section 2. Services Not Contemplated By This Agreement. The Developer is not responsible for in any manner or form and shall not perform any of the following services, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership:

- (a) any services with respect to the acquisition of the land or buildings included in the Project or development of nonresidential improvements;
- (b) services in connection with obtaining an allocation of Credits;
- (c) any services in connection with obtaining commitments from and negotiating with any permanent lender to the Project;
- (d) any services in connection with the syndication of the Partnership or placement of the equity from investor limited partners;
- (e) any services with respect to the lease-up of the Project units (such services already having been contemplated in the Management Agreement);
- (f) any services in connection with the organizational structure of the Project and any entity with respect thereto or the organization of the Partnership; and
- (g) any services in connection with obtaining any rental subsidies for the Project.

The Developer understands that it will not be paid and at no time will be due any amount under this Agreement if and to the extent the Developer should perform any such services. In connection hereto, the Developer represents, warrants and covenants that, to the best of its knowledge, it has not performed and will not perform any of such services in connection with this Agreement and, in the event the Developer has performed or does perform any such services, it agrees that no compensation at any time payable to the Developer pursuant to this Agreement will be attributable to any such services.

Section 3. Development Fee.

(a) In consideration of the performance by the Developer of the development services described herein, the Partnership shall pay to the Developer a development fee (the “**Development Fee**”) in the amount of 2,115,600. The Partnership and the Developer acknowledge that specific portions of the Development Fee shall be earned by Developer as certain benchmarks are satisfied as more particularly described in the [Amended and Restated Agreement of Limited Partnership] of the Partnership to be entered into after the date hereof (the “**Partnership Agreement**”), but in any event all of the Development Fee shall be earned upon the receipt by the Partnership of the final certificate of occupancy for the last building in the Project (or, if earlier, as of the end of the first year of the credit period (as such term is defined in Section 42(f)(1) of the Code)). All amounts due and payable hereunder shall be paid in accordance with the Partnership Agreement.

(b) Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Project, obtaining an allocation of Credits or securing financing for the Project other than construction financing, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership. In addition, any amount of Development Fee that remains unpaid after Construction Completion of the Project shall constitute a loan bearing an interest rate equal to the long-term Applicable Federal Rate for the month in which the Project achieves Construction Completion, from the Developer to the Partnership, and shall be due and payable in full by the fifteenth anniversary of Construction Completion.

Section 4. Termination of Duties and Responsibilities of Developer. The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Project and completion of all punch list items. The Developer's duties, responsibilities and rights hereunder shall not be terminated by the Partnership except for “cause” **finally determined by a court of competent jurisdiction**. For purposes hereof, “cause” shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days’ prior notice and opportunity to cure.

Section 5. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party and the Developer may not assign or pledge its rights or its duties under this Agreement.

(b) The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

(c) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws. The parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement shall be Norfolk, Virginia.

(d) This Agreement embodies the entire agreement and understanding between

the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

(e) This Agreement shall not be amended or modified in any respect without the prior written consent of each party hereto.

(f) No party hereto shall file or attempt to file this Agreement of record.

(g) This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Partnership and its Partners and no benefits to third parties are intended.

(h) In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(i) The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, shall be entitled to reasonable attorneys' fees and court costs.

(j) The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

(k) All capitalized terms herein shall have the same meanings as set forth in the Partnership Agreement, except as otherwise expressly set forth herein.

Section 6. Notice. Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in the Partnership Agreement. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

Section 7. Counterparts. This Agreement may be executed in several counterparts,

each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 8. Responsibilities of the Partnership. In order for the Developer to perform duties described herein, the Partnership shall:

- (a) provide full information regarding its requirements for the Project;
- (b) designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously; and
- (c) if the Partnership becomes aware of any fault or defect in the Project or nonconformance with any contract or other documents, it shall give prompt written notice thereof to the Developer.

Section 9. Independent Contractor. The parties hereto do not intend to create a partnership or any similar association for any purpose pursuant to this Agreement. The Developer shall be an independent contractor for all purposes.

(k) **Section 10. Waiver of Jury Trial.** (a) Each of the parties hereto hereby knowingly, voluntarily and intentionally, after opportunity for consultation with independent counsel, waives its right to trial by jury in any action or proceeding to enforce or defend any rights or obligations (i) under this Agreement, (ii) arising from the financial relationship between the parties existing in connection with this Agreement or (iii) arising from any course of dealing, course of conduct, statement (verbal or written) or action of the parties in connection with such financial relationship. (b) No party hereto will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial has not been or cannot be waived. (c) The provisions of this Section have been fully negotiated by the parties hereto, and these provisions shall be subject to no exceptions. (d) No party hereto has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances. (e) This Section is a material inducement for the Partnership to enter into this Agreement.

[End of text; signatures begin on following page]

IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed and delivered as of the Effective Date.

DEVELOPER:

PROGRESSIVE AFFORDABLE DEVELOPMENT, LLC,
a California limited liability company

By: _____
Name: _____
Its: _____

PARTNERSHIP:

COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P.,
a Virginia limited partnership

By: COGIC Memorial Preservation, LLC,
a Virginia limited liability company,
its General Partner

By: COGIC Home for the Elderly, Inc.,
a Virginia nonprofit corporation,
its sole member

By: _____
Dr. Wilbert L. Daniels, Sr., President

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, April 18, 2018

This is to certify that the certificate of limited partnership of

**COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION,
L.P.**

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



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission

Commonwealth OF Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of all documents constituting the charter of COGIC MEMORIAL HOME FOR THE ELDERLY, INC. on file in the Clerk's Office of the Commission.

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:
May 2, 2018*

Joel H. Peck

Joel H. Peck, Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: COGIC High Rise Apartments
Name of Applicant (entity): COGIC Memorial Home for the Elderly Preservation, L.P.

I hereby certify that:

1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

Previous Participation Certification, cont'd

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing Development Authority (VHDA) employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.

Wilbert S. Daniels

Signature

Wilbert Daniels

Printed Name

01/24/2020

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

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: COGIC High Rise Apartments
 Name of Applicant: COGIC Memorial Home For The Elderly Preservation,
 Controlling General Partner or Managing Member: COGIC Memorial Preservation, LLC

INSTRUCTIONS:

- 1 A Schedule A is required for **every** individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 For each property for which an **uncorrected** 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

COGIC Memorial Homes For The Elderly, Inc. Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Principal's Name: Y or N

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

1st PAGE TOTAL: 0 0 #DIV/0! LIHTC as % of Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

E

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



STANDARD OFFER, AGREEMENT AND ESCROW
INSTRUCTIONS FOR PURCHASE OF RESIDENTIAL INCOME PROPERTIES
(Do Not Use for Properties Containing Less than Five Units)
 AIR Commercial Real Estate Association

October 21, 2019
 (Date for Reference Purposes)

1. Buyer.

1.1 COGIC Memorial Home For The Elderly Preservation, LP, a Virginia limited partnership
 _____, (Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close in 30 days or no later than April, 2020, ("Expected Closing Date") to be held by North American Title Company ("Escrow Holder") whose address is 6 Hutton Centre Drive, Suite 550, Santa Ana CA 92707 attn: Erin Tweedy (etweedy@nat.com and nchoudhrv@nat.com) Phone No. 949.419.9459, Facsimile No. _____ upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) An 11 story senior housing building consisting of 150 units is located in the City of Norfolk County of Norfolk City State of Virginia, is commonly known by the street address of 2412 East Virginia Boulevard, Norfolk, VA 23504 and is legally described as: To Be Determined in Escrow (APN: 08461500).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of the Escrow Holder, North American Title Company ("Title Company") which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems and lighting fixtures; telephone distribution systems (lines, jacks and connections only); built-in appliances; plumbing fixtures; ceiling fans; fireplaces; heating, ventilating, air conditioning equipment; fire sprinkler systems; security and fire detection systems; carpets; window coverings and screens; attached wall and floor coverings; television antennas; satellite dishes; pool and spa equipment; garage door openers; and _____
all other personal property located at the Property

_____ (collectively the "Improvements").
 2.4 The fire sprinkler monitor: is owned by Seller and included in the Purchase Price, is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, ownership will be determined during Escrow, or there is no fire sprinkler monitor.

2.5 ~~Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and~~
 _____ all
 of which shall be removed by seller prior to closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$13,250,000 payable as follows

- (a) ~~Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all-cash transaction, the Purchase Price):~~ _____ \$ _____
- (Strike if not Applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any _____ \$ _____
- (c) ~~Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("Existing Deed(s) of Trust") securing the existing promissory note(s) ("Existing Note(s))"~~
 (i) ~~An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: _____ \$ _____~~
 Said First Note is payable at \$ _____ per month,
 (Strike if not including interest at the rate of _____ % per annum until paid (and/or the

WLD
 BUYER INITIALS

STW
 SELLER INITIALS

Applicable) entire unpaid balance is due on _____).

(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the Closing of approximately: _____ \$ _____
Said Second Note is payable at \$ _____ per month,
including interest at the rate of _____% per annum until paid (and/or the
entire unpaid balance is due on _____);

(Strike if not Applicable) (d) Buyer shall give seller a deed of trust ("Purchase Money Deed of Trust") on the property, to secure the promissory note of Buyer to Seller described in paragraph 6 ("Purchase Money Note") in the amount of \$ _____

Total Purchase Price: \$13,250,000

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1-D Buyer has delivered to Broker a check in the sum of \$ _____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or _____ within 2 or _____ business days after both parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder. Buyer shall deliver to Escrow Holder a check in the sum of \$ _____. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (m) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(c) If an Additional Deposit is not received by Escrow Holder within the time period provided then Seller may notify Buyer, Escrow Holder, and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder within 2 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

5. Financing Contingency. (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____% of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the new Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

6. Seller Financing (Purchase Money Note). (Strike if not applicable)

6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____% per annum, with principal and interest paid as follows: _____

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3 (b)):

W.L.D.

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BUYER INITIALS

SELLER INITIALS

(a) ~~Prepayment~~ Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.

(b) ~~Late Charge~~ A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.

(c) ~~Due On Sale~~ In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

6.4 ~~WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.~~

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation the Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("Brokers") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

_____ represents Seller exclusively ("Seller's Broker");
 _____ represents Buyer exclusively ("Buyer's Broker"); or
 _____ represents both Seller and Buyer ("Dual Agency").

The Parties acknowledge that other than the Brokers listed above, there are no other brokers representing the Parties or due any fees and/or commissions under this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions.

8.2 As soon as practical after the receipt of this agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorize and instructed to conduct escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (m), and (n), 9.4, 9.6, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-closure and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition

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BUYER INITIALS

STW

SELLER INITIALS

to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

~~9—Contingencies to Closing.~~

~~9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.~~

~~(a) Disclosures. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement"; NOTE: depending on the Property certain Federal Lead-Based Paint disclosures may be required as well) and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.~~

~~(b) Physical Inspection. Buyer has 10 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property. Seller recommends that the Buyer have the Property inspected with regard to the possible presence of wood-destroying pests and organisms by a licensed structural pest control company. Any such report shall be paid for by Buyer.~~

~~(c) Hazardous Substance Conditions Report. Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.~~

~~(d) Soil Inspection. Buyer has 30 or _____ days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.~~

~~(e) Governmental Approvals. Buyer has 30 or _____ days from the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permit and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.~~

~~(f) Conditions of Title. Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to the Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any money encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.~~

~~(g) Survey. Buyer has 30 or _____ days from the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.~~

~~(h) Existing Leases and Tenancy Statements. Seller shall within 10 or _____ days of the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.~~

~~(i) Owner's Association. Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the receipt of such documents to satisfy itself with regard to the association.~~

~~(j) Other Agreements. Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of all other agreements ("Other Agreements") known to Seller that will affect the Property after Closing. Buyer has 10 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.~~

~~(k) Financing. If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.~~

~~(l) Existing and now Purchase Money Notes. If paragraph 3.1(c) has not stricken, Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan Documents") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("Beneficiary Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or _____ days from the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing~~

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~~Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.~~

~~(m) Personal Property. In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days from the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days of the Date of Agreement.~~

~~(n) Destruction, Damage or Loss. Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruction, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.~~

~~(o) Material Change. Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.~~

~~(p) Seller Performance. The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.~~

~~(q) Brokerage Fee. Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("Brokerage Fee"), it is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Broker.~~

~~9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "Buyer's Contingencies."~~

~~9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("Disapproved Item"), Seller shall have the right within 10 days following the receipt of Notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. The above time periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period (c), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.~~

~~9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.~~

~~10. Documents and Other Items Required at or Before Closing:~~

~~10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.~~

~~10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:~~

~~(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.~~

~~(b) If applicable, the Beneficiary Statements concerning Existing Note(s).~~

~~(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.~~

~~(d) If applicable, Estoppel Certificates executed by Seller and/or the tenants (c) of the Property.~~

~~(e) An affidavit executed by Seller to the effect that Seller is not a foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.~~

~~(f) If the Property is located in California an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.~~

~~(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.~~

~~(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.~~

~~(i) Keys and/or other means to operate all locks, security systems, alarms, mailboxes and garage doors (collectively "Keys")~~

~~10.3 Buyer shall deliver to Seller through Escrow:~~

~~(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit~~

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such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgage loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall: (i) deliver all Keys to Buyer, and (ii) cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in the Buyer, subject only to exception approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WITH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post Closing Matters.* Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition on At Closing.* Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear expected.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the property violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements,

promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buy waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

~~18. Broker's Rights.~~

~~18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If the Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated damages or other damages.~~

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Broker herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

~~20. Duration of Offer.~~

~~20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of _____ on the date of _____ it shall be deemed automatically revoked.~~

~~20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.~~

~~21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties). THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF _____ UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO THE SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.~~

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22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Buyer Initials

Seller Initials

23. Miscellaneous.

23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 Applicable Law; Venue. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY ARISING OUT OF THIS AGREEMENT.

23.6 Conflict. Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten provisions. Seller and Buyer must initial any and all handwritten provisions.

23.7 1031 Exchange. Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.

23.8 Equal Housing Opportunity. The Property is being sold in compliance with local, state and federal anti-discrimination laws.

23.9 NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES. This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Website maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

24. Disclosures Regarding the Nature of a Real Estate Agency Relationship.

WLD

BUYER INITIALS

STW

SELLER INITIALS

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller.* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller.* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller.* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer; b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential information:* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. *Construction of Agreement.* In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26 Additional Provisions:

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum consisting of _____ through _____ . (if there are no additional provisions write "NONE.")

W.L.D.

BUYER INITIALS

VTW

SELLER INITIALS

NOTE:

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO:THE POSSIBLE PRESENCE OF WOOD DESTROYING PESTS OR ORGANISMS DIOR HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY ANO CONDITION OF ANY STRUCTURES AND PERATING SYSTEMS, WHETHER OR NOT THE PROPERTY MEETS CURRENT CODES AND WHETHER OR NOT THE PROPERTY IS SUBJECTTO RENT CONTROL OR OTHER LOCAL RENTAL PROPERTY REGULATIONS.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

- 1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION,IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER:

BUYER

LP
Attn:
Title:
Real Estate License Number:
Address:
Telephone: ()
Facsimile: ()
Email:
Federal ID No.
Broker/Agent BRE License #:

COGIC Memorial Home For The Elderly Preservation.

a Virginia Limited Partnership

By: [Signature]
Date:
Name Printed: Dr. Wilbert L. Daniels, Sr.
Title:
Telephone
Facsimile ()
Email:
By:
Date:
Name Printed:
Title:
Address:
Telephone:
Facsimile ()
Email:
Federal ID No.:

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker % and Buyer's Broker %. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

WLD

STW

BUYER INITIALS

SELLER INITIALS

BROKER:

SELLER:

COGIC Memorial Home For The Elderly Inc.,

a Virginia Non-Profit Corporation

Attn: _____
Title: _____
Real Estate License Number: _____
Address: _____

Telephone: () _____
Facsimile: () _____
Email: _____
Federal ID No. _____
Broker/Agent BRE License #: _____

By: Joseph T. Williams
Date: _____
Name Printed: Joseph Williams
Title: _____
Telephone: _____
Facsimile () _____
Email: _____
By: _____
Date: _____
Name Printed: _____
Title: _____
Address: _____

Telephone: _____
Facsimile () _____
Email: _____
Federal ID No. _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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W.L.D.

JTW

BUYER INITIALS

SELLER INITIALS

WLD

BUYER INITIALS

PAGE 13 of 13

JTW

SELLER INITIALS

CITY OF NORFOLK - NORFOLK AIR

Tax Account: 08461500
2412 E VIRGINIA BEACH BOULEVARD

Total Value
\$8,106,100

REAL ESTATE

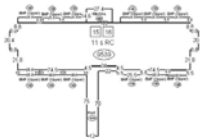
Property Detail

| | |
|---------------------------------|------------------------------------|
| Account Number | 08461500 |
| GPIN | 1437771660 |
| Parent Account | - |
| Neighborhood | 200390 |
| Owner Name | Cogic Mem Home For Elderly Inc |
| Property Address | 2412 E VIRGINIA BEACH BOULEVARD |
| Property Use | Apartment |
| Building(s) | C01 |
| Plate | 0193 |
| House Plate Number | 129 |
| Mailing Address | Po Box 167928 Irving TX 75016-7928 |
| Legal Description | Parcel 2-D |
| Parcel Approximate Area (Sq Ft) | 59,362 sqft |
| Parcel Approximate Acreage | 1.3628 acres |

Apartment

▼ Building - C01 - Apartment

| | |
|----------------------|-----------------------|
| Year Built | 1974 |
| Construction Quality | Average |
| Number of Units | 151 |
| HVAC | Warmed and Cooled Air |
| Framing | - |
| Framing Class | Reinforced Concrete |
| Sprinkler | No Sprinkler System |
| Paving | No |
| Paving (Sq Ft) | 0 sqft |
| C01 | |



SALES / VALUE HISTORY

Sales History

| OWNER | TRANSFER DATE | SALE PRICE | TYPE | DEED REFERENCE |
|--------------------------------|---------------|------------|------|----------------|
| Cogic Mem Home For Elderly Inc | 04/21/1972 | \$35,800 | | |

Assessment History

| EFFECTIVE DATE | LAND VALUE | IMPROVEMENT VALUE | TOTAL VALUE |
|----------------|------------|-------------------|-------------|
| 07/01/2019 | \$474,900 | \$7,631,200 | \$8,106,100 |
| 07/01/2018 | \$474,900 | \$7,544,000 | \$8,018,900 |
| 07/01/2017 | \$474,900 | \$7,460,800 | \$7,935,700 |
| 07/01/2016 | \$474,900 | \$7,450,600 | \$7,925,500 |
| 07/01/2015 | \$474,900 | \$7,450,600 | \$7,925,500 |

MUNICIPAL SERVICES

| | |
|-----------------------------|---------------------------------|
| Street Sweeping | 3RD FRIDAY |
| Trash Pick Up Day | Tuesday |
| Trash Route Section | 150 |
| Trash Route Number | 154 |
| Recycle Day | Tuesday / WEEK TWO |
| Nearest Recreation Facility | Huntersville Community Center |
| Recreation Facility Address | 830 Goff Street |
| Recreation Phone Number | 664-7400 |
| Nearest Park | Booker T Washington High School |
| Park Address | 1111 Park Avenue |
| Nearest Library | JORDAN-NEWBY BRANCH LIBRARY |
| Stormwater Shed | 08 |

SCHOOLS

| | | |
|--|--|---|
| Elementary School | Middle School | High School |
| <p>Richard Bowling Elementary School</p> <p>Address: 2861 E. Princess Anne Rd Phone: (757) 628-2515</p> <p>School Website</p> | <p>Ruffner Academy</p> <p>Address: 610 May Avenue Phone: (757) 628-2466</p> <p>School Website</p> | <p>Booker T. Washington High School</p> <p>Address: 1111 Park Avenue Phone: (757) 628-3575</p> <p>School Website</p> |

PLANNING

| | |
|---------------------------|----------------------------------|
| HUB Zone | BRAMBLETON (NORTH), MOTON |
| Enterprise Zone | NA |
| Neighborhood Service Area | 1 |
| Census Tract Number | 43 |
| Census Tract Name | BRAMBLETON (NORTH), MOTON |
| Census Block Number | 3002 |
| Planning District Name | PD 69 - BRAMBLETON |
| Planning District Number | 69 |
| GEM Property | No |

Zoning

| | | | |
|-------------------------------|--------------------|------------------------|-----------|
| Zone(s) | PDMU-3 | | |
| Overlay District(s) | | | |
| Conditional Use Permit(s) | | | |
| Conditional Zone(s) | | | |
| CBPA Resource Protection Area | No | | |
| CBPA Intensely Developed Area | No | | |
| Historic District Name | NA | Historic District Type | NA |
| Character District | Traditional | | |

Zoning data is for informational purposes only.
For zoning questions and official zoning interpretations, contact:
Department of Planning & Community Development at 757-664-4752 or
[Click Here](#) to send an email

PUBLIC SAFETY

| | |
|---|---------------------------------|
| Dominion Power Grid Panel | N0516B |
| Approximate Distance to Nearest Fire Hydrant (Ft) | 233 ft |
| Fire & Rescue First Responder | STATION 10 |
| Fire Demand Zone | 636 |
| Concurrent Police Jurisdiction | Norfolk State University |
| Police Precinct | 1 |
| Police Car District | 122 |
| Sector | 1st Patrol- Red |
| Airport Average Sound Level (dB) | 0 |
| Airport Accident Potential Zone | - |
| Flood Panel | 5101040057H |
| Flood Quad | 36076-G3 |
| Flood Zone | X (Low to Moderate) |
| Evacuation Zone | C |

Flood zone data is for informational purposes only.
FIRM Index Effective Date: Feb. 17, 2017
[Coastal Floodplain District \(LiMWA\) Information](#)
For flood zoning questions and official zoning interpretations, contact:
Department of Planning & Community Development at 757-664-4752 or
[Click Here](#) to send an email

CIVIC

| | |
|---|--|
| Polling | Ward/Superward |
| <p>Precinct Number/Name: 303/Broad Creek</p> <p>Polling Location: Richard Bowling Elementary School</p> <p>Polling Address: 2700 E. Princess Anne Road</p> | <p>Ward / Representative: 3 / Mamie Johnson</p> <p>Website: Go to Website</p> <p>Superward/Representative: 7 / Angelia Williams Graves</p> <p>Website: Go to Website</p> |

VA House of Delegates

District / Representative: 89 / Jerrald C. "Jay" Jones
Phone Number: (757) 529-1455
Email: DelJJones@house.virginia.gov
Website: [Go to Website](#)

VA Senate

District / Representative: 5 / Lionell Spruill, Sr.
Phone Number: (757) 424-2178
Email: district05@senate.virginia.gov
Website: [Go to Website](#)

US House of Representatives

District / Representative: 3 / Robert C Scott
Phone Number: (202) 225-8351
Website: [Go to Website](#)

Civic League

Civic League: Spartan Village
President: Greg Ellick
Email: Spartancivic@gmail.com
Meeting Location: Covenant Presbyterian Church, 913 Covenant St.
Meeting Time / Frequency: 6:00 pm / 2nd Wednesday of each month

BUILDING PERMITS

| | | | |
|--------------------|-----------------------------|---------------------|------------|
| Permit Number | OP18-01156 | Status | Overdue |
| Permit Use Class | | Permit Type | Operating |
| Permit Work Type | New | | |
| Description | | | |
| Total Fee | \$168.2 | Project Cost | \$ |
| Inspection Type | Annual Operating Inspection | Permit Finaled Date | 01-28-2020 |
| Occupancy Required | | | |

| | | | |
|--------------------|---|---------------------|-----------------|
| Permit Number | F19-00241 | Status | Finaled |
| Permit Use Class | Commercial | Permit Type | Fire Protection |
| Permit Work Type | Alteration/Repair - Renovate Existing Square Footage | | |
| Description | FIRE PUMP ALTERATION-REPLACE BAD ELECTRIC FIRE PUMP CONTROLLER WITH NEW TORNATECH MODEL GPA 208V. | | |
| Total Fee | \$141 | Project Cost | \$3500 |
| Inspection Type | Fire Protection - Fire Pump Test | Permit Finaled Date | 01-15-2020 |
| Occupancy Required | | | |

| | | | |
|--------------------|---|---------------------|-----------------|
| Permit Number | F19-00241 | Status | Finaled |
| Permit Use Class | Commercial | Permit Type | Fire Protection |
| Permit Work Type | Alteration/Repair - Renovate Existing Square Footage | | |
| Description | FIRE PUMP ALTERATION-REPLACE BAD ELECTRIC FIRE PUMP CONTROLLER WITH NEW TORNATECH MODEL GPA 208V. | | |
| Total Fee | \$141 | Project Cost | \$3500 |
| Inspection Type | Fire Protection - Fire Pump Test | Permit Finaled Date | 01-15-2020 |
| Occupancy Required | | | |

CODE ENFORCEMENT CASES

Field Observations

| | | | |
|-------------------------|------------|-------------------|----------------------------|
| Inspection Created Date | 03-05-2018 | Inspection Status | Closed - Completed w/Notes |
| Violation | | Violation Status | |

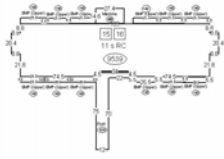
Complaints

| | | | |
|------------------------|--------------------|-------------------|----------------------------|
| Complaint Type | Housing/Structures | Complaint Subtype | Interior |
| Complaint Created Date | 03-05-2018 | Complaint Status | Closed - Completed w/Notes |
| Violation | | Violation Status | |

Special Programs

No Special Programs...





Developed for City of Norfolk - NORFOLK AIR by

F

Third-Party RESNET
Rater Certification
(MANDATORY)

Home Energy Rating Certificate

Projected Report

Rating Date:
 Registry ID: Unregistered
 Ekotrope ID: 5dY5p1Jd

HERS® Index Score:

143

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

Annual Savings

\$35

*Relative to an average U.S. home

Home:
 620 W Grayson Street, Hillsville, VA
 24343
Builder:

Your Home's Estimated Energy Use:

| | Use [MBtu] |
|-------------------------|-------------|
| Heating | 25.0 |
| Cooling | 0.6 |
| Hot Water | 5.6 |
| Lights/Appliances | 11.6 |
| Service Charges | |
| Generation (e.g. Solar) | 0.0 |
| Total: | 42.8 |

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Manon Shankle
 RESNET ID: 5201257

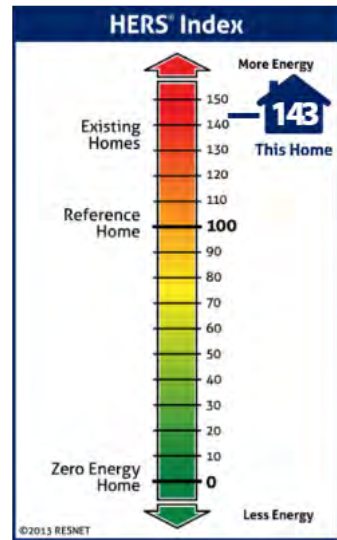
Rating Company: Viridiant
 1431 W. Main Street, Richmond, VA 23220

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



Manon Shankle

Manon Shankle, Certified Energy Rater
 Digitally signed: 3/11/19 at 4:12 PM



Home Feature Summary:

| | |
|--------------------------|--|
| Home Type: | Apartment, end unit |
| Model: | N/A |
| Community: | N/A |
| Conditioned Floor Area: | 606 sq. ft. |
| Number of Bedrooms: | 1 |
| Primary Heating System: | Air Source Heat Pump • Electric • 6.8 HSPF |
| Primary Cooling System: | Air Source Heat Pump • Electric • 12 SEER |
| Primary Water Heating: | Water Heater • Electric • 0.92 Energy Factor |
| House Tightness: | 20.73 ACH50 |
| Ventilation: | None |
| Duct Leakage to Outside: | 210 CFM25 (34.67 / 100 s.f.) |
| Above Grade Walls: | R-13 |
| Ceiling: | Attic, R-31 |
| Window Type: | U-Value: 0.5, SHGC: 0.5 |
| Foundation Walls: | N/A |

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID: Unregistered
Ekotrope ID: YLeNP65d

HERS® Index Score:

78

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

\$342

*Relative to an average U.S. home

Home:

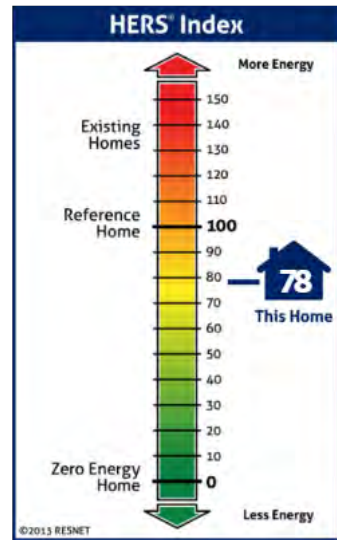
2412 East VA Beach Blvd.
Norfolk, VA 23504

Builder:

Your Home's Estimated Energy Use:

| | Use [MBtu] | Annual Cost |
|-------------------------|-------------|--------------|
| Heating | 3.5 | \$110 |
| Cooling | 1.8 | \$55 |
| Hot Water | 8.3 | \$0 |
| Lights/Appliances | 12.1 | \$378 |
| Service Charges | | \$84 |
| Generation (e.g. Solar) | 0.0 | \$0 |
| Total: | 25.8 | \$627 |

This home meets or exceeds the criteria of the following:



Home Feature Summary:

| | |
|--------------------------|---|
| Home Type: | Apartment, inside unit |
| Model: | 2 BR |
| Community: | COGIC High Rise |
| Conditioned Floor Area: | 738 ft ² |
| Number of Bedrooms: | 2 |
| Primary Heating System: | Custom • Electric • 3 COP |
| Primary Cooling System: | Custom • Electric • 9.7 EER |
| Primary Water Heating: | Water Heater • Natural Gas • 0.78 Energy Factor |
| House Tightness: | 8 ACH50 |
| Ventilation: | 50.0 CFM • 75.0 Watts |
| Duct Leakage to Outside: | Untested |
| Above Grade Walls: | R-13 |
| Ceiling: | Adiabatic, R-22 |
| Window Type: | U-Value: 0.32, SHGC: 0.27 |
| Foundation Walls: | N/A |

Rating Completed by:

Energy Rater: Matt Waring
RESNET ID: 6729287

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

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



Matt Waring, Certified Energy Rater
Date: 8/28/19 at 4:51 PM



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP). In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

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

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

TRUE Rehabilitation -30% performance increase over existing, based on HERS Index Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

FALSE Earthcraft Certification - The development's design meets the criteria to obtain Viridiant's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

***Please Note Raters must have completed 500+ ratings in order to certify this form

Signed: [Signature]

Date: 8.28.2019

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

Provider Contact and Phone/Email sean.evensen-shanley@viridiant.org (804) 225-9843



COGIC High Rise Apartments 2019 LIHTC Pre-Review Comments

Project Address

2412 East Virginia Beach Blvd.
Norfolk, VA 23504

Project Summary

COGIC High Rise is a rehabilitation high-rise multifamily development, comprised of 150 units located in Norfolk, VA. BlueGreen Preservation & Development, LLC plans to rehab the project utilizing 4% LIHTC Non-Competitive Credits. As part of their funding application the project is pursuing the 80 Home Energy Rating System (HERS) index option. This path requires that the project have a confirmed HERS index of 80 or lower post-rehabilitation.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v3.1.1 based on the proposed scope and drawings provided by the project team dated August 23, 2018 and the information captured by Viridiant's Technical advisor while on site. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 78. The following outlines the scope as it is currently modeled.

Enclosure:

- Existing Slab Edge Insulation
- R-13 Grade 3 Fiberglass Batts in Steel Studs at Exterior Wall Locations
- Uninsulated Concrete deck between adiabatic floors
- R-21 Continuous Roof Deck Insulation
 - Included at exterior floor and ceiling of cantilevered portions
- .32 U-Value/.27 SHGC Vinyl Windows

Mechanicals:

- 9.7 EER, 3.0 COP, 15k Packaged Terminal Heat Pump, programmable thermostat
- 0.82 EF storage gas central water heaters
- 6-8 ACH₅₀ for infiltration threshold/blower door test
 - Used front end testing numbers as worst case
- Negative Pressure Continuous Exhaust ventilation
 - No information provided for back end fresh air ventilation

Lights & Appliances:

- ES rated kitchen appliances
 - 369 kWh/yr refrigerator – will likely be pushed into an ADA compliant fridge as worst case but used information provided by project team for this entry.
 - 270 kWh/yr dishwasher



- Advanced lighting 100% CFL or LED

Worst Case HERS Index - 78

Please let me know if you have any questions or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink that reads "Matt Waring".

Matt Waring
Technical Director, Viridiant

G

Zoning Certification Letter
(MANDATORY)

Zoning Certification

DATE: January 23, 2020

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

RE: ZONING CERTIFICATION

Name of Development: COGIC High Rise Apartments

Name of Owner/Applicant: COGIC Memorial Home for the Elderly Preservation, L.P.

Name of Seller/Current Owner: COGIC Memorial Home for the Elderly, Inc.

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:
2412 East Virginia Beach Boulevard, Norfolk, VA 23504

Legal Description:

All that certain parcel of land situate within the City of Norfolk, Virginia, designated as Disposition Parcel 2-D in Project VA, A-1-4, shown on a plat entitled "Subdivision of Property of Norfolk Redevelopment and Housing Authority, Norfolk, Virginia", dated January 12, 1972, prepared by Baldwin and Gregg, Engineers-Surveyors-Planners, Norfolk, Virginia, such plat having been duly recorded in the Clerk's Office of the Corporation Court of the City of Norfolk, in Map Book 27, at page 8.

Proposed Improvements:

| | | | | |
|---|---------------|-------------------|---------|----------------------------------|
| <input type="checkbox"/> New Construction: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor Area Sq. Ft. |
| <input type="checkbox"/> Adaptive Reuse: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor Area Sq. Ft. |
| <input checked="" type="checkbox"/> Rehabilitation: | 150 # Units | 1 # Buildings | 114,717 | Approx. Total Floor Area Sq. Ft. |

Zoning Certification, cont'd

Current Zoning: PD-MU (Planned Development-Mixed Use) allowing a density of 151 units per acre, and the following other applicable conditions: N/A

Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Joan Fenley
Signature

Joan Fenley
Printed Name

PLANNER I
Title of Local Official or Civil Engineer

757-823-1027
Phone:

1/23/20
Date:

NOTES TO LOCALITY:

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

H

Attorney's Opinion
(MANDATORY)



Jason A. Hobson
Email: jhobson@hbdlegal.com
Direct Dial: 213.235.9191

February 4, 2020

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

RE: 2020 Tax Credit Reservation Request

Name of Development: COGIC High-Rise Apartments

Name of Owner: COGIC Memorial Home for the Elderly Preservation, L.P.

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated January 27, 2020 (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 the 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 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.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. 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.

6. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

7. It is more likely than not that the representations made in 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.

8. 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 the placement in service of each building of the Development, 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.

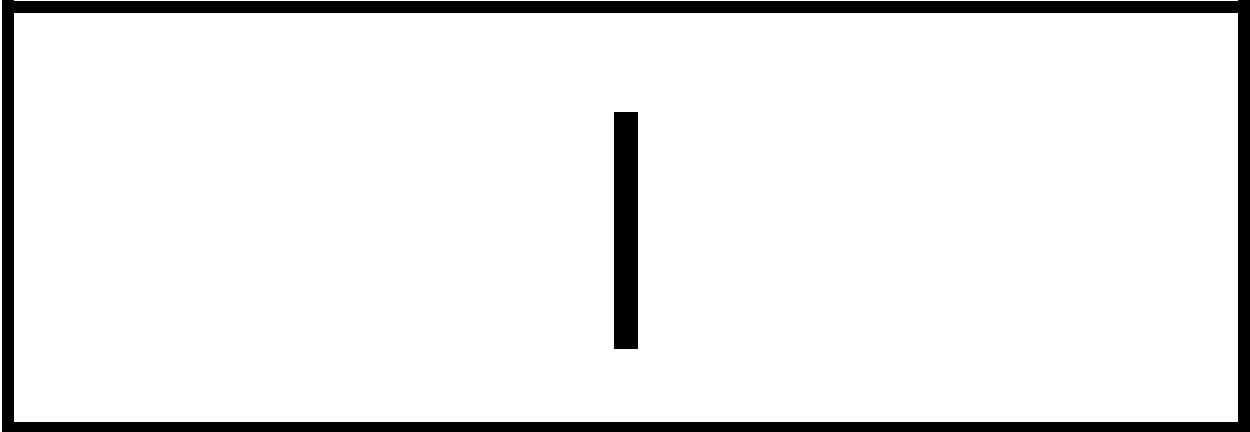
This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

HOBSON BERNARDINO + DAVIS LLP

Firm Name

By: James A. Hobson

Its: Managing Partner
(Title)



Nonprofit Questionnaire

(MANDATORY for points or pool)



Non-profit Questionnaire

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

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

1. General Information

- a. Name of development: COGIC High Rise Apartments
- b. Name of owner/applicant: COGIC Memorial Home for the Elderly Preservation, L.P.
- c. Name of non-profit entity: COGIC Memorial Home for the Elderly, Inc
- d. Address of principal place of business of non-profit entity:
2412 East Virginia Beach, Norfolk, VA 23504

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

- e. Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); 03/20/1972
evidenced by the following documentation: Articles of Incorporation.

- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):
2001
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):
To provide, on a nonprofit basis, housing for low and moderate income families and families displaced from urban renewal areas.

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

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
To continue to provide low income, affordable housing.

- k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?
6 _____ How many part time, paid staff members? 1 _____
- Describe the duties of all staff members:
Duties of staff members include persons who have experience and responsibilities in the area of project development, property development, resident services, and management supervision.

- l. Does the non-profit share staff with any other entity besides a related non-profit described above?
 Yes No If yes, explain in detail: _____

- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?
N/A

- 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
Rental revenue from the Property

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

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
To provide affordable housing to Low Income Individuals

Non-profit Questionnaire, cont'd

- b. Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes No If yes, explain in detail:

- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes No If yes, explain:

- d. Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

- e. Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes No, If yes, explain:

- f. Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes No

- g. Explain in detail the past experience of the non-profit including, if applicable, the past experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.):

For the last 45 years the Non-Profit is solely rooted in the ownership and continued operational success of the affordable housing property.

- h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

N/A

3. Non-profit Involvement

Non-profit Questionnaire, cont'd

a. Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

Yes No

(i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes No

(ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

b. (i) Will the non-profit be the managing member or managing general partner?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No

c. Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

15.B.

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

d. Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes No If yes,

(i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:

Retain professional assistance.

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

Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

The non-profit has interacted in the management and up keeping of the property since it was opened in 1974.

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

The non-profit plans to continue to interact with the management of the property during and after the rehab process as needed.

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?

Over its 45 year history the non-profit has been always focused on providing the best affordable housing to our residents and the community we serve.

Our current Board Chariman, Bishop Wilbert Daniels, provided the vision and leadership to bring this substantial rehabilitation to fruition and it was unanimously adopted by the board.

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:

COGIC Memorial Preservation, LLC is the General Partner of which COGIC Memorial Home for the Elderly, Inc is the sole member (100%)

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.

N/A

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development? Yes No If yes, (i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

BlueGreen Preservation and Development is serving as a consultant/developer for the project and is tasked to oversee all aspects of the rehabilitation process.

- (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?

A representative of BlueGreen Preservation and Development contacted the non-profit to provide it's services.

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

Non-profit Questionnaire, cont'd

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

Net revenue/fees will be used to pay BlueGreen Preservation and Development for its services.

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

Net revenue/fees will be used to pay BlueGreen Preservation and Development for its services.

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

- l. Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity? Yes No If yes, explain:
-
-
-

- m. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

N/A

- n. Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development? Yes No If yes, explain in detail, including the compensation for the other non-profits:
-
-
-

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No
- b. Define the non-profit's geographic target area or population to be served:
Seniors throughout Norfolk and the rest of Virginia.

- 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:
45 Years operating the facility prior to rehabilitation.

- d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain:

- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?
 Yes No
- f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?
 Yes No If yes, explain:

- g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? Yes No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:

- h. Are at least 33% of the members of the board of directors representatives of the community being served? Yes No If yes,
(i) low-income residents of the community? Yes No

Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations? Yes No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:
The non-profit meets four times each year with more frequent meetings of the executive committee. All meeting are open to the general public.
- k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No
- l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:
- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain:
- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).
- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).
- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No If yes, explain:

Non-profit Questionnaire, cont'd

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the VHDA Housing Funds? Yes No If yes, explain:

r. Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources? Yes No If yes, explain the need identified:

s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community? Yes No If yes, explain the plan:

5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

01/24/2020
Date

COGIC Memorial Home for the Elderly Preservation, L.P.
Owner/Applicant

By: Wilbert S. Daniels Jr

Its: President/Owner/Sole Member
Title

01/24/2020
Date

COGIC Memorial Home for the Elderly, Inc
Non-profit

By: Wilbert S. Daniels Jr
Board Chairman

Non-profit Questionnaire, cont'd

By: Willard S. Daniels Jr
Executive Director

COGIC HIGHRISE APARTMENTS BOARD OF DIRECTORS

1. Bishop Wilbert L. Daniels, President / 44 Years

(Pastor: St. Paul's COGIC, 1615 Isaac Street, Norfolk, VA 23523)

2404 Lloyd Drive
Chesapeake, VA 23325
(H) 424-3235 (c) 630-8473

2. Elder Toney McNair, 2nd Vice President / 44 Years

(Pastor: Christ Cathedral COGIC)

325 Providence Road
Chesapeake, VA 23325
(H) 420-1137

3. Elder Joseph E. Williams, Secretary / 36 Years

(Pastor: Refuge COGIC)

2049 Williams Farm Road
Virginia Beach, VA 23457
(H) 340-0612

4. Supt. Samuel Braxton, Board Member / 5 Years

(Pastor: Denbigh Christian Fellowship COGIC)

14313 Old Courthouse Way
Newport News, VA 23602

5. Pastor Thomas Campbell, Treasurer / 6 Months

(Pastor: The living Word Ministry COGIC)

669 Masefield Circle
Virginia Beach, VA 23452

6. Elder Lemuel Williams, Property Manager & Administrator / 44 Years

(Pastor: Faith Deliverance COGIC)

7037 Hunters Chase
Norfolk, VA 23518
(H) 855-5467

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Must include a unit delivery schedule

COGIC Memorial Home For The Elderly Preservation, L.P.

COGIC High Rise Apartments
2412 East Virginia Beach Boulevard
Norfolk, VA 23504

TAB J. RELOCATION PLAN – N/A

November 2019

There will be no displacement or relocation of residents off site or for extended periods of time through the rehabilitation process. Residents will be moved into vacant and renovated units (“Temporary units”) while their units are being renovated. Residents will be relocated to these Temporary Units of their units for approximately two weeks.

COGIC Memorial Home For The Elderly Preservation, L.P. (the “Owner/Borrower”) is applying for 4% Low-Income Housing Tax Credits through VHDA to acquire and substantially rehabilitate COGIC High Rise Apartments, located at 2412 East Virginia Beach Boulevard, Norfolk, VA 23504, an existing 150-unit affordable housing building (the “Property”).

COGIC Home For The Elderly, Inc. (“Management” and “Developer”), through a consultant, will move tenants from their unit to a habitable temporary housing accommodation within the same building.

The Temporary Relocation of any tenant will not constitute a voluntary vacation of their unit and will not terminate the status and rights of that tenant, including the right to reoccupy their original dwelling unit upon completion of the primary renovation work.

Management will assure that temporary units are decent, safe, and sanitary on a non-discriminating basis.

Management will provide tenants with a schedule indicating their unit anticipated start date and when the work will be completed, including move-out and move-in times.

All rehabilitation work on the units will be completed during regular daytime work hours (8am to 5pm) Monday thru Friday. All holidays will be honored. No tenants will be out of their original unit during any major holidays.

Each tenant will be provided boxes to pack their personal items. The tenants will be moved by professional movers at the expense of Management and as part of the relocation budget.

Each of the units temporarily occupied by the tenants will be equipped with all appliances, utilities/ cable needed to fully accommodate the household during this short stay.

The moves will be scheduled for weekends only to prevent tenants from any loss of time from their work-week. Management representatives will be available on site for purposes of coordinating/communicating with tenants on the day of the move-outs and move-ins.

Management representative along with the contractor will inspect all units for life and safety purposes prior to occupancy by all tenants. Each model unit will be cleaned and sanitized after each tenant moves back into their unit.

TEMPORARY RELOCATION OF TENANTS

1. **Tenant Notice**

In preparation for the temporary relocation, the relocation consultant will conduct group meetings to notify the tenants of the plans for the complex. In addition to these group meetings, the tenants will also receive written notices of the overall renovation plans and notice of the plans for their relocation. Tenants will be notified that they should not move on their own or contact a mover, as all moving services and expenses will be provided by Management. Every attempt will be made to keep the tenants informed and to answer any questions they may have.

2. **Moving Assistance**

All moving services will be provided by the Management.

A. TENANT RELOCATION BENEFITS

1. **Tenant Notice**

Tenants will be given notice of the temporary relocation procedures that will be at no cost to them.

2. **Covered Cost**

Management will pay for all costs associated with the "in place" relocation. Costs include packing supplies, and moving.

3. **Advisory Services**

Management will contact and interview each person who is affected by the project to discuss his/her individual needs or accommodations, preferences, concerns, and to answer any questions. A record of this interview will be kept by the Management.

B. RELOCATION SERVICES

1. **Transportation**

Relocation of the tenants will be done in phases; the Relocation Specialist will be able to provide the necessary supportive services that are required. As this is an in-place rehabilitation, off-site housing will not be utilized and therefore transportation will not be needed.

2. **Communication**

Each tenant will be given written information outlining the process and will be given group and individual access to the Relocation Specialist. The tenants that may require special assistance due to a disability will be identified and will be provided assistance in a non-discriminatory manner.

3. **Delinquent Utility Bills – N/A**

Utilities provided and paid for by Management at the temporary unit. The temporary relocation will not disrupt any of the tenants' utilities.

4. **Relocation Office Operation Procedures and Information**

For seamless integration, the relocation staff will be working in conjunction with the property management of the property and have 24 hour access to their offices at the property.

K

Documentation of
Development Location

This deal does not require
information behind this tab.

K.1

Revitalization Area
Certification



Legend

Existing Tax Credit Locations



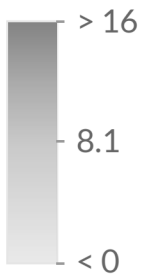
DDA - Metropolitan



Percent Poverty and Additional Information



Poverty Percentage



Census Tract Information

The address entered is situated in Census Tract **43** in **Norfolk city**.

Is this address eligible for (only one may apply):

Points associated with being in a tract with less than 12% poverty? **No**

Points associated with being in a tract with less than 10% poverty? **No**

Points associated with being in a tract with less than 3% poverty? **No**

The tract's poverty is **19.30%**

This location falls within **Tidewater MSA** geographic pool. It is also subject

Additional information regarding this site:

Is it located within the New Construction pool? **No**

Is it located within a non-metropolitan Difficult to Develop Area (DDA)? **No**

It is located in Congressional District: **03**

It is located in Planning District: **23**

It is located in State Senate District: **5**

It is located in State House District: **90**

Revitalization Reference

Is it located within a Qualified Census Tract (QCT)? **Yes**

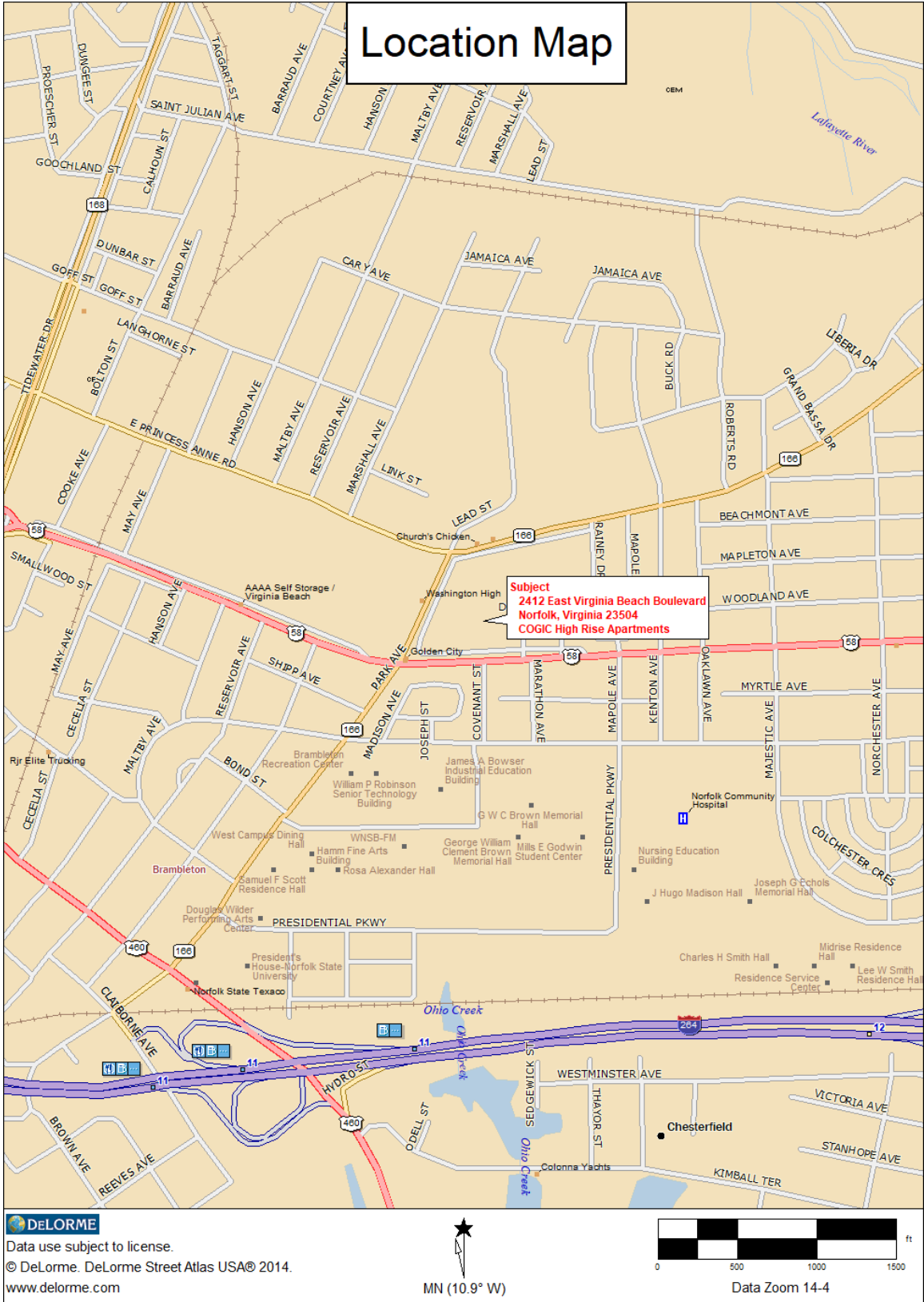
Is it located within a tract where 70% or more of families have incomes wh

Zoom to

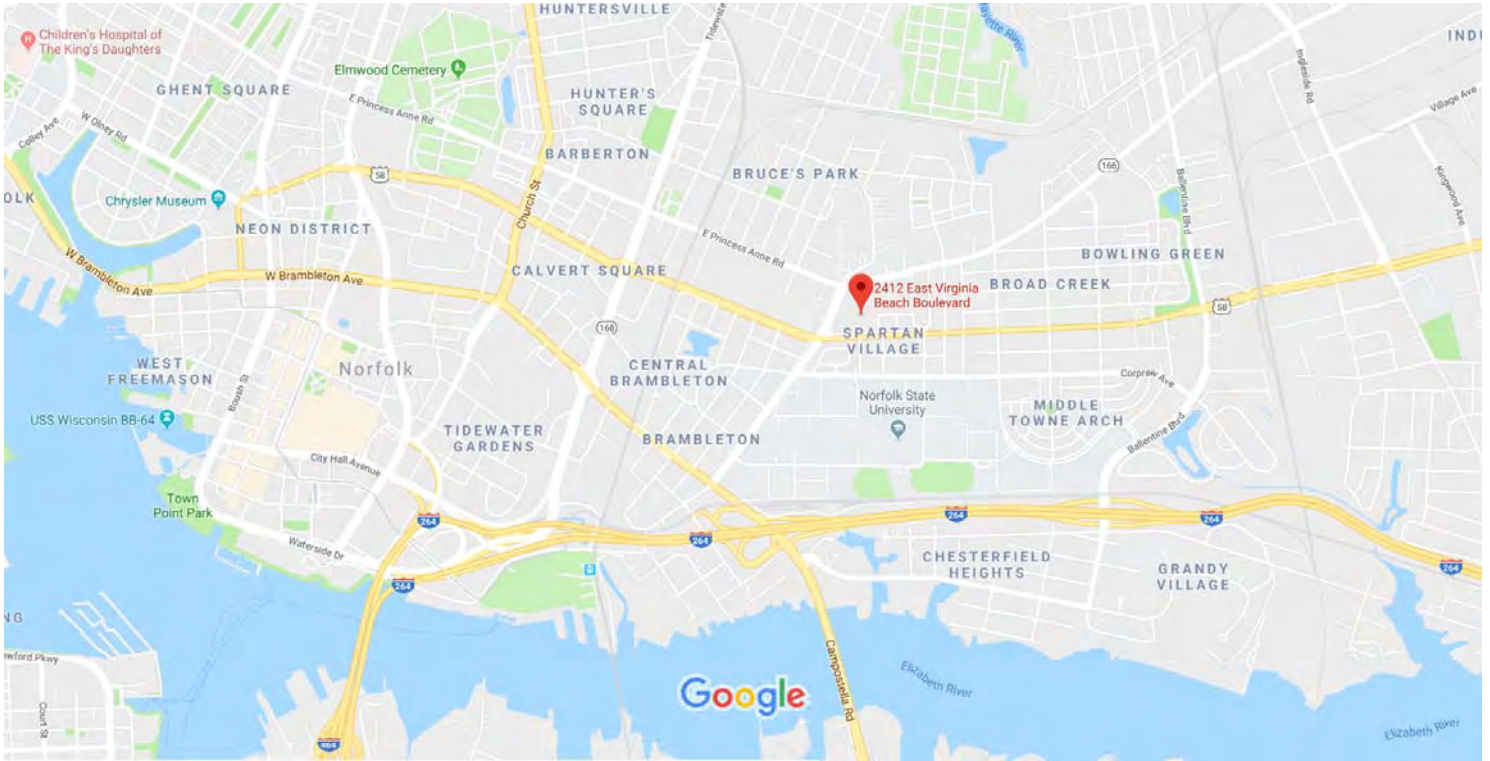
Landing

K.2

Location Map



Google Maps 2412 E Virginia Beach Blvd



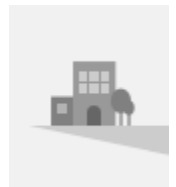
Map data ©2018 Google 1000 ft



2412 E Virginia Beach Blvd
 Norfolk, VA 23504

At this location

(YORGEA) Cee-Jay Saunders
 Book Publisher · 2412 E Virginia Beach Blvd
 Open until 5:00 PM



Cogic Beauty Salon
 5.0 ★★★★★ (1)



Google Maps Norfolk, Virginia

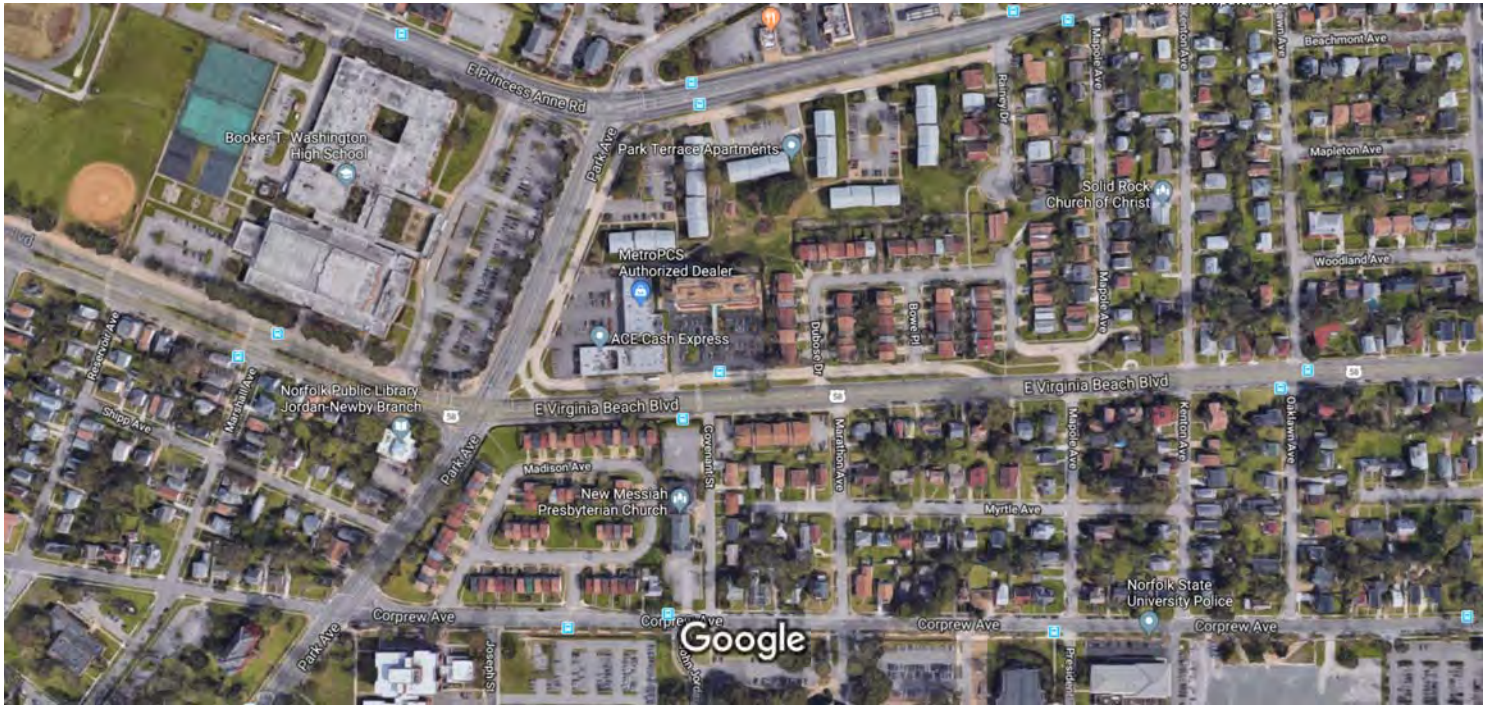


Image capture: Jul 2015 © 2018 Google

 Google, Inc.

Street View - Jul 2015





Imagery ©2018 Google, Map data ©2018 Google 200 ft

K.3

Surveyor's Certification of
Proximity to Public
Transportation



Hoggard-Eure Associates
P.C.
ENGINEERS SURVEYORS PLANNERS

757-484-9670 · Fax: 757-484-7498 · 901 PortCentre Parkway, Suite 5 · Portsmouth, Virginia 23704

Surveyor's Certification of Proximity to Transportation

DATE: 01/22/2020

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

RE: 2020 Tax Credit Reservation Request

Name of Development: COGIC High Rise Apartments
Name of Owner: COGIC Memorial Home for the Elderly Preservation, L.P.

Gentlemen:

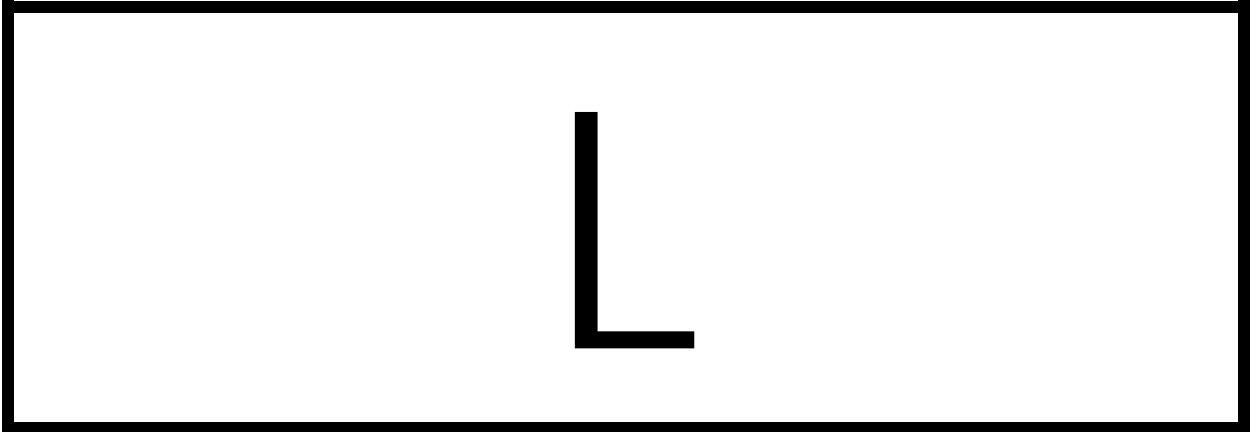
This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

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

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.



HOGGARD-EURE ASSOCIATES, P.C.
Firm Name
By: J. Stephen Ferguson
J. STEPHEN FERGUSON
Its: DIRECTOR OF SURVEYING
Title



PHA/Section 8 Notification
Letter

This deal does not require
information behind this tab.

M

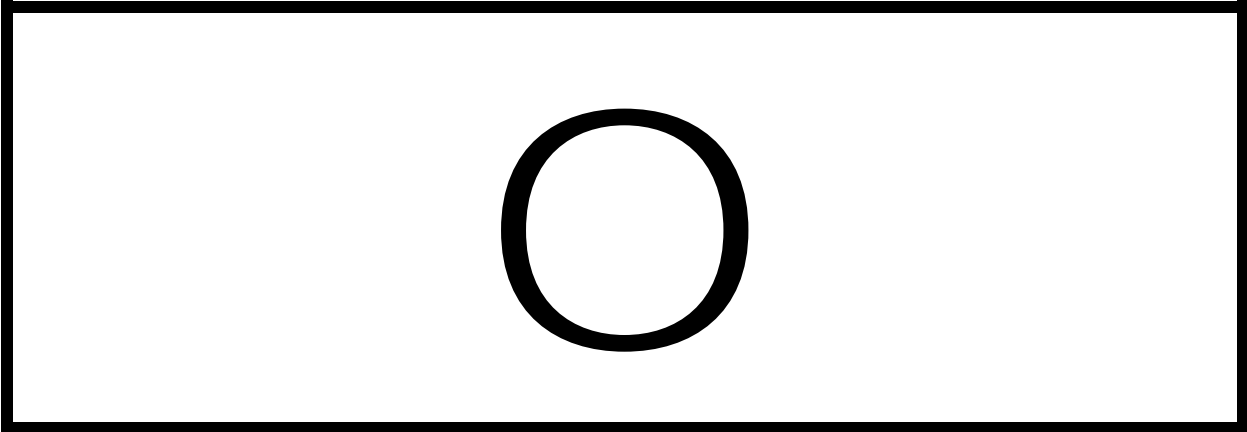
Locality CEO Response
Letter

This deal does not require
information behind this tab.

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

Plan of Development Certification

DATE: 01/22/2020

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

| | |
|-------------------------------|---|
| Name of Development: | <u>COGIC High Rise Apartments</u> |
| Name of Owner/Applicant: | <u>COGIC Memorial Home for the Elderly Preservation, L.P.</u> |
| Name of Seller/Current Owner: | <u>COGIC Memorial Home for the Elderly, Inc.</u> |

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address:

2412 East Virginia Beach Boulevard, Norfolk, VA 23504

Legal Description:

All that certain parcel of land situate within the City of Norfolk, Virginia, designated as Disposition Parcel 2-D in Project VA, A-1-4, shown on a plat entitled "Subdivision of Property of Norfolk Redevelopment and Housing Authority, Norfolk, Virginia", dated January 12, 1972, prepared by Baldwin and Gregg, Engineers-Surveyors-Planners, Norfolk, Virginia, such plat having been duly recorded in the Clerk's Office of the Corporation Court of the City of Norfolk, in Map Book 27, at page 8.

Plan of Development Number:

N/A

Proposed Improvements:

| | | | | |
|---|---------------|-------------------|---------|--------------------------|
| <input type="checkbox"/> New Construction: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor A |
| <input type="checkbox"/> Adaptive Reuse: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor A |
| <input checked="" type="checkbox"/> Rehabilitation: | 150 # Units | 1 # Buildings | 114,717 | Approx. Total Floor Area |

Other Descriptive Information:

Rehabilitation/Renovation of an Affordable Housing Building. There will be no new structures or units added to the existing site.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: _____

Signed JOAN Fenley
Printed Name PLANNER I
Title 757-823-1027
Phone 1/22/20
Date

NOTES TO LOCALITY:

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

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

This deal does not require
information behind this tab.

Q

Documentation of Rental
Assistance

RECEIVED JUN 24 2013

RECEIVED JUN 10 2013

Attachment 11-2

**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

COGIC High Rise Apartments (VA36L000005)

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

Basic Renewal Contract

Multi-Year Term
REV-11-05-2007

TABLE OF SECTIONS

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U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 **CONTRACT INFORMATION²**

PROJECT

Section 8 Project Number: **VA36L000005**

Section 8 Project Number of Expiring Contract: **Same**

FHA Project Number (if applicable): **051-44118**

Project Name: **COGIC High Rise Apartments**

Project Description:³

This is a high-rise/ elevator complex with one building. It consists of 148 section 8 units: (35) 0 bedroom, (104) 1 bedroom, and (9) 2 bedroom units. It also has (1) 1 bedroom and (1) 2 bedroom non-section 8 units. The property is located at 2412 E Virginia Beach Boulevard, Norfolk, VA 23504. Project is in Norfolk City County, VA.

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Address of Contract Administrator

**500 Office Park Drive, Suite 300
Birmingham, AL 35223**

Name of Owner⁵

Cogic Memorial Home for the Elderly, Inc

Address of Owner

**2412 E. Virginia Beach Blvd
Norfolk, VA 23504-3628**

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on **8/1/2013**⁶ and shall run for a period of **20 (Twenty)**⁷ years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ **\$664,006**⁸, an amount sufficient to provide housing assistance payments for approximately **12**⁹ months of the first annual increment of the Renewal Contract term.

-
- c** HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
 - (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;

-
- (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or
 - (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

-
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) **Comparability adjustments**

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable).**
- (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
- (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
- (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c)** Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

RECEIVED JUN 24 2013

RECEIVED JUN 10 2013

Navigate Affordable Housing Partners

By: 

Signature of authorized representative

Eric Q. Strong, CEO

Name and official title

Date 6/11/13

U.S. Department of Housing and Urban Development

By: 

Signature of authorized representative

Uche A. Oluku - Director, Multifamily Housing, United States Dept. of Housing and Urban Development

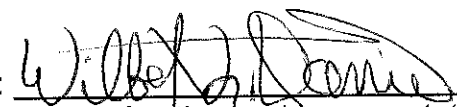
Name and official title

Date 6/18/2013

Owner

Name of Owner

Cogic Memorial Home for the Elderly, Inc

By: 

Signature of authorized representative

Wilbert L. Daniels - President

Name and title

Date 05/23/13

RECEIVED JUN 24 2013

RECEIVED JUN 10 2013

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")

BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: **VA36L000005**
 FHA Project Number (if applicable): **051-44118**
 Effective Date of the Rent Increase (if applicable): **8/1/2013**

| <u>Number of Contract Units</u> | <u>Number of Bedrooms</u> | <u>Contract Rent</u> | <u>Utility Allowance</u> | <u>Gross Rent</u> |
|-------------------------------------|-------------------------------|--------------------------|------------------------------|-----------------------|
| 35 | 0 Bedroom | \$ 773 | \$ 0 | \$ 773 |
| 104 | 1 Bedroom | \$ 841 | \$ 0 | \$ 841 |
| 9 | 2 Bedroom | \$ 1010 | \$ 0 | \$ 1010 |

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

Basic Renewal Contract
 Multi-Year Term
 REV-11-05-2007

EXHIBIT B
DISTRIBUTIONS LIMITATION

RECEIVED JUN 24 2013

RECEIVED JUN 10 2013

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.

R

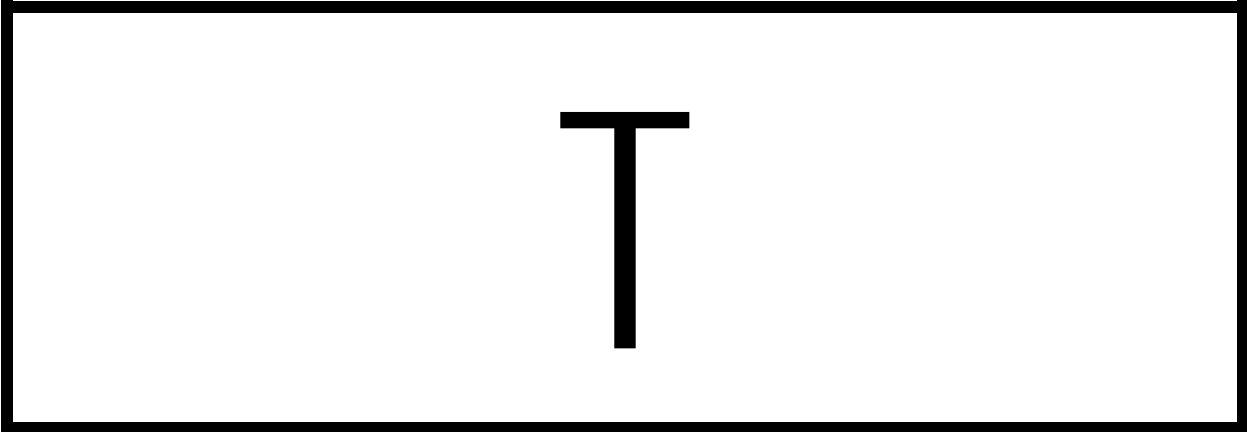
Documentation of
Operating Budget

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information behind this tab.

S

Supportive Housing
Certification

This deal does not require
information behind this tab.



T

Funding Documentation

August 28, 2018

VIA Hand-Delivery

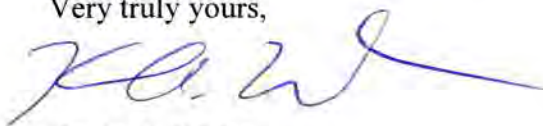
Virginia Department of Housing
and Community Development
600 East Main Street, Suite 300
Richmond, Virginia 23219
Attn: Policy Office

Re: Norfolk Redevelopment and Housing Authority
\$9,500,000 Multifamily Housing Revenue Bonds
(COGIC High Rise Apartments Project), Series 2018

Dear Sir or Madam:

Enclosed please find an original Bond Allocation Application (Form LHA2018) with enclosures, regarding the above referenced bonds. Should you have any questions, please contact me at the phone number or e-mail address shown below.

Very truly yours,



Kevin A. White

KAW/slw
Enclosure(s)

- C. Location of Project – street address and jurisdiction 2412 E. Virginia Beach Blvd.
Norfolk, Virginia 23504
- D. Indicate how rent affordability will be enforced on the units subject to restriction on the incomes of residents under the Code. Rent affordability can be met through an allocation of low-income housing tax credits under Section 42 of the Code or participation in other federal, state or local housing affordability programs that include legally enforceable rent standards. Please specify the program and the number of units subject to rent affordability.

148 of the units in the project are subject to a long-term Section 8 HAP Contract.

The project is also expected to receive an allocation of 4 percent low-income housing tax credits under Section 42 of the Code from the Virginia Housing Development Authority, which provides minimum standards on affordability during the qualified project period.

- E. Name, address, phone number, and tax ID number of each proposed borrower and developer. Indicate the role of each one listed.

COGIC Memorial Home for the Elderly Preservation, L.P. (Borrower)

EIN: 83-1453124

BlueGreen BlueGreen Preservation & Development, LLC (Developer)

EIN: 46-2090367

- F. Name, address, and phone number of bond counsel.

Kevin A. White, Butler Snow LLP, 919 East Main Street, Suite 1000,
Richmond, Virginia 23219, 804-762-6036

3. ATTACHMENTS - ALL SEVEN ATTACHMENTS MUST BE SUBMITTED WITH THIS FORM. ALLOCATIONS CANNOT BE AWARDED UNTIL ALL ATTACHMENTS HAVE BEEN RECEIVED. ALL DOCUMENTATION MUST BE CURRENT.

- A. Copy of inducement resolution or other documentation of the preliminary approval of the project by the issuing authority, in conformity with applicable federal and state law.
- B. Copy of appropriate elected official's or governing body's (or bodies') formal approval of the project, in conformity with applicable federal and state law.
- C. Copy of documentation that the local public hearing was conducted within 60 days of the authorizing resolution.

- D. Written opinion of bond counsel that the project is eligible to utilize private activity bonds pursuant to the Internal Revenue Code of 1986, as amended, and that an allocation of bond issuing authority from the state ceiling on private activity bonds is required.
- E. A definite and binding financing commitment from the buyer or underwriter of the bonds for the project.
- F. A letter from the chief appointed official of the locality in which the project is located, endorsing the project and stating that the project is in conformity with the Consolidated Plan covering the locality.
- G. Provide documentation of the project's participation in the program ensuring rent affordability indicated in 2D.

4. CERTIFICATION

I hereby certify that the information filed herewith is accurate to the best of my knowledge.

Norfolk Redevelopment and Housing Authority
Name of Issuing Entity

By: Donald Musacchio
Signature of Authorized Representative

Name (please print) Donald Musacchio

Title Chairman

Full Address 555 E Main St, Norfolk, VA 23510

Date August 23, 2018

Submit completed applications to:
Virginia Department of Housing and Community Development
600 East Main Street
Suite 300
Richmond, VA 23219
Attn: Policy Office



9320

Commissioners' Resolution

Commissioners' Meeting Date: March 8, 2018

Title: Inducement Resolution of the Norfolk Redevelopment and Housing Authority Regarding the Issuance of Its Multifamily Housing Revenue Bonds for the Rehabilitation of COGIC Highrise Apartments Located in the City of Norfolk, Virginia

Resolution:

WHEREAS, there has been submitted to the Norfolk Redevelopment and Housing Authority (the "Issuer"), the application of COGIC Memorial Home for the Elderly, Inc., a Virginia nonstock corporation ("COGIC"), whose address is 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, for the issuance by the Issuer of up to \$10,000,000 in principal amount of its Multifamily Housing Revenue Bonds (COGIC Highrise Apartments Project) (the "Bonds"), the proceeds of which would be loaned to COGIC Memorial Home for the Elderly Preservation, L.P., a Virginia limited liability partnership of which COGIC is the general partner (the "Borrower"), to finance (i) a portion of the cost of acquiring, renovating and rehabilitating an affordable housing development project known as COGIC Highrise Apartments, located in the City of Norfolk, Virginia (the "City"), at 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, and consisting of a 150 unit apartment building and related facilities (the "Project"), (ii) costs of issuance of the Bonds, (iii) costs of capitalized interest during the construction of the Project and for a limited period thereafter, (iv) the payment of limited working capital, and (v) the creation of any required reserves (collectively, the "Plan of Finance");

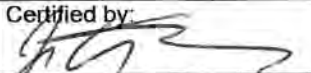
WHEREAS, the Project shall be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Issuer is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the "Act"), to issue its bonds and make loans for the purpose, among others, of assisting in the rehabilitation by private sponsors of multifamily residential rental housing projects such as the Project, located within the territorial boundaries of the City;

WHEREAS, the Borrower has requested that the Issuer issue the Bonds and loan the Borrower the proceeds from the sale of the Bonds to assist the Borrower in undertaking the Plan of Finance as permitted under the Act; and

WHEREAS, a public hearing has been held with respect to the Project and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended.

Commissioners' Action:

| | | | |
|--------------------------|---------------------------------|---|--|
| Moved by: Ken Benassi | Seconded by: Richard Gresham | (<input checked="" type="checkbox"/>) Approved () Disapproved | Certified by:  |
|--------------------------|---------------------------------|---|--|



9320

Commissioners' Resolution

NOW, THEREFORE, BE IT RESOLVED BY THE NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. It is hereby found and determined that the issuance of the Bonds and the use of the proceeds thereof to undertake the Project and the Plan of Finance furthers the public purposes of the Act by promoting the provision of decent, safe and sanitary housing for persons of low and moderate income in the City. It is hereby found and determined that the facilities comprising the Project will constitute a "housing project" as that term is defined in the Act.

2. The Issuer hereby agrees to cooperate with the Borrower in the implementation of the Plan of Finance and, subject to the Issuer's final approval of the terms and conditions of the Bonds and the documents to be executed and delivered in connection therewith, which would occur at a future meeting of the Issuer, the Issuer agrees to undertake the issuance of the Bonds in a principal amount of up to \$10,000,000, and to loan the proceeds of the Bonds to the Borrower upon terms and conditions to be agreed upon by the Issuer and the Borrower.

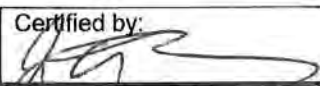
3. It having been represented to the Issuer that it is necessary for the Borrower to proceed immediately with certain expenditures in connection with the Project and the Plan of Finance, the Issuer hereby agrees that the Borrower may proceed with plans, enter into contracts for acquisition, construction and equipping, and take such other steps as it may deem appropriate in connection with the Project and the Plan of Finance and, subject to the limitations of the Code and the Treasury Regulations promulgated thereunder, the Borrower may be reimbursed from the proceeds of the Bonds for all costs so incurred by it, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Issuer, without its consent, to the payment of any moneys or the performance of any acts in connection with the Project or the Plan of Finance.

4. The Issuer hereby agrees to the recommendation of the Borrower that Kaufman & Canoles, a Professional Corporation, be appointed as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

5. The Issuer hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of an underwriter or purchaser of Bonds pursuant to the terms to be mutually agreed upon.

6. All costs and expenses in connection with the financing and the acquisition and rehabilitation of the Project, including the fees and expenses of bond counsel, counsel for the Issuer and the underwriter or purchaser of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Issuer shall have no responsibility therefor. If the Bonds are issued the Borrower shall pay to the Issuer an annual administrative fee equal to 0.00125 times the then-

Commissioners' Action:

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| Moved by: Ken Benassi | Seconded by: Richard Gresham | (✓) Approved () Disapproved | Certified by:  |
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9320

Commissioners' Resolution

outstanding principal amount of the Bonds on the issue date of the Bonds and on each anniversary date thereof for so long as the Bonds are outstanding.

7. In adopting this Resolution the Issuer intends to evidence its "official intent" to reimburse the Project expenditures with proceeds from the issuance of the Bonds within the meaning of Section 1.150-2 of the Treasury Regulations, including, without limitation, such expenditures with respect to the Project as are incurred prior to the issuance of the Bonds but not more than sixty (60) days before the date of this Resolution.

8. The Bonds shall be limited obligations of the Issuer and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Issuer, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Issuer and the City, and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

9. Any obligation of the Issuer to exercise its powers in the City to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Issuer shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Issuer's failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council of the City (the "City Council") to approve the issuance of the Bonds.

10. The Issuer hereby recommends that the City Council approve the issuance of the Bonds and hereby directs the Chairman or Vice Chairman of the Issuer to submit to the City Council a reasonably detailed summary of the comments, if any, expressed at the public hearing, the fiscal impact statement required by Virginia law, and a copy of this Resolution.

11. No Bonds may be issued pursuant to this Resolution until such time as (a) the issuance of the Bonds has been approved by City Council, and (b) the final terms and details of the Bonds have been approved by subsequent resolution of the Issuer.

12. All other acts of the officers of the Issuer which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Bonds are hereby approved and confirmed.

Commissioners' Action:

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|--------------------------|---------------------------------|--|-------------------|
| Moved by: Ken Benassi | Seconded by: Richard Gresham | <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved | Certified by: |
|--------------------------|---------------------------------|--|-------------------|



9320

Commissioners' Resolution

13. This Resolution shall take effect immediately upon its adoption.

The undersigned Secretary of the Norfolk Redevelopment and Housing Authority (the "Issuer") hereby certifies that the foregoing is a true, correct, and complete copy of the Resolution adopted by the Issuer's commissioners present and voting at a meeting duly called and held on March 8, 2018, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Issuer this 8th day of March, 2018.

**NORFOLK REDEVELOPMENT AND
HOUSING AUTHORITY**

By: _____

Secretary

Commissioners' Action:

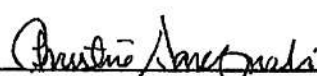
| | | | |
|--------------------------|---------------------------------|---------------------------------|-------------------|
| Moved by: Ken Benassi | Seconded by: Richard Gresham | (√) Approved () Disapproved | Certified by: |
|--------------------------|---------------------------------|---------------------------------|-------------------|

1/10/17 [bjl]

Form and Correctness Approved:

By 
Office of the City Attorney

Contents Approved:

By 
DEPT. Finance

NORFOLK, VIRGINIA

Resolution 1,706

R-10

A RESOLUTION APPROVING THE EXERCISE BY THE NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY OF POWERS CONFERRED BY THE VIRGINIA HOUSING AUTHORITIES LAW, CHAPTER 1, TITLE 36 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, IN CONNECTION WITH THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN A PRINCIPAL AMOUNT OF UP TO \$10,000,000, THE PROCEEDS OF WHICH WILL BE LOANED TO COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P. TO ASSIST IT IN FINANCING A PORTION OF THE COST OF ACQUIRING, RENOVATING AND REHABILITATING THE COGIC HIGHRISE APARTMENTS LOCATED AT 2412 EAST VIRGINIA BEACH BOULEVARD, NORFOLK, VIRGINIA, AND FINANCING CERTAIN RELATED COSTS AND RESERVES, AND UPON WHICH THE CITY SHALL NOT HAVE ANY PAYMENT OBLIGATION.

- - -

WHEREAS, the Virginia Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the "Act"), empowers the Norfolk Redevelopment and Housing Authority (the "Authority") to assist COGIC Memorial Home for the Elderly, Inc., a Virginia nonstock corporation ("COGIC"), whose address is 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, by the issuance of the Authority's Multifamily Housing Revenue Bonds in a principal amount of up to \$10,000,000 (the "Bonds"), the proceeds of which would be loaned to COGIC Memorial Home for the Elderly Preservation, L.P., a Virginia limited partnership

of which COGIC is the general partner (the "Borrower"), to finance (i) a portion of the cost of acquiring, renovating and rehabilitating the affordable housing development project known as COGIC Highrise Apartments, located in the City of Norfolk, Virginia (the "City"), at 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, and consisting of a 150 unit apartment building and related facilities (the "Project"), (ii) costs of issuance of the Bonds, (iii) costs of capitalized interest during the construction of the Project and for a limited period thereafter, (iv) the payment of limited working capital, and (v) the creation of any required reserves (collectively, the "Plan of Finance");

WHEREAS, the Borrower has represented that the Project will be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the Bonds will be qualified private activity bonds in accordance with Section 141(e) of the Code;

WHEREAS, Section 147(f) of the Code requires approval by this City Council of the City (the "Council") of the issuance of any qualified private activity bonds for facilities located in the City after the Authority has held a public hearing to consider the issuance of such bonds;

WHEREAS, the Authority held a public hearing on March 8, 2018, in compliance with Section 147(f) of the Code and Virginia law, and after such public hearing did adopt a resolution authorizing the issuance of the Bonds, subject to the adoption of this Resolution by the Council;

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds;

WHEREAS, the issuance of the Bonds will also be subject to the requirement of obtaining an allocation of volume cap pursuant to Section 146 of the Code ("Volume Cap"); and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, a summary of the public hearing with respect to the Bonds, a Fiscal Impact Statement in the form prescribed by Section 15.2-4907 of the Code of Virginia of 1950, as amended, and a Conflict of Interests Certificate have been filed with the Council; now therefore,

BE IT RESOLVED by the Council of the City of Norfolk:

Section 1: - That, relying upon the representations of the Authority by its counsel, the recitals in the preambles hereto are found to be true and correct in all respects and are adopted as findings of this Council as if fully rewritten herein.

Section 2: - That the Project proposed to be financed by the issuance of the Bonds and the related costs incurred in connection with the issuance of the Bonds are deemed appropriate for such Plan of Finance and, accordingly, the issuance of the Bonds is hereby approved.

Section 3: - That the approval of the issuance of the Bonds as required by Section 147(f) of the Code does not constitute an endorsement to a prospective purchaser of the Bonds of the proposed use of the proceeds of the Bonds or the creditworthiness of the Borrower, and, as required by Virginia law, the Bonds shall provide that neither the Commonwealth of Virginia, the City nor the Authority shall be obligated to pay the principal, or premium, if any, of the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged therefor and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the City or the Authority shall be pledged thereto.

Section 4: - That the City, including the members of the Council, its officers, employees and agents, shall not be liable and hereby disclaims all liability for any damage to the Borrower or COGIC, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

Section 5: - That the appropriate officers, employees and agents of the City are authorized to take such further actions and to execute and deliver all certificates and instruments as may be necessary to effectuate the purposes of this Resolution, including such certificates and instruments as may be necessary to assist in obtaining an allocation of Volume Cap for the Bonds.

Section 6: - This Resolution shall be in effect from and after its adoption.

Adopted by Council April 10, 2018
Effective April 10, 2018

TRUE COPY

TESTE:



R. BRECKENRIDGE DAUGHTREY, CITY CLERK

BY:

DEPUTY CITY CLERK

THE VIRGINIAN-PILOT
NORFOLK, VIRGINIA
AFFIDAVIT OF PUBLICATION

The Virginian-Pilot

KAUFMAN & CANOLES, P.C.
TWO JAMES CTR
1021 E CARY ST, 1400
RICHMOND VA 23219

REFERENCE: 39212350
25617502 COGIC HIGHRISE APART

State of Virginia
City of Norfolk

This day, Jacqueline Whitfield, personally appeared before me; and after being duly sworn, made oath that: (1. She is affidavit clerk of the Virginian-Pilot, a newspaper published by the Virginian-Pilot Media Companies, LLC, in the cities of Norfolk, Portsmouth, Chesapeake, Suffolk, and Virginia Beach, Commonwealth of Virginia and in the state of North Carolina 2.) That the advertisement hereto annexed has been published in said newspaper on the dates stated



PUBLISHED ON: 02/22 03/01

TOTAL COST: 1,627.50 AD SPACE: 94 LINE
FILED ON: 03/02/18

Legal Affiant Jacqueline Whitfield

Subscribed and sworn to before me in my city and state on the day and year aforesaid this 2 of March in the year of 2018. (NRN:7145124)

Notary Francisco A. Kelly My commission expires October 31, 2019.

NOTICE OF PUBLIC HEARING
BEFORE THE NORFOLK
REDEVELOPMENT AND
HOUSING AUTHORITY ON A
PROPOSED PRIVATE
ACTIVITY BOND FINANCING
FOR COGIC HIGHRISE
APARTMENTS

Notice is hereby given that the Norfolk Redevelopment and Housing Authority (the "Issuer") will hold a public hearing on the request of COGIC Memorial Home for the Elderly, Inc., a Virginia non-profit corporation ("COGIC"), whose address is 2472 East Virginia Beach Boulevard, Norfolk, Virginia 23504, for the issuance by the Issuer of its Multifamily Housing Revenue Bonds (COGIC Highrise Apartments Project (the "Bonds"), in an aggregate principal amount not to exceed \$11,000,000 the proceeds of which would be loaned to COGIC Memorial Home for the Elderly Preservation, L.P., a Virginia limited liability partnership of which the COGIC is the general partner (the "Borrower"), to finance in a portion of the cost of acquiring, renovating, and rehabilitating an affordable housing development project known as COGIC Highrise Apartments, located in the City of Norfolk, Virginia at 2472 East Virginia Beach Boulevard, Norfolk, Virginia 23504, and consisting of a two unit apartment building and related facilities (the "Project") on costs of issuance of the Bonds (a) state of capitalized interest during the construction of the Project and for a limited period thereafter (b) the payment of limited working capital, and (c) the creation of any required reserves. The Project is expected to meet the requirements of a qualified residential rental project within the meaning of Section 142(b) of the Internal Revenue Code of 1986, as amended. The Bonds will be issued by the Borrower. The public hearing which may be continued or adjourned, will be held at 4:00 p.m. on March 8, 2018, before the Issuer at Ruffier Middle School, 610 Navy Avenue, Norfolk, Virginia 23506.

As required by Virginia law, the Bonds will not pledge the credit or the taxing power, as applicable, of the Issuer or the City of Norfolk, Virginia, but will be payable solely from revenues and other security provided by the Borrower.

The public hearing will provide an opportunity for interested persons to be heard and communications and writings to be received and considered. Interested persons wishing to express their views on the issuance of the Bonds may also submit written comments prior to the time of the hearing to the attention of the Issuer in care of John Kowack, Executive Director, 555 East Main Street, Norfolk, Virginia 23510.

NORFOLK REDEVELOPMENT AND
HOUSING AUTHORITY

VP 2017/REA

INTERACTIVE MEDIA
NORFOLK, VIRGINIA
AFFIDAVIT OF PUBLICATION

Online Publication VP

KAUFMAN & CANOLES, P.C.
TWO JAMES CTR
1021 E CARY ST, 1400
RICHMOND VA 23219

REFERENCE: 39212350
25617502 COGIC HIGHRISE APART

Commonwealth of Virginia
City of Norfolk

This day, Alan Levenstein personally appeared
before me and, after being duly sworn, make oath
that:

1. He is affidavit clerk of Interactive Media,
a subsidiary of The Virginian-Pilot Media
Companies, LLC, publishing in Chesapeake, Suffolk,
Norfolk, Portsmouth and Virginia Beach,
Commonwealth of Virginia in the state of Virginia

2. The advertisement has been produced on the
said site on the date stated

PUBLISHED ON: 02/22 03/01



TOTAL COST: 50.00 AD SPACE: 94 LINE
FILED ON: 03/05/18

Legal Affiant: Alan Levenstein

Subscribed and sworn to before me in my city and state on the day and year
aforesaid this 5 day of March 2018. (NRN: 7145124)

Notary: Francisco A. Kelly My commission expires October 31, 2019.

August 28, 2018

Virginia Department of Housing
and Community Development
600 East Main Street, Suite 300
Richmond, Virginia 23219

Re: Norfolk Redevelopment and Housing Authority Multifamily Housing Revenue
Bonds (COGIC High Rise Apartments Project), Series 2018


Ladies and Gentlemen:

We are serving as Bond Counsel in connection with the issuance by the Norfolk Redevelopment and Housing Authority of its up to \$9,500,000 Multifamily Housing Revenue Bonds (COGIC High Rise Apartments Project), Series 2018 (the "Bonds") to finance (i) a portion of the cost of acquiring, renovating and rehabilitating an affordable housing development project known as COGIC High Rise Apartments, located in the City of Norfolk, Virginia, at 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, and consisting of a 150 unit apartment building and related facilities (the "Project"), (ii) costs of issuance of the Bonds, (iii) costs of capitalized interest during the construction of the Project and for a limited period thereafter, (iv) the payment of limited working capital, and (v) the creation of any required reserves.

The Bonds are required to be included under the volume limitation for private activity bonds established pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the Bonds require an allocation of bond issuing authority from the state ceiling as defined in Section 15.2-5000 of the Code of Virginia of 1950, as amended. In connection with the bond allocation request hereby submitted, please be advised that it is our opinion that the Project qualifies for private activity bond financing pursuant to Section 142 of the Code.

Very truly yours,

BUTLER SNOW LLP

By: 
Kevin A. White
Senior Counsel

REDSTONE™

via e-mail

August 14, 2018

COGIC Memorial Home for the Elderly Preservation, L.P.
C/O: Ms. Vivian Lum
Chief Executive Officer
BlueGreen Preservation & Development, LLC
500 South Grand Avenue, 22nd Floor
Los Angeles, CA 90071

Re: COGIC Highrise Apartments
2412 East Virginia Beach Blvd
Norfolk, Virginia 23504
148 Units

Dear Ms. Lum,

Red Stone A7 LLC (“Red Stone”) is pleased to present COGIC Memorial Home for the Elderly Preservation, L.P. or its affiliates (the “Sponsor”) with the following proposal to purchase up to **\$9,500,000** of tax-exempt bonds part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by Norfolk Redevelopment and Housing Authority (the “Issuer”) for the benefit of the above referenced property (the “Property”). The bond purchase shall hereinafter be defined as the facility (the “Facility”).

This letter sets forth the basic business terms and conditions of Red Stone’s proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to \$9,500,000 of fixed rate tax-exempt bonds (the “Bonds”) directly or through its designee. The Bonds shall mature 40 years after the closing, subject to redemption prior to maturity as described below.

At or prior to the completion of the Rehabilitation Period, as defined below, \$2,805,615 of Bonds shall be redeemed at par and the permanent bond amount shall be \$6,694,385 or such other amount as may be sized based on the debt parameters described herein (the “Permanent Loan Amount”).

Red Stone will purchase the Bonds at issuance and the proceeds will be lent to the Borrower pursuant to a loan agreement (the “Loan Agreement”) to be used to pay a portion of the costs incurred by the Borrower for the acquisition and rehabilitation of the Property.

The documents evidencing the Facility shall contain covenants, representations and warranties customarily provided in financing documents for bond financings of this size and nature.

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| Borrower | COGIC Memorial Home for the Elderly Preservation, L.P. (the “Borrower”). The Borrower or a special purpose entity formed to hold this interest (the “General Partner”) shall each be a single-purpose, bankruptcy-remote entity. |
| Guarantors / Key Principals | BlueGreen Preservation & Development Company, LLC (the “Guarantors”, Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash & cash equivalents) (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein. |
| Property | The Property, known as COGIC Highrise Apartments, is a multifamily apartment complex, located in Norfolk, VA consisting of 148 units. Currently, the Property consists of 35 studio units, 104 one-bedroom units, and nine two-bedroom units. All units will be restricted at 60% AMI Levels and will operate pursuant to a long-term Housing Assistance Payments (“HAP”) Contract. |
| HAP/Preservation | The Property will operate subject to a long-term Section 8 HAP Contract covering all 148 of the units. Prior to closing, the Borrower will provide evidence of an extension of the existing HAP Contract for 20 years. The Borrower shall be obligated to maintain the Contract through the term of Red Stone’s facility. |
| Capital Expenditures | <p>Funds necessary to complete the rehabilitation will be deposited into an escrow account (the “Project Fund”) to fund capital expenditures on a schedule and with terms approved by Red Stone prior to the Closing Date.</p> <p>The rehabilitation of the Property will be for a period no longer than 16 months from the Closing (the “Rehabilitation Period”). During the Rehabilitation Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the rehabilitation progresses upon submission of a proper requisition with proof of completion of work and approval of such requisition by Red Stone and its consulting engineer.</p> <p>The Borrower will spend a minimum of approximately \$3,245,614 (\$21,930 per unit) on capital improvements to the Property during the Rehabilitation Period. Any monies remaining in the Project Fund at the end of the Rehabilitation Period which are not needed for capital items approved by Red Stone prior to the Closing Date shall be used to redeem Bonds.</p> |
| NOI | Red Stone’s proposal is based on the pro-forma NOI of \$460,869 (subject to Red Stone confirmation). This figure assumes a 5.0% vacancy rate, a 4.0% must-pay management fee, and \$300/unit/year in replacement reserves (subject to confirmation by Red Stone’s underwriter and engineer). |

| | |
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| Debt Sizing | Red Stone is sizing the Permanent Loan amount based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan to Value Ratio. Upon completion of the Rehabilitation the Loan Documents shall contain a stabilization requirement (“Stabilization”) as defined below. |
| Stabilization | <p>Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months to a maximum principal and interest payable in any three month period equals or exceeds 1.15 to 1.0 and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 5.0% economic vacancy over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone’s underwriting (except for expense line items relating to property taxes, insurance and utilities which shall in all cases be actual).</p> <p>Notwithstanding the above, Stabilization of the Property will occur no later than 24 months from the Closing Date (the “Stabilization Period”).</p> |
| Extension | Both the Rehabilitation Period and Stabilization Period can be extended one time, at any time, for an additional six (6) months. The cost for each extension is 0.50% of the initial Bond amount payable to Red Stone Servicer, LLC. |
| Bond Interest / Ongoing Fees | <p>Beginning on the date of delivery of the Bonds (the “Closing”), interest will be paid monthly at a fixed rate of 5.25% per annum on the Bonds. The rate above is based off a 290 bps spread over the SIFMA 15 Year Swap Rate, currently approximately 2.35%</p> <p>In addition to the above stated interest rate, the Borrower will pay all trustee and issuer fees associated with the transaction.</p> |
| Term of Bond Purchase | Upon the 16 Year Anniversary of Closing, Red Stone shall have the option, with 6 months’ notice, to require a mandatory tender of the Bonds. |
| Termination | Optional prepayment of the Facility shall be prohibited until 15 years after the Closing Date. Thereafter, the Facility may be prepaid at par. |
| Interest Only Period | 24 Months |
| Amortization | After the Interest Only Period, an amount of the Facility equal to the Permanent Loan Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years. |
| Origination Fee | 1.00% of the Facility amount (\$95,000) payable to Red Stone at Closing. |
| Construction Monitoring Fee | 1.00% of the Facility amount (\$95,000) payable to Red Stone at Closing. |

| | |
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| Stabilization Fee | At the time the Borrower submits for Stabilization, the Borrower will pay a one-time fee of \$10,000 to cover the Stabilization costs of Red Stone Servicer, LLC. |
| Completion & Stabilization Guarantees | The Guarantors shall jointly and severally guarantee the lien-free completion of the construction prior to the end of the Rehabilitation Period, payment of all costs associated with the rehabilitation, and any payment required to achieve Stabilization. |
| LIHTC Equity | In addition to the Bonds, the acquisition and rehabilitation of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The Sponsor estimates that the proceeds from the sale of the LIHTCs will generate approximately \$4,490,386 of proceeds for investment in the Property. The terms and pay-in commitments of the LIHTC proceeds is subject to Red Stone review. |
| Other Sources | The acquisition and rehabilitation of the Property shall also be financed by a \$4,226,820 Seller Note (the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel. |

MORTGAGE AND NOTE TERMS:

| | |
|------------------------------|---|
| Security / Collateral | The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) a developer fee pledge; (f) the aforementioned guaranties; (g) assignment of capital contributions in respect of the tax credits and (h) an environmental indemnity from the Borrower and the Guarantors |
| Non-Recourse | Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners except for standard agency non-recourse carve-outs including, but not limited to fraud, misapplication of funds, and other bad acts. |
| Other Costs | Borrower shall be responsible for all closing costs and expenses of compliance with this proposal including, but not limited to costs of issuer, bond counsel, issuer's counsel, trustee's counsel, and Red Stone's counsel. During the Rehabilitation Period, the Borrower shall be responsible for third-party inspection draw fees in an amount not to exceed \$1,500 per month. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit. |

| | |
|--|---|
| Property Management | The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 4.00% of Effective Gross Income and any amount in excess of 4.00% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption/sinking fund payments. |
| Application & Legal Deposit | <p>\$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower.</p> <p>An additional \$25,000 deposit is required to commence legal documentation.</p> |
| Reserves & Escrows | Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at \$300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer). |
| Operating Reserve | Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately \$747,722 into an escrow account held by Red Stone or the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. The amount of the Operating Reserve acceptable to the LIHTC purchaser shall generally be acceptable and satisfy this requirement. |
| Exclusivity | Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and reasonable legal fees incurred by Red Stone, to be immediately due and payable to Red Stone. |
| Due Diligence / Conditions to Closing | Red Stone and its agents shall have 45 days to perform due diligence from the later of the date on which Red Stone receives an executed copy of (i) this proposal and the Application Deposit and (ii) necessary preliminary due diligence information as requested by Red Stone. During the due diligence period, Red Stone's due diligence shall include, but not be limited to, engineering and environmental investigations, bond document review, title and survey review, market analysis, satisfactory review of borrower/sponsor financial statements, and other investigations deemed appropriate by Red Stone. At its sole discretion, Red Stone has the right, at any time during the due diligence period, to decline to proceed with this proposal and shall not be under any obligation to the Borrower. In the event Red Stone declines to |

proceed with this proposal, the Application Deposit (less actual out-of-pocket costs incurred by Red Stone and authorized hereby) and the Legal Deposit (less all fees and costs actually incurred by Red Stone's counsel) will be returned to the Borrower.

Budgets / Reporting

The Borrower shall provide Red Stone or its designee with an annual budget for operations and capital expenditures to be approved by Red Stone within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by Red Stone.

Borrower shall provide to Red Stone an annual audit report of each Property's financial statements from a firm approved by Red Stone not more than 120 days after the end of each fiscal year.

Other

At closing, Red Stone will purchase the Bonds directly or indirectly with a designee through a placement agent or underwriter at no cost to the Borrower. The designee (usually a large financial institution) will abide by all the terms included in this term sheet. To the extent permitted by the Issuer, the Bonds will be issued in book-entry-only form and purchased through a DTC participant selected by Red Stone.

Red Stone reserves the right to sell, assign, or participate all or part of their interests in the Facility in a form they find satisfactory, provided the sale does not adversely affect the Borrower or increase the costs, expenses, or obligations of Borrower.

The Borrower shall cooperate fully with Red Stone in this matter and shall take all actions reasonably requested by Red Stone and the new participant, but will not be required to enter into any documents which are materially adverse to the Borrower. The Borrower shall not incur any costs or additional liability from any such transfer or securitization.

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners except in the event of fraud, misapplication of funds, and other bad acts as outlined above in the Non-Recourse section.

Offer Expiration

If the terms set forth in this letter are satisfactory, please indicate your acceptance by executing and returning to Red Stone a copy of this letter and the Application Deposit before August 30, 2018. If you have not done so by such date, this proposal shall expire and be of no further effect.

This letter is a proposal for the purchase of up to \$9,500,000 of tax-exempt bonds. This letter does not constitute a commitment or approval to lend or purchase in any manner. Any commitment by Red Stone to lend or purchase the Bonds is contingent upon the completion and ratification by Red Stone's Board of Directors of our due diligence review.

Very truly yours,

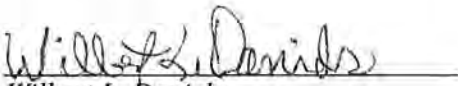
Red Stone A7 LLC



Brian A. Renzi
Managing Director

Agreed and Accepted:

**COGIC Memorial Home for the Elderly, Inc.,
as General Partner**

By: 
Name: *Wilbert L. Daniels*
Title: *President*

August 24, 2018

Virginia Department of Housing and Community Development
Attn: Policy Office
600 East Main Street
Suite 300
Richmond, VA 23219

Re: Local Support
Private Activity Bond Allocation – COGIC High Rise Apartments

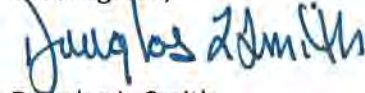
Dear Sir/Madam:

The Norfolk Redevelopment and Housing Authority (the “Issuer”) and the City Council of Norfolk, Virginia have approved the issuance by the Issuer of its up to \$9,500,000 Multifamily Housing Revenue Bonds (COGIC High Rise Apartments Project), Series 2018 (the “Bonds”) to finance (i) a portion of the cost of acquiring, renovating and rehabilitating an affordable housing development project known as COGIC High Rise Apartments, located in the City of Norfolk, Virginia, at 2412 East Virginia Beach Boulevard, Norfolk, Virginia 23504, and consisting of a 150 unit apartment building and related facilities (the “Project”), (ii) costs of issuance of the Bonds, (iii) costs of capitalized interest during the construction of the Project and for a limited period thereafter, (iv) the payment of limited working capital, and (v) the creation of any required reserves.

The Borrower and the Issuer will submit a Local Housing Authority Application for Housing Bond Allocation. Among the required attachments to such Application is a letter from the chief appointed official of the locality in which the Project is located, endorsing the Project and stating that the Project is in conformity with the Consolidated Plan covering the locality.

I am the chief appointed official of the City of Norfolk, Virginia. This letter is to indicate the City’s endorsement of the Project, subject to the limitations of the Issuer’s resolution dated March 8, 2018, and the City Council’s resolution dated April 10, 2018, and to state that we have reviewed the Project and have found it to be in conformity with the Consolidated Plan covering the City.

Best regards,



Douglas L. Smith
City Manager

**Housing Owner's Certification
and Application for Housing
Assistance Payments**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

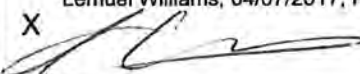
OMB Approval No. 2502-0182

| | | | |
|---|--|--|------------------------|
| Part I - Contract Information | | | HUD/CA Use Only |
| 1. Project Name: Cogic Memorial Home for the EI | 2. FHA / EH / Non-Insured No.: | 3. Section 8/PAC/PRAC Contract Number: VA36L000005 | Voucher Number: |
| 4. Type of Subsidy: Section 8 | 5a. Management Agent's Name: Cogic Memorial Home for the Elderly | | Date Received: |
| | 5b. EIN: 540971309 | | Date Paid: |

| | | | |
|---|------------|---|----------|
| Part II - Occupancy & Income Eligibility Information | | | |
| 6. General Occupancy Information (contract specific): | | 7. Exceptions to Limitations on Admission of Low-Income Families (only for Sec. 8 contracts effective on or after 10/1/1981): | |
| a. Total Units in contract | 148 | a. Project-based exceptions in use | 0 |
| b. Number of Units receiving subsidy under this contract | 144 | b. Project-based exceptions allocated | 0 |
| c. Number of units abated under this contract | 0 | c. Tenant-based exceptions in use | 0 |
| d. Number of Units vacant under this contract | 3 | d. Total exceptions (line b + line c) | 0 |
| e. Number occupied by Market Rent Tenants | 1 | e. Date Field Office last changed allocations for project-based exceptions (mm/d/yyyy) | |
| <i>Note: 6a must equal 6b + 6c + 6d + 6e</i> | | | |

| | | | |
|--|-------------------------------|----------------------|---------------------|
| Part III - Breakdown of Assistance Payment Requested | | | |
| 8. Type of Assistance | 9. Number of Units in Billing | 10. Amount Requested | 11. Amount Approved |
| a. Regular Tenant Assistance Payments for (mo./yr.): 05/2017 | 144 | 90,328 | |
| b. Adjustments to Regular Tenant Assistance Payments: | 3 | (1,643) | |
| c. i. Section 8 Special Claims for Unpaid Rent | 0 | | |
| ii. Section 8 Special Claims for Tenant Damages | 0 | | |
| iii. Section 8 Special Claims for Vacancies | 0 | | |
| iv. Section 8 Special Claims for Debt Service | 0 | | |
| d. Miscellaneous Accounting Requests | | 0 | |
| e. Repayment Agreements | | 0 | |
| f. Total Subsidy Authorized under instructions in Handbook 4350.3 Rev. 1 | | 88,685 | |

Part V - Owner's Certification I certify that: (1) Each tenant's eligibility and assistance payment was computed in accordance with HUD's regulations, administrative procedures, and the Contract, and are payable under the Contract; (2) all required inspections have been completed; (3) the units for which assistance is billed are decent, safe, sanitary, and occupied or available for occupancy; (4) no amount included on this bill has been previously billed or paid; (5) all the facts and data on which this request for payment is based are true and correct; and (6) I have not received and will not receive any payments or other consideration from the tenant or any public or private source for the unit beyond that authorized in the assistance contract or the lease, except as permitted by HUD. Upon request by the Department of Housing and Urban Development, its duly authorized representative, or the Comptroller General of the United States, I will make available for audit all books, records and documents related to tenants' eligibility for, and the amount of, assistance payments. Warning: HUD will prosecute false claims & statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. Sections 1001, 1010, 1012; 31 U.S.C. Sections 3729, 3802).

| | |
|---|-----------------|
| Part IV - Distribution of Subsidy earned (HUD/CA Use Only) | |
| | Amount Approved |
| 12. Applied to HUD-held mortgage | |
| 13. Applied to debts owed by mortgagor | |
| 14. Paid to Project | |
| 15. \$ of the amount in item F, part III was released from the Residual Receipts Account. | |
| Printed Name, Date, Title & Phone No. (including area code) & Signature: Lemuel Williams, 04/07/2017, Property Manager, (757)622-2513 | |
|  | |

This form is submitted monthly by owners/agents to their Contract Administrator or HUD for each subsidy contract and provides basic information on the project, reports the number of contract units which are occupied by eligible tenants and bills HUD for the housing assistance payments. Section 8 projects also must report exceptions to the rule that all units be leased to families with incomes below 50 percent of area media income.

This form must be completed so HUD/CA can pay owners the difference between the gross rent and the total tenant payment (housing assistance payments) according to regulation. It is also necessary for the forms to be completed so the owner can recoup money lost during vacancy, and money spent to fix damaged units and cover rent when these expenses are unpaid by the vacating tenant.

Regulations require that owners complete this form using statutory formulas for calculating housing assistance payments, unpaid rent and tenant damages and vacancy loss payments.

The statutes requiring the submission are S101, Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), S236(f)(2), National Housing Act (12 U.S.C. 17152z-1, S8, United States Housing Act (42 U.S.C. 1437f), Section 202 of the Housing Act of 1959 as amended by Section 801 of the National Affordable Housing Act (12 U.S.C. 1701(g)), and Section 811 of the National Affordable Housing Act (42 U.S.C. 8013). The regulations stipulating these rules are: 24 CFR 215, 236, 880, 881, 883, 884, 886, and 891. the administrative requirements for these forms are provided in HUD Handbook 4350.3 Rev. 1, Chapter 9.

HUD does not promise confidentiality but will not disclose data on a specific project or tenant. No question of a sensitive nature are asked in this form.

The Department of Housing & Urban Development is authorized to collect this information by the U.S. Housing Act of 1937, as amended, and to request the Employer Identification Number (EIN) by the Housing & Community Development Act of 1987, 42 U.S.C. 3543. The owner/agent must provide all this information including the EIN. The information provided will be used by HUD or the following: (1) Review accuracy of funds requested by owner/agent for tenants' housing assistance payments and special claims payments. (2) Review owner/agent computation of tenant assistance payment and tenants' rents using specific forms and formulas. (3) Evaluate the date owner/agency re-certify assisted tenants. (4) Limit the number of Section 8 units that may be leased to low-income families whose incomes exceed 50% of the area median income. (5) Restrict or prohibit the admission of tenants who are ineligible for assistance. (6) The EIN may be cross-checked against the EIN reported on the Management Entity Profile (form HUD-9832) or the Rent Schedule (form HUD-92458). This cross-check will assist in identifying inconsistencies whereby corrective action may be taken. The EIN is used as a unique identifier. HUD may disclose this information to Federal, state, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Otherwise, it will not be disclosed or released outside of HUD, except as permitted or required by law. Providing all information is mandatory, and failure to provide information will affect participation in HUD programs.

Public reporting burden for this collection of information is estimated to average 30 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. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection display a valid OMB control number.

Instrument Control Number

[Empty box for Instrument Control Number]

Commonwealth of Virginia
Land Record Instruments
Cover Sheet - Form A

060040405

2006 SEP 25 PM 3:41

[LS VLR Cover Sheet Agent 1.0.66]

T
A
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E
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T

C
O
R
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Date of Instrument: [9/19/2006]
Instrument Type: [CONT]

Number of Parcels [1]
Number of Pages [4]

City County [City Of Norfolk] (Box for Deed Stamp Only)

First and Second Grantors

| Last Name | First Name | Middle Name or Initial | Suffix |
|---------------------------|------------|------------------------|--------|
| [U.S. Department of Hou] | [] | [] | [] |
| [] | [] | [] | [] |

First and Second Grantees

| Last Name | First Name | Middle Name or Initial | Suffix |
|------------------------|------------|------------------------|--------|
| [COGIC Memorial Home] | [] | [] | [] |
| [] | [] | [] | [] |

Grantee Address (Name) [COGIC Memorial Home for the Elderly, Inc.]
 (Address 1) [2412 E. Virginia Beach Blvd.,]
 (Address 2) []
 (City, State, Zip) [Norfolk] [VA] [23504]
 Consideration [0.00] Existing Debt [0.00] Assumption Balance [0.00]

Prior Instr. Recorded at: City County [] Percent. in this Juris. [100]
 Book [27] Page [8] Instr. No []
 Parcel Identification No (PIN) [2-D]
 Tax Map Num. (if different than PIN) []
 Short Property Description [disposition parcel 2-D in project Va. A-1-4]
 Current Property Address (Address 1) [2412 East Virginia Beach Blvd.,]
 (Address 2) []
 (City, State, Zip) [Norfolk] [VA] []

Instrument Prepared by [Robert F. Hagans, Jr.]
 Recording Paid for by [Robert F. Hagans, Jr.]
 Return Recording to (Name) [Robert F. Hagans, Jr.]
 (Address 1) [500 East Main Street]
 (Address 2) [Suite 1410]
 (City, State, Zip) [Norfolk] [VA] [23510]
 Customer Case ID [] []



Prepared By: Robert F. Hagans, Jr., Esquire
550 E. Main Street
Norfolk, Virginia 23510

Return To: U.S. Department of Housing and Urban Development
Richmond Office
600 E. Board Street, 3rd Floor
Richmond, Virginia 23219

PROJECT NAME: Cogic High Rise Apartments TAX I.D. NO.: 54-0971309

FHA: 051-44118

CITY, STATE: Norfolk, Virginia

RENTAL USE AGREEMENT

This Agreement is made and entered into this *11th* day of *September*, 2006, by and between Cogic Memorial Home for the Elderly, Inc., (hereinafter referred to as owner), Grantor and the Secretary of Housing and Urban Development (HUD) Grantee.

The Owner has entered into an agreement with HUD to maintain the property as rental housing for the elderly for the remainder of the specifies 10 year period;

HUD has determined that continuation of the property as rental housing is clearly necessary to assure adequate rental housing opportunity for low-and moderate-income elderly tenants.

WHEREAS, the Owner has requested an Emergency Capital Repair Program Grant to make emergency capital repairs to the property.

WHEREAS, the Owner is willing to agree to maintain the subject property as an affordable rental property until August 31, 2016.

WHEREAS, in the event the Owner chooses to sell, prepay, or transfer the property during the period of time this Use Agreement is in effect, it will require as a condition that the purchaser will commit to maintain the property to the terms of this Rental Use Agreement.

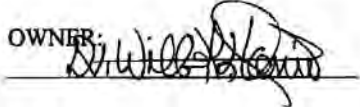
WHEREAS, the Owner owns and operates that certain housing project known as Cogic Memorial Home for the Elderly, Inc., located at 2412 E. Virginia Beach Blvd., Norfolk, Virginia, the real property on which the Project is located being more particularly described on Exhibit A attached hereto (the "Project").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the parties agree as follows:

1. The execution and recording of this Agreement shall constitute HUD's approval of the Emergency Capital Repair Grant in the amount of \$ 317,714.00.
2. The Owner agrees that during the period that it owns property, it will maintain the property as affordable rental housing until August 31, 2016. During such period, should the property be sold, the purchaser shall not utilize project dwelling units for any purpose other than as affordable rental housing for the elderly.
3. The provisions of this Agreement shall be binding upon the heirs, successors and assigns of the Owner and purchaser (if sold).
4. The provision of this Agreement relating to the rental use of the property shall run with the land and shall be binding for the benefit of, in favor of and enforceable by the Secretary and his successors in office. The Secretary and his successors in office and/or any third-party beneficiary shall be entitled to (a) institute legal action to enforce performance and observance of, (b) enjoin any actions which are violative of, and (c) exercise any other legal or equitable right or remedy with respect to such provisions. For the purpose of these covenants, a third-party beneficiary shall be any person eligible for occupancy on the rental project insured pursuant to the provisions of the applicable program for the elderly. These rights and remedies will be exercised separately or in combination.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

ATTEST: 


OWNER: 

TITLE: President

CITY
COUNTY OF Norfolk
STATE OF Virginia

On this 11th day of September, 2006 before me, the undersigned officer, personally appeared Dr. Wilbert L. Daniels who acknowledge himself/herself to the Board President of Cogic Memorial Home For The Elderly, Inc. and that as such, being authorized to do so, executed the within Agreement for the purpose therein contained by signing the name of said partnership by himself/herself as President.

WITNESS my hand and Notary seal the day and year aforesaid.

SEAL 
Notary Public
My Commission expires June 30, 2007

UNITED STATES OF AMERICA
SECRETARY OF HOUSING AND
URBAN DEVELOPMENT

Charles C. Famuliner
By: Director, Multifamily Hub/Program
Center

CHARLES C. FAMULINER
AUTHORIZED AGENT

City
~~COUNTY~~ OF Richmond
STATE OF Virginia

On this 13th day of September, 2006 before me, the undersigned officer, personally appeared Charles C. Famuliner who acknowledge himself/herself to ~~the me~~ as the ~~of Authorized Agent~~, and that as such, being authorized to do so, executed the within Agreement for the purpose therein contained by signing the name of said partnership by himself/herself as Authorized Agent.

WITNESS my hand and Notary seal the day and year aforesaid.



Melissa P. Jones
Notary Public
My Commission expires 09/30/09

"EXHIBIT A"

All that certain parcel of land situate within the City of Norfolk, Virginia, designated as Disposition Parcel 2-D in Project VA. A-1-4, shown on a plat entitled "Subdivision of Property of Norfolk Redevelopment and Housing Authority, Norfolk, Virginia", dated January 12, 1972, prepared by Baldwin and Gregg, Engineers-Surveyors-Planners, Norfolk, Virginia, such plat having been duly recorded in the Clerk's Office of the Corporation Court of the City of Norfolk, in Map Book 27, at page 8.

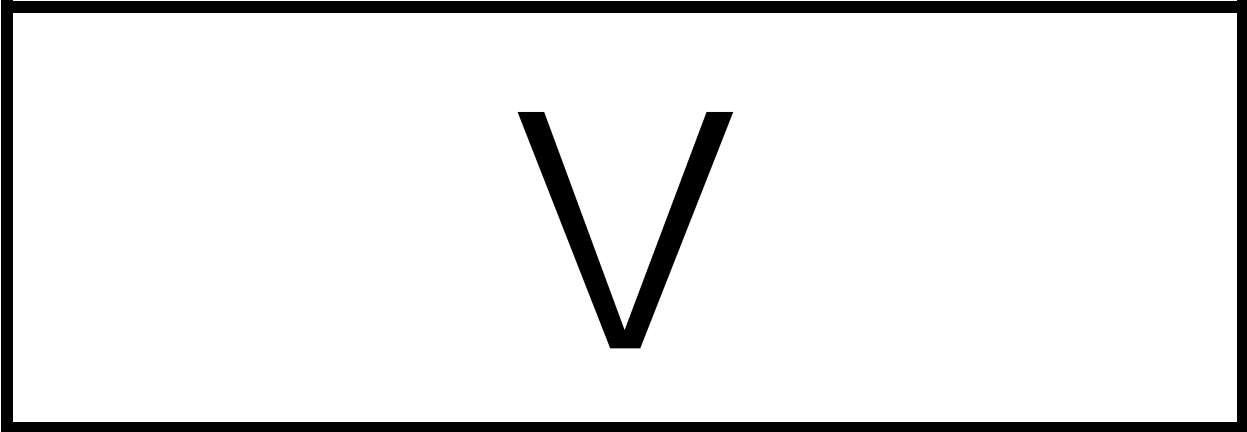
INSTRUMENT #060040405
RECORDED IN THE CLERK'S OFFICE OF
NORFOLK ON
SEPTEMBER 25, 2006 AT 03:41PM
GEORGE E. SCHAEFER, CLERK

RECORDED BY: CWC

U

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

This deal does not require
information behind this tab.



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

RIGHT OF FIRST REFUSAL AGREEMENT

(COGIC HIGHRISE APARTMENTS)

This **RIGHT OF FIRST REFUSAL AGREEMENT** (the "Agreement") is dated as of December 1, 2018, by and among COGIC MEMORIAL HOME FOR THE ELDERLY PRESERVATION, L.P., a Virginia limited partnership (the "Owner"), and COGIC MEMORIAL HOME FOR THE ELDERLY, INC., a Virginia nonprofit public benefit corporation ("Grantee").

Recitals

A. The Owner, pursuant to its Agreement of Limited Partnership dated December 1, 2018, as may be amended, supplemented and restated from time to time (the "Partnership Agreement"), is engaged in the ownership and operation of an apartment project located at 2412 E. Virginia Beach Blvd. in Norfolk, Virginia and commonly known as COGIC Highrise Apartments (the "Project").

B. The Grantee is an Affiliate of the General Partner and is instrumental to the development of the Project; and

C. The Owner desires to give, grant, bargain, sell and convey to the Grantee certain rights of first refusal and options to purchase the Project on the terms and conditions set forth herein;

D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Partnership Agreement.

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

Section 1. Right of First Refusal. The Owner hereby grants to the Grantee a right of first refusal (the "Refusal Right") to purchase a fee interest in the real estate, the improvements, fixtures, and personal property comprising the Project or associated with the physical operation thereof and owned by the Company at the time (the "Property"), for the price and subject to the other terms and conditions set forth below. The Property real estate is legally described in **Exhibit A** attached hereto and made a part hereof.

Section 2. Exercise of Refusal Right and Option

(a) **Exercise of Refusal Right.** In the event that the Owner 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 and continuing until the first anniversary thereof, the Owner shall give the Grantee notice of its receipt of such offer to purchase the Property (the "Offer Notice") and shall deliver a copy of the Offer Notice to each of the General Partner and Limited Partners of the Owner. The Grantee shall have a period of ninety (90) days from the date of receipt of the Offer Notice to elect to exercise its Refusal Right by delivering written notice to the Owner of its

election to do so (the “Election Notice”) and a copy of the Election Notice to each of the Limited Partners. All costs of the exercise of the Refusal Right, including without limitation any filing or recording fees and applicable transfer taxes, shall be paid by the Grantee.

If Grantee fails to deliver the Election Notice within ninety (90) days of receipt of the Offer Notice, or if such Election Notice is delivered but the Grantee does not consummate the purchase of the Property within ninety (90) days from the date of delivery of the Election Notice, then its Refusal Right shall terminate. Thereafter, the Owner shall be permitted to sell the Property free of the Refusal Right.

(b) Notwithstanding anything to the contrary herein, the rights of the Grantee to exercise the Refusal Right and consummate any purchase pursuant thereto is contingent on each of the following being true and correct at the time of exercise and purchase:

(i) Grantee shall provide all requisite approvals, if any;

(ii) an Affiliate of the Grantee shall be continuing to serve as manager of the Owner and shall not be in material default under the Partnership Agreement;

(iii) neither the Grantee nor any Affiliate of the Grantee shall be in material default under any agreement with the Owner, the Limited Partner, or the Special Limited Partner; and

(iv) the Grantee shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code.

(b) The closing on the sale of the Property shall take place in Grand Rapids, Michigan at the time and place set forth in the Election Notice (the “Closing”).

Section 3. Purchase Price

(a) The Property’s purchase price under the Refusal Right (the “Refusal Right Purchase Price”) shall be the sum of:

(i) the outstanding principal, accrued interest, any prepayment penalty and any other amounts due under any and all mortgage loan documents relating to the Property, whether or not such amounts are due upon sale, and the total amount of all other indebtedness of Owner as of the date of Closing (collectively, the “Loans”); and

(ii) an amount sufficient to assure receipt by the Limited Partner of Owner from the proceeds of the sale of the Property (when distributed pursuant to Section 4.2 of the Partnership Agreement) of an amount not less than the sum of all federal, state and local taxes, including without limitation, all income taxes due upon sale, incurred or to be incurred by the Limited Partner (or its constituent partners or members) as a result of such sale plus the amount of any theretofore unpaid loans by the Limited Partner and Special Limited Partner and unpaid

amounts owed to the Limited Partner pursuant to Section 5.10 of the Partnership Agreement. In computing such price, it shall be assumed that each of the members of the Owner (or their constituent partners or members) has an effective combined federal, state and local income tax rate equal to the maximum of such rates in effect on the date of Closing.

Notwithstanding the foregoing, however, the Refusal Right Purchase Price shall never be less than the amount of the “minimum purchase price” as defined in Section 42(i)(7)(B) of the Code *plus* an amount sufficient to assure receipt by the Limited Partner of the Owner from the proceeds of the sale of the Project (when distributed pursuant to Section 4.2 of the Partnership Agreement) of an additional amount equal to any theretofore unpaid loans by the Limited Partner and Special Limited Partner and unpaid amounts owed to the Limited Partner pursuant to Section 5.10 of the Partnership Agreement.

Section 4. Payment of Purchase Price. The Purchase Price shall be paid at Closing in one of the following methods:

- (a) the payment of all cash or immediately available funds at Closing; or
- (b) the assumption of any assumable Loans if Grantee has obtained the consent of the lenders to the assumption of such Loans, which consent shall be secured at the sole cost and expense of Grantee; provided, however, that any Purchase Price balance remaining after the assumption of the Loans shall be paid by Grantee in immediately available funds.

Section 5. Termination. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in a writing signed by the Grantee and each of the Limited Partners:

- (a) the Transfer of the Property to a lender in total or partial satisfaction of any loan;
- (b) any Transfer or attempted Transfer of all or any part of the Refusal Right or Option, whether by operation of law or otherwise, except as otherwise permitted under Section 8 of this Agreement; or
- (c) the removal of the Affiliate of Grantee as a general partner of the Company pursuant to Section 9.6 of the Partnership Agreement; or
- (d) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

Section 6. Contract and Closing. Upon determination of the Purchase Price, the Owner and the Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with the terms of 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 the Election Notice 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 the Refusal Right or Option.

Section 7. Conveyance and Condition of the Property

The Owner's right, title and interest in the Property shall be conveyed by quitclaim deed, subject to such liens, encumbrances and parties in possession as shall exist as of the date of Closing. The Grantee shall accept the Property "**AS IS, WHERE IS**" and "**WITH ALL FAULTS AND DEFECTS,**" latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Property will be provided. It is a condition to Closing that all amounts due to the Owner and the Limited Partner from the Grantee or its Affiliates be paid in full. The Grantee shall pay all closing costs, including, without limitation, the Owner's attorney's fees. Upon closing, the Owner shall deliver to the Grantee, along with the deed to the property, an ALTA owner's title insurance policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances and other exceptions then affecting the title.

Section 8. Transfer. The Refusal Right shall not be transferred to any Person without the Consent of the Limited Partner. In the case of any such permitted transfer, (i) all conditions and restrictions applicable to the exercise of the Refusal Right, the Option or the purchase of the Property pursuant thereto shall also apply to such transferee, and (ii) such transferee shall be disqualified from the exercise of any rights hereunder at all times during which Grantee would have been ineligible to exercise such rights hereunder had it not effected such transfer.

Section 9. Rights Subordinate; Priority of Section 42 of the Code. This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the mortgage loans encumbering the Property. In addition, it is the intention of the parties that nothing in this Agreement be construed to affect the Owner's status as owner of the Property for federal income tax purposes prior to exercise of the Refusal Right granted hereunder. Accordingly, notwithstanding anything to the contrary contained herein, both the grant and the exercise of the Refusal Right shall be subject in all respects to all applicable provisions of Section 42 of the Code, including, in particular, Section 42(i)(7). In the event of a conflict between the provisions contained in this Agreement and Section 42 of the Code, the provisions of Section 42 shall control.

Section 10. Option to Purchase. The parties hereto agree that if the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant an "option to purchase" pursuant to Section 42(i)(7) of the Code as opposed to a "right of first

refusal” without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then the parties shall amend this Agreement and the Owner shall grant the Grantee an option to purchase the Property at the Purchase Price that meets the requirements of Code Section 42(i)(7).

Section 11. Notice. Except for any notice required under applicable law to be given in another manner, any notice or other communication required or permitted to be made or given under this Agreement, shall be in writing and shall be deemed to have been received by the party to whom it is addressed: (i) on the date indicated on the certified mail return receipt sent by certified mail return receipt requested; (ii) on the date actually received if hand delivered or transmitted by electronic communication (receipt of which is confirmed to sender); (iii) three business days after such notice was deposited in the United States Mail postage prepaid; or (iv) one business day after such notice was delivered to an overnight delivery service, addressed, delivered or transmitted in each case as follows:

| | |
|--|--|
| <i>If to the Owner:</i> | Addressed to the Owner’s principal place of business set forth in the Partnership Agreement. |
| <i>If to the Grantee:</i> | COGIC MEMORIAL HOME FOR THE ELDERLY, INC. 2412 E. Virginia Beach Blvd., Norfolk, Virginia |
| <i>If to the General Partner:</i> | Addressed to the address set forth in the Partnership Agreement. |
| <i>If to the Limited Partner or Special Limited Partner:</i> | Addressed to the address set forth in the Partnership Agreement. |

A party’s address for notice may be changed from time-to-time only by written notice given to each of the other parties in accordance with this Section.

Section 12. Severability of Provisions. Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

Section 13. Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 14. Counterparts. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Virginia, without regard to principles of conflicts of law.

Section 16. Headings. All headings in this Agreement are for convenience of reference only. 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 17. Amendments. This Agreement shall not be amended except by written agreement between Grantee and the Owner with the consent of each of the Limited Partners.

Section 18. Time. Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.

Section 19. Legal Fees. Except as otherwise provided herein, in the event that legal proceedings are commenced by the Owner against the Grantee or by the Grantee against the Owner in connection with this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover all reasonable attorney's fees and expenses.

(signature page follows)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

OWNER:

COGIC Memorial Home for the Elderly Preservation, L.P.,
a Virginia limited partnership

By: COGIC MEMORIAL PRESERVATION, LLC,
a Virginia limited liability company, its General Partner

By: COGIC Memorial Home for the Elderly, Inc., a
Virginia nonprofit corporation, its sole member

By: Rich Wilbert L. Daniels Sr
Dr. Wilbert L. Daniels, Sr., President

GRANTEE:

COGIC MEMORIAL HOME FOR THE ELDERLY, INC.,
a Virginia nonprofit corporation

By: Rich Wilbert L. Daniels Sr
Dr. Wilbert L. Daniels, Sr., President

STATE OF Virginia

:
:ss.

COUNTY OF _____

On this, the 20th day of December, 2018, before me, a Notary Public in and for the State of VA, personally appeared [NAME] who acknowledged himself to be the [TITLE] of [General Partner Name], and that he as such [TITLE], being authorized to do so, executed the foregoing instrument on behalf of such corporation, as the manager of [Partnership Name] for the purposes therein contained, and desires the same to be recorded as such.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Cathy A. Potter
Notary Public

Registration #
342851
Exp. May 31, 2020

STATE OF Virginia

:
:ss.

COUNTY OF _____

On this, the 20th day of December, 2018, before me, a Notary Public in and for the State of VA, personally appeared [NAME] who acknowledged himself to be the [TITLE] of [Grantee Name], and that he as such [TITLE], being authorized to do so, executed the foregoing instrument on behalf of such [Grantee Name]

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Cathy A. Potter
Notary Public

Registration #
342851
Exp. May 31, 2020

EXHIBIT A
LEGAL DESCRIPTION

RECORDING REQUEST BY
AND WHEN RECORDED MAIL TO:

COGIC Memorial Home for the Elderly, Inc.
2412 E. Virginia Beach Blvd.,
Norfolk, Virginia 23504
Attention: Chairman

MEMORANDUM OF
RIGHT OF FIRST REFUSAL AGREEMENT

This Memorandum of Right of First Refusal Agreement ("Memorandum") is dated as of December 1, 2018, by and between COGIC Memorial Home for the Elderly Preservation, L.P., a Virginia limited partnership (the "Partnership"), and COGIC Memorial Home for the Elderly, Inc. (the "Grantee") with respect to that certain Right of First Refusal Agreement (the "Right of First Refusal Agreement"), dated as of December 1, 2018, by and between the Partnership and the Grantee.

Pursuant to the Right of First Refusal Agreement, the Partnership has granted to the Grantees certain rights to purchase the land and improvements to be constructed thereon which will consist of a 150-unit apartment project for rental to low-income seniors known as COGIC Highrise Apartments (aka COGIC Home for the Elderly), located at 2412 E. Virginia Beach Blvd., Norfolk, Virginia 23504, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (together, the "Project").

This Memorandum shall incorporate all the terms and provisions of the Agreement as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend, or supplement the Agreement, of which this is a memorandum.

This Memorandum and the rights of the parties granted herein or pursuant to the Right of First Refusal Agreement, shall, at all times, be subject and expressly subordinate to the rights of each lender with a loan secured by a mortgage or deed of trust, regardless of when such loan shall be made or advanced, and as such loan(s) may be modified, renewed or extended from title to time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first hereinabove written.

PARTNERSHIP:

COGIC Memorial Home for the Elderly Preservation, L.P.,
a Virginia limited partnership

By: COGIC MEMORIAL PRESERVATION, LLC,
a Virginia limited liability company, its General Partner

By: COGIC Memorial Home for the Elderly, Inc., a
Virginia nonprofit corporation, its sole member

By: Dr. Wilbert L. Daniels, Sr.
Dr. Wilbert L. Daniels, Sr., President

GRANTEE:

COGIC MEMORIAL HOME FOR THE ELDERLY, INC.,
a Virginia nonprofit corporation

By: Dr. Wilbert L. Daniels, Sr.
Dr. Wilbert L. Daniels, Sr., President

STATE OF VIRGINIA)
)
COUNTY OF Norfolk)

On December 20, 2018, before me, Cathy Porter, Notary Public, personally appeared Bishop Wilbert L. Daniels, Sr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of Virginia that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

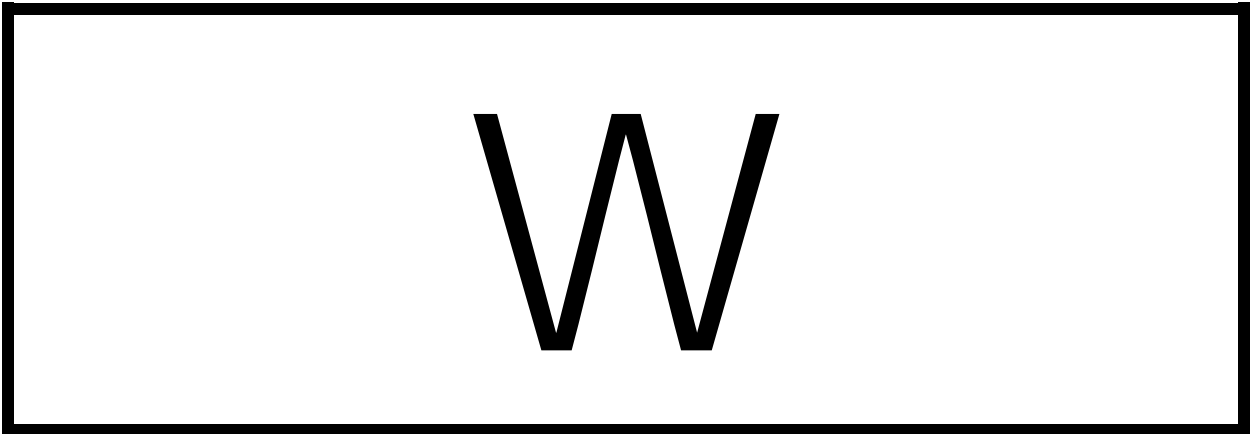
Name: _____

Cathy Porter
Notary Public

Registration # 342851
Exp. May 31, 2020

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY



(Reserved)

WI-FI Documents

TAB F

The Apartment Internet Guidelines

Acknowledgement

I _____, have read, understand, acknowledge and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in The COGIC Memorial Home for the Elderly Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The COGIC Memorial Home for the Elderly common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by The Heights at Jackson Village. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in COGIC Memorial Home for the Elderly's Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____

XXXXXXXX VILLAS

INTERNET SECURITY PLAN

The internet service at COGIC Memorial Home for the Elderly will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

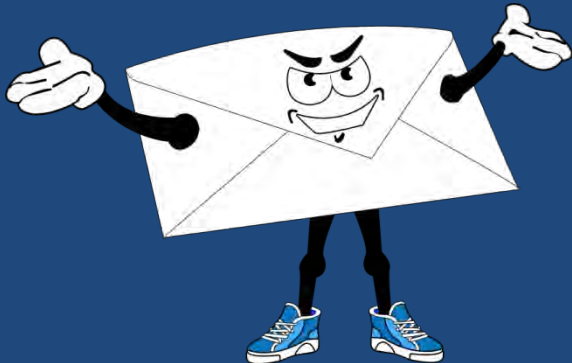
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



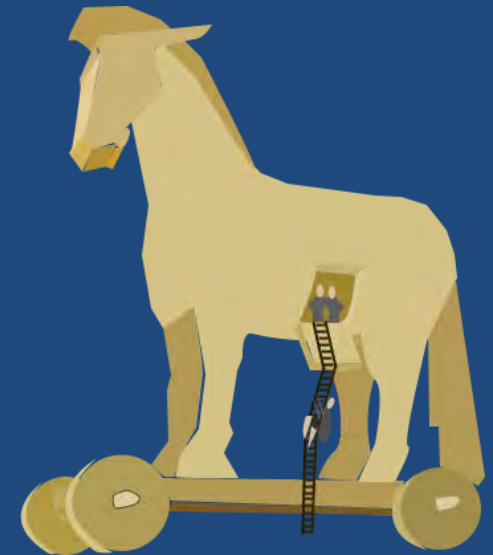
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

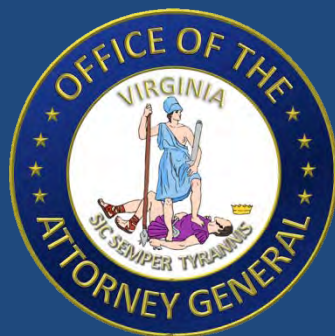
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).

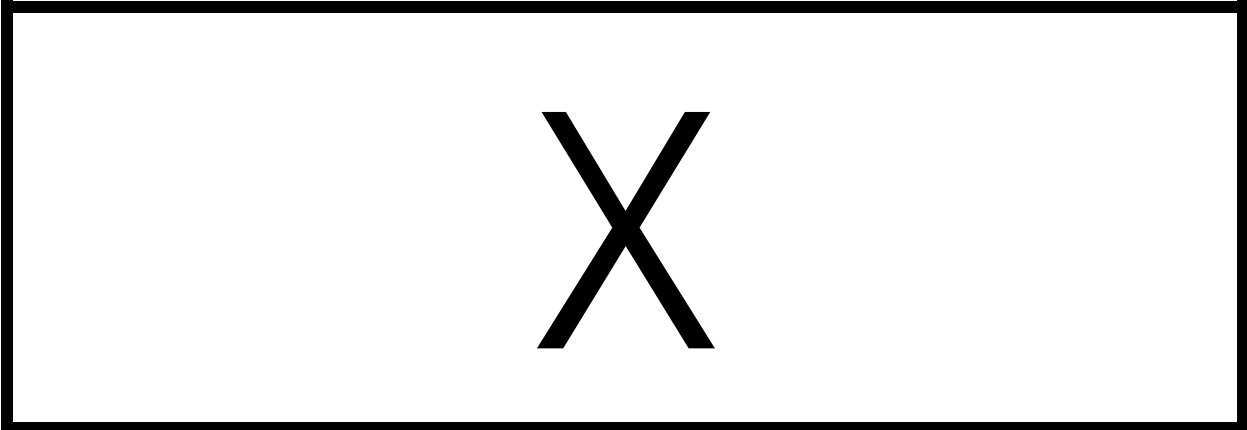


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X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

COGIC HIGH RISE APARTMENTS

Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that COGIC High Rise Apartments will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

The Management Agent will be responsible for the management of COGIC High Rise Apartments. COGIC Memorial Home for the Elderly, Inc., the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, COGIC Memorial Home for the Elderly, Inc. will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

COGIC Memorial Home for the Elderly, Inc. is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. COGIC Memorial Home for the Elderly, Inc., its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Associate Director or the Executive Director of COGIC Memorial Home for the Elderly, Inc.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

COGIC Memorial Home for the Elderly, Inc. will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- **Area Center for Independent Living**
Independence Center, Inc. (ECI)
(757)461-8007
- **Virginia Board for People with Disabilities**
(804) 786-2441
- **Virginia Department for Aging and Rehabilitative Services**
Disability Determination Service Norfolk
(757) 461-8007

Centers for Independent Living

- Disability Resource Center - Endependence Center, Inc. (ECI)
(757) 461-4565
- Access Independence, Inc. – Endependence Center, Inc (ECI)
(757) 461-4565
- Horizon Behavior Health – Kempsville Center for Behavioral Health
(757) 461-4565

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- **Unless prohibited by and applicable federal subsidy program.**
- **A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.**
- **Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.**
- **Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status**
- **Target Population units will be confirmed by VHDA.**
- **Elizabeth Seward, Director, Statewide Housing Initiatives, (804) 343-5615, elizabeth.seward@vhda.com**

2. Internet Search

COGIC High Rise Apartments will also be listed on the following websites:

www.virginiahousingsearch.com

www.hud.gov

www.craigslist.org

accessva.org

dbhds.virginia.gov

3. Print Media

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

4. Resident Referrals

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

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** –A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.
- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the

Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. COGIC Memorial Home for the Elderly, Inc. encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home

visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit *and* no negative rental history *and* no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note- If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which COGIC High Rise Apartments is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.

- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.
- Held Vacant for 60 Days**

Unit must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 60-point Units and 30-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit or a 30-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.