
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 |

TABLE OF CONTENTS

Click on any tab label to be directed to that tab within the application.

| TAB | DESCRIPTION |
|---|--|
| 1. Submission Checklist | Mandatory Items, Tabs and Descriptions |
| 2. Development Information | Development Name and Locality Information |
| 3. Request Info | Credit Request Type |
| 4. Owner Information | Owner Information and Developer Experience |
| 5. Site and Seller Information | Site Control, Identity of Interest and Seller info |
| 6. Team Information | Development Team Contact information |
| 7. Rehabilitation Information | Acquisition Credits and 10-Year Look Back Info |
| 8. Non Profit | Non Profit Involvement, Right of First Refusal |
| 9. Structure | Building Structure and Units Description |
| 10. Utilities | Utility Allowance |
| 11. Enhancements | Building Amenities above Minimum Design Requirements |
| 12. Special Housing Needs | 504 Units, Sect. 8 Waiting List, Rental Subsidy |
| 13. Unit Details | Set Aside Selection and Breakdown |
| 14. Budget | Operating Expenses |
| 15. Project Schedule | Actual or Anticipated Development Schedule |
| 16. Hard Costs | Development Budget: Contractor Costs |
| 17. Owner's Costs | Development Budget: Owner's Costs, Developer Fee, Cost Limits |
| 18. Eligible Basis | Eligible Basis Calculation |
| 19. Sources of Funds | Construction, Permanent, Grants and Subsidized Funding Sources |
| 20. Equity | Equity and Syndication Information |
| 20. Gap Calculation | Credit Reservation Amount Needed |
| 21. Cash Flow | Cash Flow Calculation |
| 22. BINs | BIN by BIN Eligible Basis |
| 24. Owner Statement | Owner Certifications |
| 25. Architect's Statement | Architect's agreement with proposed deal |
| 26. Scoresheet | Self Scoresheet Calculation |
| 27. Development Summary | Summary of Key Application Points |
| 28. Efficient Use of Resources | Calculation of Score |
| 29. Efficient Use of Resources - TE Bonds | Calculation of Score |

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.

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 6/4/2020

1. Development Name: Harbour Square
2. Address (line 1): 7102 New Hunter Road
 Address (line 2):
 City: Mechanicsville State: VA Zip: 23111
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Hanover County
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 3212.02
7. Development is located in a **Qualified Census Tract**..... FALSE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** FALSE
10. Development is located in a **Revitalization Area designated by resolution** FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

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

Enter only Numeric Values below:

13. Congressional District: 1
- Planning District: 15
- State Senate District: 4
- State House District: 97

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

Harbour Square is a 100-unit apartment complex located in Mechanicsville, VA. The property has a project-based Section 8 contract covering all 100 units. The property is designated Elderly/Disabled by HUD. The site consists of 10 two-story apartment buildings, and 1 one-story building containing an office, community room, maintenance shop, & storage.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

6/4/2020

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: Cecil R. Harris, Jr.
 Chief Executive Officer's Title: County Administrator Phone: 804-365-6005
 Street Address: 7516 County Complex Road
 City: Hanover State: VA Zip: 23069

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: Harbour LIHTC, LP

Developer Name: Harbour Square Dev, LLC

Contact: M/M ▶ Mr. First: Hans MI: Last: Juhle

Address: 520 Pike St., Ste 1004

City: Seattle St. ▶ WA Zip: 98101

Phone: (206) 512-8901 Ext. Fax:

Email address: hjuhle@integratprop.com

Federal I.D. No. 85-1011110 (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.
Kevin Dainty; kdainty@integratprop.com; 206.512.8903

- 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> |
|---|--------------|------------------------|--------------------|
| <u>AAMCI, Inc. - See attached ownership</u> | | <u>Managing Member</u> | <u>100.000%</u> |
| <u>Hans Juhle</u> | | <u>Member</u> | <u>50.000%</u> |
| <u>Chris Porter</u> | | <u>Member</u> | <u>50.000%</u> |
| | | | <u>0.000%</u> |
| | | | <u>0.000%</u> |
| | | | <u>0.000%</u> |
| | | | <u>0.000%</u> |

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

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

C. OWNERSHIP INFORMATION

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

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

- a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. **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: 1/27/2021

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..... 1/27/2021 .
- 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: Harbour Square Associates

Address: 708 S. Gay St., Ste 200

City: Knoxville St.: TN Zip: 37902

Contact Person: Russell Fleming Phone: (865) 525-7500

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

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

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

| <u>Names</u> | <u>Phone</u> | <u>Type Ownership</u> | <u>% Ownership</u> |
|------------------|--------------|-----------------------|--------------------|
| Thomas J. Benton | | | 16.67% |
| Laura Kirham | | | 16.67% |
| Sara B. Yoashley | | | 16.67% |
| Walter Trent | | | 16.66% |
| Robert K. Trent | | | 16.66% |
| Mary Ann Morris | | | 16.67% |
| See Attached | | | 0.00% |

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: | <input type="text"/> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <input type="text"/> | | |
| Address: | <input type="text"/> | | |
| Email: | <input type="text"/> | Phone: | <input type="text"/> |
| 2. Tax Accountant: | <u>Ken Bryant</u> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <u>Carter & Company, LLC</u> | | |
| Address: | <u>543 Harbor Blvd., Ste 201</u> | | |
| Email: | <u>ken@cartercpa.net</u> | Phone: | <u>850-650-0125</u> |
| 3. Consultant: | <u>Ryne Johnson</u> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <u>Astoria, LLC</u> | Role: | <u>Tax Credit Consultant</u> |
| Address: | <u>3450 Lady Marian Ct. Midlothian, VA</u> | | |
| Email: | <u>rynejohnson@astoriallc.com</u> | Phone: | <u>804-320-0585</u> |
| 4. Management Entity: | <u>Rusty Fleming</u> | This is a Related Entity. | <input checked="" type="checkbox"/> TRUE |
| Firm Name: | <u>American Apartment Management Co. Inc.</u> | | |
| Address: | <u>708 S Gay St, Ste 200, Knoxville, TN</u> | | |
| Email: | <u>rusty.fleming@aamci.com</u> | Phone: | <u>(615) 900-1727</u> |
| 5. Contractor: | <u>Jeff Ausbrook</u> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <u>J4 Development</u> | | |
| Address: | <u>1700 Jay Ell Drive, Ste 100, Richardson, TX</u> | | |
| Email: | <u>jausbroom@j4development.com</u> | Phone: | <u>(972) 930-7075</u> |
| 6. Architect: | <u>Chuck Tackett</u> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <u>RDL Architects, Inc.</u> | | |
| Address: | <u>16102 Chagrin Blvd, Shaker Heights, OH</u> | | |
| Email: | <u>chuck@rdlarchitects.com</u> | Phone: | <u>(216) 752-4300</u> |
| 7. Real Estate Attorney: | <u>Chris Barhorst</u> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <u>Ramsey Barhorst, LLC</u> | | |
| Address: | <u>117 W 20th St, Ste 102, Kansas City, MO</u> | | |
| Email: | <u>chris@ramseybarhorst.com</u> | Phone: | <u>(816) 800-0642</u> |
| 8. Mortgage Banker: | <input type="text"/> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <input type="text"/> | | |
| Address: | <input type="text"/> | | |
| Email: | <input type="text"/> | Phone: | <input type="text"/> |
| 9. Other: | <input type="text"/> | This is a Related Entity. | <input type="checkbox"/> FALSE |
| Firm Name: | <input type="text"/> | Role: | <input type="text"/> |
| Address: | <input type="text"/> | | |
| Email: | <input type="text"/> | Phone: | <input type="text"/> |

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..... **TRUE**

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)..... **TRUE**
- d. There are different circumstances for different buildings..... **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

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

4. Request For Exception

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... **FALSE**

- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
 - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... **FALSE**
 - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... **FALSE**
 - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... **FALSE**

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: [Redacted]

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

Contact Person: [Redacted]

Street Address: [Redacted]

City: [Redacted] State: [Redacted] Zip: [Redacted]

Phone: [Redacted] Extension: [Redacted] Contact Email: [Redacted]

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):
Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

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

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

Action: Provide Option or Right of First Refusal in Recordable Form **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit: _____

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

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

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

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

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

H. STRUCTURE AND UNITS INFORMATION

1. General Information

| | | | |
|---|---------|----------|------------------------------------|
| a. Total number of all units in development | 100 | bedrooms | 114 |
| Total number of rental units in development | 100 | bedrooms | 114 |
| Number of low-income rental units | 100 | bedrooms | 114 |
| Percentage of rental units designated low-income | 100.00% | | |
| b. Number of new units:..... | 0 | bedrooms | 0 |
| Number of adaptive reuse units: | 0 | bedrooms | 0 |
| Number of rehab units:..... | 100 | bedrooms | 114 |
| c. If any, indicate number of planned exempt units (included in total of all units in development)..... | | | 0 |
| d. Total Floor Area For The Entire Development..... | | | 76,398.00 <small>(Sq. ft.)</small> |
| e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... | | | 8,320.00 <small>(Sq. ft.)</small> |
| f. Nonresidential Commercial Floor Area (Not eligible for funding)..... | | | 0.00 |
| g. Total Usable Residential Heated Area..... | | | 68,078.00 <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 | 11.100 | | |
| 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

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

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

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

i. Roof Type ▶ Pitched
 j. Construction Type ▶ Masonry
 k. Primary Exterior Finish ▶ Wood

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Community building has laundry, community room and on-site staff

m. Number of Proposed Parking Spaces..... 220
 Parking is shared with another entity FALSE

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

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
 - i. A location map with development clearly defined.
 - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
 - iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor 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 | 0.70% |
| Project Wide Capture Rate - Market Units | 0.00% |
| Project Wide Capture Rate - All Units | 0.70% |
| Project Wide Absorption Period (Months) | 0 |

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:

- FALSE a. A community/meeting room with a minimum of 749 square feet is provided.
- 0.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. 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.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- FALSE k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE 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.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

J. ENHANCEMENTS

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

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

2. Green Certification

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

The applicant will also obtain one of the following:

- | | | | |
|--------------------------------|--|--------------------------------|--|
| <input type="checkbox"/> FALSE | Earthcraft Gold or higher certification | <input type="checkbox"/> FALSE | National Green Building Standard (NGBS) certification of Silver or higher. |
| <input type="checkbox"/> FALSE | U.S. Green Building Council LEED certification | <input type="checkbox"/> 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. FALSE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain:

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

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 | 653.22 | SF | 6 | 6 |
| 1 Story 2BR - Elderly | 831.75 | SF | 14 | 14 |
| Eff - Elderly | 0.00 | SF | 0 | 0 |
| 1BR Elderly | 611.21 | SF | 80 | 80 |
| 2BR Elderly | 0.00 | SF | 0 | 0 |
| Eff - Garden | 0.00 | SF | 0 | 0 |
| 1BR Garden | 0.00 | SF | 0 | 0 |
| 2BR Garden | 0.00 | SF | 0 | 0 |
| 3BR Garden | 0.00 | SF | 0 | 0 |
| 4BR Garden | 0.00 | SF | 0 | 0 |
| 2+ Story 2BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 3BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 4BR Townhouse | 0.00 | SF | 0 | 0 |
| | | | 100 | 100 |

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)..... 10

b. Age of Structure:..... 39 years

c. Number of stories:..... 2 (1 on end)

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

e. Commercial Area Intended Use: _____

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

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

I. UTILITIES

1. Utilities Types:

- a. Heating Type Electric Forced Air
- b. Cooking Type Electric
- c. AC Type Central Air
- d. Hot Water Type Electric

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

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

| Utilities | Enter Allowances by Bedroom Size | | | | |
|--|----------------------------------|------|-------|------|------|
| | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR |
| Heating | 0 | 68 | 105 | 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 | \$68 | \$105 | \$0 | \$0 |

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

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)

FALSE

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

TRUE

- 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..... FALSE

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

Action: Provide Relocation Plan 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:

Organization which holds waiting list:

Contact person:

Title:

Phone Number

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

b. Leasing preference will be given to individuals and families with children..... FALSE

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

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

% of total Low Income Units

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

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

TRUE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

FALSE Other: _____

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

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

| | |
|---|-----------|
| d. Number of units receiving assistance: | 100 |
| How many years in rental assistance contract? | 20.00 |
| Expiration date of contract: | 9/30/2040 |
| 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% |
| 50 | 50.00% | 50% Area Median | 25.00% |
| 50 | 50.00% | 60% Area Median | 30.00% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 0 | 0.00% | Market Units | |
| 100 | 100.00% | Total | 55.00% |


| 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% |
| 50 | 50.00% | 50% Area Median | 25.00% |
| 50 | 50.00% | 60% Area Median | 30.00% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 0 | 0.00% | Market Units | |
| 100 | 100.00% | Total | 55.00% |

- b. The development plans to utilize average income..... **FALSE**
 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 | 1 BR - 1 Bath | 50% AMI | 50 | | 582.00 | \$1,150.00 | \$57,500 |
| Mix 2 | 1 BR - 1 Bath | 60% AMI | 24 | | 582.00 | \$1,150.00 | \$27,600 |
| Mix 3 | 1 BR - 1 Bath | 60% AMI | 6 | 4 | 582.00 | \$1,160.00 | \$6,960 |
| Mix 4 | 1 BR - 1 Bath | 60% AMI | 6 | | 622.00 | \$1,150.00 | \$6,900 |
| Mix 5 | 2 BR - 1 Bath | 60% AMI | 14 | 1 | 792.00 | \$1,300.00 | \$18,200 |
| Mix 6 | | | | | | | \$0 |
| Mix 7 | | | | | | | \$0 |
| Mix 8 | | | | | | | \$0 |
| Mix 9 | | | | | | | \$0 |
| Mix 10 | | | | | | | \$0 |
| Mix 11 | | | | | | | \$0 |
| Mix 12 | | | | | | | \$0 |
| Mix 13 | | | | | | | \$0 |
| Mix 14 | | | | | | | \$0 |
| Mix 15 | | | | | | | \$0 |
| Mix 16 | | | | | | | \$0 |

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 |

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

| | | | | | | | | |
|---------------|--|--|-----|---|--|--|--|-----------|
| Mix 73 | | | | | | | | \$0 |
| Mix 74 | | | | | | | | \$0 |
| Mix 75 | | | | | | | | \$0 |
| Mix 76 | | | | | | | | \$0 |
| Mix 77 | | | | | | | | \$0 |
| Mix 78 | | | | | | | | \$0 |
| Mix 79 | | | | | | | | \$0 |
| Mix 80 | | | | | | | | \$0 |
| Mix 81 | | | | | | | | \$0 |
| 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 | | | 100 | 5 | | | | \$117,160 |

| | | | | |
|--------------------|------------|-------------------------|---------------------|------------------|
| Total Units | 100 | Net Rentable SF: | TC Units | 61,380.00 |
| | | | MKT Units | 0.00 |
| | | | Total NR SF: | 61,380.00 |

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

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

| | | | |
|-----------------------------------|-----------------|----------|------------------|
| 1. Advertising/Marketing | | | \$6,000 |
| 2. Office Salaries | | | \$40,000 |
| 3. Office Supplies | | | \$32,500 |
| 4. Office/Model Apartment | (type _____) | | \$0 |
| 5. Management Fee | | | \$52,538 |
| <u>3.86%</u> of EGI | <u>\$525.38</u> | Per Unit | |
| 6. Manager Salaries | | | \$53,000 |
| 7. Staff Unit (s) | (type _____) | | \$15,600 |
| 8. Legal | | | \$2,175 |
| 9. Auditing | | | \$8,000 |
| 10. Bookkeeping/Accounting Fees | | | \$7,200 |
| 11. Telephone & Answering Service | | | \$0 |
| 12. Tax Credit Monitoring Fee | | | \$3,500 |
| 13. Miscellaneous Administrative | | | \$20,400 |
| Total Administrative | | | \$240,913 |

Utilities

| | | | |
|----------------------|--|--|-----------------|
| 14. Fuel Oil | | | \$0 |
| 15. Electricity | | | \$10,841 |
| 16. Water | | | \$16,619 |
| 17. Gas | | | \$3,554 |
| 18. Sewer | | | \$18,233 |
| Total Utility | | | \$49,247 |

Operating:

| | | | |
|---|--|--|------------------|
| 19. Janitor/Cleaning Payroll | | | \$66,000 |
| 20. Janitor/Cleaning Supplies | | | \$0 |
| 21. Janitor/Cleaning Contract | | | \$0 |
| 22. Exterminating | | | \$0 |
| 23. Trash Removal | | | \$8,896 |
| 24. Security Payroll/Contract | | | \$0 |
| 25. Grounds Payroll | | | \$0 |
| 26. Grounds Supplies | | | \$0 |
| 27. Grounds Contract | | | \$0 |
| 28. Maintenance/Repairs Payroll | | | \$0 |
| 29. Repairs/Material | | | \$38,146 |
| 30. Repairs Contract | | | \$60,000 |
| 31. Elevator Maintenance/Contract | | | \$0 |
| 32. Heating/Cooling Repairs & Maintenance | | | \$2,500 |
| 33. Pool Maintenance/Contract/Staff | | | \$0 |
| 34. Snow Removal | | | \$2,000 |
| 35. Decorating/Payroll/Contract | | | \$0 |
| 36. Decorating Supplies | | | \$0 |
| 37. Miscellaneous | | | \$0 |
| Totals Operating & Maintenance | | | \$177,542 |

M. OPERATING EXPENSES

Taxes & Insurance

| | |
|--|------------------|
| 38. Real Estate Taxes | \$60,331 |
| 39. Payroll Taxes | \$15,900 |
| 40. Miscellaneous Taxes/Licenses/Permits | \$0 |
| 41. Property & Liability Insurance | \$42,500 |
| 42. Fidelity Bond | \$0 |
| 43. Workman's Compensation | \$27,030 |
| 44. Health Insurance & Employee Benefits | \$0 |
| 45. Other Insurance | \$50 |
| Total Taxes & Insurance | \$145,811 |

| | |
|--------------------------------|------------------|
| Total Operating Expense | \$613,513 |
|--------------------------------|------------------|

| | | | |
|--|---------|--|--------|
| Total Operating Expenses Per Unit | \$6,135 | C. Total Operating Expenses as % of EGI | 45.09% |
|--|---------|--|--------|

| | |
|---|-----------------|
| Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) | \$30,000 |
|---|-----------------|

| | |
|-----------------------|------------------|
| Total Expenses | \$643,513 |
|-----------------------|------------------|

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 | 3/11/2020 | Hans Juhle |
| b. Site Acquisition | 10/1/2020 | Hans Juhle |
| c. Zoning Approval | N/A | |
| d. Site Plan Approval | N/A | |
| 2. Financing | | |
| a. Construction Loan | | |
| i. Loan Application | 5/1/2020 | Kevin Dainty |
| ii. Conditional Commitment | 7/1/2020 | Kevin Dainty |
| iii. Firm Commitment | 7/15/2020 | Kevin Dainty |
| b. Permanent Loan - First Lien | | |
| i. Loan Application | 5/10/2020 | Kevin Dainty |
| ii. Conditional Commitment | 6/3/2020 | Kevin Dainty |
| iii. Firm Commitment | 9/15/2020 | Kevin Dainty |
| c. Permanent Loan-Second Lien | | |
| i. Loan Application | N/A | |
| ii. Conditional Commitment | N/A | |
| iii. Firm Commitment | N/A | |
| d. Other Loans & Grants | | |
| i. Type & Source, List | N/A | |
| ii. Application | N/A | |
| iii. Award/Commitment | N/A | |
| 2. Formation of Owner | 5/12/2020 | Kevin Dainty |
| 3. IRS Approval of Nonprofit Status | N/A | |
| 4. Closing and Transfer of Property to Owner | 10/1/2020 | Hans Juhle |
| 5. Plans and Specifications, Working Drawings | 6/15/2020 | Hans Juhle |
| 6. Building Permit Issued by Local Government | 8/15/2020 | Hans Juhle |
| 7. Start Construction | 10/2/2020 | Hans Juhle |
| 8. Begin Lease-up | 10/1/2020 | Hans Juhle |
| 9. Complete Construction | 10/1/2021 | Hans Juhle |
| 10. Complete Lease-Up | 10/1/2020 | Hans Juhle |
| 11. Credit Placed in Service Date | 12/31/2021 | Hans Juhle |

2020 Low-Income Housing Tax Credit Application For Reservation

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

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

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|---|--------------------|---|--------------------------------|-----------------------------|
| | | "30% Present Value Credit" | | (D) |
| | | (B) Acquisition | (C) Rehab/ New Construction | "70 % Present Value Credit" |
| 1. Contractor Cost | | | | |
| a. Unit Structures (New) | 0 | 0 | 0 | 0 |
| b. Unit Structures (Rehab) | 3,886,600 | 0 | 3,886,600 | 0 |
| c. Non Residential Structures | 0 | 0 | 0 | 0 |
| d. Commercial Space Costs | 0 | 0 | 0 | 0 |
| e. Structured Parking Garage | 0 | 0 | 0 | 0 |
| Total Structure | 3,886,600 | 0 | 3,886,600 | 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 | 0 | 0 | 0 | 0 |
| p. Other Site work | 0 | 0 | 0 | 0 |
| Total Land Improvements | 0 | 0 | 0 | 0 |
| Total Structure and Land | 3,886,600 | 0 | 3,886,600 | 0 |
| q. General Requirements | 233,196 | 0 | 233,196 | 0 |
| r. Builder's Overhead (2.0% Contract) | 77,732 | 0 | 77,732 | 0 |
| s. Builder's Profit (6.0% Contract) | 233,196 | 0 | 233,196 | 0 |
| t. Bonds | 50,000 | 0 | 50,000 | 0 |
| u. Building Permits | 50,000 | 0 | 50,000 | 0 |
| v. Special Construction | 0 | 0 | 0 | 0 |
| w. Special Equipment | 0 | 0 | 0 | 0 |
| x. Other 1: Synd./Lender Hard Cost C | 453,072 | 0 | 453,072 | 0 |
| y. Other 2: | 0 | 0 | 0 | 0 |
| z. Other 3: | 0 | 0 | 0 | 0 |
| Contractor Costs | \$4,983,796 | \$0 | \$4,983,796 | \$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 | 0 | 0 | 0 | 0 |
| b. Architecture/Engineering Design Fee \$1,350 /Unit) | 135,000 | 0 | 135,000 | 0 |
| c. Architecture Supervision Fee \$0 /Unit) | 0 | 0 | 0 | 0 |
| d. Tap Fees | 0 | 0 | 0 | 0 |
| e. Environmental | 20,000 | 20,000 | 0 | 0 |
| f. Soil Borings | 0 | 0 | 0 | 0 |
| g. Green Building (Earthcraft, LEED, etc.) | 0 | 0 | 0 | 0 |
| h. Appraisal | 12,500 | 12,500 | 0 | 0 |
| i. Market Study | 6,000 | 0 | 6,000 | 0 |
| j. Site Engineering / Survey | 10,000 | 10,000 | 0 | 0 |
| k. Construction/Development Mgt | 40,000 | 0 | 40,000 | 0 |
| l. Structural/Mechanical Study | 5,000 | 5,000 | 0 | 0 |
| m. Construction Loan Origination Fee | 24,750 | 0 | 24,750 | 0 |
| n. Construction Interest (1.1% for 14 months) | 105,875 | 0 | 47,764 | 0 |
| o. Taxes During Construction | 60,331 | 0 | 27,217 | 0 |
| p. Insurance During Construction | 42,500 | 0 | 19,173 | 0 |
| q. Permanent Loan Fee (1.0%) | 114,000 | 0 | 0 | 0 |
| r. Other Permanent Loan Fees | 50,000 | 0 | 15,000 | 0 |
| s. Letter of Credit | 0 | 0 | 0 | 0 |
| t. Cost Certification Fee | 10,000 | 0 | 10,000 | 0 |
| u. Accounting | 0 | 0 | 0 | 0 |
| v. Title and Recording | 142,000 | 142,000 | 0 | 0 |
| w. Legal Fees for Closing | 90,000 | 90,000 | 0 | 0 |
| x. Mortgage Banker | 0 | 0 | 0 | 0 |
| y. Tax Credit Fee | 31,158 | | | |
| z. Tenant Relocation | 0 | 0 | 0 | 0 |
| aa. Fixtures, Furnitures and Equipment | 0 | 0 | 0 | 0 |
| ab. Organization Costs | 10,000 | 0 | 0 | 0 |
| ac. Operating Reserve | 724,614 | 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: Syndication Legal | 40,000 | 0 | 0 | 0 |
| (2) Other* specify: Bond Fees | 233,000 | 0 | 233,000 | 0 |
| (3) Other* specify: Relocation Contingency | 25,000 | 0 | 0 | 0 |
| (4) Other* specify: Const. Period Interest | 453,224 | | 204,464 | 0 |
| (5) Other* specify: | 0 | 0 | 0 | 0 |
| (6) Other* specify: | 0 | 0 | 0 | 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)) | \$2,384,952 | \$279,500 | \$762,368 | \$0 |
| Subtotal 1 + 2 (Owner + Contractor Costs) | \$7,368,748 | \$279,500 | \$5,746,164 | \$0 |
| 3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A) | 1,659,500 | 165,950 | 1,493,550 | 0 |
| 4. Owner's Acquisition Costs | | | | |
| Land | 1,100,000 | | | |
| Existing Improvements | 6,900,000 | 6,348,223 | | |
| Subtotal 4: | \$8,000,000 | \$6,348,223 | | |
| 5. Total Development Costs | | | | |
| Subtotal 1+2+3+4: | \$17,028,248 | \$6,793,673 | \$7,239,714 | \$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: \$1,659,500

Proposed Development's Cost per Sq Foot \$118 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$164

2020 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

| Item | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | | |
|--|---|-----------------------------|--|------------------------------------|
| | (A) Cost | "30 % Present Value Credit" | | (D) "70 % Present Value Credit" |
| | | (B) Acquisition | (C) Rehab/ New Construction | |
| 1. Total Development Costs | 17,028,248 | 6,793,673 | 7,239,714 | 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) | | 6,793,673 | 7,239,714 | 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> | | | 0 | 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 | | | 7,239,714 | 0 |
| 5. Applicable Fraction | | 100.00000% | 100.00000% | 100.00000% |
| 6. Total Qualified Basis (Eligible Basis x Applicable Fraction) | | 6,793,673 | 7,239,714 | 0 |
| 7. Applicable Percentage (Beginning with 2016 Allocations, use the standard 9% rate.) (For tax exempt bonds, use the most recently published rates.) | | 3.07% | 3.07% | 3.07% |
| 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) | | \$208,566 | \$222,259 | \$0 |
| | | | \$430,825 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. | Hanover Co. (TE Bonds) | 05/01/20 | 07/01/20 | \$8,250,000 | Richard Hurlbert - Bond Counsel |
| 2. | | | | | |
| 3. | | | | | |
| Total Construction Funding: | | | | \$8,250,000 | |

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

| | Source of Funds | Date of Application | Date of Commitment | Amount of Funds | Annual Debt Service Cost | Interest Rate of Loan | Amortization Period IN YEARS | Term of Loan (years) |
|--------------------------|-----------------------------------|---------------------|--------------------|-----------------|--------------------------|-----------------------|------------------------------|----------------------|
| 1. | Truist Bank - FNMA Loan | 5/10/2020 | 9/15/2020 | \$11,400,000 | \$605,716 | 4.00% | 35.00 | 16.00 |
| 2. | HUD R&R Transfer | | | \$551,777 | | | | |
| 3. | Negative Arb. (Interest earnings) | | | \$10,588 | | | | |
| 4. | CF during Construction | | | \$556,055 | | | | |
| 5. | | | | | | | | |
| 6. | | | | | | | | |
| 7. | | | | | | | | |
| 8. | | | | | | | | |
| 9. | | | | | | | | |
| 10. | | | | | | | | |
| Total Permanent Funding: | | | | \$12,518,420 | \$605,716 | | | |

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..... **TRUE**

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 | \$8,250,000 |
| 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: | \$0 |
| i. | Other: | \$0 |

Market-Rate Loans

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

Grants*

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

Grants

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

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

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: **52.60%**

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 | \$632,400 | (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 \$632,400

2. Equity Gap Calculation

| | |
|--|----------------|
| a. Total Development Cost | \$17,028,248 |
| b. Total of Permanent Funding, Grants and Equity | - \$13,150,820 |
| c. Equity Gap | \$3,877,428 |
| d. Developer Equity | - \$390 |
| e. Equity gap to be funded with low-income tax credit proceeds | \$3,877,038 |

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator: TBD

Contact Person: _____ Phone: _____

Street Address: _____

City: _____ State: _____ Zip: _____

b. Syndication Equity

| | |
|---|--------------|
| i. Anticipated Annual Credits | \$430,825.00 |
| ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit) | \$0.900 |
| 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 | \$430,782 |
| vi. Total to be paid by anticipated users of credit (e.g., limited partners) | \$3,877,038 |

c. Syndication: Private

d. Investors: Corporate

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$3,877,038

5. Net Equity Factor

Must be equal to or greater than 85% 90.0000172361%

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>\$17,028,248</u> |
| 2. Less Total of Permanent Funding, Grants and Equity | - | <u><u>\$13,150,820</u></u> |
| 3. Equals Equity Gap | | <u>\$3,877,428</u> |
| 4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment) | | <u><u>90.0000172361%</u></u> |
| 5. Equals Ten-Year Credit Amount Needed to Fund Gap | | <u>\$4,308,252</u> |
| Divided by ten years | | <u><u>10</u></u> |
| 6. Equals Annual Tax Credit Required to Fund the Equity Gap | | <u>\$430,825</u> |
| 7. Maximum Allowable Credit Amount (from Eligible Basis Calculation) | | <u>\$430,825</u> |
| 8. Requested Credit Amount | For 30% PV Credit: | <u>\$430,825</u> |
| | For 70% PV Credit: | <u>\$0</u> |
| Credit per LI Units | <u>\$4,308.2500</u> | Combined 30% & 70% PV Credit Requested |
| Credit per LI Bedroom | <u>\$3,779.1667</u> | |

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

T. CASH FLOW

1. Revenue

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

| | | |
|--|--|---------------------------|
| Total Monthly Rental Income for LIHTC Units | | \$117,160 |
| Plus Other Income Source (list): <u>Laundry/Vending, Tenant Charges, RSC Grant</u> | | \$4,765 |
| Equals Total Monthly Income: | | <u>\$121,925</u> |
| Twelve Months | | x12 |
| Equals Annual Gross Potential Income | | \$1,463,102 |
| Less Vacancy Allowance <u>7.0%</u> | | <u>\$102,417</u> |
| Equals Annual Effective Gross Income (EGI) - Low Income Units | | <u><u>\$1,360,685</u></u> |

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

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

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

3. Cash Flow (First Year)

| | |
|---|--------------------|
| a. Annual EGI Low-Income Units | \$1,360,685 |
| b. Annual EGI Market Units | \$0 |
| c. Total Effective Gross Income | <u>\$1,360,685</u> |
| d. Total Expenses | <u>\$643,513</u> |
| e. Net Operating Income | <u>\$717,172</u> |
| f. Total Annual Debt Service | <u>\$605,716</u> |
| g. Cash Flow Available for Distribution | <u>\$111,456</u> |

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 | 1,360,685 | 1,387,899 | 1,415,657 | 1,443,970 | 1,472,849 |
| Less Oper. Expenses | 643,513 | 662,818 | 682,703 | 703,184 | 724,280 |
| Net Income | 717,172 | 725,080 | 732,954 | 740,786 | 748,570 |
| Less Debt Service | 605,716 | 605,716 | 605,716 | 605,716 | 605,716 |
| Cash Flow | 111,456 | 119,364 | 127,238 | 135,070 | 142,854 |
| Debt Coverage Ratio | 1.18 | 1.20 | 1.21 | 1.22 | 1.24 |

| | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 1,502,306 | 1,532,352 | 1,562,999 | 1,594,259 | 1,626,144 |
| Less Oper. Expenses | 746,008 | 768,388 | 791,440 | 815,183 | 839,639 |
| Net Income | 756,298 | 763,964 | 771,559 | 779,076 | 786,506 |
| Less Debt Service | 605,716 | 605,716 | 605,716 | 605,716 | 605,716 |
| Cash Flow | 150,582 | 158,248 | 165,843 | 173,360 | 180,790 |
| Debt Coverage Ratio | 1.25 | 1.26 | 1.27 | 1.29 | 1.30 |

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 1,658,667 | 1,691,841 | 1,725,677 | 1,760,191 | 1,795,395 |
| Less Oper. Expenses | 864,828 | 890,772 | 917,496 | 945,021 | 973,371 |
| Net Income | 793,840 | 801,068 | 808,182 | 815,170 | 822,024 |
| Less Debt Service | 605,716 | 605,716 | 605,716 | 605,716 | 605,716 |
| Cash Flow | 188,124 | 195,352 | 202,466 | 209,454 | 216,308 |
| Debt Coverage Ratio | 1.31 | 1.32 | 1.33 | 1.35 | 1.36 |

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 10

Total Qualified Basis should equal total on Elig Basis Tab

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

DO NOT use the CUT feature

| Bldg # | BIN if known | NUMBER OF | | Street Address 1 | Street Address 2 | City | State | Zip | 30% Present Value Credit for Acquisition | | | | 30% Present Value Credit for Rehab / New Construction | | | | 70% Present Value Credit | | | | | |
|---------------------------|--------------|------------------|-------------------|---------------------|------------------|----------------|-------|-------------|--|---------------------------------------|-----------------------|---------------|---|---------------------------------------|-----------------------|---------------|--------------------------|---------------------------------------|-----------------------|---------------|--|-----|
| | | TAX CREDIT UNITS | MARKET RATE UNITS | | | | | | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 1. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7104 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 2. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7106 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 3. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7110 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 4. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7112 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 5. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7115 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 6. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7111 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 7. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7107 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 8. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7105 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 9. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7103 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$0 | | |
| 10. | | 10 | 0 | 7102 New Hunter Rd. | Bldg. 7101 | Mechanicsville | VA | 23111 | \$679,367 | 10/01/20 | 3.07% | \$20,857 | \$723,971 | 12/31/21 | 3.07% | \$22,226 | | | | \$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 | | |
| | | 100 | 0 | | | | | | | | | | | | | | | | | | | |
| Totals from all buildings | | | | | | | | \$6,793,670 | | | | | \$7,239,710 | | | | | \$0 | | | | |
| | | | | | | | | | | | | \$208,566 | | | | | \$222,259 | | | | | \$0 |

Number of BINS: 10

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

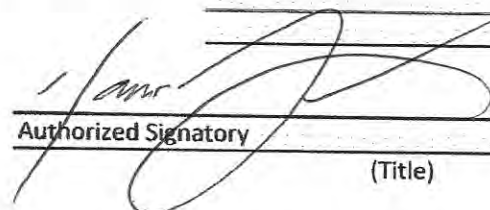
10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or VHDA regulations, or other binding authority.
11. that reservations may be made subject to certain conditions to be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

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

Legal Name of Owner: Harbour LIHTC, LP

By:

Its:



Authorized Signatory


(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: | Ronald David Lloyd Jr. |
| Virginia License#: | Lic. No. 012536 |
| Architecture Firm or Company: | RDL Architects, Inc. |

By:  _____

Its: President
(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:

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

| | Included | | Score |
|--------|----------|-----------|-------|
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y, N, N/A | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| | Y | Y or N | 0 |
| Total: | | | 0.00 |

1. READINESS:

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

| | | | |
|--------|---|----------|-------|
| | Y | 0 or -50 | 0.00 |
| | N | 0 or -25 | 0.00 |
| | Y | 0 or 40 | 40.00 |
| | N | 0 or 10 | 0.00 |
| | N | 0 or 15 | 0.00 |
| | N | 0 or 15 | 0.00 |
| Total: | | | 40.00 |

2. HOUSING NEEDS CHARACTERISTICS:

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

| | | | |
|--------|-------|-----------------|-------|
| | N | 0 or up to 5 | 0.00 |
| | Y | 0 or 20 | 20.00 |
| | 0.00% | Up to 40 | 0.00 |
| | N | 0 or 5 | 0.00 |
| | N | 0 or 10 | 0.00 |
| | 0% | 0, 20, 25 or 30 | 0.00 |
| | N | 0 or 15 | 0.00 |
| | N | Up to -20 | 0.00 |
| | N | Up to 20 | 0.00 |
| Total: | | | 20.00 |

2020 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

| | | | |
|---|----|-------------|--------------|
| a. Amenities (See calculations below) | | | 11.00 |
| 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) | N | 0, 10 or 20 | 0.00 |
| 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>26.00</u> |

4. TENANT POPULATION CHARACTERISTICS:

| | |
|--------------|-----------|
| Locality AMI | State AMI |
| \$86,400 | \$57,400 |

| | | | |
|--|--------|----------|--------------|
| 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) | 0.00% | Up to 10 | 0.00 |
| e. Units with rent and income at or below 50% of AMI | 50.00% | Up to 50 | 50.00 |
| f. Units with rents at or below 50% rented to tenants at or below 60% of AMI | 50.00% | Up to 25 | 0.00 |
| or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI | 50.00% | Up to 50 | 0.00 |
| Total: | | | <u>50.00</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 | 133.25 |
| b. Cost per unit | | Up to 100 | 15.36 |
| Total: | | | <u>148.61</u> |

7. BONUS POINTS:

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

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

TOTAL SCORE: 334.61

2020 Low-Income Housing Tax Credit Application For Reservation

Amenities:

| | Max Pts | Score |
|--|---------|---------------------|
| All units have: | | |
| a. Community Room | 5 | 0.00 |
| b. Exterior walls constructed with brick and other low maintenance materials | 25 | 0.00 |
| c. Sub metered water expense | 5 | 0.00 |
| d. Watersense labeled faucets, toilets and showerheads | 3 | 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 | 3.00 |
| j. Baths equipped with humidistat | 3 | 0.00 |
| k. Cooking Surfaces equipped with fire prevention features | 4 | 0.00 |
| l. Cooking surfaces equipped with fire suppression features | 2 | 2.00 |
| 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 | 2.00 |
| r. Shelf or Ledge at entrance within interior hallway | 2 | 0.00 |
| s. New Construction: Balcony or patio | 4 | 0.00 |
| | | <u>11.00</u> |
| All elderly units have: | | |
| t. Front-control ranges | 1 | 0.00 |
| u. Independent/suppl. heat source | 1 | 0.00 |
| v. Two eye viewers | 1 | 0.00 |
| | | <u>0.00</u> |
| Total amenities: | | <u>11.00</u> |

X. Development Summary

Summary Information

2020 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Harbour Square

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$430,825
Allocation Type: 0 **Jurisdiction:** Hanover County
Total Units: 100 **Population Target:** Elderly
Total LI Units: 100
Project Gross Sq Ft: 76,398.00 **Owner Contact:** Hans Juhle
Green Certified? FALSE

Total Score
334.61

| Source of Funds | Amount | Per Unit | Per Sq Ft | Annual Debt Service |
|---------------------|--------------|-----------|-----------|---------------------|
| Permanent Financing | \$12,518,420 | \$125,184 | \$164 | \$605,716 |

| Uses of Funds - Actual Costs | | | | |
|------------------------------|---------------------|------------------|-------|----------|
| Type of Uses | Amount | Per Unit | Sq Ft | % of TDC |
| Improvements | \$3,886,600 | \$38,866 | \$51 | 22.82% |
| General Req/Overhead/Profit | \$544,124 | \$5,441 | \$7 | 3.20% |
| Other Contract Costs | \$553,072 | \$5,531 | \$7 | 3.25% |
| Owner Costs | \$2,384,952 | \$23,850 | \$31 | 14.01% |
| Acquisition | \$8,000,000 | \$80,000 | \$105 | 46.98% |
| Developer Fee | \$1,659,500 | \$16,595 | \$22 | 9.75% |
| Total Uses | \$17,028,248 | \$170,282 | | |

| Total Development Costs | |
|--------------------------------|---------------------|
| Total Improvements | \$7,368,748 |
| Land Acquisition | \$8,000,000 |
| Developer Fee | \$1,659,500 |
| Total Development Costs | \$17,028,248 |

| Income | | |
|------------------------------------|-------|--------------------|
| Gross Potential Income - LI Units | | \$1,463,102 |
| Gross Potential Income - Mkt Units | | \$0 |
| Subtotal | | \$1,463,102 |
| Less Vacancy % | 7.00% | \$102,417 |
| Effective Gross Income | | \$1,360,685 |

Proposed Cost Limit/Sq Ft: \$118
Applicable Cost Limit/Sq Ft: \$164

| Unit Breakdown | |
|--------------------|------------|
| Supp Hsg | 0 |
| # of Eff | 0 |
| # of 1BR | 86 |
| # of 2BR | 14 |
| # of 3BR | 0 |
| # of 4+ BR | 0 |
| Total Units | 100 |

Rental Assistance? TRUE

| Expenses | | |
|---------------------------------|------------------|----------------|
| Category | Total | Per Unit |
| Administrative | \$240,913 | \$2,409 |
| Utilities | \$49,247 | \$492 |
| Operating & Maintenance | \$177,542 | \$1,775 |
| Taxes & Insurance | \$145,811 | \$1,458 |
| Total Operating Expenses | \$613,513 | \$6,135 |
| Replacement Reserves | \$30,000 | \$300 |
| Total Expenses | \$643,513 | \$6,435 |

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

| Cash Flow | |
|-----------------------------------|------------------|
| EGI | \$1,360,685 |
| Total Expenses | \$643,513 |
| Net Income | \$717,172 |
| Debt Service | \$605,716 |
| Debt Coverage Ratio (YR1): | 1.18 |

Income Averaging? FALSE

Extended Use Restriction? 50

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$223.33** Credits/SF = **6.683538** Const \$/unit = **\$49,837.9600**

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

12000
400
3

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

| | GENERAL | | Elderly | | | | |
|-----------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 0.00 | 611.21 | 0.00 | 0.00 | 653.22 | 831.75 |
| NUMBER OF UNITS | 0 | 0 | 80 | 0 | 0 | 6 | 14 |
| PARAMETER-(COSTS>=35,000) | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS>=50,000) | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 40,110 | 0 | 0 | 36,094 | 49,088 |
| COST PARAMETER | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PROJECT COST PER UNIT | 0 | 0 | 136,500 | 0 | 0 | 145,881 | 185,752 |
| PARAMETER-(CREDITS>=35,000) | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS>=50,000) | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 3,348 | 0 | 0 | 3,225 | 4,386 |
| CREDIT PARAMETER | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 4,085 | 0 | 0 | 4,366 | 5,559 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 14.18 | 0.00 | 0.00 | 0.09 | 1.09 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 109.43 | 0.00 | 0.00 | 6.92 | 16.90 |

| | GENERAL | | | | | | | |
|-----------------------------|---------|--------|--------|--------|--------|---------|---------|------|
| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR |
| AVG UNIT SIZE | 0.00 | 0.00 | 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 **15.36**

TOTAL CREDIT PER UNIT POINTS **133.25**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |

Cost Parameters - General

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

Credit Parameters - General

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

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

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 165,318 | 0 | 0 | 147,606 | 200,745 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 165,318 | 0 | 0 | 147,606 | 200,745 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 12,880 | 0 | 0 | 10,280 | 13,980 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 12,880 | 0 | 0 | 10,280 | 13,980 |

Cost Parameters - General

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

Credit Parameters - General

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

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2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$223.33** Credits/SF = **6.683538** Const \$/unit = **\$49,837.96**

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
400
3

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

| | GENERAL | | Elderly | | | | |
|-----------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 0.00 | 611.21 | 0.00 | 0.00 | 653.22 | 831.75 |
| NUMBER OF UNITS | 0 | 0 | 80 | 0 | 0 | 6 | 14 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 40,110 | 0 | 0 | 36,094 | 49,088 |
| COST PARAMETER | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| PROJECT COST PER UNIT | 0 | 0 | 136,500 | 0 | 0 | 145,881 | 185,752 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 3,348 | 0 | 0 | 3,225 | 4,386 |
| CREDIT PARAMETER | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 4,085 | 0 | 0 | 4,366 | 5,559 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 14.18 | 0.00 | 0.00 | 0.09 | 1.09 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 109.43 | 0.00 | 0.00 | 6.92 | 16.90 |

| | 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 **15.36**

TOTAL CREDIT PER UNIT POINTS **133.25**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 165,900 | 0 | 0 | 148,125 | 201,450 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 12,924 | 0 | 0 | 10,313 | 14,025 |

Cost Parameters - General

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

Credit Parameters - General

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

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

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 165,390 | 0 | 0 | 147,671 | 200,833 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 165,390 | 0 | 0 | 147,671 | 200,833 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 12,885 | 0 | 0 | 10,284 | 13,986 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 12,885 | 0 | 0 | 10,284 | 13,986 |

Cost Parameters - General

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

Credit Parameters - General

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

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Partnership or Operating Agreement

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

**AGREEMENT OF
LIMITED PARTNERSHIP
OF
Harbour LIHTC, LP**

Effective as of:

May 12, 2020

**GENERAL PARTNER: Harbour Square GP, LLC
520 Pike Street, Suite 1004
Seattle, WA 98101**

**LIMITED PARTNER: Red Oak Equity Partners, LLC
520 Pike Street, Suite 1004
Seattle, WA 98101**

Harbour LIHTC, LP
AGREEMENT OF
LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP is entered into effective as of 12th day of May, 2020, by Harbour Square GP, LLC, a Virginia limited liability company, as the general partner (the “**General Partner**”), whose address is 520 Pike Street, Suite 1004, Seattle, Washington 98101, and Red Oak Equity Partners, LLC, a Delaware limited liability company (the “**Limited Partner**”), whose address is 520 Pike Street, Suite 1004, Seattle, Washington 98101 (the General Partner and the Limited Partner are sometime collectively referred to as the “**Partner**”).

ARTICLE I
FORMATION OF THE LIMITED PARTNERSHIP

1.1 Formation.

Subject to Section 1.5, the parties hereby form a limited partnership under the name **Harbour LIHTC, LP** (the “Partnership”) upon the terms and conditions provided in this Agreement, subject to the provisions of the Virginia Uniform Limited Act, (the “Act”). If there is a conflict between the provisions of this Agreement and the Act, the provisions of this Agreement shall control except that if the conflict is with respect to a provision that would cause the Partnership to be treated as an association for federal income tax purposes, then the provisions of the Act shall control. The parties intend that the Partnership shall be taxed as a partnership.

1.2 Certificate of Limited Partnership.

The General Partner, acting directly or through an attorney-in-fact, shall promptly execute a certificate of limited partnership (as defined in the Act), shall cause the certificate to be filed for record in the office of the Secretary of State of the State of Virginia and shall execute such further documents (including amendments to the certificate) and take such further action as shall be appropriate or helpful to comply with the requirements of law for the formation and operation of a limited partnership in Virginia the counties therein, and all other states and counties where the Partnership elects to carry on its business. The General Partner shall not be required to deliver to the Limited Partner copies of the Partnership’s certificate of limited partnership or any amendments thereto.

1.3 Business.

The business of the Partnership shall be (a) directly (or indirectly, through the acquisition of partnership interests, stock or otherwise) to acquire, invest in, develop, construct, own, lease, operate, manage and maintain residential real property located in the State of Virginia, specifically, without limitation, to acquire, rehabilitate and operate the low income housing complex at 7102 New Hunter Road, Mechanicsville, Virginia, 23111, containing 100 units of low income housing, (the “Project”); to obtain financing and refinancing to accomplish the

foregoing purposes; and to do any and all other things necessary, desirable or incidental to the foregoing purposes. The Partnership may sell or otherwise dispose of all or substantially all of its assets as provided in this Agreement, and any such sale or disposition shall, be considered to be within the scope of the Partnership's business.

1.4 Principal Office; Registered Agent.

(a) The principal office of the Partnership shall be at 7288 Hanover Green Dr., Suite A, Mechanicsville, VA 23111.

(b) The name of the Company's registered agent in the State of Virginia shall be Incorporating Services, Ltd.

1.5 Term.

The Partnership shall commence on the date that the certificate of limited partnership is filed in the office of the Secretary of State of the State of Virginia and shall continue until terminated as provided in Article XI.

ARTICLE II DEFINITIONS

2.1 Affiliate.

An "Affiliate" of a Partner is a person or entity that controls, is controlled by or is under common control with such Partner. A person or entity that has a 20 percent or more interest, directly or indirectly, in another person or entity shall be conclusively deemed to be a controlling person.

2.2 Code.

The Internal Revenue Code of 1986, as amended from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

2.3 Sharing Ratio.

The "Sharing Ratio" of each Partner group shall mean their percentage interest as follows: the General Partner: 0.01 percent and the Limited Partner 99.99 percent.

2.4 Treasury Regulations.

Regulations issued by the Department of Treasury under the Code. Any reference herein to a specific section or sections of the Treasury Regulations shall be deemed to include a reference to any corresponding provision of future regulations under the Code.

**ARTICLE III
CAPITAL CONTRIBUTIONS**

3.1 Initial Capital Contributions.

Upon execution of this Agreement, the General Partner shall contribute \$1.00 in the aggregate and the Limited Partner shall contribute \$99.00 in the aggregate to the capital of the Partnership.

3.2 Additional Capital Contributions.

Additional Capital Contributions shall be made only upon the consent of all Partners.

3.3 Interest on Capital Contributions.

No Partner shall be entitled to interest on its capital contributions.

3.4 Right to Enforce.

No person other than a Partner shall have the right to enforce any obligation of a Partner to contribute capital or lend funds hereunder and specifically no lender or other third party shall have any such rights.

**ARTICLE IV
ACQUISITION AND FINANCING OF THE PROJECT**

4.1 Acquisition of the Project.

Following execution of this Agreement, the Partnership is authorized to acquire the Project and the General Partner is authorized to execute any and all agreements, assignments, leases or other documents or instruments considered necessary or desirable in connection with the acquisition of the Project.

4.2 Financing.

The Partnership is authorized to execute all documents necessary to obtain such financing as the General Partner considers appropriate in connection with the acquisition, construction, development and operation of the Project, including without limitation, construction financing, permanent financing, bridge financing and equity financing. In connection with any and all financing transactions, the General Partner is authorized to execute and deliver any and all loan agreements, deeds of trust, financing statements, pledges, covenants, regulatory agreements or other documents and instruments necessary or desirable in connection with such financing.

ARTICLE V DISTRIBUTIONS

5.1 Distributable Cash.

The General Partner shall from time to time determine the amount of cash available for distribution to the Partners, taking into account the need for reserves for operating deficits and contingencies, capital improvements and replacements, and anticipated liabilities.

5.2 Cash Distributions.

All cash available for distribution to the Partners shall be distributed in accordance with the Sharing Ratios unless the General Partner determines that the Limited Partner shall be distributed an amount necessary to offset such Limited Partner's federal income tax liability related to an allocation of Partnership taxable income pursuant to Article VI. Subject to the preceding sentence, any remaining cash available for distribution shall be distributed in accordance with the Sharing Ratios.

ARTICLE VI ALLOCATION OF TAXABLE INCOME AND TAX LOSSES

6.1 In General.

(a) Except as provided in Sections 6.1(b) and 6.2, each item of income, gain, loss and deduction of the Partnership for federal income tax purposes shall be allocated among the Partners in accordance with Sharing Ratios. In no event shall any Partnership loss or deduction, or item thereof, be allocated to the Limited Partner if, or to the extent, such allocation would cause or increase a deficit balance in such Limited Partner's Capital Account (in excess of any limited dollar amount of such deficit balance that such Limited Partner is obligated to restore under Treasury Regulation Section 1.704-1(b)(2)(ii)(c)) as of the end of the Partnership taxable year to which such allocation relates, unless such loss, deduction or item constitutes a "nonrecourse deduction" as defined in Treasury Regulation Section 1.704-2(c). For purposes of this limitation, each such Limited Partner's share (determined in accordance with Treasury Regulation Section 1.704-2(g)(1) of the Partnership's "minimum gain," as defined in Treasury Regulation Section 1.704-2(d), shall be treated as an amount that such Limited Partner is obligated to restore. Any loss or deduction to such a Limited Partner, the allocation of which is disallowed by the foregoing restriction, shall be reallocated first to other Limited Partners, to the extent such allocation is not limited by this subparagraph, and then to the General Partner.

(b) To the extent of any recapture income (as defined below) resulting from the sale or other taxable disposition of a Partnership asset, the amount of any gain from such disposition allocated to (or recognized by) a Partner for federal income tax purposes pursuant to Sections 6.1(a) or 6.2 shall be deemed to consist of recapture income to the extent such Partner has been allocated or has claimed any deduction directly or indirectly giving rise to the treatment of such gain as recapture income. For this purpose "recapture income" shall mean any gain recognized by the Partnership (but computed without regard to any adjustment required by Sections 734 and 743 of the Code) upon the disposition of any property or asset of the Partnership that does not constitute capital gain for federal income tax purposes because such

gain represents the recapture of deductions previously taken with respect to such property or assets.

6.2 Allocation of Section 704(c) Items.

The Partners recognize that with respect to property contributed to the Partnership by a partner and with respect to property revalued in accordance with Treasury Regulation § 1.704-1(b)(2)(iv)(f) (referred to as “Adjusted Properties”), there will be a difference between the agreed values or Carrying Values, as the case may be, of such property at the time of contribution or re-evaluation, as the case may be, and the adjusted tax basis of such property at that time. All items of tax depreciation, cost recovery, amortization and gain or loss with respect to such contributed properties and Adjusted Properties shall be allocated among the Partners to take into account the book tax disparities with respect to such properties in accordance with the provisions of Sections 704(b) and 704(c) of the Code and the Treasury Regulations under those sections. Any gain or loss attributable to a contributed property or an Adjusted Property (exclusive of gain or loss allocated to eliminate such book tax disparities) shall be allocated among the Partners in accordance with the Sharing Ratios.

6.3 Integration With Section 754 Election.

All items of income, gain, loss, deduction, credit and basis allocations recognized by the Partnership for federal income tax purposes and allocated to the partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code that may be made by the Partnership; provided, however, such allocations, once made, shall be adjusted as necessary or appropriate to take into account the adjustments permitted by Sections 734 and 743 of the Code.

6.4 Reserved

6.5 Certain Rights and Obligations of Limited Partner.

Notwithstanding any other provision of this Agreement and except as otherwise elected by the Limited Partner pursuant to this Section 6.5, the Limited Partner shall not have any obligation to restore any deficit in its Capital Account upon the liquidation of the Company. Notwithstanding anything to the contrary contained in this Agreement, the Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Limited Partner’s delivery of a written notice of election to the General Partner no later than April 15 following the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that the Limited Partner agrees to restore.

ARTICLE VII MANAGEMENT POWERS

7.1 Limited Liability.

The liability of a Limited Partner shall be limited as set forth in the Act. Except as permitted by the Act and Section 7.3, a Limited Partner, in his, her or its capacity as a Limited Partner, shall take no part in the control, management, direction or operation of the affairs of the Partnership and shall have no power to bind the Partnership. The General Partner may from time to time seek suggestions and expressions of opinion from the Limited Partner on major policy decisions, but need not act on such advice, and at all times the sole control and management of the Partnership shall rest with the General Partner, subject to the provisions of this Article VII. The General Partner shall be subject to the liability of partners in a partnership without limited partners.

7.2 Management Authority.

(a) Except as otherwise provided in this Article VII, the General Partner is hereby expressly authorized on behalf of the Partnership to make all decisions with respect to the Partnership's business and to take all actions to carry out such decisions. Without limiting the generality of the foregoing, the General Partner is authorized to make all decisions and to take all actions with respect to the operation, management, and maintenance of all or any part of the Project and the disposition of property in the ordinary course of business, including but not limited to the following (subject to any required consent under Section 7.3):

- (i) the leasing, acquisition, ownership, operation, management and maintenance of the Project and the investment therein;
- (ii) the improvement, sale, lease or other disposition of the assets of the Partnership;
- (iii) the borrowing of money and the granting of security interests in the Partnership assets within the ordinary course of the Partnership's business;
- (iv) the compromise or release of any claims or debts of the Partnership, including, obligations of the Partners;
- (v) the creation of any additions to or reductions in cash reserve accounts;

(vi) the employment of persons, firms or corporations, including Affiliates of the General Partner, for the operation and management of the Partnership's business; and

(vii) the entering into nominee agreements with any person (including any General Partner so acting) holding title to Partnership properties as nominee (such agreements may contain provisions indemnifying the nominee, except for its gross negligence or willful misconduct).

(b) After execution of this Agreement, all documents executed on behalf of the Partnership must be signed by the General Partner, including (i) all deeds, assignments, leases, subleases, management and maintenance contracts; (ii) all checks, drafts and other orders for the payment of Partnership funds; (iii) all promissory notes, mortgages, deeds of trust, security agreements, financing statements and other similar documents; (iv) covenants, use restrictions, regulatory agreements and other similar documents; and (v) all other instruments of any kind or nature relating to the affairs of the Partnership whether like or unlike the foregoing.

(c) The General Partner may cause the Partnership to enter into any transactions or agreements with Partners (including the General Partner) or its Affiliates (in addition to the agreements described in Section 7.4) for goods and services without the prior approval of all Partners.

7.3 Approval of Other Partners.

Without the prior written approval of the Limited Partner, the General Partner shall not take any action with respect to:

- (a) The acquisition of real or personal property other than the Project or purchases of real or personal property customary in the ordinary course of the Partnership's business;
- (b) The sale, transfer, exchange or other disposition of all or substantially all of (i) the assets of the Partnership or (ii) the assets constituting the Project; and
- (c) The leasing of the Partnership's property other than in the ordinary course of operation of the Project.
- (d) Defining the scope of the rehabilitation of the Project;
- (e) Approving the plans and specifications for the rehabilitation of the Project
- (f) Establishing the rehabilitation budget for the Project;
- (g) Selecting the Project architects;
- (h) Selecting Project development consultants;

- (i) Selecting Project contractors;
- (j) Selecting the equity investor;
- (k) Selecting the bond issuer;
- (l) Selecting the Bond underwriter;
- (m) Selecting the Project Lenders;
- (n) Approving financing terms for the acquisition and rehabilitation of the Project, including both debt and equity;
- (o). Selecting property manager;
- (p). Approving the annual operating budget;
- (q) Establishing tenant selection criteria;
- (r) Entering into or modifying agreements with funders; and
- (s) Approving any sale or transfer of the Project.

7.4 Management, Development and License Agreements.

The General Partner is authorized on behalf of the Partnership to enter into such management agreements, development agreements, franchise agreements and other agreements appropriate or helpful to carry out the business of the Partnership, including without limitation, agreements with Affiliates of the Partnership.

7.5 Time Devoted to Business.

The General Partner shall devote such time to the business of the Partnership as is reasonably necessary for the efficient carrying on of the Partnership's business.

7.6 Information Relating to Partnership.

Upon request, the General Partner shall supply to any Partner any information reasonably requested regarding the Partnership or its activities, provided that obtaining the information is not unduly burdensome to the General Partner. During ordinary business hours, and at the reasonable convenience of the General Partner, any Partner or its authorized representative shall have access to all books, records and materials regarding the Partnership and its activities, and the General Partner shall make all reasonable attempts to provide access to books, records and materials not otherwise in the General Partner's possession.

7.7 Exculpation.

In carrying out their duties hereunder the Partners shall not be liable to the Partnership nor to any Partner for their good faith actions, or failure to act, nor for any errors of judgment,

nor for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement, but only for willful misconduct or gross negligence in the performance of their obligations under this Agreement. The Partnership shall indemnify and hold harmless each of the Partners and their officers, directors, partners, agents, employees and Affiliates as to third parties against and from any personal loss, liability or damage incurred as a result of any act or omission of any Partner believed in good faith to be within the scope of authority conferred by this Agreement, except for willful misconduct or gross negligence, but not in excess of the value of the assets of the Partnership as of the date the General Partner learn of such act or omission resulting in the personal loss, liability or damage to a third party (the “Date of Notice”). In all cases, indemnification shall be provided only out of and to the extent of the assets of the Partnership as of the Date of Notice, and no individual Partner shall have any personal liability whatsoever on account thereof. In no event shall the Partnership be liable to a third party under this Section 7.7 for the amount of any additional contributions made to the Partnership after the Date of Notice or for the amount of any increase in value of any Partnership assets after the Date of Notice. Notwithstanding the foregoing, the Partnership’s indemnification of the Partners and their officers, directors, agents and employees as to a third party shall be only with respect to such loss, liability or damage that is not otherwise compensated for by insurance carried for the benefit of the Partnership.

7.8 Insurance.

The General Partner shall maintain in force at all times for the protection of the Partnership and all Partners to the extent of their insurable interests such insurance as they believe is warranted for the operations being conducted.

7.9 Other Activities.

Each Partner shall at all times be free to engage and possess an interest in any business or venture for its own account, including without limitation the formation of partnerships, joint ventures and corporations, which business or venture may directly or indirectly compete with the business of the Partnership.

7.10 Reliance by Third Parties.

No third party dealing with the Partnership shall be required to ascertain whether the General Partner is acting in accordance with the provisions of this Agreement. Such third parties may rely on documents executed by the General Partner as binding the Partnership. The foregoing provisions of this Section 7.10 shall not apply to third parties who are Affiliates of a Partner.

7.11 Tax Matters Partner.

Pursuant to Section 6231(a) of the Code, the Limited Partner, is hereby designated as the tax matters partner for the Partnership. The tax matter partner is expressly authorized to perform, on behalf of the Partnership or any Partner, any act that may be necessary to make this designation effective under any regulation, ruling, procedure or instruction that may be issued by the Internal Revenue Service.

7.12 Duties of the General Partner.

(a) The General Partner shall carry out its duties as General Partner hereunder in a diligent and competent manner, in accordance with sound business practices and consistent with the fiduciary duties partners owe to each other, and shall use its best efforts to employ and engage qualified personnel in furthering the purposes of the Partnership.

(b) The General Partner may delegate any or all of its duties under this Section 7.12.

7.13 Fees and Reimbursements.

(a) No Partner or Affiliate shall be entitled to any fee or payment, in its capacity as a Partner or Affiliate for managing the development of the Project or the operations of the Project or the Partnership, except as provided in this Agreement, provided however, that this provision shall not prohibit any such Partner or Affiliate from entering into a separate agreement with the Partnership to provide such services in its individual corporate capacity.

(b) The General Partner shall be reimbursed by the Partnership for all reasonable out-of-pocket costs incurred by it in the organization, syndication, operation and management of the Partnership, including fees and costs for legal, accounting and administrative services.

ARTICLE VIII ACCOUNTING AND REPORTING

8.1 Books.

The General Partner shall maintain complete and accurate books of account of the Partnership's affairs at the principal office of the Partnership. The Partnership's books shall be kept on the accrual basis of accounting. The Partnership's accounting period shall be the calendar year ending December 31.

8.2 Capital Accounts.

The General Partner shall maintain a separate capital account (the "Capital Account") for each Partner and such other Partner accounts as may be necessary or desirable to comply with the requirements of applicable laws and regulations, including the Treasury Regulations issued under Section 704 of the Code. In the event of any inconsistency between the provisions for maintenance of Capital Accounts in this Agreement and the provisions of Section 1.704-1(b)(iv) of the Regulations, the provisions of the Regulations shall prevail.

8.3 Transfers During Year.

In order to avoid an interim closing of the Partnership's books, the share of profits and losses under Article VI of a Partner who transfers part or all of its interest in the Partnership during the Partnership's accounting year may be determined by taking its pro rata share of the amount of such profits and losses for the year and the balance of the profits and losses

attributable to the Partnership interest transferred shall be allocated to the transferee of such interest. The proration shall be made by the General Partner after consultation with the accountants for the Partnership and may be based on the portion of the Partnership's accounting year which has elapsed prior to the transfer or may be determined under any other reasonable method; provided, however, that any income or loss arising from the sale of property other than in the ordinary course of business shall be allocated to the owner of the Partnership interest at the time such income or loss was realized.

8.4 Reports.

The General Partner shall deliver to each Partner annual statements on the Partnership's operations at the end of each fiscal year. The books of account shall be closed promptly after the end of each fiscal year. As soon as practicable thereafter, the General Partner shall make a written report to each Partner which shall include a statement of receipts, expenditures, profits and losses, and such additional statements with respect to the status of the Partnership's assets and the distribution of Partnership funds as are necessary to advise all Partners properly about their investment in the Partnership. Prior to March 15 of each year, each Partner shall also be provided with sufficient information as is necessary to allow it to file its own income tax returns for the preceding taxable year.

8.5 Section 754 Election.

If requested by a Partner the Partnership shall make the election provided for under Section 754 of the Code. Any costs attributable to making such election shall be borne solely by the requesting Partner.

ARTICLE IX TRANSFER OF PARTNER'S INTEREST

9.1 General Partner.

Notwithstanding anything to the contrary contained herein, without the prior written consent of all of the Partners, no additional general partner shall be admitted to the Partnership or shall be substituted as a successor general partner.

9.2 Limited Partners.

A Limited Partner shall not assign its interest to any third party without giving notice of the proposed transfer and the terms thereof to the General Partner and allowing the General Partner 30 days from the date of such notice to elect to purchase the Limited Partner's interest on the terms offered to the third party. In addition, the General Partner shall have the right to approve any third party transferee, which approval shall not be unreasonably withheld.

9.3 Permitted Transfers.

Notwithstanding the above, the following transfers shall be permitted by a Limited Partner without first offering the interest to the General Partner:

(a) A transfer of all or a portion of a Limited Partner's interest in the Partnership to (i) an Affiliate of such Limited Partner, or (ii) a limited or General Partnership, provided that the transferor is a general partner of such transferee partnership. Any transferee of all or a portion of a Limited Partner's interest in the Partnership shall be subject to the restrictions on transfer provided in this Agreement; and

(b) An assignment or other transfer solely for purposes of security, provided that such assignment is subject to the restrictions on transfer and the valuation methods provided in this Agreement.

9.4 Securities Matters; Certain Transfers.

Notwithstanding anything to the contrary contained herein:

(a) a Limited Partner shall not sell, offer for sale, transfer, pledge or hypothecate all or any part of such Partner's interest in the Partnership in the absence of an effective registration statement covering such transaction under the federal securities laws, and any applicable state securities laws, or an available exemption therefrom; and

(b) a Limited Partner shall not sell, offer for sale, transfer or otherwise assign his interest in the Partnership to an employee pension benefit plan or associated trust such as Keogh, Pension, Profit-sharing or Stock Bonus Plans that are "qualified" under the Code, or to Individual Retirement Accounts.

9.5 Transfers; General.

(a) An assignee, legatee, distributee or transferee (by conveyance, operation of law, or otherwise) of the whole or any portion of a Limited Partner's interest in the Partnership shall have the right to be admitted as a Limited Partner in the Partnership if the transferor of the interest grants such right and the General Partner consents to such admission. The grant or denial of a request for such consent shall be within the absolute discretion of the General Partner. An assignee of a Limited Partner who is admitted as a Limited Partner shall be, entitled only to the profits and losses and distributions to which the assignor would otherwise be entitled.

(b) If a Limited Partner is a corporation and shall be dissolved, merged or consolidated, its successor in interest shall have the same rights and obligations that such Limited Partner would have had if it had not been dissolved, merged or consolidated, except that the trustee, committee, conservator, representative or successor shall not become a substituted Limited Partner without the written consent of the General Partner.

(c) No transfer of any Partnership interest otherwise permitted under this Agreement shall be effective for any purpose whatsoever until the transferee shall have assumed the transferor's obligations to the extent of the interest transferred and shall have agreed to be bound by all the terms and conditions hereof, by written instrument, duly acknowledged, in form and substance reasonably satisfactory to the General Partner.

(d) As conditions to his, her or its admission as a Limited Partner (i) any assignee, legatee, distributee, transferee or successor of a Limited Partner (“Assignee”) shall execute and deliver such instruments, in form and substance satisfactory to the General Partner, as the General Partner shall deem necessary or desirable to cause Assignee to become a Limited Partner; (ii) the General Partner shall, at its option, require an opinion from Assignee’s counsel (which opinion and counsel both must be satisfactory to the General Partner) that (aa) such assignment, transfer or other disposition would not cause a termination of the Partnership for purposes of the Code, jeopardize the status of the Partnership as a partnership for federal income tax purposes, nor violate any applicable governmental rule or regulation including, without limitation, any applicable federal or state securities law and (bb) that registration under applicable federal or state securities laws is not required in connection with such assignment, transfer or other disposition; and (iii) such Assignee shall pay all reasonable expenses in connection with his admission as a Limited Partner, including but not limited to, attorney’s fees and the cost of preparation and filing of any amendment of the certificate of limited partnership necessary or desirable in connection therewith.

(e) Upon the terms set forth in this Article IX, the General Partner is hereby expressly authorized to (i) admit a Limited Partner to the Partnership to the extent permitted by this Article IX, and (ii) file amended limited partnership certificates with respect to the foregoing and to use the power of attorney granted in Article XII to accomplish such filing and any required amendment to this Agreement.

9.6 HUD Approval of Transfers

A transfer of any partner’s interest must be in strict accordance with HUD’s participation requirements.

ARTICLE X TERM; WITHDRAWAL, DISSOLUTION OR BANKRUPTCY OF A PARTNER

10.1 Events of Dissolution.

(a) The Partnership shall continue in perpetuity, unless sooner dissolved by (i) the affirmative vote of all of the Partners to dissolve the Partnership, or (ii) by the withdrawal, dissolution, bankruptcy or termination of the General Partner (unless the Partnership is continued under Section 10.1(c) below) or (iii) any other event causing dissolution of a limited partnership under the Act.

(b) For purposes of this Agreement: a Partner shall be considered bankrupt if an order for relief under Chapter 7 of the Bankruptcy Reform Act of 1978 has been entered against him or it; and a General Partner that is a partnership shall be considered dissolved only if the General Partner commences winding up and termination of its business after an event of dissolution.

(c) Upon the withdrawal, dissolution, bankruptcy, or termination of a General Partner, the Partnership shall be dissolved unless within 90 days after the occurrence of such event, either (i) at least one of the remaining General Partners (if any) elects to continue the

business of the Partnership and does so, or (ii) all of the remaining Partners agree in writing to continue the business of the Partnership and to the appointment of one or more additional General Partner if necessary or desired, under an agreement containing the terms and conditions set forth in this Agreement, with such amendments as may then be adopted. If the Partnership is continued under clause (i) above, any General Partner who did not elect to continue the Partnership shall be considered a withdrawing General Partner and an “outgoing” General Partner for purposes of Sections 10.1(d) and 10.1(e).

(d) If the business of the Partnership is continued pursuant to Section 10.1(c), each remaining, or new General Partner shall, as a condition to the Partners right to continue the business of the Partnership, purchase his, her or its respective share (based upon the percentage that his, her or its Sharing Ratio bears to the total Sharing Ratios of the remaining and new General Partner) of the interest of any outgoing General Partner for cash in an amount equal to the fair market value of his, her or its respective share of the interest, taking into account the outgoing General Partner’s interest in profits, losses and distributions under this Agreement. If the parties are unable to agree upon such fair market value, the question shall be determined by an independent appraiser selected by a majority-in-interest (based on Sharing Ratios) of the General Partner (excluding any outgoing General Partner).

(e) In any case in which the business of the Partnership is continued pursuant to Section 10.1(c), the Partnership shall indemnify each outgoing General Partner from any personal liability for the obligations or liabilities of the Partnership that arise after it ceases to be a General Partner. Such indemnification shall not impair any claims that the Partnership may have against an outgoing General Partner for gross negligence, willful or gross misconduct or intentional breach of fiduciary duty. Each outgoing General Partner, to the extent legally possible, shall cause all its right, title and interest in the Partnership assets held by it and its rights and duties under contracts entered into by it on behalf of the Partnership to be assigned to the Partnership.

10.2 Limited Partners.

Except as expressly provided otherwise in this Agreement, a Limited Partner shall have no power to withdraw from or terminate his, her or its membership in the Partnership, and a Limited Partner or Partners shall have no power to dissolve the Partnership. Upon withdrawal pursuant to the provisions of this Agreement, a Limited Partner shall have no right to receive any value for his, her or its interest in the Partnership except as expressly provided in this Agreement. The General Partner, in its sole discretion, may cause the Partnership to redeem the interest of the Limited Partner upon the payment of a liquidating distribution by the Partnership to the Limited Partner of an amount which results in no gain or loss being recognized by such Limited Partner pursuant to Code Section 731.

10.3 Withdrawal of General Partner.

Notwithstanding the provisions of Sections 10.1(a) and 10.1(c) with respect to the withdrawal, dissolution or bankruptcy of a General Partner, the General Partner covenants and agrees that it will not withdraw from the Partnership or take any voluntary action in bankruptcy or any voluntary action to dissolve itself prior to the expiration of the compliance period for the

Project as determined pursuant to Code Section 42. If a General Partner violates this covenant and agreement, the wrongful withdrawal, bankruptcy or dissolution shall be effective for purposes of this Article X, but such Partner shall be liable for any damages to the other Partners and to the Partnership for such wrongful withdrawal, bankruptcy or dissolution.

10.4 Waiver of Appraisal, Valuation Rights and Partition.

In the event of the withdrawal, dissolution or bankruptcy of any Partner, the rights of the Partner or its successors and assigns under applicable Washington law with respect to the inventory of assets, appraisals, accounting or sale of assets shall not apply and are hereby expressly waived by all Partners. Each Partner expressly agrees that the provisions contained in this Agreement shall bind and control its successors and assigns, including without limitation, the provisions applicable in the event of the withdrawal, dissolution or bankruptcy of a Partner. Each of the Partners hereby waives any and all rights, duties, obligations and benefits with respect to any action for partition of the Partnership property, or to compel any sale thereof.

ARTICLE XI DISSOLUTION AND TERMINATION

11.1 Final Accounting.

In case of the dissolution of the Partnership, a proper accounting shall be made as provided in Section 8.4 from the date of the last previous accounting to the date of dissolution.

11.2 Liquidation.

(a) Upon the dissolution of the Partnership, any General Partner (if more than one with equal interests), or the General Partner (if more than one) with the largest interest, or in the case of its dissolution, insolvency, bankruptcy or withdrawal, any other remaining General Partner with the next largest interest or (if none) some person selected by the Partners whose Sharing Ratios total more than 50 percent or more of the total Sharing Ratios of all the remaining Partners, shall act as liquidator to wind up the Partnership. Subject to the required consent of other Partners under Section 7.3, the liquidator shall have full power and authority to, sell, assign and encumber any or all of the Partnership's assets and to wind up and liquidate the affairs of the Partnership in an orderly and businesslike manner. All proceeds from liquidation shall be distributed in the following order of priority: (i) to the payment of debts and liabilities of the Partnership and the expenses of liquidation, including any advances to the Partnership by any Partner to the extent such advances have not been reimbursed previously; (ii) to the setting up of such reserves as the liquidator may reasonably deem necessary for any contingent liabilities of the Partnership; and (iii) to the Partners in accordance with Article V.

(b) In the event that any Limited Partner's Capital Account balance is negative after all allocations to such Partner in accordance with Article VI and distribution to such Partner in accordance with Section 11.2(a), such Partner shall have no obligation to contribute any capital to the Partnership as a result of such negative Capital Account.

11.3 Distribution in Kind.

If a portion of the Partnership's assets is to be distributed in kind to the Partners, the liquidator, with the approval of the Partners possessing a majority-in-interest of the Sharing Ratios, shall obtain an independent appraisal of the fair market value of each such asset at a date reasonably close to the date of liquidation. Any unrealized appreciation or depreciation with respect to such assets shall be allocated among the Partners in accordance with the provisions of Article V as if the assets had been sold for the appraised value and taken into consideration in determining the balance in the Partners' capital accounts as of the date of liquidation. Distribution of assets in kind shall be made to the Partners in the order of priority set forth in Section 11.2 as if the assets had been sold for the appraised value. Distribution of any asset in kind to a Partner shall, be considered a distribution of an amount equal to the asset's fair market value for purposes of Section 11.2. Except as otherwise determined by the liquidator pursuant to this Section 11.3, no Partner shall have any right to receive distributions of property, other than cash, from the Partnership.

11.4 Waiver of Right to Court Decree of Dissolution.

The Partners agree that irreparable damage would be done to the Partnership if any Partner brought an action in court to dissolve the Partnership. Accordingly, each of the Partners accepts the provisions of this Agreement as its sole entitlement on termination of his membership in the Partnership. Each Partner hereby waives and renounces its right to seek a court decree of dissolution or to seek the appointment by a court of a liquidator for the Partnership.

11.5 Cancellation of Certificate.

Upon the completion of the distribution of Partnership assets as provided in this Article XI, the Partnership shall be terminated, and the General Partner (or such other person acting as liquidator, if necessary) shall cause the cancellation of the Partnership's certificate of limited partnership and shall take such other actions as may be necessary to effect the dissolution or termination of the Partnership.

ARTICLE XII POWER OF ATTORNEY

12.1 Grant of Power.

(a) By the execution of this Agreement each Partner irrevocably makes, constitutes and appoints the General Partner as their true and lawful attorney in name, place and stead with the power from time to time to make, execute, swear to, acknowledge, verify, deliver, file, record and publish any certificates or other instruments that may be required to be filed by the Partnership under the laws of Virginia or of any other state or jurisdiction in which the Partnership transacts business or in which the General Partner deem it advisable to make, execute, swear to, acknowledge, verify, deliver, record, publish or file, including without limitation (i) the certificate of limited partnership and all amendments thereto required by law or the provisions of this Agreement, (ii) all elections, certificates and other instruments necessary to qualify the Partnership as a limited partnership or a partnership in which the Limited Partner has limited liability in the states where the Partnership may be doing business, (iii) all instruments

which effect a change or modification of the Partnership in accordance with this Agreement, and (iv) all instruments necessary to effect the dissolution and termination of the Partnership.

(b) The foregoing power of attorney shall be a special power of attorney coupled with an interest in favor of the General Partner, and as such shall be irrevocable and shall survive the death, legal incompetency, dissolution or other termination of existence of a Partner.

12.2 Survival.

The foregoing power of attorney shall survive the delivery of any permitted assignment or transfer by any Partner of the whole or any portion of its interest in the Partnership, except that where an assignee of such interest has been approved by the Partners as a substituted Partner then the foregoing power of attorney of the assignor Partner shall survive the delivery of such assignment for the sole purpose of enabling the General Partner to execute, swear to, acknowledge and file any and all instruments necessary to effectuate such substitution and the execution of this Agreement by the substituted Partner shall constitute delivery of a power of attorney from the substituted Partner to the General Partner in accordance with this Article XII. The power of attorney may be exercised by facsimile signatures of the General Partner or by listing the Partners executing, swearing to or acknowledging any instrument with a single signature of a General Partner, acting as attorney-in-fact for all of them.

ARTICLE XIII AMENDMENTS

13.1 Amendments.

This Agreement may be amended only by the written consent and agreement of all Partners. Notwithstanding the preceding sentence, (a) the initial Limited Partner of the Partnership hereby irrevocably agreed to surrender to the Partnership, and the Partnership hereby irrevocably agrees to redeem, all of its right, title and interest in the Partnership as Limited Partner in exchange for the return of its Initial Capital Contribution; (b) the initial Limited Partner irrevocably agrees to withdraw from the Partnership as Limited Partner and cease to be Limited Partner therein; and (c) the General Partner and the initial Limited Partner hereby irrevocably agree to amend and restate this Agreement to reflect the aforesaid withdrawal and to make such other amendments or changes in the terms and conditions of this Agreement as may be necessary or appropriate to admit such investor or investors acceptable to the General Partner to the Partnership as new Limited Partner(s) in connection with the sale of the federal low-income housing tax credits and other tax benefits available to the Partnership.

ARTICLE XIV NOTICES

14.1 Method of Notices.

All notices required or permitted by this Agreement shall be in writing and shall be hand delivered or sent by registered or certified mail, postage prepaid, addressed as set forth on the signature page hereof (except that any Partner may from time to time give notice changing his

address for that purpose) and shall be effective when personally delivered, or, if mailed, on the date set forth on the receipt of registered or certified mail, or on the fifth day after mailing, whichever is earlier.

14.2 Computation of Time.

In computing any period of time under this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE XV INVESTMENT RESTRICTION; NOTICE REGARDING LOW-INCOME HOUSING TAX CREDITS

15.1 Investment Restriction.

Each Partner recognizes that: (a) the Partnership interests have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption from such registration, (b) a Partner may not sell, offer for sale, transfer, pledge or hypothecate all or any part of his, her or its interest in the Partnership in the absence of an effective registration statement covering such interest under the Securities Act unless such sale, offer of sale, transfer, pledge or hypothecation is exempt from registration under the Securities Act of 1933, as amended, (c) the General Partner has no obligation to register any Partner's interest for sale, or to assist in establishing an exemption from registration for any proposed sale, and (d) the restrictions on transfer may severely affect the liquidity of a Partner's investment.

ARTICLE XVI

16.1 Amendment re Withdrawal of Initial Limited Partner

This Agreement may be amended only by the written consent and agreement of all Partners. Notwithstanding the preceding sentence, (a) the Initial Limited Partner hereby irrevocably agrees to surrender to the Partnership, and the Partnership hereby irrevocably agrees to redeem, all of its right, title and interest in the Partnership as Initial Partnership in exchange for the return of its initial capital contribution; (b) the Initial Limited Partner irrevocably agrees to withdraw from the Partnership as Initial Limited Partner and cease to be Initial Limited Partner therein; and (c) the General Partner and the Initial Limited Partner hereby irrevocably agree to amend and restate this Agreement to reflect the aforesaid withdrawal and to make such other amendments or changes in the terms and conditions of this Agreement as may be necessary or appropriate to admit such investor or investors acceptable to the General Partner to the Partnership as new investor limited partner in connection with the sale of the federal low-income housing tax credits and other tax benefits available to the Partnership.

**ARTICLE XVII
RESERVED**

**ARTICLE XVIII
GENERAL PROVISIONS**

18.1 Entire Agreement.

This Agreement embodies the entire understanding and agreement among the parties concerning the Partnership and supersedes any and all prior negotiations, understandings or agreements in regard thereto.

18.2 Amendment.

Except as provided in Article XIII, this Agreement may not be amended nor may any rights hereunder be waived except by an instrument in writing signed by the party sought to be charged with such amendment or waiver.

18.3 Applicable Law.

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

18.4 Pronouns.

References to a Partner, including by use of a pronoun, shall be deemed to include masculine, feminine, singular, plural, individuals, partnerships or corporations where applicable.

18.5 Counterparts.

This instrument may be executed in any number of counterparts each of which shall be considered an original.

18.6 Additional Documents.

The Partners hereto covenant and agree to execute such additional documents and to perform additional acts as are or may become necessary or convenient to carry out the purposes of this Agreement.


18.7 Written Consents.

All consents or approvals required or permitted under this Agreement shall be in writing.

IN WITNESS WHEREOF the parties have executed this Agreement on the dates stated below their signatures.


GENERAL PARTNER:

Harbour Square GP, LLC
a Virginia limited liability company

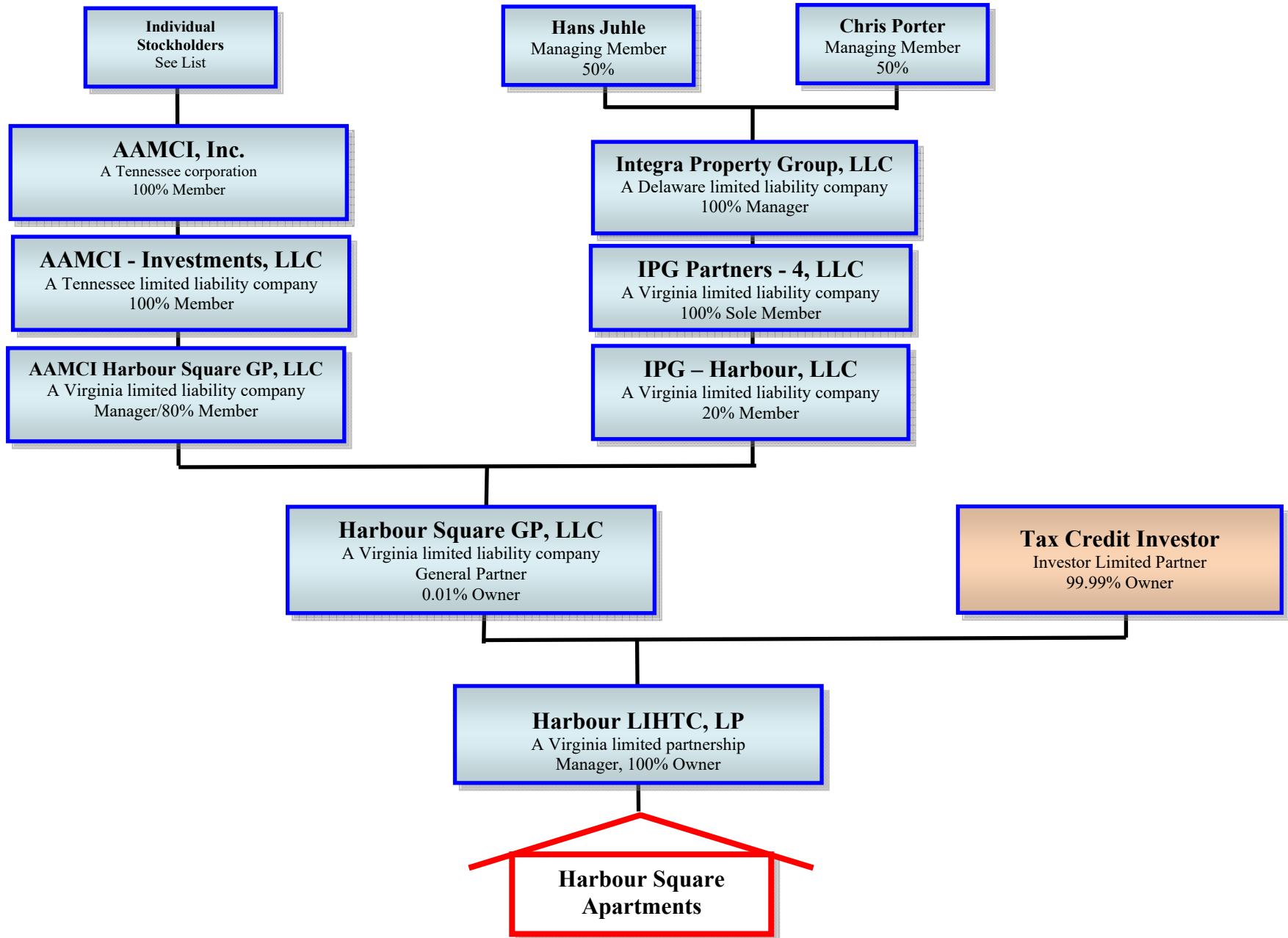
By: 
Name: Hans Juhle
Title: Authorized Signatory
Date: 05/12/2020

LIMITED PARTNER:

RED OAK EQUITY PARTNERS, LLC
a Delaware limited liability company

By: 
Name: Chris Porter
Title: Authorized Signatory
Date: 05/12/2020

Harbour Square – Ownership Structure



Harbour Square – **SELLER** Ownership

| FDD Stockholders: | |
|--------------------------|--------|
| Thomas J. Benton | 16.67% |
| Laura Kirkham | 16.67% |
| Sara B. Yoakley | 16.67% |
| Walter Trent | 16.66% |
| Robert K. Trent | 16.66% |
| Mary Ann Morris | 16.67% |

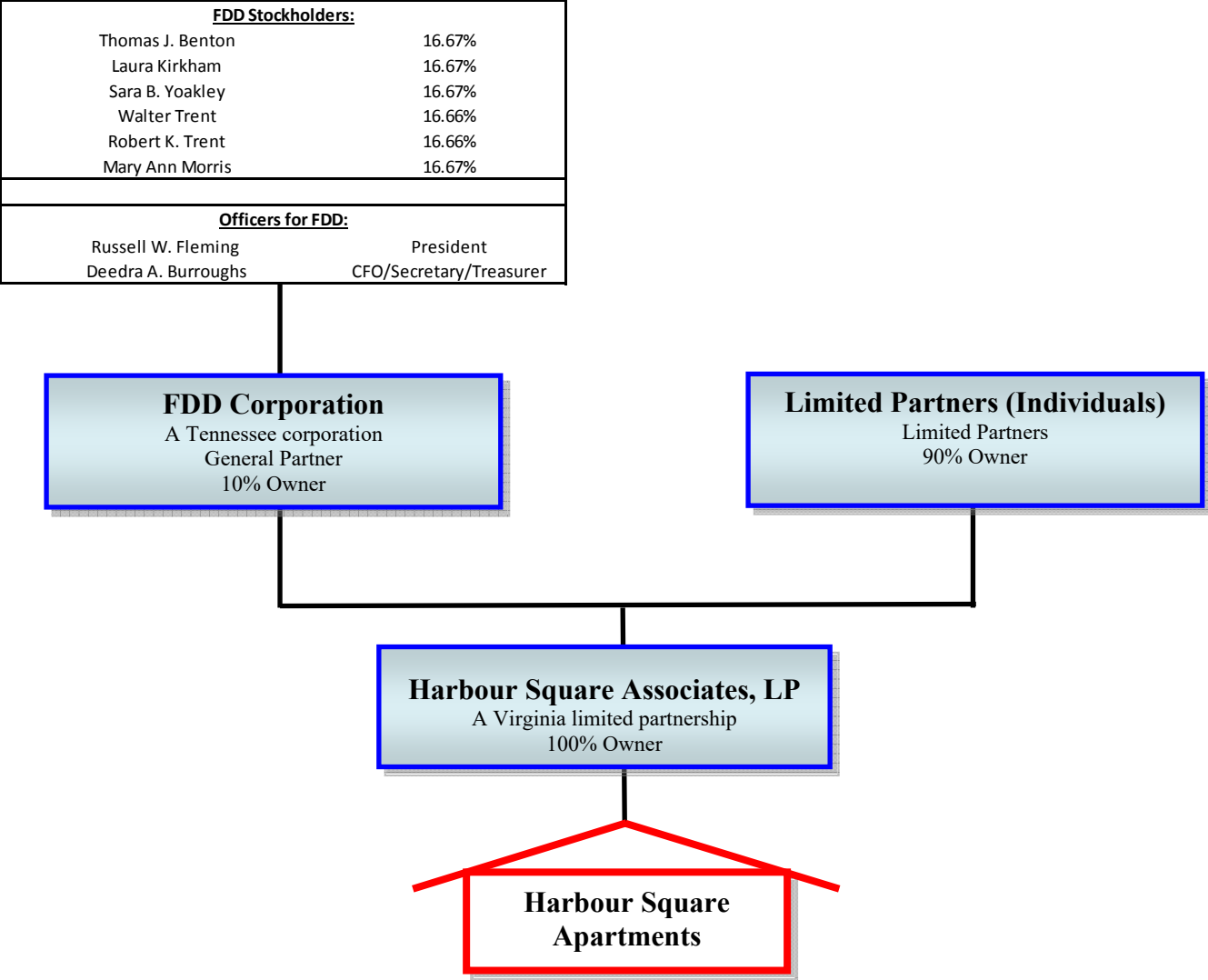
| Officers for FDD: | |
|--------------------------|-------------------------|
| Russell W. Fleming | President |
| Deedra A. Burroughs | CFO/Secretary/Treasurer |

FDD Corporation
A Tennessee corporation
General Partner
10% Owner

Limited Partners (Individuals)
Limited Partners
90% Owner

Harbour Square Associates, LP
A Virginia limited partnership
100% Owner

**Harbour Square
Apartments**



AAMCI, Inc. Stockholders:

| | |
|------------------|--------|
| Thomas J. Benton | 16.67% |
| Laura Kirkham | 16.67% |
| Sara B. Yoakley | 16.66% |
| Walter Trent | 8.33% |
| Robert K. Trent | 16.66% |
| Mary Ann Morris | 16.67% |
| Patti Trent | 8.34% |

| | |
|--------------|----------------|
| Total | 100.00% |
|--------------|----------------|

Officers for AAMCI, Inc.:

| | |
|---------------------|-------------------------|
| Russell W. Fleming | President |
| Deedra A. Burroughs | CFO/Secretary/Treasurer |
| Joseph Engle | Vice President |

TAB A

LPA

Developer Fee Agreement

DEVELOPMENT AGREEMENT
(Harbour Square)

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is made as of [October] ____, 2020 between Harbour LIHTC, LP, a Virginia limited partnership (the “Partnership”) and Harbour Square Dev, LLC, a Virginia limited liability company (the “Developer”).

Recitals

WHEREAS, the Partnership was formed to acquire, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with Harbour Square Apartments located in Mechanicsville, VA (the “Project”);

WHEREAS, the Project, following the completion of rehabilitation, is expected to constitute a “qualified low-income housing project” (as defined in Section 42(g)(1) of the Code);

WHEREAS, the Developer has provided and will continue to provide certain services with respect to the Project during the acquisition, development, rehabilitation and initial operating phases thereof;

WHEREAS, in consideration for such services, the Partnership has agreed to pay to the Developer certain fees computed in the manner stated herein;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Amended and Restated Agreement of Limited Partnership even date herewith (the “Partnership Agreement”).

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

Section 1. Development Services.

- (a) The Developer has performed certain services relating to the development of the Project and shall oversee the development and rehabilitation and acquisition of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Partnership.
- (b) The Developer’s services shall be performed in the name and on behalf of the Partnership and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii)

promptly notify the Partnership that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

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

- (G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful rehabilitation of the Project;
 - (H) compliance with all terms and conditions applicable to the Partnership or the Project contained in any governmental permit or approval required or obtained for the lawful rehabilitation of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;
 - (I) furnishing such consultation and advice relating to the Project as may be reasonably requested from time to time by the Partnership;
 - (J) keeping the Partnership fully informed on a regular basis of the progress of the design and rehabilitation of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Partnership and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;
 - (K) giving or making the Partnership's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and
 - (L) at the Partnership's expense, filing on behalf of and as the attorney-in-fact for the Partnership any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Project.
- (v) Inspect the progress of the course of rehabilitation of the Project, including verification of the materials and labor being furnished to and on such rehabilitation so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or rehabilitation of the Project, and in addition to verify that the rehabilitation is being carried out substantially in accordance with the plans and specifications approved by the Partnership or, in the event rehabilitation is not being so carried out, to promptly notify the Partnership.
- (vi) If requested to do so by the Partnership, perform on behalf of the Partnership all obligations of the Partnership with respect to the design or rehabilitation of the Project contained in any loan agreement or security agreement in connection with the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental

body or agency relating to the terms and conditions of such rehabilitation, provided that copies of such agreements have been provided by the Partnership to the Developer or the Partnership has otherwise notified the Developer in writing of such obligations.

- (vii) To the extent requested to do so by the Partnership, prepare and distribute to the Partnership a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or rehabilitation cost estimates as required by the Partnership, and financial accounting reports, including monthly progress reports on the quality, progress and cost of rehabilitation and recommendations as to the drawing of funds from any loans arranged by the Partnership to cover the cost of design and rehabilitation of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate.
- (viii) At the Partnership's expense, obtain and maintain insurance coverage for the Project, the Partnership, the Property Manager, and the Developer and its employees, at all times until final completion of rehabilitation of the Project, in accordance with an insurance schedule approved by the Partnership, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Partnership.
- (ix) Comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (viii) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Partnership or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Partnership, in accordance with the provisions of this Agreement, shall be at the Partnership's expense. The Developer shall likewise ensure that all agreements between the Partnership and independent contractors performing work in connection with the Project shall include the agreement of said independent contractors to comply with all such applicable laws.
- (x) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Partnership and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of

improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes.

- (xi) Coordinate and administer the design and rehabilitation of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Partnership with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work.
- (xii) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Partnership.
- (xiii) At the direction of the Partnership, implement any decisions of the Partnership made in connection with the design, development and rehabilitation of the Project or any policies and procedures relating thereto, exclusive of leasing activities.
- (xiv) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Partnership and are within the general scope of the services described herein. In no event shall Developer be responsible for or act on behalf of the Partnership with respect to (1) obtaining federal low income tax credits, (2) identifying potential limited partner investors or negotiating the terms and conditions related to such investors' investment in the Partnership, or (3) identifying potential lenders of permanent financing for the project, securing permanent loan commitments or negotiating the terms and conditions of permanent loans for the Project; all such foregoing activities are to be performed by the General Partner.

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the Partnership:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the rehabilitation and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the Partnership;

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

(c) Making any expenditure or incurring any obligation by or on behalf of the Partnership or the Project involving a sum in excess of [Insert] or involving a sum of less than [Insert] where the same relates to a component part of any work, the combined cost of which exceeds [Insert], except for expenditures made and obligations incurred pursuant to and specifically set forth in a Project Budget approved by the Partnership (the "Project Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Partnership;

(d) Making any expenditure or incurring any obligation which, when added to any other expenditure, exceeds the Project Budget or any line item specified in the Project Budget, except for such matters as may be otherwise expressly delegated in writing to the Developer by the Partnership; or

(e) Expending more than what the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Partnership or otherwise in connection with the Project.

Section 3. Accounts and Records.

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

(b) The Developer shall cooperate with the Property Manager to facilitate the timely preparation by the Property Manager of such reports and financial statements as the Property Manager is required to furnish pursuant to the Property Management Agreement.

(c) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Partnership, and shall be available for and subject to audit, inspection and copying by the Property Manager, the Partnership or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Partnership Agreement.

Section 4. Obligation to Complete Rehabilitation and to Pay Development Costs.

The Developer shall complete the rehabilitation of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the Project Documents and the Plans and Specifications.

Section 5. Development Fee.

(a) As a fee for its services in connection with the acquisition and development of the Project and the supervision of the rehabilitation of the Project, the Developer shall be paid an amount (the “Development Fee”) estimated at [One Million Six Hundred Fifty-Nine Thousand Five Hundred Dollars] ([\$1,659,500]).

(b) The Development Fee shall be payable subject to adequate sources.

(c) To the extent not paid on or prior to payment of the Investor Limited Partner Capital Contribution set forth in Section [3.4G] of the Partnership Agreement, the Development Fee shall be deferred (“Deferred Development Fee”) bearing interest at the rate of [6%] per annum and shall be paid, first to accrued interest on the Development Fee, then to the principal amount outstanding, from next available Net Cash Flow pursuant to and in the priority set forth in [Section 9.2A] of the Partnership Agreement or from Net Cash Proceeds from Sales and Refinancings pursuant to [Section 9.2B] of the Partnership Agreement; provided, however, that notwithstanding anything else in this Agreement, any unpaid balance of the Development Fee shall be due and payable by the end of the thirteenth year after the date the Project is placed in service (for purposes of Section 42 of the Code), and at such time, if necessary, the General Partner shall make an additional Capital Contribution to pay the deferred, unpaid portion.

(d) Notwithstanding anything else in this Agreement to the contrary, if the Developer fails to complete rehabilitation of the Project at a total depreciable cost such that the Project does not satisfy the “50% test” under Code Section 42(h)(4)(B), then the Development Fee shall be reduced on a dollar for dollar basis to the extent the payment of such Development Fee would cause less than 51% of the aggregate cost basis of the rehabilitation and the basis of the land on which the rehabilitation is located, as such terms are defined in Code Section 42(h)(4)(B), to be financed by an obligation described in Code Section 42(h)(4)(A).

(e) The Development Fee shall be a recourse obligation of the Partnership.

Section 6. Applicable Law.

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

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns.

Section 8. Default and Remedies.

(a) If the Developer shall default in the performance of any of its covenants or obligations under this Agreement and such default shall continue unremedied for a period of thirty (30) days after written notice thereof from the Partnership to the Developer, the Partnership may exercise one or more of the following rights and remedies (all of which shall be cumulative), provided, however, if the default is of such a nature that it cannot be cured within the 30-day period, and the Developer has commenced to cure each default within the 30-day period, the Developer shall have an additional thirty (30) days in which to cure said default provided it acts in good faith and with due diligence to cure the same:

(i) Terminate this Agreement;

(ii) Enforce the provisions of this Agreement by legal proceedings for the specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy and recover damages caused by any breach by the Developer of the provisions of this Agreement, including court costs, reasonable attorneys' fees and other expenses incurred in the enforcement of the obligations of the Developer hereunder; and/or

(iii) Exercise any and all rights and remedies which the Partnership (or its Partners) may have under the Partnership Agreement and applicable law.

(b) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any event of default hereunder which is not cured within the time period specified in Section 8(a) above, the Partnership is authorized to set off and to apply any amounts payable to the Developer hereunder, or under the Partnership Agreement against and on account of the obligations of the Developer to the Partnership hereunder. Any such amounts shall be deemed to have been paid to the Developer and then funded by the Developer to the Partnership.

(c) As long as Developer is not in default under this Agreement, the obligation of the Partnership to pay the Development Fee shall not be affected by any change in the identity of the General Partner of the Partnership. However, if a General Partner is in default of its obligations under the Partnership Agreement, the Developer agrees that the Partnership may suspend payment of the Development Fee until the cure of the default.

Section 9. Headings.

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

Section 10. Terminology.

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

Section 11. Benefit of Agreement.

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

Section 12. Notice.

Except for any notice required under applicable law to be given in another manner (a) any notice to the *Partnership* provided for hereunder must be delivered by mailing such notice by certified or registered mail, return receipt requested, or overnight courier addressed to the Partnership at 520 Pike Street, Ste #1004, Seattle, WA 98101, Attention: [Insert], or at such other address as the Partnership may designate by notice to the other parties as provided herein, and (b) any notice to the *Developer* provided for hereunder must be delivered by certified or registered mail, return receipt requested, or by overnight courier at 520 Pike Street, Suite 1004, Seattle, Washington 98101, Attention: [Insert], or at such other address as the Developer may designate by notice to the other parties as provided herein. Any notice provided for hereunder will be deemed to have been delivered to the Developer, Partnership or the Limited Partner three (3) days after the same has been deposited with the United States Postal Service or overnight courier in the above manner. Actual notice and receipt of any written notice constitutes notice in all events.

Section 13. Time. Time is of the essence hereof.

Section 14. Partnership Agreement.

If any provision of this Agreement conflicts with a provision of the Partnership Agreement, the Partnership Agreement shall control.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto execute, accept, adopt and agree to be bound by all of the terms hereof by executing this Development Agreement as of this date first set forth above.

PARTNERSHIP:

Harbour LIHTC, LP,
A Virginia limited partnership

By: Harbour Square GP, LLC,
A Virginia limited liability company,
Its: General Partner

By: _____
Name: _____
Title: _____

DEVELOPER:

Harbour Square Dev, LLC,
a Virginia limited liability company

By: _____
Name:
Title:

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, May 12, 2020

This is to certify that the certificate of limited partnership of

Harbour LIHTC, LP

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.

Effective date: May 12, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

Limited Partnership - Certificate of Amendment of a Certificate of Limited Partnership

| Entity Information | | | | |
|---|---------------------------|--|---------------|---------------------|
| Entity Name: | Habour LIHTC, LP | | Entity Type: | Limited Partnership |
| Entity ID: | 11051641 | Formation Date: | 05/12/2020 | |
| Status: | Active | LLPStatus: | False | |
| Business Type | | | | |
| Industry Code: | 0 - General | | | |
| Duration | | | | |
| Perpetual(never) | | | | |
| Amendment Type | | | | |
| Amendment Type: | Name Change | | | |
| Name Change | | | | |
| Entity Name: | Harbour LIHTC, LP | | | |
| Principal Office Address | | | | |
| Address: 520 Pike St Ste 1004, Seattle, WA, 98101 - 4092, USA | | | | |
| Principal Information | | | | |
| Title | Name | Address | Jurisdiction | |
| 85 | IPG - Harbour, LLC | 520 Pike St Ste 1004, Seattle, WA, 98101 - 4092, USA | VA | |
| 86 | AAMCI - Harbour, LLC | 708 South Gay St, Suite 200, Knoxville, TN, 37902, USA | VA | |
| Signature Information | | | | |
| Date Signed: 05/12/2020 | | | | |
| Entity Name | Entity Type | Printed Name | Signature | Title |
| IPG - Harbour, LLC | Limited Liability Company | John Sullivan | John Sullivan | Organizer |
| Additional Filings Required | | | | |
| Date Time | Entity Type | Filing Type | Status | |
| No records to view. | | | | |

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: Harbour Square
Name of Applicant (entity): Harbour LIHTC, LP

I hereby certify that:

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

Previous Participation Certification, cont' d

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

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

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



Signature

Russell W. Fleming

Printed Name

5/26/20

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



Previous Participation Certification

Development Name:

Harbour Square

Name of Applicant (entity):

Harbour LIHTC, LP

I hereby certify that:

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

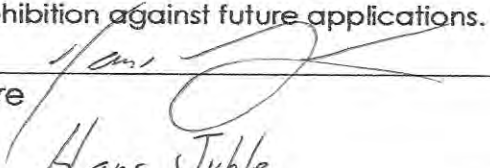
Previous Participation Certification, cont'd

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

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

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

Signature



Printed Name

Hans Juhle

6/1/2020

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: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Robert K. Trent Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

| 1 | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member of the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|----|--|---|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|
| 1 | Orange City , Orange City | Orange City, L.P. 615-370-5721 | Y | 96 | 96 | 2017 | 2017 | N |
| 2 | Trinity Place, Nashville, TN | Trinity Place Apartments, L.P. 615-370-5721 | Y | 100 | 100 | 2019 | 2020 | N |
| 3 | Holston Oaks, Knoxville, TN | Holston Oaks Aprtments, L.P. 615-370-5721 | Y | 198 | 198 | 2017 | 2018 | N |
| 4 | Wedgewood Towers, Nashville, TN | Wedgewood Towers, L.P. 615-370-5721 | Y | 120 | 120 | 2005 | 2005 | N |
| 5 | Park at Richard Roads, Nashville, TN | Park at Richards Road, L.P. 615-370-5721 | Y | 265 | 265 | 2012 | 2012 | N |
| 6 | Summerwind Apts. Nashville, TN | Summerwind Apartments, L.P. 615-370-5721 | Y | 110 | 110 | TCAP | TCAP | N |
| 7 | October Homes , Nashville, TN | October Homes, L.P. 615-370-5721 | Y | 104 | 104 | 1602 | 1602 | N |
| 8 | The Preserve at MetroCenter, Nashville, TN | The Presere at MetroCenter, L.P. 615-370-5721 | Y | 80 | 80 | 2007 | 2007 | N |
| 9 | Atchley Homes Maryville, TN | Atchley Homes, L.P. 615-370-5721 | Y | 124 | 124 | 2012 | 2012 | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 1,197 1,197

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Russell W. Fleming Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

| 1 | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|----|---|--|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|
| 1 | Cypress Cathedral/Winter Haven, FL | Cypress Cathedral, LLLP; 206-512-8902 | N | 68 | 68 | 12/31/2013 | 10/20/2014 | N |
| 2 | California Square II/Louisville, KY | KY-CA Square, LLC; 206-512-8902 | N | 48 | 48 | 12/31/2013 | 2/10/2015 | N |
| 3 | Portland Plaza/Louisville, KY | KY-Portland, LLC; 206-512-8902 | N | 71 | 71 | 12/31/2013 | 2/2/2015 | N |
| 4 | Metropolitan Gardens/Reno, NV | 775 Seniors, LP; 206-512-8902 | N | 83 | 83 | 12/31/2014 | 7/10/2015 | N |
| 5 | Milham Meadows/Portage, MI | Milham Affordable Limited Dividend Housing Association, LP; 206-512-8902 | Y | 300 | 300 | 12/31/2014 | 3/24/2016 | N |
| 6 | The Clusters Apartments/Hutchinson, KS | Clusters, LLP; 206-512-8902 | N | 75 | 75 | 12/31/2015 | 7/11/2016 | N |
| 7 | Meadowlark Apts./Minot, ND | Minot LIHTC, LP; 206-512-8902 | N | 96 | 96 | 12/1/2016 | 5/30/2017 | N |
| 8 | Romney Meadows/Lafayette, IN | Lafayette LIHTC, LP; 206-512-8902 | Y | 326 | 326 | 12/31/2016 | 10/2/2017 | N |
| 9 | Sierra Pointe & Granda Apts/Las Vegas, NV | LV LIHTC, LP; 206-512-8902 | Y | 175 | 175 | 12/1/2018 | 1/21/2019 | N |
| 10 | Hilltop Village/Toledo, OH | Hilltop Village, LLC; 206-512-8902 | N | 90 | 90 | 12/1/2018 | 9/11/2019 | N |
| 11 | Hampton Court/Toledo, OH | Hampton Court, LLC; 206-512-8902 | N | 48 | 48 | 12/1/2018 | 9/11/2019 | N |
| 12 | NorthTowne Village/Toledo, OH | North Towne, LLC; 206-512-8902 | N | 70 | 70 | 12/1/2018 | 9/11/2019 | N |
| 13 | Woodruff Village/Toledo, OH | Woodruff LIHTC, LP; 206-512-8902 | Y | 96 | 96 | 12/1/2018 | 3/18/2019 | N |
| 14 | Meadowland Apts./Sioux Falls, SD | Sioux Falls LIHTC, LP; 206-512-8902 | Y | 120 | 120 | TBD | TBD | N |
| 15 | Forest Glen Estates/Kansas City, KS | Forest Glen LIHTC, LLP; 206-512-8902 | Y | 160 | 160 | TBD | TBD | N |
| 16 | Arbors At McCormick Park/Fargo, ND | Fargo LIHTC, LP; 206-512-8902 | N | 186 | 186 | TBD | TBD | N |
| 17 | Bridlewood Village/Obetz, OH | Obetz LIHTC, LP; 206-512-8902 | N | 70 | 70 | TBD | TBD | N |
| 18 | George Mance Commons/Toledo, OH | Toledo202, LP; 206-512-8902 | N | 40 | 40 | TBD | TBD | N |
| 19 | St. George's Manor/Toledo, OH | Toledo202.1, LP; 206-512-8902 | N | 51 | 51 | TBD | TBD | N |
| 20 | Woodland Village Apts/Leavenworth, KS | Leavenworth LIHTC, LP; 206-512-8902 | Y | 198 | 198 | TBD | TBD | N |
| 21 | Silver Terrace Apts/Reno, NV | Reno LIHTC, LP; 206-512-8902 | Y | 126 | 126 | TBD | TBD | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

| Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" | |
|---------------------------|---|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|---|
| 1 | Cypress Cathedral/Winter Haven, FL | Cypress Cathedral, LLLP; 206-512-8901 | N | 68 | 68 | 12/31/2013 | 10/20/2014 | N |
| 2 | California Square II/Louisville, KY | KY-CA Square, LLC; 206-512-8901 | N | 48 | 48 | 12/31/2013 | 2/10/2015 | N |
| 3 | Portland Plaza/Louisville, KY | KY-Portland, LLC; 206-512-8901 | N | 71 | 71 | 12/31/2013 | 2/2/2015 | N |
| 4 | Metropolitan Gardens/Reno, NV | 775 Seniors, LP; 206-512-8901 | N | 83 | 83 | 12/31/2014 | 7/10/2015 | N |
| 5 | Milham Meadows/Portage, MI | Milham Affordable Limited Dividend Housing Association, LP; 206-512-8901 | Y | 300 | 300 | 12/31/2014 | 3/24/2016 | N |
| 6 | The Clusters Apartments/Hutchinson, KS | Clusters, LLP; 206-512-8901 | N | 75 | 75 | 12/31/2015 | 7/11/2016 | N |
| 7 | Meadowlark Apts./Minot, ND | Minot LIHTC, LP; 206-512-8901 | N | 96 | 96 | 12/1/2016 | 5/30/2017 | N |
| 8 | Romney Meadows/Lafayette, IN | Lafayette LIHTC, LP; 206-512-8901 | Y | 326 | 326 | 12/31/2016 | 10/2/2017 | N |
| 9 | Sierra Pointe & Granda Apts/Las Vegas, NV | LV LIHTC, LP; 206-512-8901 | Y | 175 | 175 | 12/1/2018 | 1/21/2019 | N |
| 10 | Hilltop Village/Toledo, OH | Hilltop Village, LLC; 206-512-8901 | N | 90 | 90 | 12/1/2018 | 9/11/2019 | N |
| 11 | Hampton Court/Toledo, OH | Hampton Court, LLC; 206-512-8901 | N | 48 | 48 | 12/1/2018 | 9/11/2019 | N |
| 12 | NorthTowne Village/Toledo, OH | North Towne, LLC; 206-512-8901 | N | 70 | 70 | 12/1/2018 | 9/11/2019 | N |
| 13 | Woodruff Village/Toledo, OH | Woodruff LIHTC, LP; 206-512-8901 | Y | 96 | 96 | 12/1/2018 | 3/18/2019 | N |
| 14 | Meadowland Apts./Sioux Falls, SD | Sioux Falls LIHTC, LP; 206-512-8901 | Y | 120 | 120 | TBD | TBD | N |
| 15 | Forest Glen Estates/Kansas City, KS | Forest Glen LIHTC, LLP; 206-512-8901 | Y | 160 | 160 | TBD | TBD | N |
| 16 | Arbors At McCormick Park/Fargo, ND | Fargo LIHTC, LP; 206-512-8901 | N | 186 | 186 | TBD | TBD | N |
| 17 | Bridlewood Village/Obetz, OH | Obetz LIHTC, LP; 206-512-8901 | N | 70 | 70 | TBD | TBD | N |
| 18 | George Mance Commons/Toledo, OH | Toledo202, LP; 206-512-8901 | N | 40 | 40 | TBD | TBD | N |
| 19 | St. George's Manor/Toledo, OH | Toledo202.1, LP; 206-512-8901 | N | 51 | 51 | TBD | TBD | N |
| 20 | Woodland Village Apts/Leavenworth, KS | Leavenworth LIHTC, LP; 206-512-8901 | Y | 198 | 198 | TBD | TBD | N |
| 21 | Silver Terrace Apts/Reno, NV | Reno LIHTC, LP; 206-512-8901 | Y | 126 | 126 | TBD | TBD | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
 TOTAL: 2,497 2,497 LIHTC as % of
 100% Total Units

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Thomas J. Benton Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y
Y or N

| Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|-------------------------------------|---|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|
| 1 Creekside Townhomes, Dayton, Ohio | Northland Village I, LP - 865-525-7500 | Y | 500 | 500 | 5/12/2016 | 3/27/2018 | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
 TOTAL: 500 500 100% **LIHTC as % of Total Units**

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Mary Ann Morris Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y
Y or N

| Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|---------------------------|---|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|
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* 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

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

| | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* 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

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

| | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* 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

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Russell W. Fleming Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

| | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* 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

List of LIHTC Developments (Schedule A)



Development Name: Harbour Square
 Name of Applicant: Harbour LIHTC, LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: AAMCI, Inc. Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y
Y or N

| 1 | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|----|---|---|--|------------------|------------------------|------------------------|--------------------|---------------------------------------|
| 1 | Golden Age Retirement Village, Knoxville, Tennessee | Golden Age Retirement Village II, L.P. - 865-525-7500 | Y | 100 | 100 | 8/31/2015 | 12/31/2015 | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

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

ASSIGNMENT AND ASSUMPTION
(Harbour Square Apartments)

THIS ASSIGNMENT AND ASSUMPTION (“Assignment and Assumption”) is dated effective as of June 2, 2020, by and between Integra Property Group, LLC, a Delaware limited liability company (“**Assignor**”), and Harbour LIHTC, LP, a Virginia limited partnership (“**Assignee**”).


Harbour Square Associates, a Virginia limited partnership (the “**Seller**”), as seller, and Assignor, as purchaser, entered into that certain Purchase and Sale Agreement dated March 11, 2020, as amended (the “**Contract**”), providing for the purchase and sale of a certain property known as Harbour Square Apartments, a 100-unit apartment property located at 7102 New Hunter Road in Mechanicsville, Virginia (“**Property**”).

Assignor hereby assigns to Assignee all of its right, title, and interest in and to the Contract, and all the benefits therein. Assignee hereby accepts such assignment and hereby assumes all of the obligations of Assignor under the Contract.

This Assignment and Assumption may be executed in a number of identical counterparts. Delivery of a facsimile or e-mail attachment of a signed copy of this Assignment and Assumption shall have the same legal effect as delivery of a signed original of this Assignment and Assumption.

ASSIGNEE:


Harbour LIHTC, LP
A Virginia limited partnership

By: 

Hans Juhle
Authorized Signatory

ASSIGNOR:

INTEGRA PROPERTY GROUP, LLC,
a Delaware limited liability company

By: 

Christopher Porter
Authorized Signatory

PURCHASE AND SALE AGREEMENT

(Harbour Square Apartments)

This Purchase and Sale Agreement (“**Agreement**”) is entered into by and between Harbour Square Associates, a Virginia limited partnership (“**Seller**”), and Integra Property Group, LLC, a Delaware limited liability company (“**Purchaser**”).

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

1.1. “**Affiliate**” means, as to any person or entity: (a) any other person or entity that, directly or indirectly, is in control of, is controlled by or is under common control with such person or entity; or (b) is a director, officer, shareholder, partner, member or associate of such person or entity, or of an Affiliate of such person or entity.

1.2. “**Business Day**” means any day other than a Saturday, Sunday, or federal holiday. If a deadline for any action required herein falls on a day other than a Business Day, the deadline shall be deemed to fall on the next Business Day.

1.3. “**Closing**” means the delivery of the Warranty Deed(s) from the Seller to the Purchaser and recording of same with the appropriate governmental recording entity.

1.4. “**Closing Date**” means the date on which the Closing occurs, which shall be a date mutually agreeable to Purchaser and Seller, and in any event no later than one hundred eighty (180) days after the end of the Examination Period, subject to the extension provided for in Section 4 of this Agreement.

1.5. “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.

1.6. “**Effective Date**” means the date that a copy of this Agreement, fully executed by Purchaser and Seller is delivered to both Purchaser and Seller. (The signature of Escrow Agent shall not affect the Effective Date.)

1.7. “**Escrow Agent**” means First American Title Company, Attn: Beth Peterson, 818 Stewart Street, Suite 800, Seattle, WA 98101; Phone (206) 615-3260; E-mail: bethpeterson@firstam.com.

1.8. “**Examination Period**” means the period of time commencing on the later of i) the Effective Date and ii) Purchaser’s receipt of all of the Property Documents (as defined in Section 5.1 of this Agreement), and ending sixty (60) days thereafter.

1.9. “**Property**” means that certain property known as Harbour Square Apartments, a 100-unit apartment property located at 7102 New Hunter Road in Mechanicsville, Virginia, legally described on **Exhibit “A”**. As used in this Agreement, Property includes the

"Land," "Improvements," "Accounts," "Personal Property," and "Intangible Property," defined and described on **Exhibit "B"**.

1.10. Intentionally Deleted.

1.11. *"Title Company"* means First American Title Company, Attn: Beth Peterson, 818 Stewart Street, Suite 800, Seattle, WA 98101; Phone (206) 615-3260; E-mail: bethpeterson@firstam.com.

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

3. **Purchase Price.** The purchase price for the Property (the *"Purchase Price"*) shall be Eight Million Dollars (\$8,000,000), and shall be payable in full at Closing via wire transfer of United States funds.

4. **Efforts.** If, despite commercially reasonable efforts by the Purchaser, the Closing has not been formally scheduled to occur within ten (10) business days of the date which is one hundred eighty (180) days after the Examination Period, Purchaser may elect to extend the Closing Date for a maximum of sixty additional (60) days.

5. **Due Diligence/Inspections.**

5.1. **Seller's Initial Deliveries.** Seller shall deliver to Purchaser, either electronically or at its address indicated in Section 25.2 below, within five (5) Business Days after the Effective Date, copies of all of documents relating to the Property that are in the possession or control of the Seller or the Seller's property manager and are identified on **Exhibit "C"** attached hereto (collectively, the *"Property Documents"*).

5.2. **Property Inspections.** Commencing on the Effective Date and continuing so long as this Agreement may remain in effect, Purchaser, its agents and representatives, shall be entitled to enter onto the Property during reasonable business hours and upon 48 hours prior notice to be given during regular business hours to perform inspections and tests of the Property and the structural and mechanical systems at the Property, including premises by premises inspections and environmental assessments of the Property, all at Purchaser's sole cost and expense. Purchaser agrees to conduct such inspection in a manner which will not materially interfere with the tenants' quiet enjoyment of the Property. Purchaser will indemnify, defend and hold Seller harmless for, from and against any and all claims, damages, costs, liabilities and losses arising solely out of any entry by Purchaser or its agents, designees or representatives, and this indemnity will survive the close of escrow or earlier termination of this Agreement. Purchaser will, at its sole cost and expense, repair any damage to the Property which was caused solely by any inspection or testing of the Property by Purchaser if this transaction does not close, and, until such repair is complete, Purchaser will take all reasonable steps necessary to ensure that any conditions on the Property created by Purchaser's testing will not unreasonably interfere with the normal operation of the Property or create any dangerous, unhealthy, unsightly or noisy conditions on the Property.

6. **Contingencies.**

6.1 Purchaser's obligations under this Agreement are expressly contingent upon its approval of its due diligence review during the Examination Period. Purchaser shall have until the expiration of the Examination Period, to review all aspects of the Property and this transaction. In the event that Purchaser approves such review, Purchaser shall so notify Seller in writing ("**Purchaser's Approval Notice**") on or before expiration of the Examination Period. In the event Purchaser notifies the Seller that it elects to terminate the Agreement or does not provide the Purchaser's Approval Notice to Seller on or before the expiration of the Examination Period, this Agreement shall automatically terminate.

6.2 Reserved.

7. **Title Policy.**

7.1. Within fifteen (15) days after the Effective Date, Purchaser shall obtain a commitment from the Title Company ("**Title Commitment**") for the issuance of an ALTA Owner's Title Policy ("**Title Policy**") at Closing to Purchaser. Purchaser shall give Seller written notice ("**Purchaser's Title Notice**") on or before the expiration of twenty (20) days after receipt of the Title Commitment and exception documents as to whether the condition of title as set forth in the Title Commitment and/or any survey is or is not satisfactory, in Purchaser's sole discretion. Monetary liens shall be paid by Seller at Closing out of the sales proceeds. In the event that the condition of title is not acceptable, Purchaser shall specify and set forth each of such objections ("**Objections**") in the Purchaser's Title Notice. If Seller chooses not to remove one or more exceptions that Purchaser has objected to, Seller shall notify Purchaser in writing ("**Seller's Title Response**") within ten (10) days of receipt of Purchaser's Title Notice as to which Objections Seller will not remove as of the Closing Date ("**Remaining Objections**"). If there are any Remaining Objections, Purchaser may, at its option by written notice within ten (10) days after Seller's Title Response, (i) accept title subject to the Remaining Objections, in which event the Remaining Objections shall be deemed to be waived, or (ii) terminate this Agreement. Any exceptions permitted on the Title Policy pursuant to this Section 7.1 are referred to herein as "**Permitted Exceptions**". If the Title Company subsequently updates the Title Commitment with additional exceptions to title, the provisions for Purchaser's Title Notice and Seller's Title Response shall be reinstated, with the Purchaser's Title Notice regarding the additional exception(s) being due five (5) Business Days after the date that Purchaser receives the updated exceptions.

7.2. In the event that the issuance of the Title Policy requires an ALTA Survey ("**Survey**") of the Property, Purchaser shall obtain such Survey at Purchaser's expense and provide it to the Title Company.

7.3. Purchaser's obligations hereunder are contingent upon the Title Company, at Closing, being irrevocably and unconditionally committed to issue to Purchaser the Title Policy in accordance with the title requirements listed in this Section 7 (subject only to payment of the premiums for the Title Policy).

8. **Contracts.** Subsequent to delivery of Purchaser's Approval Notice, Seller shall, upon written request from Purchaser, give appropriate notices of termination of, and cause the termination of, any service, supply, security, maintenance, employment or other contracts or

arrangements (“**Contracts**”) with respect to the Property (other than the Permitted Exceptions), terminating such Contracts as of the Closing Date (or if a Contract with a non-Affiliate cannot be terminated as of the Closing Date, such later date which is the earliest date that such Contract can be terminated in accordance with its terms without a termination fee or charge). All contracts with Seller Affiliates shall be terminated as of the Closing Date. In addition, effective as of the Closing Date, Seller shall terminate all property management agreements with respect to the Property.

9. **The Closing and the Closing Date.** The purchase and sale of the Property shall be consummated at the Closing to be held on the Closing Date at the offices of the Escrow Agent. Neither party need be physically present at the Closing. Title to and possession of the Property shall transfer to Purchaser at Closing.

10. **Seller's Obligations at the Closing.** Not less than two (2) Business Days prior to the Closing, Seller shall do the following:

10.1. Deliver to the Title Company, with standard instructions to deliver to Purchaser, (i) a Special Warranty Deed (the "**Deed**") on the form attached hereto as **Exhibit “E”**, subject only to the Permitted Exceptions (provided, however, that the exceptions on the Title Policy shall not be shown on the Deed); (ii) a Bill of Sale, Assignment, and Assumption Agreement on the form attached hereto as **Exhibit “D”**; (iii) an assignment of the HAP Contract using the standard HUD form; (iv) a FIRPTA Affidavit; and (v) all other agreements to be executed by Seller as specified herein. To the extent the legal description of the Property as shown in the Survey shows a discrepancy with the legal description attached hereto, the Seller shall also deliver a quitclaim deed conveying the Property to Purchaser using the legal description shown on the Survey.

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

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

10.4. Deliver or make available to Purchaser all documents, records, plans, keys, permits and other items related to the Property within Seller’s possession or control.

10.5. Deliver to Purchaser a letter from Seller to all tenants directing the tenants to make all future payments to Purchaser or its management company, as specified by Purchaser, and otherwise complying with any legal requirements regarding the transfer of tenant deposits.

10.6. Deliver to Purchaser, if requested, any state or local tax withholding forms so that Purchaser has no liability for Seller withholding or Seller taxes under state or local law.

10.7. Deliver to Purchaser a then-current listing of any liens, judgments, tax liens, notice of personal injury claims or any notice of claims or demands or of any pending or threatened litigation involving the Seller or the Property.

10.8. Deliver to Purchaser such other documents as may be reasonably requested by Purchaser or the Title Company as are necessary to carry out the provisions of this Agreement.

11. **Purchaser's Obligations at the Closing.** Prior to the Closing, Purchaser shall do the following:

11.1. Deliver to the Escrow Agent the Purchase Price, less any agreed-upon credits.

11.2. Deliver to the Title Company satisfactory evidence that all necessary corporate, partnership, or other action on the part of Purchaser, if any, has been taken with respect to the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby so that all of said documents are and will be validly executed and delivered and will be binding upon Purchaser.

11.3. Deliver to Seller executed counterparts of the Bill of Sale, Assignment, and Assumption Agreement.

11.4. Deliver to Seller such additional documents as are necessary to carry out the provisions of this Agreement.

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

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

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

12.3. The execution and delivery of, and the performance by Seller of its obligations under this Agreement will not contravene, or constitute a default or breach under any provision of (i) Seller's organizational documents, or (ii) applicable law or regulation or any agreement, judgment, injunction, order, decree or other instrument binding upon Seller or to which the Property is subject.

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

written notice that (i) dedicated access does not exist to the Property meeting all applicable governmental requirements, and (ii) that the Property does not comply with all zoning, use, environmental, flood control, planning, building, fire, health, traffic and similar laws, codes, rules, regulations, ordinances and requirements imposed by any local, state and federal governmental authority.

12.5. To Seller's knowledge, all water, sewer, gas, electric, telephone, cable/satellite television, and drainage necessary to properly service the Property and the Improvements or which are otherwise required by law or by the normal use and operation of the Property and the Improvements are located within the Property.

12.6. Seller has not received any written notice and Seller has no knowledge that the Property is not, as of the date of this Agreement, in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials ("**Hazardous Materials**"), industrial hygiene or the environmental conditions on, under or about the Property including, but not limited to, soil and ground water condition. Hazardous Materials shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances, lead paint, asbestos, radon, and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations. In addition, Seller represents and warrants that to the best of its knowledge, there are no underground storage tanks on or under the Land. If, prior to the Closing Date, Seller receives any notice that the Property is in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials, industrial hygiene or the environmental conditions on, under or about the Property, it shall notify Purchaser in writing of the same. Purchaser shall have thirty (30) days from receipt of such notice to elect, in its sole and absolute discretion, to terminate this Agreement. If Purchaser timely elects to terminate this Agreement, this Agreement shall terminate as of the date of such notice and the parties shall have no further obligation to each other.

12.7. Seller has not received, nor has Seller's property management agent received, any written notice of any pending or threatened judicial, municipal or administrative proceedings against the Seller or affecting the Property, including, without limitation, proceedings for or involving collections, mechanics liens, condemnation, eminent domain, alleged building code or environmental or zoning violations, or personal injuries or property damage alleged to have occurred on the Property or by reason of the condition, use of, or operations on, the Property, except for those listed on **Exhibit "F"** hereto.

12.8. The contracts or agreements ("**Contracts**") disclosed as part of the Property Documents, and/or shown as exceptions on the Title Commitment, constitute all of the Contracts affecting the Property. Seller has not received any written notice of default and Seller has no knowledge of any existing defaults under the Contracts.

12.9. The certified rent roll ("**Certified Rent Roll**") to be provided pursuant to this Agreement shall be certified by Seller to be true, correct, and complete, and shall contain for each tenant and each tenant's lease the following information: commencement date of the lease; termination date of the lease; monthly rent, with separate columns for the portions paid by HUD

and the portions paid by the tenant; security deposits (any amounts previously applied to charges shall also be shown); prepaid rents; any other payments or credits applicable to that lease.

12.10. There are no leasing commissions payable in connection with the renewal of any existing lease nor any tenant improvement costs payable in connection with any existing tenant lease.

12.11. There are no purchase options, or rights of first refusal, right of first offer, or other purchase rights in effect which affect the Property.

12.12. Seller has received no notice from HUD alleging a condition of default or breach of any term of any of the HAP Contracts which remain uncured.

12.13. Current rents payable under the HAP Contracts have not changed from the amounts set forth in the Rent Schedules included in the HAP Contracts delivered to the Purchaser as part of the Property Documents. Further, Seller has not charged or collected rents under the HAP Contracts or from tenants more than amounts permitted under the HAP Contracts or under applicable federal law during its period of ownership of the Properties.

13. Representations and Warranties of Purchaser.

13.1. Purchaser represents and warrants to Seller that it is duly formed, validly existing and in good standing under the laws of the State of Delaware and has all powers to carry on its business as now conducted and to enter into and perform its obligations hereunder and under any document or instrument required to be executed and delivered on behalf of the Purchaser hereunder.

13.2. Purchaser represents and warrants to Seller that all documents will be validly executed and delivered and will be binding upon Purchaser. The person executing this Agreement on behalf of Purchaser has the authority to do so.

13.3. Purchaser's performance of this transaction shall not conflict with or constitute a default under the terms and conditions of the organizational documents pursuant to which any of Purchaser's affiliates are bound, or any order or regulation of any governmental body having jurisdiction over the Purchaser or any Affiliate thereof.

13.4. Purchaser is not aware of any circumstance which would cause HUD to fail to approve the Purchaser as an owner for the Property.

14. Seller Covenants. Seller hereby covenants as follows:

14.1. Until the Closing Date, Seller shall maintain the Property in substantially the same condition and quality as such was in at the time of the physical inspection of the Property by Purchaser, except for normal wear and tear, and shall continue to operate the Improvements and the Property in the ordinary course of business, such operation to include the continuation of maintenance and repair programs, and the "rent ready" turning of any currently down or vacant units.

14.2. All accounts, bills and obligations of the Property shall be paid current up to the Closing Date, and there will be no delinquent amounts owing as of the Closing Date.

14.3. As of the Closing Date, there will be no management, service, supply, security, maintenance, employment or other contracts or arrangements (“*Contracts*”) with respect to the Property other than the Permitted Exceptions or as otherwise consented to by Purchaser.

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

14.5. Seller shall cause all apartment units on the Property which become vacant after the Effective Date but more than seven (7) days prior to Closing to be in a “rent ready” condition on the Closing Date, and, to encourage continued normal operations up to Closing, to the extent Seller elects not to cause any such units are not in rent ready condition on the Closing Date, Purchaser shall receive a credit at Closing equal to \$2,500.00 for each such unit. At least two Business Days, but no more than five Business Days prior to Closing, Purchaser (or its designated representatives) shall inspect the vacant units at the Property and determine the number of non “rent ready” units. For purposes of this Section 14.5, the term “rent ready” shall mean cleaned and prepared for occupancy for a new tenant, including the painting or cleaning of walls, the professional cleaning or replacement of carpets, and with all appliances in working condition, consistent with Seller’s current standards for units available for rent in the market.

14.6. Seller or Seller’s agents will not make any material, physical modifications to the Land, the Improvements, or Personal Property without Purchaser’s express, prior, written consent, unless such action is required by law, or due to an emergency (as reasonably determined by Seller).

14.7. Intentionally Deleted.

14.8. Seller shall promptly (and in any event prior to the Closing Date) notify Purchaser if it becomes aware of any event or circumstance which makes any representation, covenant or warranty of Seller to Purchaser set forth in this Agreement materially untrue or misleading. Upon Purchaser’s receipt of written notification from Seller of any fact that would render any of the representations or warranties contained herein, or any of the documents and materials delivered to Purchaser, untrue, incorrect or misleading in any material respect, Purchaser may as its sole and exclusive remedy, at Purchaser’s option, to be made within ten (10) Business Days, either proceed to Closing notwithstanding the information in the notice, or terminate the Agreement.

15. **Survival.**

15.1. The representations, warranties, and covenants set forth in this Agreement shall be correct on the Closing Date and any claim for a breach of such representations and warranties shall survive for one year after the Closing Date. Any claim for a breach of

representation or warranty shall be barred unless a claim is made in writing, with a description of the claim made, on or before the first anniversary of the Closing Date.

15.2. All provisions of this Agreement shall be deemed merged into or waived by the instruments of Closing, except for those provisions that specifically state that they survive closing or termination (each a “**Surviving Provision**”). Any claim made in connection with a Surviving Provision shall be barred unless a claim is made in writing, with a description of the claim made, on or before the limited time, if any, specified in such Surviving Provision.

16. **Purchaser’s Defaults; Seller’s Remedies.** In the event of a breach by Purchaser of its obligations under this Agreement, which breach is not cured within five (5) days after Purchaser’s receipt of written notice of default from Seller specifying the breach, Seller’s sole remedy shall be to terminate this Agreement. PURCHASER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICAL TO QUANTIFY THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF A BREACH BY PURCHASER, THAT \$100 IS A REASONABLE ESTIMATE OF SUCH ACTUAL DAMAGES, AND THAT SELLER’S SOLE REMEDY IN THE EVENT OF A BREACH BY PURCHASER SHALL BE TO RECEIVE \$100 AS LIQUIDATED DAMAGES.

17. **Seller’s Defaults; Purchaser’s Remedies.** In the event of a breach by Seller of its obligations under this Agreement, which breach is not cured within five (5) days after Seller’s receipt of written notice of default from Purchaser specifying the breach (provided, however, that no such cure period shall apply for a breach of the obligation to close by the Closing Date), Purchaser may elect only one of the following two remedies: (a) terminate this Agreement and be reimbursed by Seller of all third-party, out-of-pocket expenses incurred in connection with its effort to acquire the Property, not to exceed One Hundred Thousand Dollars (\$100,000); or (b) enforce specific performance of this Agreement against Seller, including the right to recover attorneys’ fees and other incidental damages allowed by law.

18. **Closing Costs.** Costs of closing the transaction contemplated hereby shall be allocated between Seller and Purchaser as follows:

18.1. Seller shall pay (i) any costs associated with prepayment of mortgage loans currently encumbering the Property; (ii) the cost to record any curative documents; (iii) any brokerage commissions due, subject to Section 23; and (iv) one half of the Closing Agent’s fee.

18.2. Purchaser shall pay (i) any escrow fees; (ii) all state, county, and local transfer taxes; (iii) the cost of the title report and owner’s title insurance policy; (v) the cost to record the Deed and any financing documents; (i) any costs associated with Purchaser’s financing, assumption of HAP Contract, and HUD approval; (ii) one half of the Closing Agent’s fee; and (iii) any other closing costs not otherwise provided for herein.

19. **Proration of Income and Expenses.** At Closing, the following items shall be paid or adjusted or prorated between Seller and Purchaser as specified, as of the Closing Date:

19.1. *Ad valorem* and similar taxes for the then-current tax year relating to the Property shall be prorated. All assessments, if any, existing or pending as of the Closing Date,

whether due and payable before or after such date, shall be paid by Seller in full at Closing to the assessing entity.

19.2. At the Closing, Purchaser shall receive a credit against the cash portion of the Purchase Price equal to the amount of all of the following: (i) refundable deposits made by tenants of the Property; (ii) non-refundable deposits made by tenants of the Property that have not been applied to costs incurred; and (iii) any unpaid bills relating to periods prior to the Closing Date. At Closing, Purchaser shall assume Seller's obligations related to the tenant deposits actually credited to Purchaser.

19.3. All collected rental or other income and all operating expenses for or pertaining to the Property, including but not limited to maintenance, security, management service and similar contractual charges with respect to the Property (for any contracts that remain after Closing) shall be prorated between Purchaser and Seller as of the Closing Date.

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

19.5. If Seller received any payments for entering into any contracts with respect to the Property that will remain in effect after Closing (such as laundry contracts, cable TV contracts, satellite TV contracts, etc.), then the payments received by Seller shall be prorated over the remaining term of such contract, and Purchaser shall receive a credit at Closing for the amount attributable for the unexpired term of the contract. This Section 19.5 shall not apply to ongoing fee or royalty payments that are payable over the term of such contracts; such ongoing fee or royalty payments shall be prorated to the Closing Date as part of the income and expense proration.

20. **Post-Closing Adjustments**. Seller and Purchaser agree that, to the extent items are prorated or adjusted at Closing on the basis of estimates, or are not prorated or adjusted at Closing pending actual receipt of funds or compilation of information upon which such proration or adjustments are to be based, each of them will pay to the other such amounts as may be necessary such that Seller will receive the benefit of all income received for the period prior to the Closing Date and will pay all expenses of the Property attributable to the period prior to the Closing Date and Purchaser will receive all income received for the period from and after the Closing Date and will pay all expenses of the Property attributable to the period from and after the Closing Date. The provisions of this Section 20 shall survive the Closing for ninety (90) days; any claim under this Section 20 shall be barred and shall lapse unless a claim is made in writing, with a description of the claim made, on or before ninety (90) days after Closing.

21. **Delinquent Rents.** With respect to any monies collected by Purchaser from tenants or other persons owing delinquent rents or other amounts as of the Closing Date, such money shall be remitted to Seller within 30 days after receipt. After Closing, Seller shall adhere to HUD regulations as to the collection of delinquent rents.

22. **As-Is Purchase.** With the exception of Sections 12 and 14 hereto, Seller shall rely solely upon its own evaluation and investigation of the condition and all aspects of the Property. Purchaser acknowledges that this Agreement grants to Purchaser every opportunity which Purchaser may need to fully evaluate the condition and all aspects of the Property. Purchaser has asked for, and is entitled to obtain pursuant to this Agreement, disclosure of information and documents regarding the Property which are in Seller's possession or control. However, except to the extent of the Seller's representations, warranties, and covenants in this Agreement, Purchaser acknowledges that it is not relying upon any statements of Seller as to the condition of the Property or its suitability for Purchaser's intended use. At Closing, Purchaser shall be deemed to accept the Property "as is" in all respects.

23. **Brokerage Commissions.** Seller and Purchaser each represent that it has not engaged a broker or finder in connection with the transaction contemplated by this Agreement. Each party agrees to indemnify and hold the other harmless from any commission or claim therefore hereafter made against the other on account of any broker or finder which the indemnifying party has engaged or dealt with in connection with the transaction contemplated by this agreement.

24. **Casualty or Condemnation Prior to Closing.**

24.1 **Damage by Casualty.** In the event that the Improvements or any portion thereof are damaged or destroyed by fire or other casualty prior to Closing, Seller shall provide notification of same to Purchaser within seven (7) days ("***Casualty Notice***") of said damage or destruction occurring. Upon receiving the Casualty Notice from Seller, Purchaser shall have thirty (30) days to elect in writing either 1) to repair and restore the Property after the Closing through an assignment and utilization of existing property insurance proceeds and a Purchaser credit at Closing in the amount of any deductible under the applicable insurance policy, or 2) to request that Seller repair and restore the Property to the same condition as before the fire or casualty. If Purchaser elects not to repair and restore, then Seller shall elect, by written notice given to Purchaser within thirty (30) days of receiving Purchaser's election, as described above, either to 1) repair and restore the Property and proceed to a Closing, or 2) terminate the Agreement, whereupon both parties shall be released from all further obligations under this Agreement. In the event either party elects for Seller to repair and restore the Property prior to Closing, the Closing shall be deferred for a reasonable period of time, but in no event greater than ninety (90) days, to allow the repair and restoration work to be completed. Notwithstanding anything stated herein the contrary, Seller shall be entitled to make any emergency repairs immediately, without any approval by Purchaser, provided it gives Purchaser notice within two (2) Business Days of said emergency repairs.

24.2 **Condemnation.** If at any time prior to the Closing Date, any proceedings are commenced for the taking of all or any portion of the Property, for public or quasi-public use pursuant to the power of eminent domain, Seller shall furnish Purchaser with written notice of any proposed condemnation within five (5) days after Seller's receipt of such notification, but in no

event later than the Closing. In such event, Purchaser shall have the option to terminate this Agreement within fifteen (15) days after Purchaser's receipt of the notice from Seller, by sending written notice to Seller and Escrow Agent. Should Purchaser terminate this Agreement, thereafter neither Purchaser nor Seller shall have any further rights or obligations hereunder except as otherwise expressly provided herein. If Purchaser does not elect to terminate the Agreement within the required time, then (i) the Closing shall progress as herein provided without reduction of the Purchase Price; (ii) Purchaser shall have the right to participate in the negotiation of any condemnation awards or other compensation for taking, and (iii) Seller shall assign to Purchaser any and all awards and other compensation for such taking to which it would be otherwise entitled as owner of the Property and Seller shall convey the portion of the Property, if any, which remains after the taking.

25. Miscellaneous.

25.1. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein. No provision hereof may be waived, modified, or amended except by an instrument in writing signed by Purchaser and Seller. This Agreement may be executed in several counterparts and all so executed shall constitute one Agreement, binding on all the parties hereto even though all the parties are not signatories to the original or the same counterpart. Delivery of a facsimile, scanned, or other copy of a signed version of this Agreement has the same effect as delivery of an original. Delivery by electronic transmission such as email or facsimile shall be deemed effective delivery of a copy.

25.2. Any notice, request, demand, instruction or other document required or permitted to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing, and may be sent by: (a) certified mail, return receipt requested, in which case notice will be deemed delivered three (3) Business Days after deposit, postage prepaid in the U.S. mail; or (b) a nationally recognized overnight courier, in which case notice will be deemed delivered one (1) Business Day after deposit with such courier; or (c) facsimile or email transmission, in which case notice will be deemed delivered upon electronic verification that transmission to recipient was completed, provided that notices sent by facsimile or email transmission on a day other than a Business Day, or after 5:00 p.m. on a Business Day, shall be deemed given on the first Business Day following the date of transmission; or (d) personal delivery. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to Purchaser:

Integra Property Group, LLC
Attn: Hans Juhle, Managing Member
520 Pike Street, Suite 1004
Seattle, WA 98101
Phone: (206) 512-8901
E-Mail: hjuhle@integraprop.com

With a copy to: Ramsey Barhorst, LLC
Attn: Christopher Barhorst
117 West 20th Street, Suite 102
Kansas City, MO 64108
Phone: (816) 800-0642
E-Mail: chris@ramseybarhorst.com

If to Seller: Harbour Square Associates
Attn: Rusty Fleming
708 S. Gay Street, Suite 200
Knoxville, TN 37902
Phone: 865-525-7500
E-Mail: rusty.fleming@aamci.com

With a copy to: Kevin N. Perkey, Esq.
P. O. Box 900
Knoxville, TN 37901
Phone: 865-215-1000
Fax: 865-215-10014
E-Mail: kperkey@wmbac.com

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

25.4. Purchaser shall have the right to assign this Agreement upon written notice to Seller at least five days prior to the Closing Date; provided, however that any such assignment shall not release the Purchaser from any obligation or liability under this Agreement arising before or after Closing, including without limitation from the Surviving Provisions.

25.5. Seller agrees that it shall not, either acting on behalf of itself or through a broker or other third-party intermediary, offer for sale, market, negotiate with any third party, or otherwise seek an alternative purchaser for the Property after the Effective Date and until this Agreement is properly terminated under the terms herein, and that Purchaser shall have the sole and exclusive right to purchase the Property until this Agreement is properly terminated.

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

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

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

25.9. EVERY PURCHASER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY ON WHICH A RESIDENTIAL DWELLING WAS BUILT PRIOR TO 1978 IS NOTIFIED THAT SUCH PROPERTY MAY PRESENT EXPOSURE TO LEAD FROM LEAD-BASED PAINT THAT MAY PLACE YOUNG CHILDREN AT RISK OF DEVELOPING LEAD POISONING. LEAD POISONING IN YOUNG CHILDREN MAY PRODUCE PERMANENT NEUROLOGICAL DAMAGE, INCLUDING LEARNING DISABILITIES, REDUCED INTELLIGENCE QUOTIENT, BEHAVIORAL PROBLEMS, AND IMPAIRED MEMORY. LEAD POISONING ALSO POSES A PARTICULAR RISK TO PREGNANT WOMEN. THE SELLER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE THE PURCHASER WITH ANY INFORMATION ON LEAD-BASED PAINT HAZARDS FROM RISK ASSESSMENTS OR INSPECTIONS IN THE SELLER'S POSSESSION OR CONTROL, IF ANY, AND NOTIFY THE PURCHASER OF ANY KNOWN LEAD-BASED PAINT HAZARDS. A RISK ASSESSMENT OR INSPECTION FOR POSSIBLE LEAD-BASED PAINT HAZARDS IS RECOMMENDED PRIOR TO PURCHASE.

25.10. Possession of the Property shall be delivered to Purchaser on the Closing Date, subject to the rights of the tenants under the Tenant Leases.

26. Escrow Agent.

26.1. When this Agreement or counterparts hereof shall have been executed by Seller and Purchaser, and delivered to Escrow Holder, it shall constitute Escrow Holder's escrow instructions. Any standard form escrow instructions submitted by Escrow Holder or any other clarification or addition to the instructions contained herein shall, when executed by Purchaser and Seller, constitute additional escrow instructions. In the event of any conflict between such additional instructions and this Agreement, the terms of this Agreement shall prevail.

26.2. It is agreed that the duties of Escrow Agent are only such as are herein specifically provided, being purely ministerial in nature, and that Escrow Agent shall incur no liability whatever except for willful misconduct or negligence so long as Escrow Agent has acted in good faith. Seller and Purchaser release Escrow Agent from any act done or omitted to be done by Escrow Agent in good faith in the performance of Escrow Agent's duties hereunder. If for any reason Closing does not occur and either party gives written notice to Escrow Agent, Escrow Agent shall give prompt written notice to the other party of such demand. If Escrow Agent does not receive written notice of objection from such other party to the proposed payment within ten (10) days after the giving of such written notice, Escrow Agent is hereby authorized and directed to make such payment. If Escrow Agent does receive written notice of objection within such 10 day period or if for any other reason Escrow Agent in good faith shall elect not to make such payment,

Escrow Agent shall continue to hold such amount until otherwise directed by written notice from all parties to this contract or a final, nonappealable judgment, order or decree of a court.

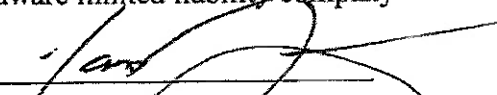
26.3. Notwithstanding Section 26.2, Seller and Purchaser specifically instruct Escrow Agent that: (a) if Escrow Agent receives written notice from Purchaser, on or before the expiration of the Examination Period, that Purchaser elects to terminate this Agreement as provided in Section 6; or (b) if Purchaser does not deliver to Seller Purchaser's Approval Notice and therefore this Agreement is terminated as provided in Section 5.2, then this Agreement shall automatically terminate.

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*[SIGNATURE PAGE TO
PURCHASE AND SALE AGREEMENT FOR
HARBOUR SQUARE APARTMENTS]*

PURCHASER

Integra Property Group, LLC,
A Delaware limited liability company

By: 

Name: Hans W. Fuhle

Title: Managing Member

Date: 3/10/2020

SELLER

Harbour Square Associates
a Virginia limited partnership

By: FDD Corporation
a Tennessee corporation

Its: General Partner

By: 

Name: Russell W. Fleming

Title: President

Date: 3/11/2020

ESCROW AGENT

First American Title Insurance Company

By: 

Name: Beth Peterson

Date: 3/11/2020

EXHIBIT “A”

Legal Description of Land

EXHIBIT "B"

"Land" means the tracts or parcels of real property lying and being situated in Hanover County, Virginia, as more particularly described on **Exhibit A**, together with any and all rights, easements, and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, or rights-of-way.

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

"Intangible Property" means all right, title and interest of Assignor in and to all intangible property owned or held for use in connection with the Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "Harbour Square Apartments", licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, and plans and specifications.

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

"Accounts" means funds held in any residual receipts or replacement reserve accounts or other accounts mandated by HUD, regardless of whether said accounts are physically controlled by Seller or its mortgage servicer.

EXHIBIT "C"

Documents and Information to be Provided by Seller if Reasonably Available

NOTE: Seller shall deliver the items below to the best of its ability and shall be deemed to have satisfied initial document delivery requirements upon delivery to Purchaser of a statement certifying it has delivered all readily available information.

1. A Certified Rent Roll for the Property and the standard form tenant lease in use at the Property. Monthly rent rolls for the past two full calendar years, and monthly rent rolls year to date provided as available and regularly until the Closing Date.
2. Copies of any real estate or personal property *ad valorem* tax statements for the past two full calendar years, and the current year, including any applicable information on exemptions, abatements, credits, and assessments.
3. All vendor contracts and agreements affecting the Property.
4. All certificates of occupancy and other permits and licenses for the Improvements or any part thereof.
5. Copies of all existing insurance policies and a five year loss history of all insurance claims made in connection with the Property.
6. All requests received by Seller from tenants within the prior two (2) full calendar years and year-to-date (or a statement that none have been received) that may reasonably be considered material to Purchaser's evaluation of the Property.
7. Itemized list of all fixtures and tangible personal property, and an itemization of all leased property.
8. List of employees & job titles, length of time at the Property, current pay rate and basis, amount and time of last pay increase, breakout of all payroll benefits and taxes, rental subsidies, bonus and commission programs.
9. All surveys, and any architectural, mechanical, electrical, plumbing, drainage, construction, and similar plans, specifications and blueprints possessed by Seller relating to the Improvements.
10. Copies of any appraisals, market studies, physical needs assessments, property condition reports, rent comparability studies or other third party reports.
11. Any private or governmental inspection reports relating to the Property for the past three years. Any environmental reports and any correspondence from any party or governmental entity relating in any respect to the environmental condition of the Property.
12. The utility bills for the past two full calendar years and year-to-date (listing each meter for each of the separate utilities) up to the Closing Date.
13. Audited financial statements itemizing income and expense items for the Property for the past three full calendar years; operating statements for the past three calendar years and

for year-to-date, including a trailing 12-month schedule; copies of general ledgers (Excel) for the same period; and the current year budget.

14. All accounts payable, bills, and other obligations related to the Property.
15. All warranties and guaranties benefitting the Property, including those covering any of the fixtures and tangible personal property.
16. A schedule or statement of any personal injury, property damage or other claims (including casualty claims) or any kind known or anticipated by Seller involving the Property or any present or former tenant or guest or invitee of a tenant.
17. Copies of all incident reports/crime statistics since the beginning of 2016.
18. The results or reports of any fire inspection in the last two full calendar years and year to date.
19. Copies of all records showing the capital improvements made to the Property in the last five full calendar years, and year to date, specifically by unit, type of improvement and amount. Copies of all requests for draws under any replacement reserve or other source and copies of approved draw requests for the same period.
20. Copies of a 5-year expenditure plan.
21. Copies of any bids for uncompleted renovation work in excess of \$5,000.
22. Copies of any prior title policies issued with respect to the Property.
23. Complete copies of the original and current Housing Assistance Payments Contracts (the "**HAP Contract**"), any amendments thereto and extensions thereof and any rent or utility adjustments dictated by the U.S. Department of Housing and Urban Development ("**HUD**"); latest rent schedule, most recent rent increase package including market study (if applicable), all REAC or MOR reports/scores in seller's possessions, and any recent correspondence with HUD that may reasonably be deemed material.

EXHIBIT "D"

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

(Harbour Square Apartments)

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

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

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

2.1 All right, title and interest of Assignor in and to all furniture, fixtures, fittings, apparatus, equipment, machinery, and other items of tangible personal property and replacements thereof, if any, affixed or attached to or used in connection with the operation, maintenance, or management of the Improvements, including but not limited to appliances, sweepers, cleaning supplies, tools, office furniture and equipment, stationery, office supplies, and janitorial supplies ("**Personal Property**") located on, and used in connection with the management, maintenance, ownership or operation of that certain land and improvements ("**Land**") legally described on Exhibit A, but excluding tangible personal property owned by the tenants of the Land under the Tenant Leases (as defined below).

2.2 All right, title and interest of Assignor as lessor in and to any leases ("**Tenant Leases**") relating to the leasing of space or units at the Property and all of the rights, interests, benefits and privileges of the lessor thereunder, and all prepaid rents and security and other deposits held by Assignor under the Tenant Leases, but subject to all terms, conditions, reservations and limitations set forth in the Tenant Leases and the PSA.

2.3 To the extent assignable, all right, title and interest of Assignor in and to all intangible property ("**Intangible Property**") owned or held for use in connection with the Land and/or the Personal Property or any business or businesses conducted thereon or with the use thereof, to the extent assignable, including but not limited to, air rights, water rights, permits, development rights, approvals, building and trade names (including but not limited to the name "Harbour Square Apartments"), licenses, warranties, telephone numbers assigned to telephones in the Improvements (other than telephones of tenants), domain names and websites exclusively dedicated to the Improvements, and plans and specifications.

3. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all liabilities, losses, claims, damages, costs or expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, the "**Claims**"), originating prior to the Closing Date.

4. As of the Closing Date, Assignee hereby assumes all of Assignor's obligations under the Tenant Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all Claims originating on or subsequent to the Closing Date.

5. Assignor hereby represents and warrants that the property conveyed hereunder is free and clear of all liens, leases and encumbrances (except those expressly approved by Purchaser pursuant to the PSA). Except as provided in the immediately preceding sentence and except for the representations and warranties set forth in the PSA with respect to the property conveyed hereunder (which are hereby incorporated herein by this reference as if herein set out in full and shall inure to the benefit of and shall be binding upon Assignee and Assignor and their respective successors and assigns), the property conveyed hereunder is so conveyed in an "as is" condition.

6. This Bill of Sale, Assignment and Assumption is made subject to the title exceptions approved or deemed approved by Assignee pursuant to the PSA.

7. In the event any action be instituted by a party to enforce this Agreement, the prevailing party in such action shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the court. In addition to the foregoing award of such reasonable attorneys' fees to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its reasonable attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment.

8. This Bill of Sale, Assignment and Assumption Agreement may be executed in one or more identical counterparts, each of which such counterpart shall be deemed an original for all purposes and all such counterparts collectively consisting of one such Bill of Sale, Assignment and Assumption.

9. As of the date above written, Assignee hereby accepts the foregoing Bill of Sale, Assignment and Assumption Agreement and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Tenant Leases and Intangible Property first arising and accruing on and after the Closing Date.

Dated effective as of _____, 20____ (the "*Closing Date*").

ASSIGNEE:

ASSIGNOR:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT "A" TO
BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

Description of Land

EXHIBIT "E"

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made and entered into as of this ___ day of _____, 201_, by _____, a _____ (*company/limited partnership*) (the "**Grantor**"), whose address is _____ to _____, a _____, ("**Grantee**"), whose address is c/o Integra Property Group, LLC, 520 Pike Street, Suite 1004, Seattle, WA 98101.

WITNESSETH:

WITNESSETH that the Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, receipt whereof is hereby acknowledged, by these presents does grant, bargain, sell, alien, remise, release, and convey unto the Grantee, all that certain land situated in Hanover County, Virginia (the "**Property**"), described as follows:

See Exhibit A attached hereto and incorporated herein by reference,

TOGETHER with all the tenements, hereditaments, and appurtenances thereto belonging or in anywise appertaining;

TO HAVE AND TO HOLD, the same in fee simple forever;

AND, the Grantor hereby covenants with the Grantee that it is lawfully seized of the Property in fee simple; that it has good right and lawful authority to sell and convey the Property; that it hereby warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under said Grantor, but no other.

(signatures appear on the following page)

EXHIBIT “A”
(to Warranty Deed)

Legal Description

EXHIBIT “F”

Claims and Proceedings

[Search Criteria](#)

[Search Results](#)

[Property Sheet](#)

[Map](#)

 [Printer-Friendly](#)

[View In Map](#) 

Account Number:
10167036

GPIN:
8714-11-3916

Assessment Area:
981000

Property Address:
7102 NEW HUNTER ROAD

[Summary](#)

[Assessments](#)

[Ownership](#)

[Neighborhood Sales](#)

[Residential Improvements](#)

[Commercial Improvements](#)

[Segments and Outbuilding](#)

Assessment Information

| Year | Land Value | Land Use Value | Improvement Value | Total Value |
|------|-------------|----------------|-------------------|-------------|
| 2020 | \$1,000,000 | \$ | \$4,024,300 | \$5,024,300 |
| 2019 | \$1,000,000 | \$ | \$3,533,100 | \$4,533,100 |
| 2018 | \$1,000,000 | \$ | \$3,533,100 | \$4,533,100 |
| 2017 | \$1,000,000 | \$ | \$3,368,300 | \$4,368,300 |
| 2016 | \$1,000,000 | \$ | \$3,368,300 | \$4,368,300 |
| 2015 | \$1,000,000 | \$ | \$3,541,600 | \$4,541,600 |
| 2014 | \$1,000,000 | \$ | \$3,541,600 | \$4,541,600 |
| 2013 | \$850,000 | \$ | \$2,734,000 | \$3,584,000 |
| 2012 | \$850,000 | \$ | \$2,734,000 | \$3,584,000 |
| 2011 | \$850,000 | \$ | \$2,669,000 | \$3,519,000 |
| 2010 | \$850,000 | \$ | \$2,669,000 | \$3,519,000 |
| 2009 | \$850,000 | \$ | \$2,669,000 | \$3,519,000 |
| 2008 | \$800,000 | \$ | \$2,487,100 | \$3,287,100 |
| 2007 | \$800,000 | \$ | \$2,487,100 | \$3,287,100 |
| 2006 | \$800,000 | \$ | \$2,987,400 | \$3,787,400 |
| 2005 | \$800,000 | \$ | \$2,987,400 | \$3,787,400 |
| 2004 | \$600,000 | \$ | \$2,507,900 | \$3,107,900 |
| 2003 | \$600,000 | \$ | \$2,507,900 | \$3,107,900 |
| 2002 | \$600,000 | \$ | \$2,507,900 | \$3,107,900 |
| 2001 | \$600,000 | \$ | \$2,507,900 | \$3,107,900 |
| 2000 | \$500,000 | \$ | \$2,484,100 | \$2,984,100 |
| 1999 | \$500,000 | \$ | \$2,484,100 | \$2,984,100 |
| 1998 | \$500,000 | \$ | \$2,484,100 | \$2,984,100 |
| 1997 | \$500,000 | \$ | \$2,484,100 | \$2,984,100 |
| 1996 | \$500,000 | \$ | \$2,252,700 | \$2,752,700 |
| 1995 | \$500,000 | \$ | \$2,252,700 | \$2,752,700 |
| 1994 | \$500,000 | \$ | \$2,252,700 | \$2,752,700 |
| 1993 | \$500,000 | \$ | \$2,252,700 | \$2,752,700 |

County of Hanover, Virginia

GPIN: 8714-11-3916
Account Number: 10167036
Assessment Area: 981000
Property Address: 7102 NEW HUNTER ROAD
 MECHANICSVILLE, 23111

Summary

| | |
|-------------------|---|
| Property Owner | HARBOUR SQUARE ASSOCIATES |
| Owner Address | 900S GAY ST, 1504 RIVERVIEW TR KNOXVILLE, TN 37902 |
| Legal Description | N OF ELM DRIVE AT END OF NEW HUNTER ROAD |
| Zoning | R-5 |
| Acreage | 11.1 |
| Utilities | Water & Sewer |

Assessment Information

| Year | Land Value | Land Use Value | Improvement Value | Total Value |
|------|-------------|----------------|-------------------|-------------|
| 2020 | \$1,000,000 | \$ | \$4,024,300 | \$5,024,300 |
| 2019 | \$1,000,000 | \$ | \$3,533,100 | \$4,533,100 |
| 2018 | \$1,000,000 | \$ | \$3,533,100 | \$4,533,100 |
| 2017 | \$1,000,000 | \$ | \$3,368,300 | \$4,368,300 |
| 2016 | \$1,000,000 | \$ | \$3,368,300 | \$4,368,300 |

Ownership Information

| Buyer Name | Seller Name | Sale Date | Sale Amount | Deed Book | Deed Page |
|---------------------------|-------------|-----------|-------------|-----------|-----------|
| HARBOUR SQUARE ASSOCIATES | | 10/1/1980 | \$ | 483 | 591 |

Commercial Improvements

| | |
|--------------------|--------------------|
| Year Built: | 1981 |
| Number of Stories: | 0.00 |
| Total Area: | |
| Occupancy Type: | Multiple Residence |

| | |
|----------------------|-----------|
| Front Wall: | |
| Air Conditioned: | Heat Pump |
| Number of Elevators: | 0 |
| Sprinklers: | |

Segment Information

| Building ID | Segment Code | Segment Description | Square Feet |
|-------------|--------------|---------------------------|-------------|
| 31175 | MUL | Multi-family 1 to 3 Story | 62,516 |

Outbuilding Information

| Building Description | Year Built | Square Feet |
|-------------------------|------------|-------------|
| COMMERCIAL - (See File) | 1981 | 1 |

Sketches

F

Third-Party RESNET
Rater Certification
(MANDATORY)



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.

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

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

FALSE Earthcraft Certification - The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

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: 5/27/20

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridian

Signature [Signature]

Provider Contact and Phone/Email sean.evensen-shanley@viridian.org (804) 212-1934



Harbour Square 2020 Pre-Review Comments

Project Address

7102 New Hunter Rd
Mechanicsville, VA 23111

Project Summary

Harbour Square is a low-rise renovation multifamily development, comprised of 100 units located in Mechanicsville, VA. Integra Property Group plans to construct the project utilizing 4% LIHTC. As part of their funding application the project is pursuing the 80 Home Energy Rating System (HERS) index option. This path requires the project have a confirmed HERS index of 80 or lower post-rehabilitation.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v3.2.3 based on the proposed scope and original building plans. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 76. The following outlines the scope as it is currently modeled.

Enclosure:

- R-10 Grade III slab edge insulation
- R-13 Grade III Fiberglass Batts in existing walls
- R-13 Grade III cavity insulation in party walls and adiabatic ceilings/floors
- R-38 Grade II cellulose attic insulation
- 0.21 U-Value for opaque doors
- 0.32 U-Value/0.27 SHGC windows

Mechanicals:

- SEER 16, HSPF 9, air source heat pump, programmable thermostat
 - 24k in 2 bedroom units, 18k in 1 bedroom units
- 0.92 UEF storage electric water heaters, 40 gallon
- 10 ACH₅₀ for infiltration threshold/blower door test
- Leaky, uninsulated existing ductwork
- 50 CFM mechanical exhaust at 6.1 Watts

Lights & Appliances:

- ENERGY STAR rated kitchen appliances:
 - 395 kWh/yr refrigerator
 - 270 kWh/yr dishwasher
- Advanced lighting 100% LED

Harbour Square
May 27th, 2020



Please let me know if you have any question or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink that reads "Katy Maher". The signature is written in a cursive, flowing style.

Katy Maher
Project Manager, Viridiant

Home Energy Rating Certificate

Projected Report

Rating Date: 2020-05-22

Registry ID:

Ekotrope ID: mvoYY86L

HERS® Index Score:

76

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

\$577

*Relative to an average U.S. home

Home:

7102 New Hunter Road
Mechanicsville, VA 23111

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Matt Waring

RESNET ID: 6729287

Rating Company: Viridiant

1431 W. Main Street, Richmond, VA 23220

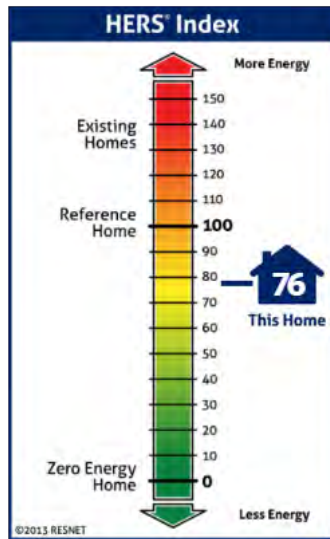
Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Matt Waring, Certified Energy Rater

Date: 5/28/20 at 10:17 AM



Home Feature Summary:

| | |
|--------------------------|---|
| Home Type: | Apartment, end unit |
| Model: | N/A |
| Community: | N/A |
| Conditioned Floor Area: | 676 ft ² |
| Number of Bedrooms: | 1 |
| Primary Heating System: | Air Source Heat Pump • Electric • 9 HSPF |
| Primary Cooling System: | Air Source Heat Pump • Electric • 16 SEER |
| Primary Water Heating: | Water Heater • Electric • 0.92 UEF |
| House Tightness: | 10 ACH50 |
| Ventilation: | 50 CFM • 6.1 Watts |
| Duct Leakage to Outside: | Untested |
| Above Grade Walls: | R-13 |
| Ceiling: | Adiabatic, R-13 |
| Window Type: | U-Value: 0.32, SHGC: 0.27 |
| Foundation Walls: | N/A |

G

Zoning Certification Letter
(MANDATORY)

BOARD OF SUPERVISORS

AUBREY M. STANLEY, CHAIRMAN
BEAVERDAM DISTRICT

SEAN M. DAVIS, VICE-CHAIRMAN
HENRY DISTRICT

FAYE O. PRICHARD
ASHLAND DISTRICT

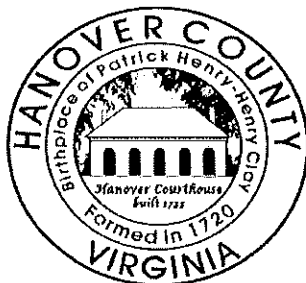
ANGELA KELLY-WIECEK
CHICKAHOMINY DISTRICT

F. MICHAEL HERZBERG, IV
COLD HARBOR DISTRICT

W. CANOVA PETERSON, IV
MECHANICSVILLE DISTRICT

SUSAN P. DIBBLE
SOUTH ANNA DISTRICT

CECIL R. HARRIS, JR.
COUNTY ADMINISTRATOR



HANOVER COUNTY

ESTABLISHED IN 1720
WWW.HANOVERCOUNTY.GOV

PLANNING DEPARTMENT

DAVID P. MALONEY, AICP
DIRECTOR OF PLANNING

MARY B. PENNOCK
DEPUTY DIRECTOR OF PLANNING

LEE W. GARMAN
CURRENT PLANNING MANAGER

MEGAN M. DALZELL
PRINCIPAL PLANNER

C. JASON HAZELWOOD
CODE COMPLIANCE SUPERVISOR

KRISTY MORTON
BUSINESS & OPERATIONS MANAGER

P. O. Box 470
HANOVER, VIRGINIA 23069

PHONE 804-365-6171
FAX: 804-365-6232

June 5, 2020

Integra Property Group
Mr. Kevin Dainty
520 Pike Street, Ste 1004
Seattle, WA 98101

kdainty@integratprop.com

RE: ZCL2020-00034 Zoning Compliance Letter
GPIN 8714-11-3916
11.10 acres, Repealed R-5, Multi-Family Residential

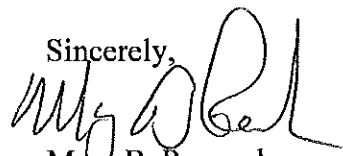
Dear Mr. Dainty,

At your request, this letter will verify that the use of an apartment community, as it relates to the above referenced property, is as follows according to our records:

1. The property is currently zoned Repealed R-5, Multi-Family Residential District, under the Zoning Ordinance of Hanover County and Site Plan SPR-10-80.
2. The use of the property as multi-family dwellings is a permitted use of the Property. Therefore, if the property were destroyed, it would be allowed to be rebuilt in accordance with the Hanover County Code and Zoning Ordinance requirements of Repealed R-5, Multi-Family Residential District regulations, in effect as of date of reconstruction.

3. Any physical changes to the property must comply with the approved Site Plan SPR-10-80 and the Repealed R-5, Multi-Family Residential District regulations. Any construction on the Property will require approval by the Building Inspections office.
4. We are unaware of the existence of any violations or alleged violations of any zoning, subdivision, building or similar ordinances or regulations applicable to the Property (including compliance with development standards, signage, storage, parking, etc.), or any enforcement proceedings against the Property that are pending or contemplated.

Please find attached your requested Virginia Housing Development Authority Zoning and Development Certifications. Should you have any additional questions, you may direct your concerns to Jason Hazelwood or myself by calling 804-365-6171.

Sincerely,

Mary B. Pennock
Deputy Director of Planning

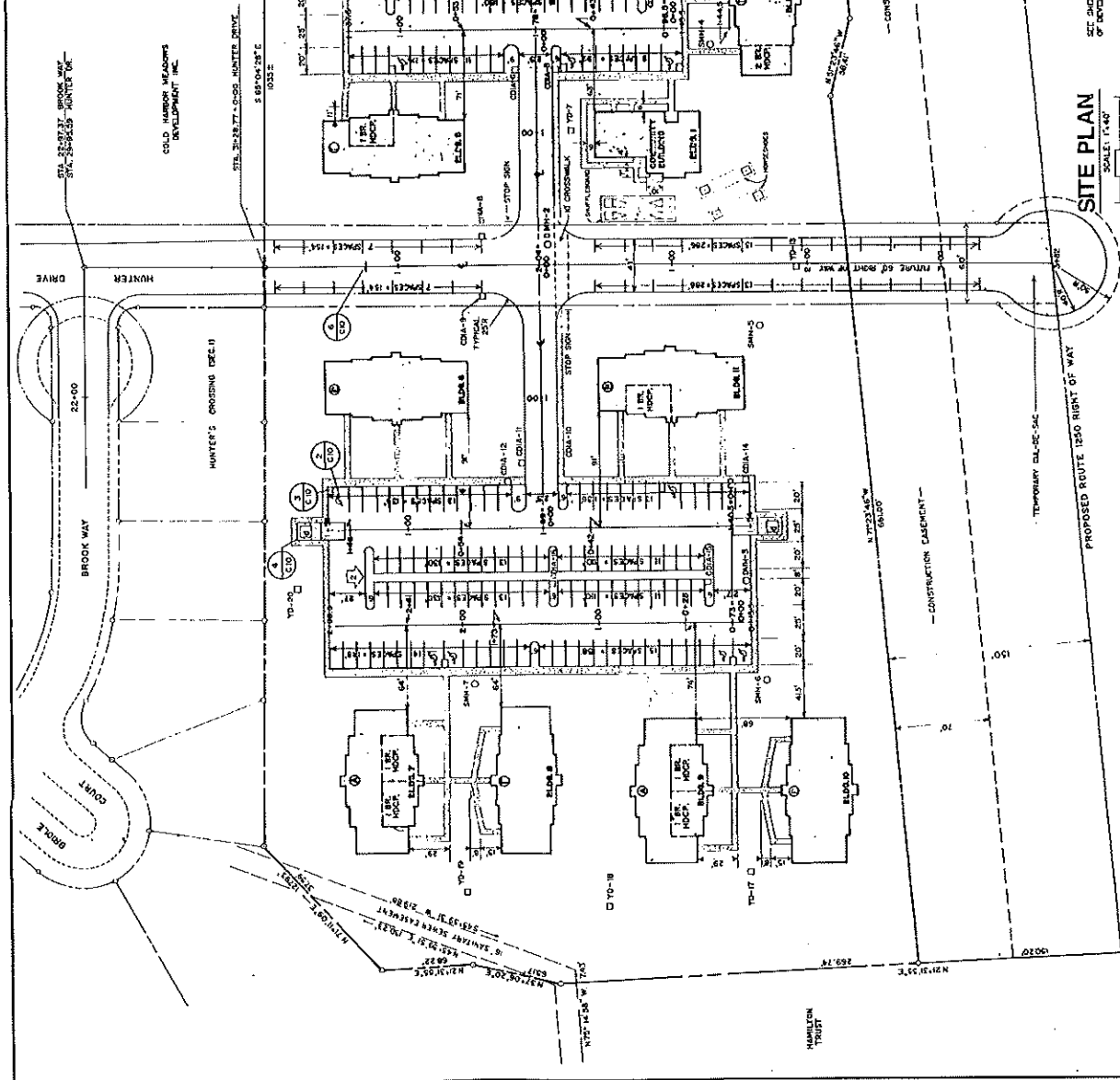
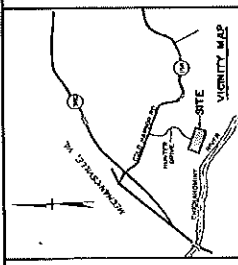
Attachments:
VHDA Forms
R-5, Multi-Family Residential District

cwm
ZCL2020-00034

Notice: You have the right to appeal from the determination set forth in this letter. Should you wish to file an appeal, you must submit an application for an appeal with the Hanover County Planning Department. The application fee for appeals is \$600.00 (six hundred dollars). An application for an appeal must be filed within thirty days of the date of this letter, in accordance with Section 15.2-2311 of the Code of Virginia; if an appeal is not filed within that time period, the determination set forth in this letter shall be final and unappealable.

The Zoning Administrator has no authority to issue a zoning compliance letter or other determination that is inconsistent with the provisions of the Hanover County Zoning Ordinance or Subdivision Ordinance, or to waive any requirements of the Zoning or Subdivision Ordinances. This letter reflects the provisions of the Zoning Ordinance as of the date of the letter. Before an applicant proceeds on a proposed project or begins to use property for a particular use, it is the applicant's responsibility to verify that the Zoning and Subdivision Ordinances have not been subsequently amended so as to affect the determination set forth in this letter.

Date 6/5/2020



APPROVED
HANOVER CO. PLANNING

- DATE _____
1. THESE PLANS AND SPECIFICATIONS ARE PREPARED BY THE ARCHITECT AND ENGINEER AND SHALL BE CONSIDERED AS SUCH UNLESS OTHERWISE NOTED HEREON.
 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
 3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

SITE PLAN
SCALE: 1" = 40'

| | | | |
|---|--|--|--|
| <p>LEGEND</p> <ul style="list-style-type: none"> PROPOSED BUILDING APPROVAL MARKS CONCRETE PAVING PROPERTY LINE EXISTING OR RIGHT OF WAY CENTERLINE | | <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>JOSEPH GRIGGS ASSOCIATES, INC. ARCHITECTS ENGINEERS PLANNERS</p> <p>ROANOKE, VIRGINIA</p> | <p>SEAL OF THE PLANNING BOARD</p> <p>HANOVER COUNTY PLANNING BOARD</p> <p>APPROVED</p> |
| <p>SEAL OF THE ENGINEER</p> <p>DATE: 11/22/11</p> <p>SCALE: 1" = 40'</p> | | <p>SEAL OF THE PLANNING BOARD</p> <p>HANOVER COUNTY PLANNING BOARD</p> <p>APPROVED</p> | <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>JOSEPH GRIGGS ASSOCIATES, INC. ARCHITECTS ENGINEERS PLANNERS</p> <p>ROANOKE, VIRGINIA</p> |
| <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>DATE: 11/22/11</p> <p>SCALE: 1" = 40'</p> | | <p>SEAL OF THE PLANNING BOARD</p> <p>HANOVER COUNTY PLANNING BOARD</p> <p>APPROVED</p> | <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>JOSEPH GRIGGS ASSOCIATES, INC. ARCHITECTS ENGINEERS PLANNERS</p> <p>ROANOKE, VIRGINIA</p> |
| <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>DATE: 11/22/11</p> <p>SCALE: 1" = 40'</p> | | <p>SEAL OF THE PLANNING BOARD</p> <p>HANOVER COUNTY PLANNING BOARD</p> <p>APPROVED</p> | <p>SEAL OF THE ARCHITECTS AND ENGINEERS</p> <p>JOSEPH GRIGGS ASSOCIATES, INC. ARCHITECTS ENGINEERS PLANNERS</p> <p>ROANOKE, VIRGINIA</p> |

Zoning Certification

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Harbour Square

Name of Owner/Applicant: Harbour LIHTC, LP

Name of Seller/Current Owner: Harbour Square Associates, LP

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:

7102 New Hunter Road, Mechanicsville, VA 23111

Legal Description:

See Attached.

Proposed Improvements:

| | | | |
|---|---------------------------|-------------------------------|--|
| <input type="checkbox"/> New Construction: | <u> </u> # Units | <u> </u> # Buildings | <u> </u> Approx. Total Floor Area Sq. Ft. |
| <input type="checkbox"/> Adaptive Reuse: | <u> </u> # Units | <u> </u> # Buildings | <u> </u> Approx. Total Floor Area Sq. Ft. |
| <input checked="" type="checkbox"/> Rehabilitation: | <u>100</u> # Units | <u>11</u> # Buildings | <u>78,398</u> Approx. Total Floor Area Sq. Ft. |

Zoning Certification, cont'd

Current Zoning: R-5 allowing a density of _____
_____ units per acre, and the following other applicable conditions: _____

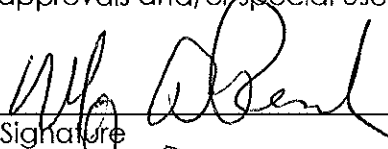
Other Descriptive Information:

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.



Signature

Mary B Pennek

Printed Name

Deputy Director of Planning

Title of Local Official or Civil Engineer

804-365-6171

Phone:

6/5/2020

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.

All of those lots or parcels of land located in Hanover County, Virginia, and more particularly described as follows:

ALL that certain tract or parcel of land lying and being in Mechanicsville magisterial District of Hanover County, Virginia, and described as follows:

Beginning at a point, said point being South $21^{\circ}31'55''$ West and 702.00' from the southern line of Jennifer Lane; thence, from said point of beginning North $37^{\circ}06'20''$ East, a distance of 65.17' to a point; thence, North $21^{\circ}31'55''$ East, a distance of 68.22' to a point; thence, North $71^{\circ}11'09''$ East, a distance of 127.93' to a point; thence, South $65^{\circ}04'28''$ East, a distance of 1035' +/- to the center of a creek; thence, 380' +/- in a southerly direction along the center of a creek to a point; thence, North $71^{\circ}23'46''$ West, a distance of 320' +/- from the center of a creek to a point; thence, South $18^{\circ}36'14''$ West, a distance of 20.00' to a point; thence, North $71^{\circ}23'46''$ West, a distance of 125.00' to a point; thence, North $51^{\circ}23'46''$ West, a distance of 58.41' to a point; thence, North $71^{\circ}23'46''$ West, a distance of 661.00' to a point; thence, North $21^{\circ}31'55''$ East, a distance of 269.74' to the point and place of beginning, containing 11.1 acres, more or less, as shown on plat by Lewis & Owens, Inc., Consulting Engineers & Surveyors, dated June 4, 1980, revised June 16, 1980, entitled "Plat Showing a 11.1 +/- Acre Parcel South of Hunters Crossing in the Mechanicsville District, Hanover County, Virginia, to be Acquired by Harbour Square Assoc.".

LESS AND EXCEPT that portion of the property being a 60' parcel known as Hunter Drive, conveyed by Deed of Dedication from Harbour Square Associates, a Virginia limited partnership, to the County of Hanover, Virginia, dated March 1, 1982, recorded August 27, 1982, in Deed Book 515, page 129.

Plan of Development Certification

DATE:

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

| | |
|-------------------------------|--------------------------------------|
| Name of Development: | <u>Harbour Square</u> |
| Name of Owner/Applicant: | <u>Harbour LIHTC, LP</u> |
| Name of Seller/Current Owner: | <u>Harbour Square Associates, LP</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:
7102 New Hunter Road, Mechanicsville, VA 23111

Legal Description:
See Attached.

Plan of Development Number: N/A

Proposed Improvements:

| | | | |
|---|---------------|-------------------|---------------------------------|
| <input type="checkbox"/> New Construction: | _____ # Units | _____ # Buildings | _____ Approx. Total Floor Area |
| <input type="checkbox"/> Adaptive Reuse: | _____ # Units | _____ # Buildings | _____ Approx. Total Floor Area |
| <input checked="" type="checkbox"/> Rehabilitation: | 100 # Units | 11 # Buildings | 76,398 Approx. Total Floor Area |

Other Descriptive Information:

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

Printed Name

Title

Phone

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.

All of those lots or parcels of land located in Hanover County, Virginia, and more particularly described as follows:

ALL that certain tract or parcel of land lying and being in Mechanicsville magisterial District of Hanover County, Virginia,

and described as follows:

Beginning at a point, said point being South 21°31'55" West and 702.00' from the southern line of Jennifer Lane; thence,

from said point of beginning North 37°06'20" East, a distance of 65.17' to a point; thence, North 21°31'55" East, a

distance of 68.22' to a point; thence, North 71°11'09" East, a distance of 127.93' to a point; thence, South 65°04'28"

East, a distance of 1035' +/- to the center of a creek; thence, 380' +/- in a southerly direction along the center of a creek

to a point; thence, North 71°23'46" West, a distance of 320' +/- from the center of a creek to a point; thence, South

18°36'14" West, a distance of 20.00' to a point; thence, North 71°23'46" West, a distance of 125.00' to a point; thence,

North 51°23'46" West, a distance of 58.41' to a point; thence, North 71°23'46" West, a distance of 661.00' to a point;

thence, North 21°31'55" East, a distance of 269.74' to the point and place of beginning, containing 11.1 acres, more or

less, as shown on plat by Lewis & Owens, Inc., Consulting Engineers & Surveyors, dated June 4, 1980, revised June 16,

1980, entitled "Plat Showing a 11.1 +/- Acre Parcel South of Hunters Crossing in the Mechanicsville District, Hanover

County, Virginia, to be Acquired by Harbour Square Assoc."

LESS AND EXCEPT that portion of the property being a 60' parcel known as Hunter Drive, conveyed by Deed of

Dedication from Harbour Square Associates, a Virginia limited partnership, to the County of Hanover, Virginia, dated

March 1, 1982, recorded August 27, 1982, in Deed Book 515, page 129.

- f. Topography, at an interval of two (2) feet.
 - g. Proposed elevations for all structures shall be provided.
 - h. Public and private roads and trails, utility and other easements and rights-of-way, pedestrian paths, public land, land protected under conservation easements, buildings, utilities, drainage ditches, and other man-made improvements.
 - i. Aquifer recharge areas, based on available published information (from USGS maps or other sources approved by the county).
 - j. The location of ponds, streams, and natural drainage swales, and one hundred-year floodplains, as well as all resource protection areas as defined under the Chesapeake Bay Preservation requirements and slopes of thirty-five (35) percent or greater.
 - k. Locations of all historic structures, features, and sites on the tract, such as, but not limited to, those identified in the Hanover County Historic Site Survey (including those on any contiguous tract), abandoned roads, cemeteries, and military earthworks. All features to be preserved shall be shown and so noted on the plan.
 - l. Location and description of all proposed improvements. The descriptions shall include, in the case of structures, elevations with specification of materials, height and other dimensions.
 - m. Existing natural features on the property, including tree masses, based on available published information (from County GIS maps or other sources approved by the County), and a depiction of any proposed alterations.
2. *Site plan review.* Where individual lots are not being created for each residential unit, site plan review shall be required as set forth in article 7.

(Ord. No. 04-21, § 2, 10-27-04)

6.18 Conditional uses. Any conditional use permitted in the A-1 Agricultural District, except home craft shops. (Ord. No. 84-5, § 1, 4-25-85)

Section 7. R-5 Multiple-Family Residential Districts.

7.1 Purpose of the district. The purpose of this district is to encourage variety in housing types and provide for residential densities as might be appropriate for relatively spacious garden apartment or townhouse developments in areas appropriately located for such use, which areas are served by sanitary sewers and public water systems and which are well located with respect to major thoroughfares, shopping facilities, and centers of employment. Population density and height of buildings are low enough to be generally compatible with single-family residential development in the same general neighborhood. Permitted community facilities are the same as for the single-family residential districts.

7.2 Permitted uses. A building or land shall be used only for the following:

1. Multiple-family dwellings.

2. Telecommunications towers and related facilities that do not exceed fifty (50) feet in height, in accordance with the standards set forth in article 7, section 14.
3. Facilities and structures necessary for rendering utility service, including poles, wires, transformers, utility cabinets and pedestals, and the like for normal electrical power distribution or communication service, pipelines or conduits for electrical buildings, treatment plants, pumping or regulator stations, substations and power transmission lines which are permitted as conditional uses, and pipelines, conduits and transmission lines located within the Suburban Service Area as depicted on the Phased Suburban Development Plan in the Hanover County Comprehensive Plan and used to connect to the public water and sewer system owned by the County.

Where a utility cabinet or pedestal is located above ground and outside the public right-of-way, it shall be (1) located so that it does not interfere with the normal flow of pedestrian and motor vehicle traffic, and (2) screened from view from residences and public rights-of-way with evergreen plant material that is at least the height of the utility cabinet or pedestal. Screening shall not be required for (a) single stand-alone utility cabinets or pedestals that do not exceed four feet in height and do not have a footprint area in excess of six square feet, and (b) a single means of access to a utility cabinet or pedestal, provided the means of access is located so as to minimize visibility of the utility cabinet or pedestal from residences and public rights-of way.

(Ord. No. 99-04, § 6, 2-9-00; Ord. No. 07-06, § 6, 7-25-07; Ord. No. 07-13, § 14, 9-12-07)

7.3 Permitted accessory uses.

1. Any accessory use permitted in the R-4 Single-Family Residential District.
 2. An office located in a main building for administration of a multi-family development containing ten (10) or more dwelling units.
 3. A laundry room(s) for use of occupants of a multiple-family dwelling development.
 4. Coin-operated vending machines for candy, tobacco, ice, soft drinks, and sundries, inside a building(s) with ten (10) or more dwelling units and for the use of occupants of a multiple-family dwelling development.
 5. The location of office or construction trailers for a period not to exceed one year.
- (Ord. No. 04-02, § 4, 5-12-04; Ord. No. 07-06, § 7, 7-25-07)

7.4 Signs. Signs are permitted as regulated in article 7, section 3.

7.5 Conditional uses.

1. Bus terminals (waiting area only).
2. Business or professional office buildings.
3. Clinic or medical office buildings.

REPEALED ZONING DISTRICTS

§ 7

4. Excavation or filling, borrow pits; stripping of top soil (but not including stripping of sod), and other major excavations, other than for construction of swimming pools and foundations for buildings and other than those approved in connection with a street, subdivision, or planned residential development.
5. Heliport and helistop.
6. Hospitals and sanitariums, but not animal hospitals.
7. Institutions, educational or philanthropic, including museums, art galleries and libraries.
8. Private clubs.
9. Public or governmental buildings and uses, including schools, fire stations (volunteer or otherwise), parks, parkways, and playgrounds, all including accessory food sales during the hours of operation.
10. Public utilities or public service uses, buildings, generating or treatment plants, pumping or regulator stations, substations, and transmission lines not otherwise allowed as a permitted accessory use.
11. Store for sale of food, tobacco, and sundries not exceeding one thousand (1,000) square feet of total floor area inside a multiple-family dwelling and primarily for the convenience of residents of a multiple-family development containing one hundred (100) or more dwelling units.
12. Swimming or tennis club, private, nonprofit, or commercially operated.
13. Radio or television broadcasting station or tower more than one hundred twenty-five (125) feet in height, provided construction and safety features are approved by the Administrator in accordance with applicable regulations and provided no hazard is created in an Airport Approach Zone.

(Ord. No. 04-02, § 5, 5-12-04)

7.6 Uses permitted as special exceptions. The following uses may be permitted as special exceptions if approved by the board of supervisors in accordance with the procedures, guides and standards of articles 7 and 9:

1. Nonaccessory tents for special purposes.
2. Outdoor displays or promotional activities.
3. Raising for sale of birds, bees, fish, rabbits, and other small animals.
4. Buildings for use as a sales or rental office for an approved real estate development or subdivision.
5. A private garage for more than four (4) automobiles.
6. Convalescent homes, nursing homes, or homes for the aged.
7. Day nurseries or child or adult day care centers.

- 8. Nurseries for growing of plants, trees, and shrubs, including a building for sale of products produced on the premises.
 - 9. Telecommunications towers and related facilities that exceed fifty (50) feet but do not exceed one hundred (100) feet in height, in accordance with the standards set forth in article 7, section 14.
- (Ord. No. 07-13, § 15, 9-12-07)

7.7 Lot size requirements.

| | <i>Minimum Average</i> | <i>Square Feet Minimum</i> | <i>Minimum Lot Width</i> | <i>Feet Lot Depth</i> |
|--|------------------------|----------------------------|--------------------------|-----------------------|
| 1. Two-family dwelling with central water and central sewerage | 8,000 | 5,000 | 65 | 100 |
| With central water system and individual sewerage | 15,000 | 15,000 | 100 | 125 |
| With individual water system and individual sewerage | 20,000 | 18,000 | 100 | 125 |

Averaging lot area for single-family dwellings is permitted only in subdivisions of two (2) or more lots, in accordance with the requirements specified in title II, section 5-5-1-A. Not more than fifteen (15) percent of the lots may be less than the required average lot area.

Lot width is measured at the building line.

Minimum street frontage is twenty-five (25) feet.

See article 7 for special regulations on sale of dwelling units of a two-family dwelling. If units are to be sold separately, minimums for average lot area and lot width are one-half of values above.

- 2. Three-family or more public water and sewerage: Density shall be no more than fourteen (14) units per net acre with no more than thirty (30) percent coverage of the net acreage. The number of dwelling units permitted may be increased in accordance with the following schedule up to a maximum total increase of twenty-five (25) percent, if the Planning Commission finds that the character of the development warrants such increases. Percentages of increase are to be applied individually and treated as additive, not compounded.

Maximum Percentage Increase

Design Element

| | |
|----|---|
| 2% | Excellence in uses of existing topography and/or land recontouring. |
| 2% | Excellence in siting building and building groupings. |
| 2% | Provision in design for courtyards, gardens and patios. |

| <i>Maximum Percentage Increase</i> | <i>Design Element</i> |
|------------------------------------|---|
| 1% | Excellence in pedestrian way treatment. |
| 4% | Excellence in quality and amount of tree and shrub planting, including peripheral and interior screen planting and fencing, landscaping in parking lots, and use of existing trees in the landscape plan. |
| 3% | Lakes and water features. |
| 4% | Use of sculpture, fountains, reflecting pools and similar feature in design. |
| 15% | Recreational facilities, not to exceed five (5) percent each for swimming pools, tennis courts and community center building or club. |

The Planning Commission may permit increase in number of dwelling units comparable to the schedule above and in appropriate cases for dedication of public sites for such facilities as schools, parks and public buildings where such sites are located in accordance with the Comprehensive Plan.

3. For a public building or facility, the minimum lot area shall be the area necessary to accommodate the use, any accessory use, and any required buffers, screening or access to the public building or facility. (Ord. No. 04-19, § 5, 6-23-04)

7.8 Yard requirements.

1. The minimum setback for any building shall be as follows:
 - (a) From a public street with a right-of-way of fifty (50) feet or greater:
 - (1) Thirty-five (35) feet from an existing public street, where the street is not an integral part of the internal road network of the project; or
 - (2) Fifteen (15) feet from any other such public street.
 - (b) From a public street with a right-of-way that is less than fifty (50) feet:
 - (1) Eighty (80) feet measured from the center line of an existing road, where the street is not an integral part of the internal road network of the project; or
 - (2) Forty (40) feet measured from the center line of the road for any other such public street.
 - (c) From a private road constructed to state standards:
 - (1) Fifteen (15) feet from the nearest boundary of the right-of-way, provided the right-of-way is sufficient in size to permit construction of the private road and to locate any appurtenant drainage, utility, or other feature required to provide safe and adequate public access and to permit maintenance of such features; or
 - (2) In all other cases, forty (40) feet measured from the center line of the private road.

2. The minimum separation between adjacent buildings shall be thirty (30) feet.
 3. The minimum distance from any property line shall be fifteen (15) feet.
- (Ord. No. 04-21, § 3, 10-27-04)

7.9 Height restrictions. The following height restrictions shall apply in this district:

1. Telecommunications towers and related facilities:
 - a. Permitted by right: shall not exceed fifty (50) feet.
 - b. Permitted with a special exception: shall not exceed one hundred (100) feet.
 2. Single-family dwellings and all other structures not specifically exempted in article 7 shall not exceed a height of three (3) stories or thirty-five (35) feet, whichever is less.
- (Ord. No. 07-13, § 16, 9-12-07)

7.10 Off-street parking and loading requirements. Off-street parking and loading requirements are contained in article 7.

7.11 Architectural treatment.

1. Garden apartments: Not more than two (2) adjacent garden apartment buildings may have the same or essentially the same architectural facades and treatment of facing materials. Variations may be achieved by material textures or sculptural effects.
2. Townhouse apartments: Not more than ten (10) townhouse dwelling units may be continuously connected with an overall average of not more than eight (8) units continuously connected. Not more than three (3) abutting townhouses may have the same or essentially the same architectural facades and treatment of facing materials. Variations may be achieved by material textures or sculptural effects. In addition, a variation in setbacks of not less than two (2) feet for each three (3) units shall be required.

7.12. Development standards and procedures. The following requirements and procedures shall apply within the R-5 District:

1. **Conceptual plan.** The property shall be developed and improvements including landscaping installed in substantial conformity with a conceptual plan (the "plan") approved by the board of supervisors as part of the approval of the district. The plan shall be on sheets no larger than twenty-four (24) inches by thirty-six (36) inches in size and shall include the following information:
 - a. The proposed title of the project and the name of the engineer, architect, designer, and/or landscape architect, and the owner and/or developer.
 - b. The northpoint, scale, and date. The scale of the plan shall be as follows:
 - (1) For projects containing more than two hundred (200) acres, not more than two hundred (200) feet to one inch.
 - (2) For projects containing fifty (50) to two hundred (200) acres, not more than one hundred (100) feet to one inch.

- (3) For projects containing less than fifty (50) acres, not more than fifty (50) feet to one inch.
 - c. Zoning and zoning district boundaries, both existing and proposed.
 - d. Vicinity sketch, at a scale no greater than 1":2000'.
 - e. Proposed lot lines.
 - f. Topography, at an interval of two (2) feet.
 - g. Proposed elevations for all structures shall be provided.
 - h. Public and private roads and trails, utility and other easements and rights-of-way, pedestrian paths, public land, land protected under conservation easements, buildings, utilities, drainage ditches, and other man-made improvements.
 - i. Aquifer recharge areas, based on available published information (from USGS maps or other sources approved by the county).
 - j. The location of ponds, streams, and natural drainage swales, and one hundred-year floodplains, as well as all resource protection areas as defined under the Chesapeake Bay Preservation requirements and slopes of thirty-five (35) percent or greater.
 - k. Locations of all historic structures, features, and sites on the tract, such as, but not limited to, those identified in the Hanover County Historic Site Survey (including those on any contiguous tract), abandoned roads, cemeteries, and military earthworks. All features to be preserved shall be shown and so noted on the plan.
 - l. Location and description of all proposed improvements. The descriptions shall include, in the case of structures, elevations with specification of materials, height and other dimensions.
 - m. Existing natural features on the property, including tree masses, based on available published information (from County GIS maps or other sources approved by the County), and a depiction of any proposed alterations.
 - 2. *Site plan review.* Where individual lots are not being created for each residential unit, site plan review shall be required as set forth in article 7.
- (Ord. No. 04-21, § 4, 10-27-04)

7.13 Utilities. Multi-family units may be constructed only on properties served by central sewer and water systems.

7.14 Recreation areas. Recreation areas shall be provided in all multi-family developments totaling more than ten (10) units in proportion to the rate of development at the rate of five hundred (500) square feet of developed recreation area per unit for the first two hundred (200) units and all thereafter at the rate of two hundred fifty (250) square feet of developed recreation area per each additional unit. (Ord. No. 84-12, § 1(a), (b), 10-24-84; Ord. No. 85-11, § 1, 8-28-85; Ord. No. 86-11, §§ 1A, 1B, 5-28-86; Ord. No. 90-15, § 2, 7-18-90; Ord. No. 91-07, § 1, 4-14-91; Ord. No. 93-25, § 1, 11-23-93; Ord. No. 95-01, § 1, 9-27-95)

H

Attorney's Opinion
(MANDATORY)



June 4, 2020

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

RE: 2020 Tax Credit Reservation Request
Name of Development: Harbour Square ("**Development**")
Name of Owner: Harbour LIHTC, LP ("**Owner**")

Gentlemen:

This undersigned firm represents the above-referenced Owner as its special counsel. It has received a copy of and has reviewed the completed application package dated June 4, 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 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, for a period of not less than four (4) months beyond the application deadline.
5. Deleted – inapplicable.
6. Deleted – inapplicable.
7. Deleted – inapplicable.
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 compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose. Lawyers in the Firm are licensed to practice law in the states of Missouri and Kansas but not in any other state. The opinions expressed herein relate to federal law only.

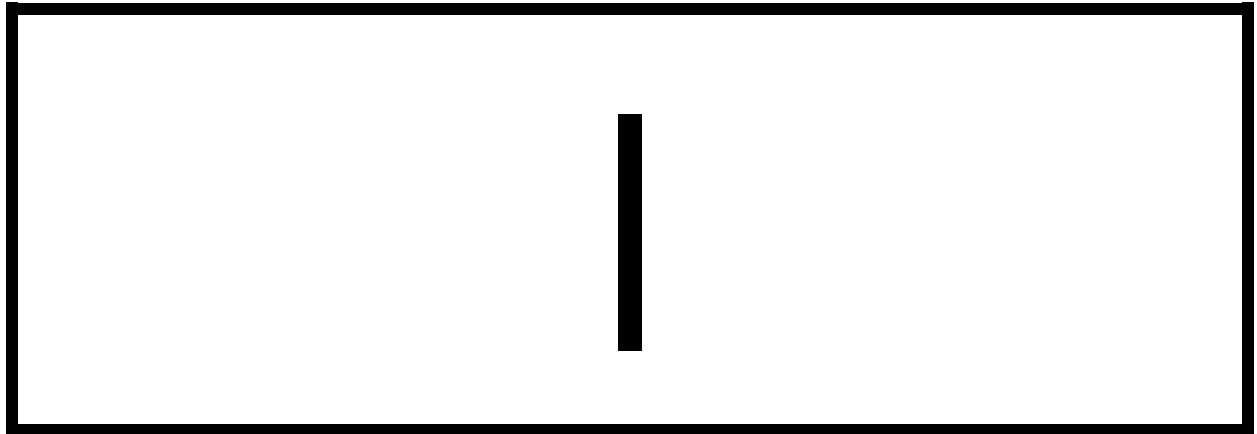
This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

Very truly yours,

RAMSEY BARHORST, LLC

By: 

Christopher Barhorst
Principal



Nonprofit Questionnaire

(MANDATORY for points or pool)

This deal does not require
information behind this tab.

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Must include a unit delivery schedule

Relocation – N/A

Harbour Square will be an in-place rehab and no resident relocation is anticipated.

Though no relocation is anticipated, we have prepared a Relocation Manual to assist the site staff during the renovation process, attached hereto.

Unit Delivery Schedule: all buildings will be placed-in-service on the same date. The acquisition credit placed-in-service date will be the date of acquisition, anticipated to be around 10/1/20. The rehabilitation credit placed-in-service date is anticipated to be 12/31/21.

TENANT RENOVATION AND RELOCATION MANUAL

2020-21 Renovation

**Harbour Square Apartments
7102 New Hunter Road
Mechanicsville, Virginia 23111**

Dated: June 2020

Introduction

Starting in the fourth quarter of 2020, Harbour Square will be undergoing an interior and exterior renovation that will last approximately twelve months. One of the critical contributors to the success of this project will be the way we work with residents during this period of community revitalization. Experience has shown that a smooth resident communication process can be achieved through careful planning, clear communication and appropriate contingency plans. This Manual should be carefully read and followed by all onsite staff, by all construction managers and by all other parties associated with the renovation. This Manual is the reference document for all construction-related tenant protocols and a copy should be maintained onsite at all times.

By way of background, we are an affordable housing preservation company that has acquired and preserved many thousands of units of Section 8 housing nationwide. Most of these preservations involved major renovation and each has been completed on occupied units. For example, in recent years we completed four major renovations on other Section 8 properties in Ohio. No tenants were displaced, and the renovations went very well. Though we are highly confident in our ability to perform thoughtful occupied-renovations, we are always seeking opportunities to improve our protocol. For this reason, at the conclusion of each project we conduct a post-construction debrief. We have often been honored by the expressions of overwhelming resident gratitude and appreciation – not just for the improvements, but also for the way residents appreciated being treated. Though compliments are appreciated, our goal in such meetings is to learn how we may improve. This Manual will serve as a current repository of our tenant management best practices and has been customized for the specific needs and sensitivities required for Harbour Square.

Renovation, particularly in-unit renovation, is disruptive by nature. Various practicalities and sensitivities must be considered, which may vary from unit to unit (and person to person). Renovation is also by nature unpredictable, as unanticipated items invariably arise during the course of work that must be addressed real-time. Such unanticipated items have the potential to affect not only the renovation timeline but also the tenant experience. It is thus critical that proper contingency planning be put in place in advance.

We have consciously selected J4 Development as our general contractor for Harbour Square. J4 has significant experience completing occupied unit renovations, and has proven to be a firm that shares our sense of resident prioritization. We used J4 on the previously mentioned projects in Ohio (plus many others). They have become our go-to contractor for occupied renovations. J4's involvement in the development team materially increases our confidence in a positive execution.

This Manual considers the renovation in four phases: i) preconstruction, ii) initial, iii) renovation, and iv) the post construction debrief. Outlined within the manual are the core components to each phase.

COVID-19

While the renovation is not scheduled to begin until the 4th quarter of 2020, the development team has, and will continue to evaluate and monitor the status of COVID-19. If local COVID-19 related advisories are still in place at the time of construction commencement, the team will assess any recommendations and ensure proper preventative measures, such as Personal Protective Equipment (PPE), are in place.

Preconstruction Phase

Section 8 residents are often unaware of their rights as tenants, and can become easily intimidated by talk of their property being sold or of it going ‘tax credit.’ Many initially fear that the Section 8 may be lost, that they may be evicted or that their rents may increase. It is important that we recognize these anxieties and that we sufficiently allay such fears as early as possible. As an affordable housing preservation company, our motivations are perfectly aligned with theirs – namely our interest in seeing the property’s affordability preserved, and in improving the quality of the asset to ensure the highest quality living environment.

Pre-Acquisition Meeting (“Pre-Acq”) - A meeting should be scheduled with the residents as early in the acquisition process as possible, and translation services should be offered for those not fluent in English. Notice of the meeting should be posted in multiple conspicuous locations and delivered to each tenant. Significant advanced notice of the meeting should be given, and it should be scheduled at a time and place that is convenient for most residents. The goal is to maximize resident attendance. In the meeting, a representative of the developer should personally speak, explaining that the property is in contract to be sold and that the new owner is seeking federal incentives to acquire and preserve the asset. The following items should be made explicitly clear at the outset:

- 1) The developer is dedicated to preserving and improving Section 8 housing.
- 2) The property will remain Section 8.
- 3) No tenant will be required to move because of the sale.
- 4) Tenant rents will not change.
- 5) The property will be renovated and improved.
- 6) It is anticipated that residents can remain in their unit during the renovation.

The Pre-Acq meeting is also an excellent opportunity for the residents to ask questions and express their thoughts or suggestions on renovation needs. It is also a good opportunity for the residents to meet the developer and form an initial relationship – effectively giving a face to the buyer and humanizing the sale. Because the acquisition will involve various third-party inspections, it is important that residents understand the reason such inspections are necessary. It is also important that they understand the timeline and logistics anticipated for the actual renovation. Adequate time should be allotted to answer any and all questions. The property manager should be identified as the main point of contact for additional inquiries, which should continue to be welcomed and solicited. Residents should be encouraged to view themselves as an important part of the process. They are.

The Pre-Acq meeting is also an excellent opportunity for the developer to learn valuable information about site needs. The developer should seek to further refine the anticipated scope and to identify any project- or resident-specific sensitivities and special needs that may arise. Following Pre-Acq, a meeting should be held with the manager to discuss the anticipated renovation plan and to consider any special needs of any such residents. Any resident health and mobility concerns must be carefully considered.

Initial Phase

Once an anticipated closing date has been set, the developer should hold another meeting with the site staff to discuss expected renovation logistics and timing. This Manual should be carefully reviewed at that time by all site staff and time should be allocated so that all questions can be thoroughly addressed.

The property manager at the property has an excellent relationship with the residents and is well-informed of their individual needs and sensitivities. The manager has been designated the Tenant Relocation Supervisor (“TRS”) and will serve as the main point of contact for resident relocation concerns. The TRS is responsible for ensuring this Manual is followed by the site staff and construction team, for overseeing any temporary tenant relocation and for identifying unique situations and conflicts as they arise. The TRS is the advocate of the residents, and is responsible for ensuring the renovation prioritizes their comfort and safety. The construction process is an exciting experience that can sometimes produce anxiety. It will be important for the TRS to make residents feel comfortable and to honestly answer all of their questions to the best of their ability.

During the Initial Phase the TRS will meet privately with any residents who may be immobile or have other health/specific issues that would require special planning. The TRS will discuss any special-needs units with the developer and the contractor and the specialized renovation of these units will be factored into the overall plan. More information on how we will handle special needs situations is contained in the Renovation Phase description.

Prior to the start of work, the final scope should be conveyed to the residents in a way designed to build excitement and encourage interaction with site staff. This is a good opportunity for residents to allay any lingering anxieties and to ensure all residents have a clear understanding of what to expect. We have found that the more they feel a part of the plan; the more residents welcome the improvements to their units. Pizza and drinks will be provided to encourage resident attendance and interaction.

Renovation Board - A ‘renovation board’ will be placed in a central location outside the leasing office and will remain during the entire construction period. The board will be colorful and intended to create a sense of resident excitement and anticipation. It will serve as a central place for residents to view the scope, product samples, timelines and construction updates. By placing the board adjacent to the manager/TRS office, the board encourages interaction. It should be updated and kept current so as to always reflect a real-time sense of progress and next steps. For resident safety and confidentiality, the schedule of any specific unit work should not be posted publicly, though general unit renovation logistics and work timelines may be provided.

Renovation Phase

The renovation at the property can be grouped into three categories: 1) site renovations, 2) exterior renovations, and 3) interior renovations. Work in each category may require notice to residents; however, the only work that may require resident cooperation is the interior renovation work. Based upon prior experience, it is estimated that work on a typical unit will take less than one week per unit to complete.

We expect an organized jobsite where safety and cleanliness are prioritized. For resident safety, all workers must wear either a construction vest or branded company clothing clearly delineating them as part of the construction team. No exceptions to this rule will be allowed, and any worker not wearing such clothing will be asked to leave the jobsite. Construction materials must be securely stored, and any roll-off containers or other construction equipment must be properly sequestered or located out of the flow of pedestrian and vehicular traffic.

The project manager must report daily to the TRS to detail the desired work schedule and to solicit TRS feedback and comments. The TRS will approve or modify the proposed schedule. No work will occur without TRS prior approval.

Project Specific Plan – Harbour Square

The specific tenant relocation and considerations being employed for Harbour Square are detailed in this section and incorporate resident Pre-Acq comments, TRS suggestions and site-specific requirements. The following bolded paragraphs provide an overview, the details of which are further delineated in the subsections that follow.

No resident is anticipated to be displaced overnight to accommodate the work. When a unit is scheduled for renovation, significant advanced notice will be provided so the resident may prepare. Locking storage containers and packing assistance will be provided, as will wrapping or padding any furniture or fragile items. A hospitality suite will be provided for resident day use.

Work is anticipated to take approximately 4-5 days per unit, and all work will be conducted during regular business hours. To accomplish an efficient in-unit renovation, careful scheduling and preparation is required of the contractor. No work may begin in any unit unless a fully functional unit can be delivered to the resident at the completion of each day. For example, if a shower is to be installed one day, the resident must return to a fully functional shower that evening. In the event unforeseen circumstances arise during the construction that prevent a fully functional unit from being returned to a resident in any given day, the resident must be offered overnight accommodation at a quality nearby hotel, as well as transportation, food and compensation for the inconvenience.

The TRS will serve as the main point of contact for the residents, and the TRS will be a champion of resident concerns during the process. If at any time the TRS becomes concerned about the impact of the renovation plan on the residents, all work will be stopped until the contractor, the developer, the architect and the TRS can develop a more appropriate plan.

More specific detail on each component of the renovation plan for Harbour Square follows:

Hospitality Suite – prior to construction start, the resident community room will be reserved as a ‘hospitality suite,’ and residents will be informed that their use is to be prioritized for those receiving improvements to their units on any given day. The community room is furnished, air conditioned, has bathroom facilities and a full kitchen. Bottled water and snacks will be provided, and an entertainment center will be set up to offer movies and entertainment.

Resident Belongings – As a courtesy, several lockable Rubbermaid-style storage containers and boxes will be provided to secure resident belongings during the renovation. The TRS will handle distribution of storage containers, and will time their delivery to the upcoming unit renovation schedule. We have found that most residents prefer to pack their own belongings, so as much time as possible should be provided for them to do so. However, it is important that residents understand they are not required to pack any items themselves. If they prefer, the TRS, maintenance and representatives of the contractor will assist with all packing. The intention is that all resident belongings remain securely located in the resident’s unit if possible. However, in instances where this may be impractical, a securely locked room onsite shall be provided for resident belonging storage, and assistance will be provided transporting items to such onsite storage location. Residents will have 24-hour access to the secured room, a key for which will be kept by onsite staff. Onsite staff will thus oversee all access to the room.

Special Circumstances – It is critically important to plan for the unforeseen. For any unit not fully functional at the end of the day, or for any resident the TRS believes warrants it – in the sole discretion of the TRS and without developer input - the TRS may offer affected residents’ overnight accommodation at a quality nearby hotel (three stars or higher), plus transportation, meals (\$20/person/night) and monetary compensation (\$30 gift card/person/night). If the TRS believes any circumstances require additional or different accommodation, they will communicate with the developer.

Because the renovation involves working in occupied units, even with proper preparation of resident belongings there is the potential that items may be inadvertently damaged. Residents observing damage will report it to the TRS, who will work with the contractor to determine an appropriate solution. If the TRS determines that monetary compensation is appropriate, the TRS and the resident shall agree to an amount that is fair and the contractor has agreed to reimburse the resident for this amount.

Safety – A continuously cleaned jobsite is expected. As an example, when the roofs are being installed an individual will be tasked with using a magnetic roller during work to ensure no stray nails are left on the site. Job site safety should always be a significant concern to the TRS and staff. As appropriate, the TRS should send out notices reminding residents to use common sense in not allowing guests near construction equipment or materials. Residents should also be encouraged to immediately alert the TRS of any hazardous conditions they see on the job site so that proper steps can be taken to immediately mitigate potentially hazardous conditions.

Unit Inspections - When the contractor initially begins work on a unit, the head of maintenance and manager should inspect the unit with the contractor to note and record any pre-existing damage. The manager will walk the units with the architect and head of

maintenance when the renovated units are presented as complete according to the contractor's scope. During this walk, a list of incomplete items will be generated. It will then be the responsibility of the head of maintenance to re-inspect each unit to ensure that the items on the list have been completed and that no resident belongings have been damaged. For the first several inspections a representative from the development team will be available to help communicate the standard of quality expected and identify any general concerns. If there are ever any questions about unit inspections, or other renovation issues, the manager should not hesitate to contact the owner directly.

Complaints and Concerns - Any complaints and issues should be documented using the forms included in this relocation manual, and copies of such forms should be readily available to residents during the entire renovation period. The TRS should review any complaints and should provide a copy to the developer as well as the contractor. All complaints should be remedied to the satisfaction of the TRS, in their sole discretion. A copy of any documented complaints should be retained in the resident's personal file.

Communication - Throughout the project, the developer and Contractor will hold monthly progress meetings with the TRS to discuss the project. This will be a chance for the developer to inspect the work that has been completed on site and to catch up on any new issues. It is critical that the head of maintenance and either the TRS also be present at every meeting. The management and maintenance staff are essential components to the success of the renovation. Both should be available to answer questions that the contractor has, and both should provide the developer with feedback on how the renovation process is running. The TRS will not allow any work to occur in any resident unit without advanced notice and resident cooperation.

It is critical that the maintenance staff not engage in any work that is part of the construction scope. This is important for safety, warranty and workload purposes. Maintenance should continue to serve the needs of residents and the property just as they normally would. Any situations which may warrant an exception to this rule should be discussed with the manager and developer.

Contractor Logistics and Scheduling – Harbour Square

As mentioned, the development team and contractor have completed many similar occupied renovations without issue. The contractor has developed many protocols for the renovation that minimize resident inconvenience. Following detailed discussion between developer and contractor, the following logistical and scheduling optimizations will be part of the Harbour Square renovation. We have learned that by properly preparing and organizing the renovation in advance, the in-unit component of the renovation can be materially accelerated, and resident disruption can thus be minimized.

Because the scope of renovation for any particular unit will have been determined in advance, the contractor will work with their distributor to package the materials for delivery on a unit-by-unit basis. For example, cabinetry will be shipped such that the boxes for a particular unit are delivered together. In this manner, the number of times any particular unit is accessed can be minimized. As another example, kitchen sinks will have faucets and plumbing connections affixed prior to unit entry, so that upon entry the contractor will only need to insert the sink in the counter and affix the water and drain connections. These sorts of time-saving and resident-prioritization techniques are the

reason we have chosen our specific contractor. They will benefit the project and the residents as a consequence.

Construction Timing and Phasing – Unit interior renovation work is planned to begin approximately six weeks following closing. To minimize the disruption to residents accessing and egressing their units, the renovation will be organized by building (note, we must allow the contractor the flexibility to determine which specific building to prioritize based upon material availability, though the expectation is that work be concentrated within one section of the property at any particular time).

At least two weeks prior to a resident's unit receiving improvements, a projected renovation timeline will be shared, and storage boxes/bins will be provided. The TRS will visit each unit and discuss the plan for preparing resident belongings. Those residents desiring to complete their own packing are welcome to do so, and those desiring assistance will receive it.

One week prior to renovation commencement, residents will be given a specific timeline for exactly when work on their unit will begin and the anticipated timeframe for completion. Twenty-four hours before contractor access, the TRS will again visit the unit and ensure that all materials have been properly stored and that the unit is ready for contractor access. Only after the TRS approves a unit as ready, and after the resident relinquishes usage, will the contractor begin work. Again, it is the expectation that all work be completed as expeditiously as is possible to provide a quality end product. If the contractor should have any concerns regarding their ability to meet the stated schedule, they will communicate such concerns with the TRS during the next morning meeting, and a unit-specific plan will be developed.

Post Construction Debrief

Despite the best intentions, no renovation goes perfectly. There are always opportunities for improvement, and we have designed the Post Construction Debrief (“PCD”) as an opportunity to build upon our experience and learn where we may improve our process the next time. As such, upon construction completion for Harbour Square, we will conduct a post construction debrief that will involve enhanced participation on a few levels.

Residents – a PCD meeting will be held with the residents (noticed and conducted in the same manner as the Pre-Acq meeting). Residents will be encouraged to provide candid feedback on their renovation experience and the developer will take notes on the feedback provided. Residents will be invited to meet privately with the developer following the meeting to convey any concerns or compliments they may prefer to make privately. In addition, a survey will be circulated to all residents to encourage feedback – this has the benefit of soliciting comments from those unable to attend the meeting, while also affording complete confidentiality and thus encouraging frank comments.

RS/Site Staff – a representative of the developer will hold a private PCD meeting with the RS, in which the renovation will be discussed in detail. The focus of the discussion will be on the resident experience. Feedback will be sought and any concerns or special situations that arose will be considered.

Contractor – a representative of the developer will hold a private PCD meeting with the project manager of the general contractor, in which the renovation will be discussed in detail. The focus of the discussion will be on the resident experience. Feedback will be sought and any concerns or special situations that arose will be considered.

The intention in all PCD discussions is the opportunity to encourage constructive criticism with a focus on improving the tenant renovation experience at future preservation projects. Only by encouraging frank and candid feedback can we hope to truly improve this Manual and our process in general.

SUBJECT RENOVATION PROJECT

FREQUENTLY ASKED QUESTIONS

During our years of experience, we have found that many residents have similar questions about the renovation process. In order to help answer some of these questions we have prepared this list of frequently asked questions. We hope that it is helpful.

Q: What are the new units going to look like?

A: While the renovation to each unit may differ slightly based on the current quality and condition of the unit systems, most units will receive new kitchen cabinets/counters, new energy-efficient windows, new flooring, new appliances, new air heaters, new plumbing and energy efficient lighting.

Q: Do I have to move out of my unit when they renovate?

A: No. The work is expected to only take a few days in each unit, and you will be given advanced notice of the contractor's schedule for your specific unit. The unit improvements are being scheduled so that the contractor can fully complete distinct aspects of the scope each day, meaning that each evening the unit will be returned to you in fully functional condition (working kitchen, bath, toilet, etc). Though the contractor will cover any furniture and make best efforts to protect your belongings, prior to work you are asked to please prepare your unit and secure any valuables.

Q: What items am I responsible for packing?

A: If possible, we request you assist by emptying all kitchen/bath cabinets, closets (bedroom, utility closets, and linen closets), and generally clearing all nick-knacks or non-furniture items that may be damaged. If any furniture needs to be moved for your unit's renovations, the contractor will move it within the unit for you. Please advise us if you have any special needs or otherwise require assistance in preparing your unit. All of your items will remain safely in your unit, which will remain locked. Only the property staff and construction supervisors will have access.

Q: Where do I go when they're working in my unit?

A: A hospitality area will be set up in the community room for your daytime use if you'd like. The hospitality area is furnished, has air conditioning, men's and women's bathroom facilities, and a full kitchen.

Q: What happens if something of mine breaks during the renovation?

A: All claims for damages will be handled through the Management Company. All claims must be submitted promptly, and any damaged item should not be discarded. Of course, the site manager will assist you in any way that they can.

Q: Will my mailing address or mailbox location be changed?

A: No. Your address will remain the same and the renovation will not affect resident mail or resident mail delivery.

Q: What do I do if I have more questions about the construction?

A: As always, feel free to call the site staff in the rental office. They will be able to answer any of your questions.

RENOVATION PROJECT COMPLAINT/CONCERN FORM
Harbour Square

Date: _____

From: _____

The person filing this complaint/concern is a:

- Resident
- Site-staff
- Contractor/Sub-contractor
- Other (please specify): _____

This report was prompted by the actions of a:

- Resident
- Site-staff
- Contractor/Sub-contractor
- Other (please specify): _____

Description of concern/complaint (use back if necessary):

Description of resolution/remedial action:

Contractor Initials: _____

Management Initials: _____

K

Documentation of
Development Location

This deal does not require
information behind this tab.

K.1

Revitalization Area
Certification

This deal does not require
information behind this tab.

K.2

Location Map

Legend About Layers

Legend

Existing Tax Credit Locations

DDA - Metropolitan

Percent Poverty and Additional Information

Poverty Percentage

> 16

8.1

< 0

Census Tract Information

The address entered is situated in Census Tract **3212.02** in **Hanover Co**

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 **18.40%**

This location falls within **Richmond 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: **01**

It is located in Planning District: **15**

It is located in State Senate District: **4**

It is located in State House District: **97**

Revitalization Reference

Is it located within a Qualified Census Tract (QCT)? **No**

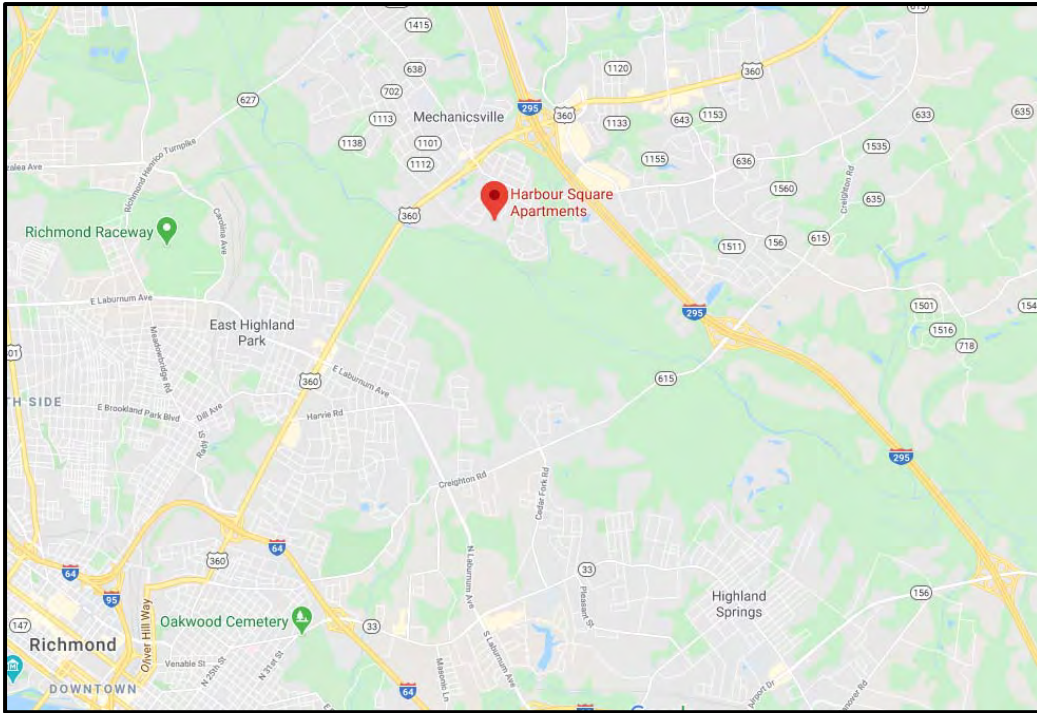
Is it located within a tract where 70% or more of families have incomes wh

Zoom to



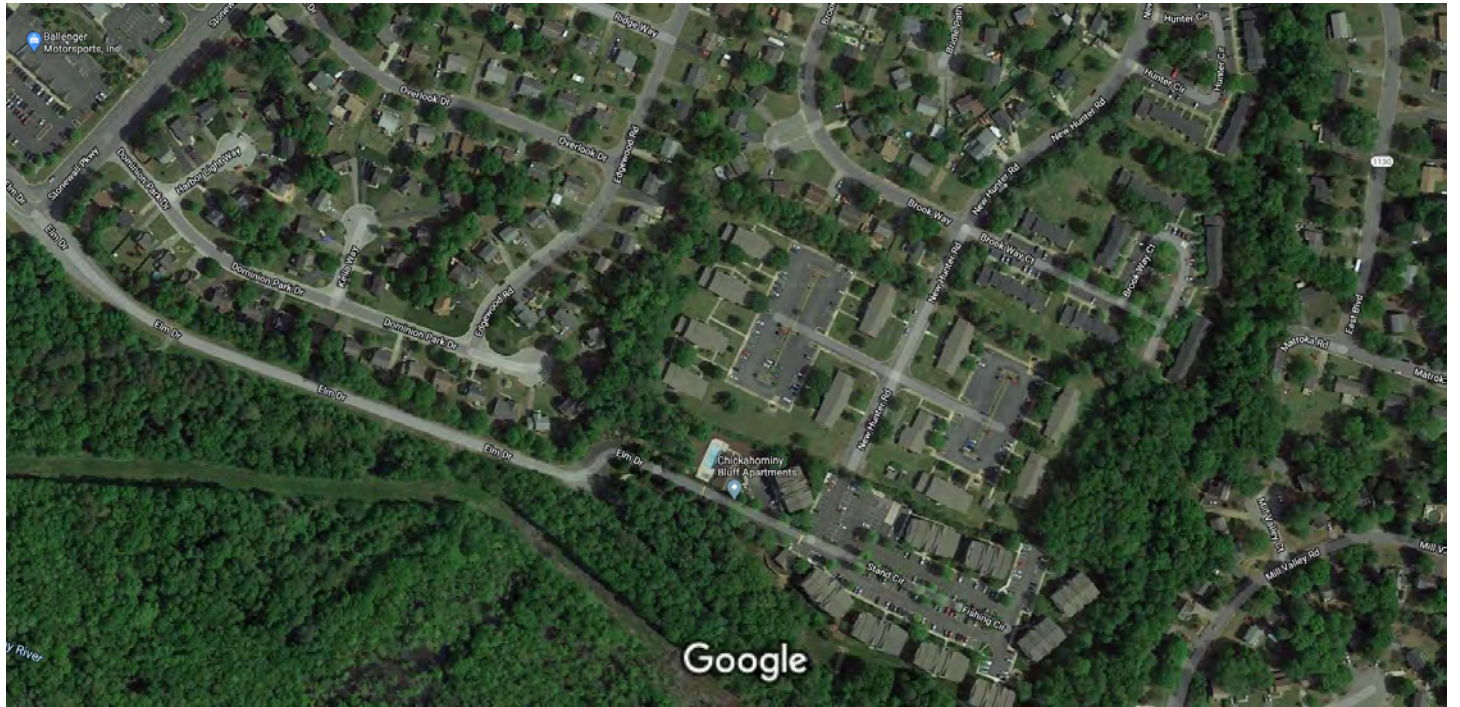
Map data ©2020 100 ft

AREA MAP



AERIAL MAP





Imagery ©2020 Commonwealth of Virginia, Maxar Technologies, USDA Farm Service Agency, Map data ©2020 100 ft

K.3

Surveyor's Certification of
Proximity to Public
Transportation



BALZER
& ASSOCIATES
PLANNERS / ARCHITECTS
ENGINEERS / SURVEYORS

15871 City View Drive
Suite 200
Midlothian, VA 23113
804.794.0571
www.balzer.cc

Surveyor's Certification of Proximity to Transportation

DATE: 05-15-2020

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Harbour Square

Name of Owner: Harbour LIHTC, LP

Gentlemen:

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

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

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

Balzer & Associates, Inc. - Chris Finley, LS #3375

Firm Name

By: 

Its: Associate

Title



L

PHA/Section 8 Notification
Letter

This deal does not require
information behind this tab.

M

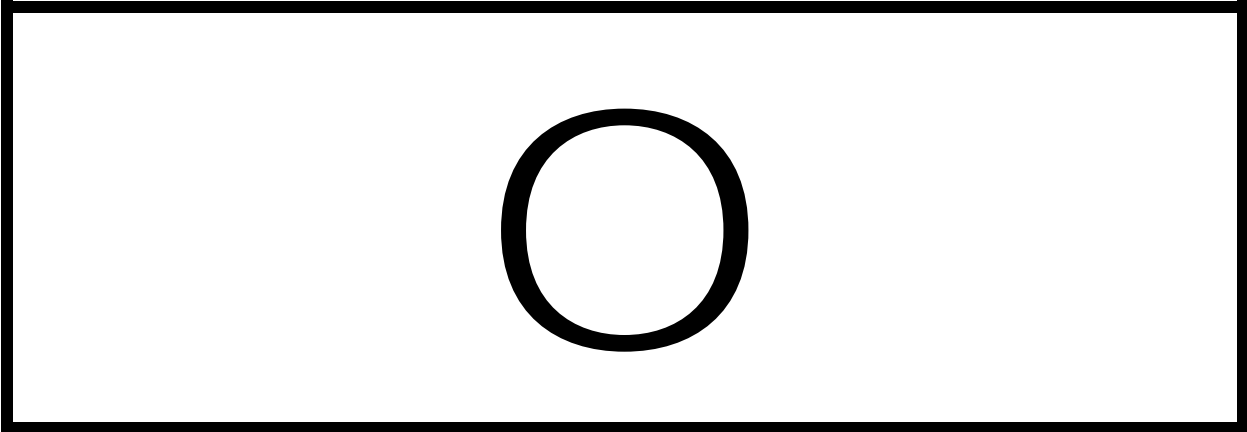
Locality CEO Response
Letter

This deal does not require
information behind this tab.

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

BOARD OF SUPERVISORS

AUBREY M. STANLEY, CHAIRMAN
BEAVERDAM DISTRICT

SEAN M. DAVIS, VICE-CHAIRMAN
HENRY DISTRICT

FAYE O. PRICHARD
ASHLAND DISTRICT

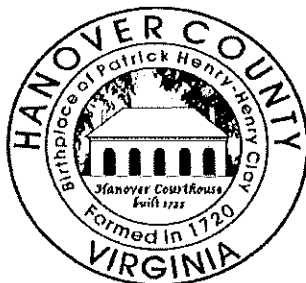
ANGELA KELLY-WIECEK
CHICKAHOMINY DISTRICT

F. MICHAEL HERZBERG, IV
COLD HARBOR DISTRICT

W. CANOVA PETERSON, IV
MECHANICSVILLE DISTRICT

SUSAN P. DIBBLE
SOUTH ANNA DISTRICT

CECIL R. HARRIS, JR.
COUNTY ADMINISTRATOR



HANOVER COUNTY

ESTABLISHED IN 1720
WWW.HANOVERCOUNTY.GOV

PLANNING DEPARTMENT

DAVID P. MALONEY, AICP
DIRECTOR OF PLANNING

MARY B. PENNOCK
DEPUTY DIRECTOR OF PLANNING

LEE W. GARMAN
CURRENT PLANNING MANAGER

MEGAN M. DALZELL
PRINCIPAL PLANNER

C. JASON HAZELWOOD
CODE COMPLIANCE SUPERVISOR

KRISTY MORTON
BUSINESS & OPERATIONS MANAGER

P. O. Box 470
HANOVER, VIRGINIA 23069

PHONE 804-365-6171
FAX: 804-365-6232

June 5, 2020

Integra Property Group
Mr. Kevin Dainty
520 Pike Street, Ste 1004
Seattle, WA 98101

kdainty@integratprop.com

RE: ZCL2020-00034 Zoning Compliance Letter
GPIN 8714-11-3916
11.10 acres, Repealed R-5, Multi-Family Residential

Dear Mr. Dainty,

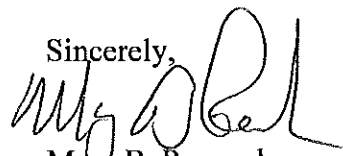
At your request, this letter will verify that the use of an apartment community, as it relates to the above referenced property, is as follows according to our records:

1. The property is currently zoned Repealed R-5, Multi-Family Residential District, under the Zoning Ordinance of Hanover County and Site Plan SPR-10-80.
2. The use of the property as multi-family dwellings is a permitted use of the Property. Therefore, if the property were destroyed, it would be allowed to be rebuilt in accordance with the Hanover County Code and Zoning Ordinance requirements of Repealed R-5, Multi-Family Residential District regulations, in effect as of date of reconstruction.

3. Any physical changes to the property must comply with the approved Site Plan SPR-10-80 and the Repealed R-5, Multi-Family Residential District regulations. Any construction on the Property will require approval by the Building Inspections office.

4. We are unaware of the existence of any violations or alleged violations of any zoning, subdivision, building or similar ordinances or regulations applicable to the Property (including compliance with development standards, signage, storage, parking, etc.), or any enforcement proceedings against the Property that are pending or contemplated.

Please find attached your requested Virginia Housing Development Authority Zoning and Development Certifications. Should you have any additional questions, you may direct your concerns to Jason Hazelwood or myself by calling 804-365-6171.

Sincerely,

Mary B. Pennock
Deputy Director of Planning

Attachments:
VHDA Forms
R-5, Multi-Family Residential District

cwm
ZCL2020-00034

Notice: You have the right to appeal from the determination set forth in this letter. Should you wish to file an appeal, you must submit an application for an appeal with the Hanover County Planning Department. The application fee for appeals is \$600.00 (six hundred dollars). An application for an appeal must be filed within thirty days of the date of this letter, in accordance with Section 15.2-2311 of the Code of Virginia; if an appeal is not filed within that time period, the determination set forth in this letter shall be final and unappealable.

The Zoning Administrator has no authority to issue a zoning compliance letter or other determination that is inconsistent with the provisions of the Hanover County Zoning Ordinance or Subdivision Ordinance, or to waive any requirements of the Zoning or Subdivision Ordinances. This letter reflects the provisions of the Zoning Ordinance as of the date of the letter. Before an applicant proceeds on a proposed project or begins to use property for a particular use, it is the applicant's responsibility to verify that the Zoning and Subdivision Ordinances have not been subsequently amended so as to affect the determination set forth in this letter.

Date 6/5/2020

Plan of Development Certification

DATE:

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

| | |
|-------------------------------|--------------------------------------|
| Name of Development: | <u>Harbour Square</u> |
| Name of Owner/Applicant: | <u>Harbour LIHTC, LP</u> |
| Name of Seller/Current Owner: | <u>Harbour Square Associates, LP</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:

7102 New Hunter Road, Mechanicsville, VA 23111

Legal Description:

See Attached.

Plan of Development Number: N/A

Proposed Improvements:

| | | | | |
|---|---------------|-------------------|--------|--------------------------|
| <input type="checkbox"/> New Construction: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor Area |
| <input type="checkbox"/> Adaptive Reuse: | _____ # Units | _____ # Buildings | _____ | Approx. Total Floor Area |
| <input checked="" type="checkbox"/> Rehabilitation: | 100 # Units | 11 # Buildings | 76,398 | Approx. Total Floor Area |

Other Descriptive Information:

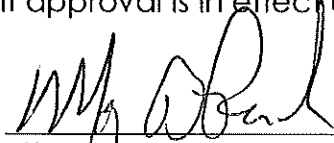
The property is an existing 100-unit apartment complex comprised of 11 buildings. Rehabilitation will include like with like replacements such as swapping out old kitchen appliances with new, old sinks/toilets with new, old shingles with new, etc. No new units will be added, number of buildings is staying the same, and existing footprint and use of property is not changing

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
Mary B Penock

Printed Name
Deputy Director of Planning

Title
804-365-6171

Phone
6/8/2020

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

Part G – Information on Mortgagor Entity

Name of Entity

Harbour Square Associates

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
 Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

American Apartment Management Company, Inc.

General Partner

Name and Title

FDD Corporation Deedra A. Burroughs

Sec/Treasurer, General Partner

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Russell W. Fleming - President

Authorized Official's Signature



12/31/2019

Date (mm/dd/yyyy)

Part I – HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number

VA360027049


Director, Housing Management Division

Date (mm/dd/yyyy)

01/07/2020

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

**U.S. Department of Housing and Urban Development
Office of Housing**

PROJECT-BASED SECTION 8

**HOUSING ASSISTANCE PAYMENTS
RENEWAL CONTRACT
FOR MARK-UP-TO-MARKET PROJECT**

Harbour Square (VA360027049)

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

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 Renewal Contract. The instructions are not part of the Renewal Contract.

**RENEWAL HAP CONTRACT
FOR SECTION 8 MARK-UP-TO-MARKET PROJECT¹**

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: VA360027049

Section 8 Project Number of Expiring Contract: Same

FHA Project Number (if applicable): 051-35649

Project Name: Harbour Square

Project Description:³

This property has total of 86 (1BR) and 14(2BR) units. This property is located at 7102 New Hunter Rd Mechanicsville VA 23111 and is in Hanover County.

Check this box if the project is a Section 236 project or a Section 221(d)(3) below market interest rate (BMIR) project at the beginning of the Renewal Contract term.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Name of Owner

Harbour Square Associates

2 TERM AND FUNDING OF RENEWAL CONTRACT

- a** The Renewal Contract begins on 7/14/2019⁵ and shall run for a period of 20 (Twenty)⁶ years and **18 (Eighteen) days**.
- b** Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 304,290⁷, an amount sufficient to provide housing assistance payments for approximately 3⁸ 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 RENEWAL CONTRACT
a Parties

- (1)** This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (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 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) 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 ("Section 8") (42 U.S.C. 1437f),

and section 524(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) ** (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

c Expiring Contract

Previously, the owner entered into a Housing Assistance Payments Contract ("Expiring Contract") with HUD or a PHA to make Section 8 housing assistance payments to the owner for eligible families living in the project. The term of the Expiring Contract has expired or will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

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 will make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract. Such payments shall only be made for contract units occupied by eligible families ("families") leasing decent, safe and sanitary units from the owner in accordance with HUD regulations and other requirements.

e Contract units

The Renewal Contract applies to the project contract units identified in Exhibit A by size and applicable contract rents.

4 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 Any provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1) The amount of the monthly contract rents;
- (2) Contract rent adjustments;

(3) 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 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 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

b Contract rent adjustments

(1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) ("fifth year adjustment"), 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, using an operating cost adjustment factor (OCAF) established by HUD. Such 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 a fifth year adjustment.

(2) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*)

(a) This section 5(b)(2) 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).

-
- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such 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 rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
 - (c) To assist in the redetermination of contract rents, 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.

(3) Procedure for rent adjustments during renewal term

To adjust contract rents during the term of the Renewal Contract (in accordance with paragraph 5b(1) or paragraph 5b(2)), the contract administrator shall give the owner notice of the revised Exhibit A. The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the contract administrator in accordance with paragraph 5b(1) or paragraph 5b(2). The notice shall specify when the adjustment of contract rent is effective. The notice by the contract administrator of the revised Exhibit A constitutes an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with paragraph 5b, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

6 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 by HUD, and shall be maintained in such condition during the term of the Renewal Contract.

7 OWNER 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 the law and 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.

8 APPLICABLE REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including amendments or changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD regulations and requirements which are inconsistent with the provisions of the Renewal Contract, including the provisions of section 5 (contract rent) and section 10 (distributions), shall not be applicable.

9 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 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 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

10 DISTRIBUTIONS

During the term of the Renewal Contract, neither HUD nor the PHA may impose any additional limitations on distributions of project funds other than any distribution limitations specified in Exhibit B, which is attached to and made a part of this Renewal Contract.

11 PHA DEFAULT

- a This section 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 will take actions HUD determines necessary for the continuation of housing assistance payments to the owner in accordance with the Renewal Contract.

12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT

- a This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).

-
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

13 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.

14 WRITTEN NOTICES

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

Navigate Affordable Housing Partners


By: Robert M. Loufman
Signature of authorized representative

for Lisa McCarroll, President and CEO
Name and official title

Date 01/07/2020

U.S. Department of Housing and Urban Development

By: _____
Signature of authorized representative
Authorized Agent - Authorized Representative , U.S. Department of HUD



Name and official title

Date _____

Owner
Name of Owner
Harbour Square Associates

Digitally signed by: Sharon Rowe Downs
DN: CN = Sharon Rowe Downs email = Sharon.Downs@hud.gov C = US
O = U.S. Department of Housing and Urban Development OU = Multifamily
Date: 2020.01.10 09:35:36 -05'00'

By: R. Fleming
Signature of authorized representative

Russell W. Fleming - President

Name and title

Date 12/31/2019

EXHIBIT B

DISTRIBUTION LIMITATIONS

FOR PROJECT NOT SUBJECT TO DISTRIBUTION LIMITATIONS:

If the project is not subject to any limitations on distribution 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 limitations on distribution of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTION LIMITATIONS:

If the project is subject to any limitations on distribution of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitations on distribution 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.

Attachment 1

PRESERVATION EXHIBIT

Subject to all applicable laws and regulations in effect upon expiration, the Renewal Contract shall automatically renew for a term of 17 Years ¹ beginning on 08/01/2039 ². Owner and the Contract Administrator, as identified in section 1 of the Renewal Contract, and on all their successors and assigns.

R

Documentation of
Operating Budget

This deal does not require
information behind this tab.

S

Supportive Housing
Certification

This deal does not require
information behind this tab.

T

Funding Documentation

June 3, 2020

Mr. Hans Juhle
Mr. Chris Porter
Integra Property Group
520 Pike Street, Suite 1004
Seattle, WA 98101

Re: Harbour Square (the “**Property**”)
a 100-unit property located at 7102 New Hunter Road in Mechanicsville, VA 23111

Dear Mr. Juhle and Mr. Porter,

Truist Bank, a North Carolina banking corporation (together with its successors and assigns, “**Lender**”) is pleased to submit the following general mortgage loan proposal for the Property. This letter shall serve as an exclusive financing application (the “**Application**”) to Lender from you (the “**Applicant**”) to arrange for a Fannie Mae DUS[®] First Mortgage Lien to finance the Property. Approval of the mortgage loan (the “**Loan**”) will be subject to a complete underwriting review, site visit and the Lender’s loan committee approval. If approved, the Loan will be made in accordance with, and subject to, the requirements, terms and conditions of the Fannie Mae Multifamily Selling and Servicing Guide, as amended from time to time, and the Fannie Mae Delegated Underwriting and Servicing Guide, as amended from time to time (collectively, the “**Fannie Mae Guide**”).

LOAN TERMS

| | |
|--------------------------------------|---|
| Proposed Loan: | \$11,400,000 |
| Closing Date: | TBD |
| Term: | 16 Years. Notwithstanding the forgoing, Applicant may select a different Loan product, with such Loan product being subject to the underwriting standards of the Fannie Mae Guide |
| Maximum Loan to Value Ratio: | 90% |
| Minimum Debt Service Coverage Ratio: | 1.15x |
| Amortization Period: | 35 Years (subject to Fannie Mae approval) |

- Rate Determination:** The interest rate on the Loan (the “**Interest Rate**”) shall be the sum of (i) a spread (currently 2.74%); and (ii) the yield on the 10-Year Treasury (currently 0.76% with 0.50% interest rate tolerance factor). The Interest Rate for the Loan will be established (the “**Rate Lock**”) after a loan commitment (the “**Commitment**”) has been issued by Lender and accepted by Borrower and all terms and conditions therein have been satisfied. The Interest Rate set forth in the Application is an estimate based upon current market conditions. Components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets and the actual rate may be different than the Interest Rate set forth in the Application.
- Prepayment:** Yield Maintenance for 186 months, with 1% prepayment premium thereafter, with the last 90 days of the Term open to prepayment without premium.
- Loan Security:** The Loan will be primarily secured by a first lien mortgage or deed of trust on the good and marketable fee simple title to the Property.
- Borrower:** A subsidiary of the Applicant, so long as such entity is a single-asset, special purpose entity that meets the requirements of the Fannie Mae Guide.
- Guarantor(s):** Guarantors to be determined subject to review and acceptance by Lender in Lender’s sole determination. The Guarantor must have sufficient net worth and liquidity and will provide a guarantee for the limited exceptions to the non-recourse status of the loan.
- Key Principal(s):** Key Principals to be determined subject to review and acceptance by Lender in Lender’s sole determination. A Key Principal is an individual, or individuals, critical to the operation of the project, including all general partners and managing members.
- Recourse:** Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve-outs include, without limitation, guarantees against fraud, misrepresentation, environmental and waste).
- Rehabilitation Work:** Applicant will perform approximately \$45,000 per unit of rehabilitation work. The final amount will be determined by Lender based upon Lender’s site inspection, the MAI appraisal and the PNA.
- Completion Guaranty:** Lender will require that the Guarantor execute a Completion Guaranty whereby Guarantor will provide an unconditional

guarantee of completion of improvements in connection with the Rehabilitation Work. The Completion Guaranty will be terminated upon the completion of improvements in accordance with the requirements of the Loan and Security Agreement.

Rehabilitation Escrow: At closing, the Borrower will be required to establish a Rehabilitation Escrow Account within the Loan and Security Agreement. Borrower will be required to deposit funds from various sources in a sufficient amount to complete the Rehabilitation Work. Such deposits will be made in accordance with a schedule approved by Lender. The Loan and Security Agreement will outline the completion schedule for the Rehabilitation Work as well as the requisition process.

Assumability: The Loan may be assumed and transfers of certain ownership interests in the Borrower or its affiliated entities may take place from time to time, subject to satisfactory review and approval by Servicer (as defined below) and Fannie Mae of the transferee's credit and management experience and the payment of a 1% assumption and transfer fee and all expenses in connection therewith, including Servicer's counsel's fees. A transfer and assumption without Servicer's written approval will constitute an event of default under the Loan Documents (as defined herein) and the Borrower and Guarantors will incur personal liability as set forth in the Loan Documents. Each request for approval must be accompanied by a \$3,000 non-refundable review fee.

Subordinate Financing: The Loan Documents will prohibit the owners of the Borrower from pledging interests in the Borrower or encumbering the Property to obtain any secondary or subordinate financing unless approved by Servicer and Fannie Mae. Notwithstanding the foregoing, at the end of the first twelve months of the Loan Term (a shorter period may apply, subject to approval by Fannie Mae), Borrower may apply to Servicer for a second mortgage loan (the "**Supplemental Loan**") secured by the Property under Fannie Mae's Supplemental Mortgage Loan program. The maximum amount of the Supplemental Loan shall not exceed the maximum parameters for the applicable Fannie Mae loan tier.

Tax and Insurance Impounds: The Borrower will be required to make monthly escrow payments to the Lender as loan servicer (the "**Servicer**") equal to 1/12th of the annual real estate taxes and insurance premiums. At Closing, the amount to be escrowed will equal the accrued but unpaid portion of real estate taxes and insurance premiums, such that after accounting for monthly escrows to be made prior to the applicable

due date, the amounts held in such escrow thirty days prior to the applicable due date shall equal the entire amount due.

Replacement Reserve: An escrow account for replacement reserves will be established and maintained in accordance with the terms and provisions of a replacement reserve and security agreement to be executed by the Borrower and Lender at closing. Borrower will be required to make monthly deposits into this account in an amount determined by a Physical Needs Assessment (“PNA”), which will be administered by the Servicer.

Immediate Repair Escrow: The amount of immediate repairs for the Property will be determined by Lender based upon Lender’s site inspection, the MAI appraisal and the PNA. If required, an escrow equaling 125% of the estimated costs for immediate repairs will be established and used in accordance with the terms and provisions of a completion/repair and security agreement to be executed by the Borrower and Lender at Closing.

Automatic Debit (“ACH”): Borrower shall enter into an agreement by which monthly payments of principal and interest, and any required reserves and escrows (collectively, “**Monthly Payments**”) shall be electronically withdrawn on the 1st day of each month from an account designated by Borrower.

FEES AND COSTS

Application Fee. A \$15,000 non-refundable application fee (“**Application Fee**”) is due upon acceptance of this application, less any previously deposited funds. The Application Fee will be applied against expenses incurred in the processing of the loan, including, as applicable, appraisal, environmental report, PNA, third-party credit investigations, market study, property and liability insurance review, zoning report, miscellaneous underwriting costs and other cost/expenses. To the extent any expenses incurred by Lender in connection with the processing and underwriting of the Loan exceed the amount remitted by Applicant to Lender, such additional amounts shall be due and payable by Applicant, upon demand, whether or not the Loan closes. In the event Lender releases any of the appraisal, environmental report, engineering report and the zoning report (collectively, the “**Reports**”) to the Applicant in whole or in part, whether in final or draft form, it is understood that Lender makes no representations whatsoever as to the correctness or completeness of the Reports or any of the assumptions or conclusions contained therein. Neither the Applicant nor any other person may rely on the Reports, as they have been prepared for the sole use of Lender. Any information or conclusion in such reports may differ from Lender’s conclusion when making a lending decision. Moreover, Applicant, borrower, its key principals, employees, agents and representatives shall protect, indemnify, defend and hold Lender and its officers, employees, agents and representatives harmless from and against any and all claims, damages, judgments, liabilities,

losses, costs and expenses, including reasonable attorneys' fees and court costs resulting from Lender's release of the Reports. This provision shall survive the closing of the Loan or the termination of this Application.

Lender Legal Fee Applicant is responsible for the payment of legal fees and costs of Lender's counsel that are incurred as a result of the processing, closing and funding of the Loan and for any increase in legal fees and costs incurred as a result of unforeseen or extraordinary legal services required, which may include the modification of standard Fannie Mae loan documents (the "**Loan Documents**"). The Applicant is absolutely obligated to pay legal fees and costs of Lender's legal counsel without regard to whether Lender funds the Loan as contemplated by the Application. A deposit in the amount of \$10,000 (the "**Legal Fee Deposit**") is due upon acceptance of this application.

Origination Fee. An origination fee (the "**Origination Fee**") equal to the greater of \$90,000 or 0.80% of the Final Loan Amount shall be earned in full by Lender upon the issuance of the Commitment that materially conforms to the terms and conditions set forth in this application or alternatively, the acceptance by the Applicant of the Commitment regarding the financing of the Property. The Origination Fee shall be payable upon the earlier of loan closing or the expiration of the Commitment.

Fannie Mae Delivery Fee. A fee (the "**Fannie Mae Delivery Fee**") equal to 5 basis points of the Final Loan Amount shall be earned in full by Lender upon the issuance of the Commitment that materially conforms to the terms and conditions set forth in this application or alternatively, the acceptance by the Applicant of the Commitment regarding the financing of the Property. The Fannie Mae Delivery Fee shall be payable upon loan closing.

Good Faith Deposit. Applicant will be required to place a deposit equal to 2% of the final loan amount (the "**Good Faith Deposit**") to be held in escrow upon acceptance of the Commitment. This Good Faith Deposit will be required to Rate Lock. One-half of the Good Faith Deposit will be refunded at the closing of the Loan. The remainder of the Good Faith Deposit will be refunded upon sale of the Loan to Fannie Mae.

Other Costs.

Title Insurance: Purchase of an ALTA lender's and mortgagee's title insurance policy in form and substance satisfactory to Lender, such policy to be issued by a title insurance company selected by Lender with a liability limit equal to the amount of the Loan.

Survey: Delivery of an as-built ALTA survey prepared in accordance with minimum standards for land title surveys as jointly established by the American Land Title Association and National Society of Professional Surveyors in 2016. The survey and land surveyor's certificate shall be in a form acceptable to Lender and shall satisfy the requirements set forth in the Fannie Mae Guide.

Searches: Delivery of searches in connection with UCC financing statements, tax liens, judgments and pending litigation and bankruptcy claims that have been filed or recorded against

the Borrower, Applicant and/or Guarantor in the county, state and federal indices, as applicable, in which the Property is located or the Borrower, Applicant or Guarantor resides or is formed. The searches shall be ordered by the counsel to the Applicant, unless the Applicant authorizes Lender's counsel, the title insurance company or another party to order the searches. All searches shall be dated no more than 30 days before the Loan is to be funded.

Other: The Borrower and/or the Applicant shall pay all expenses in connection with the Loan including, but not limited to, the fees and disbursements incurred in connection with the preparation and delivery of payoff, release and termination documents, mortgage and documentary stamp taxes, if any, intangible taxes, if any, and recording and filing charges. To the extent incurred, the Applicant shall pay the foregoing expenses whether or not the Loan shall close.

OTHER LOAN TERMS

Insurance Requirements: All property and liability insurance coverage and insurance providers must meet Fannie Mae's requirements. Borrower, Applicant and Guarantor(s) authorize Lender to (i) engage a third-party company (the "**Insurance Advisor**") to ensure compliance with the Fannie Mae Guide pertaining to Insurance matters; and (ii) permit Lender and its Insurance Advisor to discuss the insurance requirements with Applicant's insurance agent so such agent may obtain additional or modify existing insurance coverage to the extent necessary.

Credit Authorization: Borrower, Applicant and Guarantor(s) hereby authorize Lender to obtain credit reports on the Borrower, Applicant, Guarantor(s) and entities and persons that own certain interests in the Borrower and/or Applicant from an independent credit-reporting agency. Borrower, Applicant and Guarantor(s) also authorize Lender to verify information submitted during due diligence.

Zoning and Other Laws: Borrower and/or Applicant must provide Lender with evidence from the appropriate municipality or governing agency that the Property is a conforming use and structure under all applicable zoning regulations and ordinances and the Property complies with all other applicable laws and ordinances. Borrower and/or Applicant must also provide evidence to Lender from the applicable municipality or governing agency that in the event of a casualty, the improvements at the Property may be rebuilt without any loss in density or decrease in the number of units. If such evidence cannot be obtained, Lender may require Law & Ordinance insurance (subject to Fannie Mae approval) in order to proceed with the Loan.

Certificate of Occupancy: Borrower and/or Applicant must provide certificate(s) of occupancy or a legal equivalent, as well as all other permits and licenses necessary to operate the Property.

Additional Requirements:

- 1) Loan proceeds are subject to full and final underwriting.
- 2) Lender assumes a pricing waiver in the Interest Rate noted above, subject to Fannie Mae approval.

- 3) Lender assumes a waiver in the Amortization Period noted above, subject to Fannie Mae approval.
- 4) Lender assumes a moderate rehabilitation waiver, subject to Fannie Mae approval.
- 5) Lender assumes a Rehabilitation Reserve Funding waiver which would allow the funding of the rehabilitation escrow with future equity installments, over time. This is contingent upon at least 20% of the tax credit equity be being funded at closing and is subject to Fannie Mae approval.

CANCELLATION OF APPLICATION

OCCURRENCES RELATED TO BORROWER, APPLICANT, GUARANTOR(S), KEY PRINCIPALS(S) OR THE PROPERTY: Lender may cease the processing of the Application and have no further obligations to the Borrower and/or Applicant if any of the following occurs: (i) Applicant and/or Borrower fails to comply with any of the requirements of the Application; (ii) substantial destruction or damage to the Property; (iii) a material negative change in the Borrower's, Applicant's, Guarantor's or Key Principal's financial position; (iv) discovery by Lender of any material misrepresentation by Borrower, Applicant, Guarantor or Key Principal in the Application or any items submitted by Borrower, Applicant, Guarantor or Key Principal in furtherance of the Loan; (v) material failure to provide on a timely basis any information Lender deems necessary to process the Loan; (vi) discovery by Lender of any circumstances or facts relating to the Borrower, Applicant, Guarantor, Key Principal or Property which could make the Loan ineligible for sale.

The underwriter assigned to the Loan will provide you with an underwriting checklist outlining the required items to process the Application. Please provide the information requested on the underwriting checklist at your earliest convenience, and in any event within 30 days of your execution of this Application (all of the items to be in form and substance satisfactory to Bank). Where content requirements or required forms are indicated, they will be delivered under separate cover. Your execution of this Application will signify your request for credit; failure to provide the information requested on the underwriting checklist will result in no further consideration being given to your credit request.

OCCURRENCES RELATED TO THE MORTGAGE LENDING MARKETS: Lender may cease the processing of the Application and have no further obligation to the Applicant and/or Borrower if any of the following occurs: (i) an event or events has occurred where Lender has determined in good faith that such event has caused a material disruption in the lending market for purchasing or financing debt obligations secured by commercial mortgage loans and securities; or (ii) if for any reason Lender determines in good faith that Fannie Mae will not purchase the Loan.

OCCURRENCES RELATED TO THE CAPITAL MARKETS: Lender may cease the processing of the Application and have no further obligations to the Applicant and/or Borrower if any of the following occurs: (i) a declaration of a general banking moratorium by either federal or New York authorities having jurisdiction; (ii) a general suspension of trading or implementation of material restrictions of trading on the New York Stock Exchange, whether by

virtue of a determination by the New York Stock Exchange or by order of the Securities and Exchange Commission or any other governmental authority; or (iii) any outbreak of hostilities or other local, national or international calamity or crisis, where the effect of such outbreak has a material adverse effect on the purchasing or financing of debt obligations and securities collateralized by commercial real estate.

BROKER

Lender and Applicant herein agree to indemnify and hold the other harmless against claims brought by brokers with whom they or their representatives have dealt in connection with the transaction contemplated hereby.

REPORTING

The Borrower will be required to provide operating statements and rent rolls on a quarterly basis. At year-end, the Borrower will be required to provide an annual operating statement, an operating budget and a leasing plan for the next year in addition to other Fannie Mae requirements.

GOVERNING LAW

This Application shall govern the rights and obligations of the Borrower, Applicant, Guarantors and Lender hereunder. The Application shall be governed by and construed in accordance with the laws of the State of Georgia. The Loan Documents shall be governed by the laws of the state in which the Property is located.

UNDERSTANDING

This Application represents the entire understanding between Applicant and Lender and may only be changed in writing with signatures of both Applicant and Lender. It is understood and agreed that this letter does not, in any manner, constitute a loan commitment. The Commitment will be forthcoming only after loan committee approval of the underwritten transaction by Lender. The Commitment, if issued, will be in a separate writing and will contain terms and conditions that may be in addition to or in substitution of those set forth in this application.

To begin processing this Application, please sign and return the enclosed counterpart together with a check or wire transfer (in each case in immediately available funds) in the amount of \$25,000, representing the amount of the Application Fee and the Legal Fee Deposit (collectively the “Upfront Deposit”). This Application will expire and be of no force and effect if Lender has not received Applicant’s acceptance of the terms of this Application, together with the Applicant’s Upfront Deposit on or before June 8, 2020.

Note: Hard copy deposit checks should be sent to Shasta Vance, Truist Bank, 8330 Boone Boulevard, Suite 700, Vienna, VA 22182; (T: 703.891.7008). Wire transfers of funds should be made in accordance with the wiring instructions set forth on Exhibit A attached hereto.

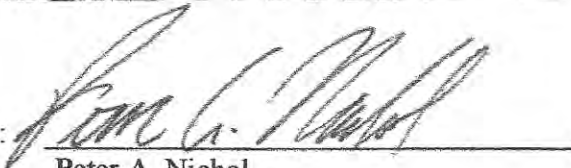
Please forward the executed Application via electronic mail in a .pdf to **Peter Nichol** at **peter.nichol@suntrust.com**. In addition, please provide the required check or wire transfer of funds, no later than the following business day, in accordance with the instructions in the immediately preceding paragraphs.

We appreciate the opportunity to service your financing needs and look forward to a timely loan closing. Please contact **Peter Nichol** at **(415) 591-3115** if there are any questions.

Sincerely,

TRUIST BANK

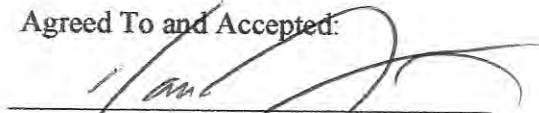
By:



Peter A. Nichol
Managing Director

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:



By:



Date:

6/03/2020

Exhibit A

Wiring Instructions for Fees

| Wire Instructions | |
|--------------------------|---|
| Bank: | Truist Bank |
| City/State | Atlanta, Georgia |
| ABA #: | 061000104 |
| Credit: | WTGL |
| Account #: | 9175910112 |
| Attention: | |
| Phone Number: | |
| Reference: | Integra Property Group/Harbour Square |
| Further Credit To: | Integra Property Group & Harbour Square |

Source – Cash Flow

The Cash Flow source in the amount of \$556,055 is an offset to the estimated interest, real estate tax and insurance expense during the project's construction period.

Source – Replacement Reserve Transfer

The Replacement Reserve Transfer in the amount of \$551,777 is the property's HUD Replacement Reserve account that will transfer with the new ownership.

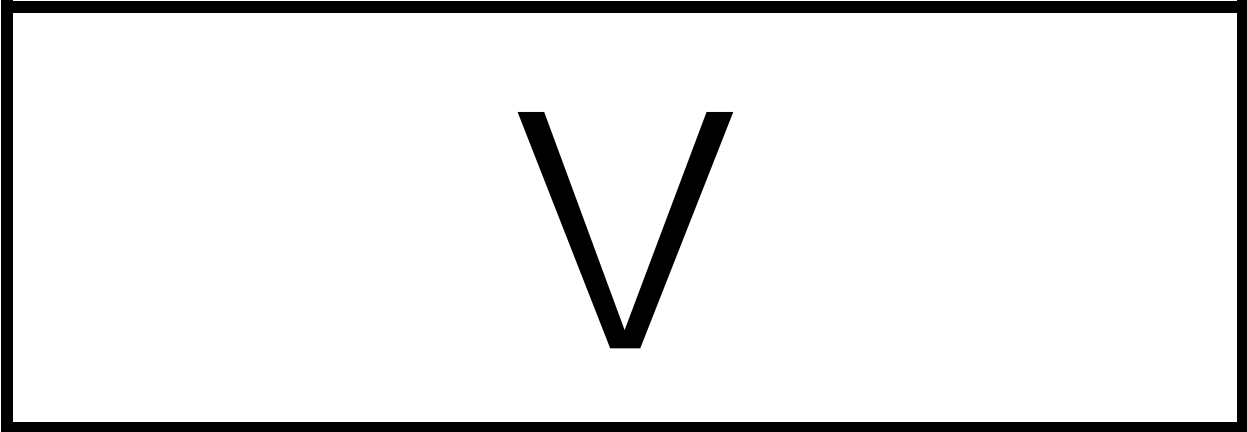
Source – Negative Arbitrage (Interest Earnings)

The Negative Arbitrage source in the amount of \$10,588 is the interest earned on the funds cash collateralizing the TE bonds.

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

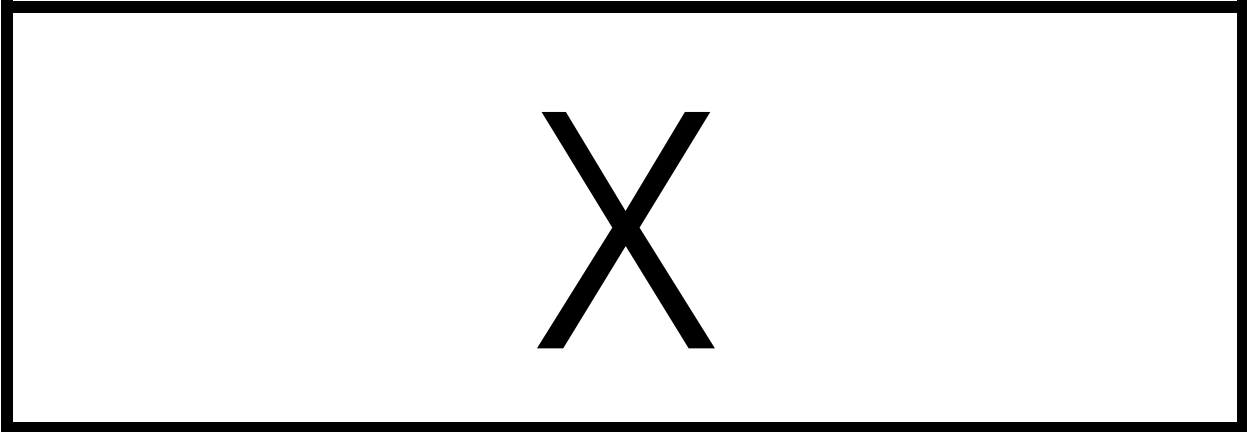
This deal does not require
information behind this tab.

W

Internet Safety Plan and
Resident Information
Form

(if internet amenities selected)

This deal does not require
information behind this tab.



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Marketing Plan

Due to the HUD project-based Section 8 (HAP) contract covering 100% of the units, the project is designated as elderly and disabled, requiring the project to follow specific HUD marketing guidelines. While the property has a disabled preference for 10% of the units, the federal HAP subsidy and HUD regulations do not allow for specific disability preferences.

Attached hereto is the property's HUD Affirmative Fair Housing Marketing Plan (AFHMP) along with the property Tenant Selection Plan.

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2529-0013
(exp.12/31/2021)

| | | |
|--|---|--------------------------------|
| 1a. Project Name & Address (including City, County, State & Zip Code) Harbour Square Apartments 7102 New Hunter Road Mechanicsville, VA 23111 County of Hanover | 1b. Project Contract Number 051-35319 | 1c. No. of Units 100 |
| 1d. Census Tract 3212.02 | | |
| 1e. Housing/Expanded Housing Market Area Housing Market Area: Mechanicsville, VA Expanded Housing Market Area: Hanover County, VA | | |

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

American Apartment Management Company, Inc. (AAMCI) Knox County
 708 South Gay Street, Suite 200, Knoxville, TN 37902 865.525.7500 rusty.fleming@aamci.com Russell W. Fleming

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

Harbour Square LIHTC, L.P., 708 South Gay Street, Suite 200, Knoxville, TN 37902 Knox County
 Russell W. Fleming 865.525.7500 rusty.fleming@aamci.com

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify) _____

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

Regional Manager, Deanna Schmidt, AAMCI, 708 S. Gay Street, Suite 200, Knoxville, TN 37902 Knox County
 865.525.7500 deanna.schmidt@aamci.com

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

American Apartment Management Company, Inc. (AAMCI), 708 South Gay Street, Suite 200, Knoxville, TN 37902
 865.525.7500 rusty.fleming@aamci.com Russell W. Fleming, President

2a. Affirmative Fair Housing Marketing Plan

Plan Type Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly Family Mixed (Elderly/Disabled) Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies

To place applicants on a waiting list (which currently has individuals)

To reopen a closed waiting list (which currently has individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing ActivityBased on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- White American Indian or Alaska Native Asian Black or African American
 Native Hawaiian or Other Pacific Islander Hispanic or Latino Persons with Disabilities
 Families with Children Other ethnic group, religion, etc. (specify)

4a. Residency PreferenceIs the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e? The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be H x W
The Equal Housing Opportunity logo or slogan or statement will be H x W

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

Occupancy activity is reported weekly by the site manager to the Regional Manager. Marketing will be adjusted quarterly according to the leasing trends at any given point in time. Marketing will target the groups least likely to apply on a quarterly basis and by means of personal contact or newspaper advertising or letters, or a combination thereof, announcing the availability of rental units to said groups.

In accordance with HUD HB 4350.1, REV-1, change 4, the property leases to qualified households from the waiting list. The AFHMP is designed to help the community to reach out to those households who would not normally apply for residency at the community. Management will monitor the number of persons who apply and are housed from groups designated in the AFHMP. A review of the success of the AFHMP will be conducted quarterly. Based on the results of this review, we will consider changes to advertising and increase our direct contact with specific agencies or groups servicing these designated groups. A successful outcome will be determined by who apply and is housed by race/ethnicity, etc. comparable with the representation of groups in the census tract.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

Onsite Community Manager with assistance from the Regional Manager and AAMCI Director of Marketing

7b. Staff Training and Assessment: AFHMP

(1) Has staff been trained on the AFHMP?

(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?

(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Regional Manager

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?

(5) If yes, how and how often?

See response in Section 8.

7c. Tenant Selection Training/Staff

(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

(2) What staff positions are/will be responsible for tenant selection?

The site Community Manager with input from the Regional Manager.

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

Training is conducted during Manager training meetings conducted by the Regional Manager, by third party conferences (NAHMA, etc.), and online using E-Learning. Each site employee is required to successfully pass the Fair Housing courses on an annual schedule. AAMCI provides written guidance to each employee regarding AAMCI Fair Housing Policy.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

Regional Manager conducts AFHM Plan assessments annually to ensure employees are in compliance with current requirements. The Regional Manager reminds the employees to distribute the outreach letters at least once annually, more often if needed to build the waiting list.

The property will use the TDD and/or TTY systems provided by the state in which the property is located.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)



Name (type or print)

Russell W. Fleming

Title & Name of Company

President, American Apartment Management Company, Inc.

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name
(type
or
print)

Title

Name
(type
or
print)

Title

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, 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 collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described. **Please attach a copy of the advertising or marketing material.**

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least to likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

| Demographic Characteristics | Project's Residents | Project's Applicant Data | Census Tract | Housing Market Area | Expanded Housing Market Area |
|--|----------------------------|---------------------------------|---------------------|----------------------------|-------------------------------------|
| % White | 62.6 % | 74% | 74.5% | 87.0% | 86.7% |
| % Black or African American | 19.8% | 22% | 20.0% | 8.5% | 9.3% |
| % Hispanic or Latino | 0.00% | 0.00% | 3.9% | 2.3% | 2.1% |
| % Asian | 0.00% | 0.00% | 1.4% | 1.8% | 1.4% |
| % American Indian or Alaskan Native | 0.00% | 0.00% | 0.7% | 0.5% | 0.4% |
| % Native Hawaiian or Pacific Islander | 0.00% | 0.00% | 0.1% | 0.0% | 0.0% |
| %Persons with Disabilities | 54.9% | N/A | 8.1% | 10.2% | 10.0% |
| % Families with Children under the age of 18 | 0.00% | 0.00% | 38.4% | 36.1% | 34.8% |
| Other (specify) | | | | | |
| | | | | | |

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

| Demographic Characteristics | Project's Residents (as determined in Worksheet 1) | Project's Applicant Data (as determined in Worksheet 1) | Census Tract (as determined in Worksheet 1) | Housing Market Area (as determined in Worksheet 1) | Expanded Housing Market Area (as determined in Worksheet 1) | Residency Preference Area (if applicable) |
|--|---|--|--|--|--|--|
| % White | | | | | | |
| % Black or African American | | | | | | |
| % Hispanic or Latino | | | | | | |
| % Asian | | | | | | |
| % American Indian or Alaskan Native | | | | | | |
| % Native Hawaiian or Pacific Islander | | | | | | |
| % Persons with Disabilities | | | | | | |
| % Families with Children under the age of 18 | | | | | | |
| Other (specify) | | | | | | |
| | | | | | | |

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

| Targeted Population(s) | Community Contact(s), including required information noted above. |
|--|--|
| Hispanic or Latino/Disabled | Virginia Hispanic Chamber of Commerce, 10700 Midlothian Turnpike, #200, Richmond, VA 23235 804.378.4099 Ms. Lisa Rose Cox, Project Manager is in contact with individuals, members and their families. She will be contacted at least annually or as apartments become available. The Chamber of Commerce will refer applicants for housing. |
| Asian/Disabled | Organization of Chinese Americans (OCA), 13305 Teasdale Court, Richmond, VA 23233 804.360.5091 Mr. Raymond Hsieh, President, is in contact with individuals and their families seeking housing. He will be contacted at least annually or as apartments become available. The OCA will refer applicants for housing. |
| American Indian or Alaskan Native/Disabled | Church of the Redeemer, 8275 Meadowbridge Road, Mechanicsville, VA 23116-4548 804.746.4911 Fr. Jay Wagner ministers to a catholic congregation. Fr. Wagner will be contacted at least annually or as apartments become available. The church will refer applicants for housing. |
| White/Disabled | Mechanicsville Christian Church, 8061 Shady Grove Road, Mechanicsville, VA 23111 804-746-4303. Pastor Matt Hoole ministers to a christian congregation. Pastor Matt Hoole will be contacted at least annually or as apartments become available. The church will refer applicants for housing. |
| | |

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

| Targeted Population(s)→ Methods of Advertising ↓ | Targeted Population: Hispanic or Latino/Disabled | Targeted Population: Asian/disabled | Targeted Population: American Indian/Alaskan Native/disabled |
|---|---|---|---|
| Newspaper(s) | 1 Column x 2 inches, EHO Logo, English | 1 Column x 2 inches, EHO Logo, English | 1 Column x 2 inches, EHO Logo, English |
| Richmond Times Dispatch | | | |
| Radio Station(s) | | | |
| | | | |
| TV Station(s) | | | |
| | | | |
| Electronic Media | www.aamci.com, www.virginiahousingsearch.com | www.aamci.com, www.virginiahousingsearch.com | www.aamci.com, www.virginiahousingsearch.com |
| AAMCI Webst, VHDA Websit | | | |
| Bulletin Boards | Posted on Bulletin Board in rental office | Posted on Bulletin Board in rental office | Posted on Bulletin Board in rental office |
| AFHMP | | | |
| Brochures, Notices, Flyers | | | |
| | | | |
| Other (specify) | Mailed at least annually to contact at organization, institution, company, etc. | Mailed at least annually to contact at organization, institution, company, etc. | Mailed at least annually to contact at organization, institution, company, etc. |
| AFHMP Outreach Letters | | | |

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

| Targeted Population(s)→ Methods of Advertising ↓ | Targeted Population: | Targeted Population: | Targeted Population: |
|---|---|-----------------------------|-----------------------------|
| | White/disabled | | |
| Newspaper(s) | 1 Column x 2 inches, EHO Logo, English | | |
| Richmond Times Dispatch | | | |
| Radio Station(s) | | | |
| | | | |
| TV Station(s) | | | |
| | | | |
| Electronic Media | www.aamci.com, www.virginiahousingsearch.com | | |
| AAMCI Webst, VHDA Webst | | | |
| Bulletin Boards | Posted on Bulletin Board in rental office | | |
| AFHMP | | | |
| Brochures, Notices, Flyers | | | |
| | | | |
| Other (specify) | Mailed at least annually to contact at organization, institution, company, etc. | | |
| AFHMP Outreach Letters | | | |



Note: This is a modified view of the original table produced by the U.S. Census Bureau.

Note: This download or printed version may have missing information from the original table.

ACS DEMOGRAPHIC AND HOUSING ESTIMATES

Survey/Program:

American Community Survey

Year:

2018

Estimates:

1-Year

Table ID:

DP05

Source: U.S. Census Bureau, 2018 American Community Survey 1-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010 , issued March 2011. (pdf format)

While the 2018 American Community Survey (ACS) data generally reflect the July 2015 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas, in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineations due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

An "***" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.

An "-" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution, or the margin of error associated with a median was larger than the median itself.

An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.

An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.

An "***" entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

An "(X)" means that the estimate is not applicable or not available.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

| Hanover County, Virginia | | | |
|-----------------------------------|----------|-----------------|-------|
| | Estimate | Margin of Error | Perce |
| ▼ SEX AND AGE | | | |
| ▼ Total population | 107,239 | ***** | |
| Male | 52,446 | +/-506 | |
| Female | 54,793 | +/-506 | |
| Sex ratio (males per 100 females) | 95.7 | +/-1.8 | |
| Under 5 years | 4,545 | +/-278 | |
| 5 to 9 years | 6,770 | +/-910 | |
| 10 to 14 years | 7,749 | +/-890 | |
| 15 to 19 years | 7,544 | +/-517 | |
| 20 to 24 years | 5,938 | +/-501 | |
| 25 to 34 years | 11,663 | +/-833 | |
| 35 to 44 years | 12,197 | +/-680 | |
| 45 to 54 years | 15,882 | +/-649 | |
| 55 to 59 years | 8,520 | +/-1,070 | |
| 60 to 64 years | 7,544 | +/-1,067 | |
| 65 to 74 years | 10,985 | +/-530 | |
| 75 to 84 years | 5,605 | +/-700 | |
| 85 years and over | 2,297 | +/-596 | |
| Median age (years) | 42.8 | +/-0.7 | |
| Under 18 years | 23,714 | +/-282 | |
| 16 years and over | 86,394 | +/-556 | |
| 18 years and over | 83,525 | +/-282 | |
| 21 years and over | 79,278 | +/-699 | |
| 62 years and over | 23,245 | +/-860 | |
| 65 years and over | 18,887 | +/-653 | |
| ▼ 18 years and over | 83,525 | +/-282 | |
| Male | 39,925 | +/-412 | |
| Female | 43,600 | +/-456 | |
| Sex ratio (males per 100 females) | 91.6 | +/-1.8 | |
| ▼ 65 years and over | 18,887 | +/-653 | |
| Male | 8,671 | +/-344 | |
| Female | 10,216 | +/-521 | |
| Sex ratio (males per 100 females) | 84.9 | +/-5.2 | |
| ▼ RACE | | | |
| ▼ Total population | 107,239 | ***** | |
| One race | 105,266 | +/-824 | |
| Two or more races | 1,973 | +/-824 | |
| ▼ One race | 105,266 | +/-824 | |
| White | 92,553 | +/-412 | |

| | | |
|-------------------------------------|-------|--------|
| Black or African American | 9,340 | +/-685 |
| ▼ American Indian and Alaska Native | 388 | +/-270 |
| Cherokee tribal grouping | N | N |
| Chippewa tribal grouping | N | N |
| Navajo tribal grouping | N | N |



Note: This is a modified view of the original table produced by the U.S. Census Bureau.

Note: This download or printed version may have missing information from the original table.

AGE AND SEX

Survey/Program:

American Community Survey

Year:

2018

Estimates:

5-Year

Table ID:

S0101

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010 , issued March 2011. (pdf format)

While the 2014-2018 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

An "***" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.

An "-" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution, or the margin of error associated with a median was larger than the median itself.

An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.

An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.

An "***" entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

An "(X)" means that the estimate is not applicable or not available.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

| | Total | | Percent | |
|-----------------------------------|----------|-----------------|----------|-----------------|
| | Estimate | Margin of Error | Estimate | Margin of Error |
| ▼ Total population | 7,534 | +/-460 | (X) | (X) |
| ▼ AGE | | | | |
| Under 5 years | 559 | +/-182 | 7.4% | +/-2.4 |
| 5 to 9 years | 497 | +/-137 | 6.6% | +/-1.8 |
| 10 to 14 years | 629 | +/-168 | 8.3% | +/-2.1 |
| 15 to 19 years | 412 | +/-153 | 5.5% | +/-2.0 |
| 20 to 24 years | 241 | +/-121 | 3.2% | +/-1.6 |
| 25 to 29 years | 462 | +/-180 | 6.1% | +/-2.3 |
| 30 to 34 years | 577 | +/-154 | 7.7% | +/-2.1 |
| 35 to 39 years | 529 | +/-152 | 7.0% | +/-2.0 |
| 40 to 44 years | 491 | +/-245 | 6.5% | +/-3.1 |
| 45 to 49 years | 587 | +/-134 | 7.8% | +/-1.8 |
| 50 to 54 years | 470 | +/-138 | 6.2% | +/-2.0 |
| 55 to 59 years | 503 | +/-170 | 6.7% | +/-2.2 |
| 60 to 64 years | 504 | +/-133 | 6.7% | +/-1.7 |
| 65 to 69 years | 463 | +/-132 | 6.1% | +/-1.9 |
| 70 to 74 years | 125 | +/-68 | 1.7% | +/-0.9 |
| 75 to 79 years | 132 | +/-65 | 1.8% | +/-0.8 |
| 80 to 84 years | 189 | +/-93 | 2.5% | +/-1.2 |
| 85 years and over | 164 | +/-91 | 2.2% | +/-1.2 |
| ▼ SELECTED AGE CATEGORIES | | | | |
| 5 to 14 years | 1,126 | +/-189 | 14.9% | +/-2.3 |
| 15 to 17 years | 272 | +/-107 | 3.6% | +/-1.4 |
| Under 18 years | 1,957 | +/-250 | 26.0% | +/-2.9 |
| 18 to 24 years | 381 | +/-138 | 5.1% | +/-1.7 |
| 15 to 44 years | 2,712 | +/-354 | 36.0% | +/-3.1 |
| 16 years and over | 5,764 | +/-411 | 76.5% | +/-3.0 |
| 18 years and over | 5,577 | +/-392 | 74.0% | +/-2.9 |
| 21 years and over | 5,406 | +/-374 | 71.8% | +/-2.9 |
| 60 years and over | 1,577 | +/-153 | 20.9% | +/-2.1 |
| 62 years and over | 1,384 | +/-136 | 18.4% | +/-1.8 |
| 65 years and over | 1,073 | +/-95 | 14.2% | +/-1.4 |
| 75 years and over | 485 | +/-142 | 6.4% | +/-1.8 |
| ▼ SUMMARY INDICATORS | | | | |
| Median age (years) | 38.8 | +/-2.9 | (X) | (X) |
| Sex ratio (males per 100 females) | 102.3 | +/-13.4 | (X) | (X) |
| Age dependency ratio | 67.3 | +/-7.9 | (X) | (X) |
| Old-age dependency ratio | 23.8 | +/-2.9 | (X) | (X) |

| | | | | |
|------------------------|------|--------|------|-----|
| Child dependency ratio | 43.5 | +/-6.6 | (X) | (X) |
| ▼ PERCENT ALLOCATED | | | | |
| Sex | (X) | (X) | 0.0% | (X) |
| Age | (X) | (X) | 1.5% | (X) |



Note: This is a modified view of the original table produced by the U.S. Census Bureau.

Note: This download or printed version may have missing information from the original table.

DISABILITY CHARACTERISTICS

Survey/Program:

American Community Survey

Year:

2018

Estimates:

5-Year

Table ID:

S1810

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

For more information on understanding race and Hispanic origin data, please see the Census 2010 Brief entitled, Overview of Race and Hispanic Origin: 2010 , issued March 2011. (pdf format)

While the 2014-2018 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

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An "-" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution, or the margin of error associated with a median was larger than the median itself.

An "-" following a median estimate means the median falls in the lowest interval of an open-ended distribution.

An "+" following a median estimate means the median falls in the upper interval of an open-ended distribution.

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An "*****" entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An "N" entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

An "(X)" means that the estimate is not applicable or not available.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section.

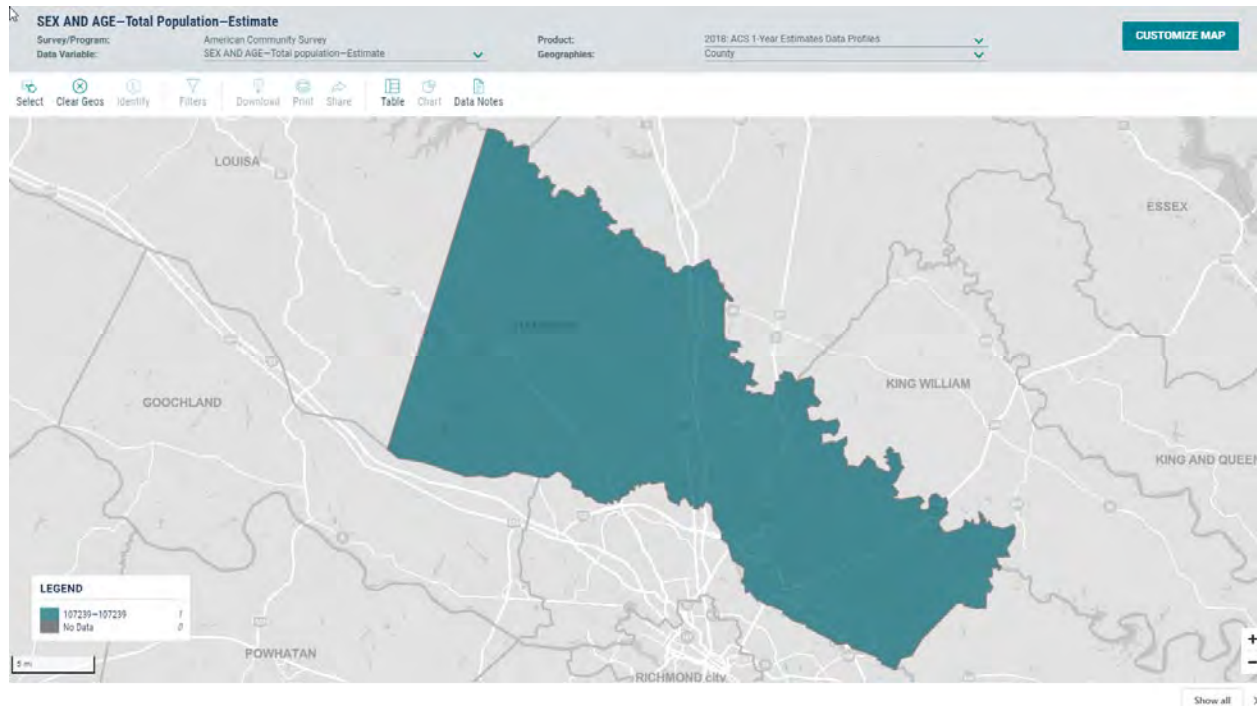
Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Census Tract 3210.02, Hanover County, Virginia

| | Total | | With a disability | |
|--|----------|-----------------|-------------------|-----------------|
| | Estimate | Margin of Error | Estimate | Margin of Error |
| ▼ Total civilian noninstitutionalized population | 7,525 | +/-458 | 952 | +/-213 |
| ▼ SEX | | | | |
| Male | 3,807 | +/-348 | 384 | +/-119 |
| Female | 3,718 | +/-325 | 568 | +/-183 |
| ▼ RACE AND HISPANIC OR LATINO | | | | |
| White alone | 6,470 | +/-435 | 911 | +/-207 |
| Black or African American alone | 678 | +/-321 | 41 | +/-43 |
| American Indian and Alaska Native alone | 0 | +/-17 | 0 | +/-17 |
| Asian alone | 162 | +/-137 | 0 | +/-17 |
| Native Hawaiian and Other Pacific Islander alone | 0 | +/-17 | 0 | +/-17 |
| Some other race alone | 16 | +/-24 | 0 | +/-17 |
| Two or more races | 199 | +/-106 | 0 | +/-17 |
| White alone, not Hispanic or Latino | 6,189 | +/-443 | 888 | +/-207 |
| Hispanic or Latino (of any race) | 349 | +/-266 | 23 | +/-29 |
| ▼ AGE | | | | |
| Under 5 years | 559 | +/-182 | 0 | +/-17 |
| 5 to 17 years | 1,391 | +/-198 | 121 | +/-72 |
| 18 to 34 years | 1,418 | +/-272 | 113 | +/-77 |
| 35 to 64 years | 3,084 | +/-290 | 348 | +/-124 |
| 65 to 74 years | 588 | +/-128 | 173 | +/-89 |
| 75 years and over | 485 | +/-142 | 197 | +/-87 |
| ▼ DISABILITY TYPE BY DETAIL | | | | |
| ▼ With a hearing difficulty | (X) | (X) | 309 | +/-128 |
| ▼ Population under 18 years old | 1,950 | +/-249 | 0 | +/-17 |
| Population under 5 years | 559 | +/-182 | 0 | +/-17 |
| Population 5 to 17 years | 1,391 | +/-198 | 0 | +/-17 |
| ▼ Population 18 to 64 years old | 4,502 | +/-379 | 139 | +/-78 |
| Population 18 to 34 years | 1,418 | +/-272 | 1 | +/-3 |
| Population 35 to 64 years | 3,084 | +/-290 | 138 | +/-78 |
| ▼ Population 65 years and over | 1,073 | +/-95 | 170 | +/-100 |
| Population 65 to 74 years | 588 | +/-128 | 86 | +/-85 |
| Population 75 years and over | 485 | +/-142 | 84 | +/-59 |
| ▼ With a vision difficulty | (X) | (X) | 142 | +/-70 |
| ▼ Population under 18 years old | 1,950 | +/-249 | 23 | +/-29 |
| Population under 5 years | 559 | +/-182 | 0 | +/-17 |
| Population 5 to 17 years | 1,391 | +/-198 | 23 | +/-29 |
| ▼ Population 18 to 64 years old | 4,502 | +/-379 | 48 | +/-45 |
| Population 18 to 34 years | 1,418 | +/-272 | 0 | +/-17 |

| | | | | |
|-------------------------|-------|--------|----|-------|
| Population 35 to 64 ye | 3,084 | +/-290 | 48 | +/-45 |
| Population 65 years and | 1,073 | +/-95 | 71 | +/-43 |
| Population 65 to 74 ye | 588 | +/-128 | 52 | +/-36 |
| Population 75 years an | 485 | +/-142 | 19 | +/-28 |

Tract





HARBOUR
SQUARE

Office &
Community Room



Equal Housing
Opportunity

Harbour Square Apartments

7102 New Hunter Road
Mechanicsville, VA 23111
Telephone: 804-730-1284
Facsimile: 804-730-9682
TTY: 711

May 28, 2020

Mr. Raymond Hsieh
Organization Of Chinese Americans
13305 Teasdale Court
Richmond, VA 23233

Subject: Harbour Square Apartments
Affordable Apartments for Lease

Dear Mr. Hsieh:

This letter is to advise you and your constituency that qualified applicants are currently being sought for Harbour Square Apartments, 7102 New Hunter Road, Mechanicsville, VA, 23111.

Harbour Square Apartments offers affordable housing to low and moderate income, senior and disabled households based on income and family size.

Please contact our office at Telephone: 804-730-1284 for further information and an application.

The owner, Harbour Square Associates, L.P. and American Apartment Management Company, Inc., the managing agent, and The Community Manager are committed to providing equal housing opportunity and do not discriminate on the basis of race, creed, color, age, religion, sex, disability, familial status or national origin.

Thank you for your assistance. We look forward to working with your organization.

Sincerely,

Community Manager



Harbour Square Apartments

7102 New Hunter Road
Mechanicsville, VA 23111
Telephone: 804-730-1284
Facsimile: 804-730-9682
TTY: 711

May 28, 2020

Reverend Reuben Boyd
Third Street Bethel Ame Church
614 N. 3rd Street
Richmond, VA 23219

Subject: Harbour Square Apartments
Affordable Apartments for Lease

Dear Reverend Boyd:

This letter is to advise you and your constituency that qualified applicants are currently being sought for Harbour Square Apartments, 7102 New Hunter Road, Mechanicsville, VA, 23111.

Harbour Square Apartments offers affordable housing to low and moderate income, family, senior and disabled households based on income and family size.

Please contact our office at Telephone: 804-730-1284 for further information and an application.

The owner, Harbour Square LIHT, L.P., and American Apartment Management Company, Inc., the managing agent, and The Community Manager are committed to providing equal housing opportunity and do not discriminate on the basis of race, creed, color, age, religion, sex, disability, familial status or national origin.

Thank you for your assistance. We look forward to working with your organization.

Sincerely,

Community Manager



Harbour Square Apartments

7102 New Hunter Road
Mechanicsville, VA 23111
Telephone: 804-730-1284
Facsimile: 804-730-9682
TTY: 711

May 28, 2020

Ms. Lisa Rose Cox
Virginia Hispanic Chamber Of Commerce
10700 Midlothian Turnpike, #200
Richmond, VA 23235

Subject: Harbour Square Apartments
Affordable Apartments for Lease

Dear Ms. Cox:

This letter is to advise you and your constituency that qualified applicants are currently being sought for Harbour Square Apartments, 7102 New Hunter Road, Mechanicsville, VA, 23111.

Harbour Square Apartments offers affordable housing to low and moderate income, senior and disabled households based on income and family size.

Please contact our office at Telephone: 804-730-1284 for further information and an application.

The owner, Harbour Square Associates, L.P. and American Apartment Management Company, Inc., the managing agent, and The Community Manager are committed to providing equal housing opportunity and do not discriminate on the basis of race, creed, color, age, religion, sex, disability, familial status or national origin.

Thank you for your assistance. We look forward to working with your organization.

Sincerely,

Community Manager



Harbour Square Apartments

7102 New Hunter Road
Mechanicsville, VA 23111
Telephone: 804-730-1284
Facsimile: 804-730-9682
TTY: 711

May 28, 2020

Father Jay Wagner
Church Of The Redeemer
8275 Meadowbridge Road
Mechanicsville, VA 23116.4548

Subject: Harbour Square Apartments
Affordable Apartments for Lease

Dear Father Wagner:

This letter is to advise you and your constituency that qualified applicants are currently being sought for Harbour Square Apartments, 7102 New Hunter Road, Mechanicsville, VA, 23111.

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Sincerely,

Community Manager



Harbour Square Apartments

7102 New Hunter Road
Mechanicsville, VA 23111
Telephone: 804-730-1284
Facsimile: 804-730-9682
TTY: 711

May 28, 2020

Pastor Matt Hoole
Mechanicsville Christian Church
8061 Shady Grove Road
Mechanicsville, VA 23111

Subject: Harbour Square Apartments
Affordable Apartments for Lease

Dear Pastor Hoole:

This letter is to advise you and your constituency that qualified applicants are currently being sought for Harbour Square Apartments, 7102 New Hunter Road, Mechanicsville, VA, 23111.

Harbour Square Apartments offers affordable housing to low and moderate income, family, senior and disabled households based on income and family size.

Please contact our office at Telephone: 804-730-1284 for further information and an application.

The owner, Harbour Square LIHT, L.P., and American Apartment Management Company, Inc., the managing agent, and The Community Manager are committed to providing equal housing opportunity and do not discriminate on the basis of race, creed, color, age, religion, sex, disability, familial status or national origin.

Thank you for your assistance. We look forward to working with your organization.

Sincerely,

Community Manager



AMERICAN APARTMENT MANAGEMENT COMPANY, INC.

INSTRUCTIONS TO ALL STAFF

Periodically the Affirmative Fair Housing Marketing Plan (AFHMP) must be modified to meet the changing conditions at the property. If no interim modification is required of the AFHMP, then by regulation the AFHMP must be updated every five (5) years.

Following are instructions on how to implement a new Affirmative Fair Housing Marketing Plan or one that has been modified to meet changing conditions:

- I. Immediately post the Affirmative Fair Housing Marketing Plan in a conspicuous place in the rental office.
- II. When the Affirmative Fair Housing Marketing Plan (approved by HUD) is received, post the HUD approved Affirmative Fair Housing Marketing Plan and discard the former Affirmative Fair Housing Marketing Plan.
- III. Review the new Affirmative Fair Housing Marketing Plan and immediately direct all marketing efforts in the direction outlined in item number 3b of the Affirmative Fair Housing Marketing Plan.
- IV. Ensure that the marketing program in item number 4c focuses on the groups identified in item number 3b of the Affirmative Fair Housing Marketing Plan.
- V. Design current and new marketing materials (item number 4b and 4c) to focus on the groups identified in item number 3b of the Affirmative Fair Housing Marketing Plan.
- VI. Maintain periodic, ongoing communication with the agencies and individuals identified in item number 4b of the Affirmative Fair Housing Marketing Plan.
- VII. Participate in training meetings, conferences and seminars to stay current in matters related to Fair Housing.



AMERICAN APARTMENT MANAGEMENT COMPANY, INC. FAIR HOUSING REGULATIONS

It is and always has been the policy and practice of American Apartment Management Company, Inc. not to engage in or assist efforts of others to engage in housing discrimination. Federal, state and local anti-discrimination laws are quite specific in the areas of housing, and, in conformance therewith, employees or agents of American Apartment Management Company, Inc. must never in the course of work:

1. Refuse to rent or to show or negotiate for the rental of, or otherwise make unavailable or deny, a dwelling (i.e. apartment, residence, or other residential unit or space) to any person because of race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status.
2. Discriminate against any person in the terms, conditions, or privileges of rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status.
3. Make, print, or publish, or cause to be made, printed, or published any verbal or written notice, statement, or advertisement, with respect to the rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status.
4. Represent to any person because of race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status that any dwelling is not available for inspection or rental when such dwelling is, in fact, available.
5. Refuse to show model apartments to prospective applicants or otherwise offer a different level of assistance or encouragement because of race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status
6. For profit, to persuade or attempt to persuade any person to rent any dwelling by telling them that a person or persons of a particular race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status are moving into the neighborhood (commonly known as “block busting”).
7. Knowingly enter into any agreement which imposes any restriction on the race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status of person or persons to whom a dwelling may be shown or rented.

It is important to understand that any action taken by you in part because of race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status (except where the property is specifically designated for a particular age group) that has the effect of making housing unavailable to such persons protected under these laws constitutes a violation of the Fair Housing laws and potentially subjects you and American Apartment Management Company, Inc. to substantial liability.

American Apartment Management Company, Inc. firmly believes that providing equal housing opportunity to all persons will increase, not decrease, our business and profits, and we are firmly committed to making Fair Housing work for us. Operating within these guidelines is not only good business, it's the law.

PROTECTED CATEGORIES

The Fair Housing Act protects **ALL** races, **ALL** colors, **ALL** religions (including the lack of religion), **BOTH** sexes, and **ALL** national origins.

PROHIBITED ACTIVITIES

Illegal discrimination includes almost every conceivable kind of unequal treatment involved in the provision of housing. The Fair Housing Act makes all of these activities illegal if done because of a person's race, color, religion, sex, national origin, disability (mental or physical handicap), gender identity, sexual orientation, marital status, or familial status:

1. Refusing to sell or rent
2. Refusing to negotiate
3. Otherwise making unavailable or denying housing
4. Discriminating in terms, conditions, or privileges of sale or rent
5. Making, printing, or publishing a notice, statement, or advertisement that indicates any preference based on a protected category.
6. Blockbusting

The NAR – HUD-developed fair housing poster, which includes the Code for Equal Opportunity in Housing, will be displayed in a prominent place in each company and rental office.



**AMERICAN APARTMENT MANAGEMENT COMPANY, INC.
EMPLOYEE FAIR HOUSING COMPLIANCE STATEMENT**

TO: All Employees and Agents of American Apartment Management Company, Inc.

SUBJECT: Fair Housing Laws

American Apartment Management Company, Inc. is strongly committed to Equal Housing Opportunity. Because of this commitment, American Apartment Management Company, Inc. considers it absolutely essential that all employees read the Fair Housing Regulations attached. After reading through the regulations, ask your supervisor any questions you may have concerning them to assure your understanding. You will be required to sign the statement below and return it to your supervisor as part of your “**new employee**” package.

American Apartment Management Company, Inc. requires employees to strictly comply with all federal, state, and local fair housing laws. Failure to do so will result in disciplinary action up to and including termination. Additionally, American Apartment Management Company, Inc. asks that if you observe other employees acting in a manner which is not consistent with the fair housing regulations, you confidentially discuss the situation with your supervisor.

I, _____, have been given a copy of the Fair Housing Regulations on ____ / ____ / _____. I certify that I have read and understand the regulations contained therein, and agree to comply with them or face disciplinary action up to and including termination.

Signature

Date



AMERICAN APARTMENT MANAGEMENT COMPANY, INC.

HARASSMENT POLICY

American Apartment Management Company, Inc. strives to maintain a professional and harassment-free work environment and requires the highest standard of personal conduct. In keeping with this standard, sexual harassment, or harassment due to a person's race, color, religion, sex, national origin, disability (mental or physical handicap) or age are forms of misconduct within the workplace, and are strictly forbidden. Consistent with the American Apartment Management Company, Inc. commitment against sexual harassment, American Apartment Management Company, Inc. has adopted a specific policy regarding sexual harassment. The procedures for reporting and resolving sexual harassment also apply to all other types of harassment, as described below.

This policy is applied to all employees of American Apartment Management Company, Inc.. It includes, but is not limited to, procedures to prevent sexual harassment, as defined by the Equal Employment Opportunity Commission ("EEOC").

1. Definition of Sexual Harassment

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- (1) submission to such conduct is made either explicitly or impliedly a term or condition of an individual's employment;
- (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or,
- (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

2. Examples of behavior that American Apartment Management Company, Inc. may consider as sexual harassment include, but are not limited to, the following:

- Any sexual advance or touching that is deemed by the recipient to be unwelcome.
- Sexually oriented comments about the body, appearance or life-style of an employee or non-employee.
- Offensive non-verbal behavior such as leering or staring which is deemed by the recipient to be unwelcome.
- Showing or displaying sexually explicit graphics, cartoons, pictures, photographs or objects in the workplace.
- Statements or threats which imply a link or could be reasonably construed to imply a link between an employee's sexual or romantic-type conduct and his or her employment status, advancement potential, salary treatment, or other employment action.

3. No supervisor will engage in or condone any act of sexual harassment as defined above.
4. All employees are forbidden to engage in any form of sexual harassment as defined above.
5. This policy covers conduct between members of the same sex as well as members of the opposite sex.

6. **Your Responsibilities:**

Any person who believes that he or she has experienced sexual harassment must immediately report it to:

[Enter Contact Name], [Select title] [Enter Attorney Name], Legal Counsel

7. **Supervisor's Responsibilities:**

Each supervisor is expected to communicate to each subordinate employee the American Apartment Management Company, Inc. basic policy against sexual harassment and shall encourage them to report violations thereof. When a violation of this policy is brought to the supervisor's attention he or she shall immediately report it to the following individual(s):

[Enter Contact Name], [Select title] [Enter Attorney Name], Legal Counsel

8. Any employee who fails to comply with this policy may face disciplinary action up to and including termination.



Sample Newspaper Advertisement

Now Leasing
2 & 3 Bedroom Apartments
At
(Property Name)
Rent Based on Income
Free Water &
Great Amenities
Call Today!
555-555-5555
TTY# 800-325-0778

The logo consists of a stylized house icon with an equals sign inside, positioned above the text "EQUAL HOUSING OPPORTUNITY".

Insert handicap logo if applicable. Note: Keep ads clean and easy to read and use bold borders. Black background with white print often pops in newspapers. Request both proofs and review newspaper to determine which to choose. Newspaper ads must be changed weekly and approved by RPM or Director of Marketing.

TENANT SELECTION PLAN - TABLE OF CONTENTS

| | |
|---|-------|
| RESIDENT SELECTION POLICY | 2 |
| BUSINESS RELATIONSHIP, LEP & INCOME LIMITS | 3 |
| CITIZENSHIP & IMMIGRATION STATUS | 3 |
| DISCLOSURE OF SOCIAL SECURITY NUMBERS | 4 |
| STUDENT ELIGIBILITY FOR SECTION 8 PROGRAM | 5 |
| ELIGIBILITY | 6 |
| ACCEPTING APPLICATIONS | 7 |
| APPLICATION PROCESSING | 7 |
| INCOME QUALIFICATIONS | 8 |
| USE OF THE EIV SYSTEM | 8-9 |
| RENTAL HISTORY | 10 |
| CREDIT HISTORY | 10 |
| DRUG ABUSE & OTHER CRIMINAL HISTORY | 11 |
| VIOLENCE AGAINST WOMEN ACT (VAWA) | 12-13 |
| OCCUPANCY STANDARDS | 14 |
| ASSIGNING BEDROOM SIZE | 14 |
| ACCESSIBLE UNITS | 14 |
| POLICE OFFICER OR SECURITY PERSONNEL | 14 |
| TRANSFER POLICY | 15 |
| SECTION 504 STATEMENT of OBJECTIVE | 15 |
| WAITING LIST | 16 |
| WAITING LIST PROCEDURES & INCOME TARGETING | 16 |
| PREFERENCES | 17 |
| CLOSING & OPENING THE WAITING LIST | 18 |
| SECURITY DEPOSIT REQUIREMENTS | 18 |
| PRIVACY POLICY | 18 |
| CONSENT & VERIFICATION FORMS, SOURCES AND METHODS OF VERIFICATION | 19 |
| ATTEMPTED FRAUD | 20 |
| REVIEW OF APPLICATIONS FOR ACCEPTANCE OR REJECTION | 20 |
| APPLICANTS WITH DISABILITIES OR HANDICAPS | 20 |
| LEASE AGREEMENT | 20-21 |
| RENT ADJUSTMENTS, CHANGES IN FAMILY COMPOSITION, ABANDONMENT OF DWELLING UNITS, SUB-LEASING, DRUG FREE HOUSING | 21 |
| NOTICE TO SECTION 8 RESIDENTS | 21 |
| MOVE – IN | 21 |
| MOVE – OUT | 21 |
| ANNUAL RECERTIFICATION | 21 |
| INTERIM CERTIFICATIONS | 22 |
| GROSS RENT CHANGE | 22 |
| CHANGES TO TENANT SELECTION PLAN, LEASE, LEASE ADDENDUM | 22 |
| CHARGES OTHER THAN RENT | 22 |
| EXHIBIT 1 – INCOME LIMITS | 23 |
| EXHIBIT 2 – CREDIT HISTORY | 24 |
| EXHIBIT 3 – ACCESSIBLE UNITS | 25 |
| EXHIBIT 4 – TRANSFER POLICY | 26 |
| EXHIBIT 5 – SOCIAL SECURITY NUMBERS & CITIZENSHIP | 27-29 |
| EXHIBIT 6 – GRIEVANCE PROCEDURE (FOR APPLICANTS | 30 |
| EXHIBIT 7 – DEFINITIONS | 31-32 |
| EXHIBIT 8 - VIOLENCE AGAINST WOMEN ACT (VAWA) | 33 |

TENANT SELECTION PLAN

Harbour Square Apartments 7102 New Hunter Road Mechanicsville, VA 23111

Telephone Number: (804) 730-1284

Fax Number: (804) 730-9682

Telecommunications: (800) 848-0298 or
Statewide access dial 711

Harbour Square Apartments are located at 7102 New Hunter Road Mechanicsville, VA. The property has 10 building(s), containing 100 apartments. 99 units are subsidized by a section eight contract for extremely low and very low income households. The property is designated as Elderly/Disabled (**See Exhibit 7 for definitions**) and is operated under the Section 8 property and operates in compliance with those requirements.

This property is managed by American Apartment Management Company, Inc.. We do not discriminate against applicants on the basis of their race, color, religion, sex, national origin, familial status, disability, or handicap and regardless of sexual orientation or gender identity or marital status of applicants and residents. In addition, we have a legal obligation to provide "reasonable accommodations" to applicants if they or any family members have a disability or handicap. Compliance actions may include reasonable accommodations as well as structural modifications to the unit or premises. A reasonable accommodation is some modification or change that we can make to our policies or procedures that will assist an otherwise eligible applicant with a disability to take advantage of the program.

If you feel your application has not been properly processed, you may contact American Apartment Management Company, Inc. by writing to 708 South Gay Street, Suite 200, Knoxville, TN, 37902 or call (865) 525-7500.

We are dedicated to protecting the privacy of your personal information that was used to determine your eligibility for rental assistance based on HUD regulations, including Social Security, other governmental identification numbers and any other required information. We have adopted an EIV Privacy and Security Policy to help ensure that your personal information is kept secure.

RESIDENT SELECTION POLICY

The objectives of the Resident Selection and Occupancy Policy are to:

- A. Promote the overall goal of providing safe, decent, sanitary housing to:
 1. Establish high standards of qualification for occupancy, and
 2. Lawfully deny admission or continued occupancy to anyone whose presence in the apartment community could adversely affect the health, safety, or welfare of other residents or whose presence could adversely affect the physical environment of the community, and
 3. Ensure the fiscal stability of the community and of the owners.
- B. Comply in spirit and in practice with all applicable fair housing laws, specifically Title VIII, Section 804 of the Civil Rights Act of 1968, the Fair Housing Amendments Act of 1988, Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and the Equal Access to Housing in HUD Programs - Regardless of Sexual Orientation or Gender Identity Final Rule to assure that decisions affecting admission to and continued occupancy of residence in the community are made without regard to race, color, religion, sex, national origin, familial status, or handicap status and regardless of sexual orientation or gender identity or marital status of applicants and residents.
- C. Execute management activities through established and implemented management policies and procedures.

Business Relationship

The relationship between a landlord (owner/agent) and a resident or applicant is a business relationship. A courteous and businesslike attitude is required from both parties.

The owner/agent reserves the right to refuse rental to anyone who is verbally abusive, swears, is disrespectful, makes threats, intimidates, uses discriminatory language, appears to be intoxicated or under the influence of alcohol or drugs, is argumentative, or in general displays an attitude, at any time, which causes the owner/agent or the property staff to believe we would not have a positive business relationship.

If an applicant or any member of the applicant's family demonstrates unprofessional behavior in the presence of the management team or other residents/applicants, the applicant, the applicant's family and other members of the applicant's entourage (if applicable) will be required to leave the property and the application will be rejected.

If the applicant or any member of the applicant's family exhibits threatening behavior, appears to be intoxicated or under the influence of alcohol or illegal drugs or attempts to intimidate the staff, the applicant, the applicant's family and other members of the applicant's entourage (if applicable) will be required to leave the property and the application will be rejected.

If the applicant or any member of the applicant's family is not appropriately attired, when visiting the management office, the applicant will be asked to leave. Appropriate attire includes shoes, shirts and pants, shorts or skirts. Unacceptable attire includes, but is not limited to:

- Pajamas
- Bathing suits
- Clothing that allows display of foundation garments (underwear)
- Slippers or other footwear designed for the indoors only
- Clothing with inappropriate language or pictures

The use of cell phones or other devices is not allowed when engaging with the property staff. If an applicant/resident is participating in a cell phone call, texting, reading a text or otherwise using any electronic device (not necessary to alleviate the symptoms of a disability), the property staff will discontinue any communication until the applicant is able to "disengage". Use of cell phones or other electronic devices by residents or applicants will not be allowed in the management office without express permission from the property staff.

Animals, (other than assistance animals necessary to allow the applicant/resident to conduct business with the owner/agent) are not allowed in the management office.

Children are always welcome. Minors must be supervised by an adult. It is not the responsibility of the property staff or other residents to provide child care or supervision.

Employees of the apartments/property are not permitted to accept any money, gifts, services or favors.

Limited English Proficiency

The owner/agent will provide for such meaningful access consistent with, and without unduly burdening the fundamental mission of the property. The owner/agent will work to ensure that people who apply for and/or qualify for housing assistance are provided meaningful access to HUD's housing assistance program. Applicants and residents will be provided documentation in their native language. Interpreters may accompany the applicant or one will be provided when necessary or the applicant may use a telephone line interpreter. When possible the owner/agent will actively seek to employ an individual who is bi-lingual in English and the prevalent second language of the residents.

Income Limit Restrictions

An applicant household's gross family income cannot exceed the HUD determined applicable income limits for admission in the program type. The household's annual income does not exceed the Extremely Low and Very Low income limit(s) established by the Department of Housing and Urban Development (HUD) for the County of Hanover located in the State of Va. (Please review **Exhibit 1**)

Citizenship /Immigration Status Eligibility

United States Code Title 8, subsection 1324(a)(1)(A) prohibits the harboring of illegal aliens. The provision of housing to illegal aliens is a fundamental component of harboring. All applicants will be required to provide proof of citizenship or legal immigration status.

Assistance in subsidized housing is restricted. Per Section 214 of the Housing and Community Development Act of 1980, all persons must be a United States Citizen, a national, or an eligible non-citizen. Eligible non-citizens must provide an original INS document to prove that they have "eligible immigrant status."

Applicants are required to declare U.S. Citizenship or provide evidence of eligible immigration status for each household member seeking housing assistance. A detailed list of acceptable documentation of eligible immigration status is available in **exhibit 5** of this document. Owner Agents are required to obtain the following information for each household member regardless of age:

- a. Family Summary Sheet (head or co-head will list all members that will reside in the assisted unit)
- b. Citizenship Declaration Form for each member regardless of age. (One for each member listed on Family Summary Sheet)
- c. Forms and/or evidence of citizen/immigration status.
- d. Birth Certificate for each household member

American Apartment Management Company, Inc. as agent for Harbour LIHTC, LP is responsible for administering the restriction on assistance to non-citizens in accordance with regulations. When administering the restriction, American Apartment Management Company, Inc. treats all applicants equally, applying the same non-citizen rule procedures without regard to race, color, national origin, sex, religion, disability, or familial status regardless of sexual orientation or gender identity or marital status of applicants and residents.

A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive prorated assistance, continued assistance, or a temporary deferral of termination of assistance.

Non-citizens not claiming eligible immigration status may elect to sign a statement that they acknowledge their ineligibility for assistance.

Citizenship declarations will be verified using the SAVE system located at <http://www.vis-dhs.com/> or E-Verify at <https://www.uscis.gov/> (Reference HUD HB 4350.3, Chapter 4, paragraph 3-12, H, page 3-28).

Disclosure and Certification of Social Security Numbers

Applicants:

Applicants must have and disclose social security numbers (SSN's) and have a social security number card for all household members, or an acceptable document as defined by appendix 3 in the HUD HB 4350.3, in order for Harbour Square Apartments to make an eligibility determination and before the household can move in. The exception is stated in paragraph 4 below.

Certification of a SSN without documentation is no longer allowed if the SSN is required.

If all non-exempt applicant household members have not disclosed and verified SSNs at the time a unit becomes available, then move to the next applicant on the waiting list.

If an applicant family member who is under the age of 6, who does not yet have a Social Security Number (SSN) assigned to him/her, and was added to the household 6 months or less from the move-in date, the applicant family will be allowed to move in.

If the applicant cannot provide SSN documentation for all household members prior to their scheduled move-in date, the applicant will have 90 days from the date they are first offered an available unit to provide such documentation. The unit will be denied but the applicant may retain their place on the waiting list.

If after 90 days the applicant has been unable to supply the required SSN and verification documentation, the applicant should be determined ineligible and removed from the waiting list.

For applicants reaching sixty two (62) years of age and older after January 31, 2010, are subject to the SSN disclosure requirements. For these applicants an additional ninety (90) day period is allowed.

Exception: Senior applicants meeting the criteria listed below are exempt from all future SSN disclosure requirements:

1. The applicant was 62 years of age or older on January 31, 2010, and
2. Their initial determination of eligibility must have been in process before January 31, 2010.
3. A senior who fails either item #1 or #2 is subject to the SSN disclosure requirements.
4. Those individuals who do not contend/claim eligible immigration status.

If no SSN has been assigned to a particular family member, the applicant must sign a certification stating that no SSN has been assigned (see Exhibit 5)

Individuals applying for legalization under (IRCA) Immigration Reform and Control Act of 1986 will be able to provide a SSN via a letter from INS indicating a SSN has been assigned.

Live-in aides, foster children and foster adults are subject to the SSN disclosure requirements.

New members being added to the household:

Six (6) years of age or older or under the age of six with an assigned SSN:

- Tenant must provide documentation of a complete and accurate SSN at the time of the request or at the time of processing the next recertification, interim or annual, that includes the new household member.

Under six (6) years of age without an assigned SSN:

- The resident must verify the SSN at the time of processing the next recertification, interim or annual, or;
- The resident must verify the SSN for the new child within 90 calendar days of being added.
- During the 90 day period that management is awaiting documentation of a SSN the child shall be entitled to all the benefits of being a household member.
- Failure of the resident to provide documentation of a SSN for the child under six by the 90 day deadline will result in termination of tenancy.
- One additional 90-day period must be permitted if management, at its discretion, determines that the resident's failure to comply was due to circumstances that could not have reasonably been foreseen and were outside the control of the resident.
- A TRACS ID will be assigned to the child until the time the SSN is provided.

Housing assistance will not be provided to a resident household that contains a member who fails to comply with the SSN disclosure and verification requirements.

Termination of assistance or termination of tenancy of residents:

- All nonexempt tenants must disclose and provide verification of their SSN at the time of their next interim or annual recertification and if a tenant fails to provide a valid and verified SSN, the household is subject to termination of tenancy.
 - Tenant(s) have not previously disclosed a SSN;
 - Tenant(s) previously disclosed a SSN that HUD or the SSA determined was invalid;
 - Tenant must be notified of the finding of invalid SSN.
 - Tenant(s) has been issued a new SSN.
- Management must terminate the assistance or the tenancy, or both, of a resident household in accordance with the provisions governing the program involved, if the resident household does not meet the applicable SSN disclosure, documentation, and verification requirements.
- Management may defer termination and provide the resident household with an additional 90 days to disclose a SSN, but only if determined that the failure to meet these requirements was due to circumstances that could not have reasonably been foreseen and were outside the control of the participant; and
- There is a reasonable likelihood that the participant will be able to disclose a SSN by the deadline.

Failure of the resident to disclose a SSN by the deadline will result in termination of the assistance or tenancy, or both, of the resident household.

Eligibility of Students Who will be Head, Co-Head or Adult Member

As of January 30, 2006, the eligibility of students for section 8 programs changed. In order to be deemed eligible, a student attending an "institution of higher learning" for the purpose of obtaining a degree, certificate, or other program leading to a recognized educational credential must meet all screening criteria **and** be:

A. Eligibility of Student (Head, Co-head & Adult) Applicants Applying for Section 8 Assistance

For a student to be eligible for Section 8 assistance:

- 1) Is age 24 or older by December 31 of the award year;
- 2) Is an orphan, in Foster Care, or a Ward of the Court, or was an orphan, in Foster Care, or a Ward of the Court at any time from age 13;
- 3) Immediately prior to the age of majority, was an emancipated minor or in legal guardianship as determined by a court;
- 4) Is a veteran of the United States Military or on active duty for other than training (i.e., not Guard or Reserve);
- 5) Is a graduate or professional student;
- 6) Is married;
- 7) Has legal dependents other than a spouse; **or**
- 8) Is a person with disabilities as defined in 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C 1437a(b)(3)(E)) and receiving assistance under such Section 8 as of November 30, 2005 **or**
- 9) Was verified during the school year as either an unaccompanied youth who is homeless or at risk of homelessness and is self-supporting.
This must be verified by:
 - a) A local educational agency's homeless liaison;
 - b) The director (or designee) or a program funded under the Runaway & Homeless Youth Act;
 - c) The director of a program funded under Subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act; or
 - d) A financial aid administrator
- 10) Students who are orphans, in Foster Care, wards of the court from age 18, emancipated or under legal guardianship, homeless or at risk of homelessness are considered vulnerable youth and are automatically considered an independent student.
- 11) Can prove independence from parents. All of the following are required:
 - a) Review and verification of previous address information in order to confirm a separate household;
 - b) Review of student's prior year tax returns to verify independence; and
 - c) A written certification of support or nonsupport from the parent's.
 - d) If any of these requirements are not met, proof of the parent's eligibility for Section 8 is required.
- 12) Is independently eligible to receive Section 8 assistance and has parents, jointly or individually, who are income eligible to receive Section 8 assistance.

Any financial assistance, in excess of amounts received for tuition, and other required fees, that an individual receives under the Higher Education Act of 1965, from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965) shall be considered income to that individual. **This income rule does not apply if the applicant is:**

- a) Living with his/her parents/guardian currently on or applying for Section 8 **or**
- b) A person **24 years of age or older** with dependent children

If an ineligible student is a member of an existing household receiving Section 8 assistance, the assistance for the household will not be prorated but will be terminated in accordance with HB 4350.3, Chapter 8-6, A.

B. Eligibility of Students for other Assistance Programs:

To be eligible for assistance in other assistance programs a student's eligibility for assistance at move-in, interim or annual recertification. If one of the changes reported at interim recertification is that a household member is enrolled as a student at an institution of higher education the student must meet all the following criteria:

- 1) Must be of legal contract age under state law;
- 2) Has established a household separate from parents or legal guardians for at least one year prior to application for occupancy;
- 3) Meets the U.S. Department's definition of an independent student as defined in HB 4350.3, Glossary.
- 4) Is not claimed as a dependent by parents or legal guardians pursuant to IRS regulations;
- 5) And, obtains certification of the amount of financial assistance that will be provided by parents signed by the individual providing the support. This certification is required even if there is no assistance provided.

The full amount of financial assistance paid directly to the student or to the educational institution, and amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs, are excluded from annual income for the other programs.

ELIGIBILITY

It is likely there will be more applicants for housing at this apartment community than can be assisted. In order to select those persons most in need of housing, the following priorities will be the basis for selection of residents from among all applicants.

- A. Households whose Head of Household, Co-head or Spouse is 62 years of age or older or disabled in units designed especially for their specific housing requirements;
- B. Handicapped or disabled eligible persons when units are designated to accommodate their specific housing requirements;
- C. Harbour Square Apartments is designated for Elderly/Disabled households.

Management will consider eligible applicants who, at the time of application, meet all of the following conditions as outlined by HUD regulations and who have submitted acceptable applications for occupancy. All applicants for housing at this community must qualify with all program eligibility and the following eligibility and screening factors:

- A. Qualifies as a family or an eligible single person.
- B. Applicant must not currently be receiving section 8 assistance on any other unit at the time of admission.
- C. Applicant must meet the economic criteria established for the program in question. (This is in reference to the Pre and Post Universe requirements of the Section 8 program.)
- D. Applicant must meet any uniform Tenant Selection Plan criteria established for this community by Management.
- E. Applicant must meet the eligibility criteria for the specific project or unit for the program under which the applicant will be admitted.
 - 1) Units designed for the category of persons 62 years of age or older may be restricted to families whose head, co-head or spouse is at least 62 years of age;
 - 2) units designed for a category of handicapped persons (mobility impaired) may be restricted to that category;
 - 3) and, units designed for family households.
- F. Have not committed fraud in connection with any Federal Housing Assistance program.
- G. Comply with the unit size standards contained herein (See Occupancy Standards).
- H. Agrees to pay the rent required by the subsidy program under which the applicant will be admitted.
- I. The unit will be the family's only residence.
- J. Disclose in writing, information pertaining to the disposing of assets for less than fair market value during the two years preceding the effective date of certification.
- K. The EIV Existing Tenant Search report identifies applicants applying for assisted housing that may be receiving rental assistance at the time of application processing at another location. The EIV Existing Tenant Search will be reviewed to determine if the applicant or any applicant household members are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location. If the applicant or a member of the applicant's household is identified as residing at another property receiving HUD assistance, they will be given the opportunity to explain any circumstances relative to their receiving assistance at the other property. Before the applicant(s) can move-in, management will follow up with the respective PHA or O/A to confirm the applicant's move-out status before admission.*
- L. Criminal background checks on all family members are clear of non-violent, felony, misdemeanor or sexual offense convictions as outlined in resident selection criteria. Only applicants with a satisfactory criminal background check will be accepted for residency at this community. (See "Personal and Community Behavior" under the "Eligibility" section of this document.)
- M. Applicant and applicant household members must be a United States Citizen, a national, or an eligible non-citizen.
- N. Satisfactory Rental History that includes but is not limited to satisfactory payment history, no outstanding balances owed to prior landlords for unpaid rent, late fees or damages, and ability to comply with lease, community rules and other subsidized program requirements.
- O. Satisfactory Credit History, ability to meet financial responsibility of occupying the unit. (See Credit History under the Eligibility section of Resident Selection plan)
- P. An individual (emancipated minor) who has been granted the status of adulthood by a court order or other formal arrangement.

ACCEPTING APPLICATIONS

It is the property's policy to accept and process applications in accordance with applicable HUD Regulations and in the Income Targeting section of this Plan.

Owners must admit applicants who fall under one of the following two income levels: Extremely Low and Very Low

Each application constitutes the basic legal record of each family and supports the determinations of eligibility status, rent amount, and size of the unit for which the applicant is qualified.

Each applicant will be required to supply information as requested on the application and to sign the application attesting to the accuracy of the data provided. The application also constitutes the basis for determining the applicant's priority status for selection.

When an application is submitted:

- A. The application will be accepted either in person or by U.S. Mail.
- B. Each **complete application** will be date and time recorded upon receipt.
- C. If a proper size unit is not available, applicants will be placed on a waiting list at the initial time of application.
- D. Verification of application will take place at such time as applicant's name has reached the top of appropriate waiting list and a unit is expected to become available.
- E. Verification of the application will continue until there is a reason to determine the application is ineligible. The applicant will have (14) business days to provide additional verification to determine eligibility for occupancy.
- F. Applicant Waiting List Procedures is provided to applicant at this time.
- G. The applicant will be notified in writing of a determination of ineligibility. The notice will be mailed to the applicant within (14) business days from the date of the determination of ineligibility. The applicant will be informed of any review rights he/she may wish to exercise. The reason(s) for rejection will be documented and the application filed for a minimum of three years.

APPLICATION PROCESSING

The owner/agent will accept, place on the waiting list and reject applications submitted by individuals who were previously rejected because the applicant:

1. Is subject to a state lifetime sex offender registry
2. Has been convicted of a crime as indicated in the criminal screening criteria (certain time restrictions apply)
3. Has been evicted from another property managed or owned by the owner/agent or owned by others
4. Has been evicted from a federally assisted property for drug use in the last five (5) years
5. If an applicant previously accepted a unit offered by the owner/agent and the applicant failed to take possession of the unit on the agreed upon date without notice to the owner/agent, the owner/agent reserves the right to reject all future applications.

Exceptions - Applicant provides documentation the charge(s) was/were in error (Items 1-4) or there were extenuating circumstances (Item 5).

Anyone who wishes to live on the property must be screened prior to moving in. This includes, but is not limited to, live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in. *Certain exceptions apply to children/minors.* The current screening guidelines in place at the time the new household member applies will be used to determine eligibility for admission.

All applications are accepted and processed by the management staff at the apartment community. All communication with applicants will be made by telephone, email or first class mail. Failure to respond may result in withdrawal of an application from further processing. Management may make exception to the procedures described herein to take into account circumstances beyond the applicant's control, for example, medical emergencies or extreme weather conditions.

Written applications for open waiting lists will be accepted from all applicants who apply except those applications rejected per conditions in item 5 above. Subsequent review will eliminate applications of households that do not qualify for project or program eligibility.

Every application must be completed in full, signed and dated by the head of the household and by all other members eighteen years of age or older.

The application must be completed in full with all questions answered or it will be rejected as an incomplete application.

An application that is not signed or dated by all adult members (18 & older) of the household will be rejected as an incomplete application.

The management staff will assist any applicant who may need assistance completing the application. Applicants with disabilities may be provided an alternative method of having their application processed as a result of their disability.

The applicant (s) must provide pertinent information and/or documentation to the management staff with the application so eligibility can be determined. Failure, or unwillingness, to sign HUD Form 9887/9887A (*Notice and Consent for the Release of Information*) will be cause to reject the application.

The applicant will be notified in writing of a determination of ineligibility. The notice will be mailed to the applicant within (14) business days from the date of the determination of ineligibility. The applicant will be informed of any review rights he/she may wish to exercise. The reason(s) for rejection will be documented and the application filed for a minimum of three years.

The Owner/Agent considers false information about any of the following to be grounds for rejecting an applicant:

1. Identity of household members
2. Social Security Numbers/Information
3. Income
4. Assets/Income from Assets
5. Failure to disclose any disposed assets in the past two years for less than fair market value
6. Household composition
7. Failure to disclose criminal history on application
8. Other:

As applications approach the top of the waiting list, the family will be contacted to schedule an application interview. The interview will be conducted in accordance with guidelines.

If, during the interview, it becomes apparent the family is ineligible, the family will be informed and given a reason(s) for the ineligibility. The application will be denied for the given reason(s) and retained for a minimum of three years from the date the application was denied. The waiting list will be documented accordingly.

The owner reserves the right to determine specific times when applications will be accepted and when application interviews will be conducted. Acceptance of applications and application interviews may be scheduled "by appointment only". Whenever possible, application interviews will be conducted in privacy.

Applicants are responsible to report changes in income, family circumstances, elderly status, student status and other relevant changes that may affect the family's eligibility status.

INCOME QUALIFICATIONS

All applicants must provide household income information to determine eligibility for residency investments, gifts, interest and income from other sources must be claimed to determine eligibility.

Each applicant must provide information necessary to verify all income sources and allowable deductions to determine the eligibility of the applicant prior to move-in.

USE OF THE ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM

The EIV system provides employment and income data for the current residents. This information will be used at the time of move-in, at interim recertifications and annual recertifications.

Existing Tenant Search:

The Existing Tenant Search Report will be used to screen new tenants in accordance with a written policy for using this EIV screening criteria.

Policies and Procedures:

The Owner/Agent has a written EIV Guideline and EIV Policy for using the EIV Income Report as a third party verification of employment and income and for other EIV Reports such as the Income Discrepancy Report and the EIV Verification Reports.

Consent for the Release of Information:

Applicant:

HUD Form 9887 (*Notice and Consent for the Release of Information*) signed by the applicant and each family member eighteen (18) years of age or older will be maintained with the application in order to use the Existing Tenant Search in EIV.

Tenants:

All tenants eighteen (18) years of age or older are required to complete HUD Form 9887 at move-in and at each annual recertification. The form will authorize the collection of information through computer matching with other agencies to: i) verify the household member's income used for determining eligibility for a level of benefits under HUD's assisted housing program; ii) request wage, new hire (W-4) and unemployment claim information from current or former employers to verify information obtained from computer matching regardless of whether they have income; iii) and, the HUD Form 9887 for each household member eighteen (18) years of age or older will be maintained in the tenant file.

A household member when they turn eighteen (18) years of age must sign and date HUD Form 9887. The individual will be notified in writing within seven (7) days of turning 18: i) to contact the management office within fourteen (14) days of the notice letter; ii) of the requirement to sign and date forms 9887/9887-A; iii) and, of the consequences for failure to respond in a timely manner or refusal to sign the forms. If the tenant is unable to sign and date the forms the owner/agent will document the file and indicate how and when the tenant will provide the proper signature and date.

All tenants eighteen (18) years of age or older are required to sign and date HUD Form 9887-A to authorize the release of information about the household member from a third party. The signed and dated form will be maintained in the tenant file.

If the tenant turns eighteen (18) years of age and failed to sign the HUD Form 9887, the EIV Income reports will not be used for that tenant until the form is signed and dated. If the tenant fails to sign and date the HUD Form 9887 the household will be determined to be in non-compliance with their lease which may result in termination of assistance and/or tenancy.

The information requested by use of the HUD Form 9887 and 9887-A is limited to within the last five (5) years the tenant received assistance.

Consent to Disclose an Individual's Information to Another or Entity:

EIV data of adult household members eighteen (18) years of age or older will not be disclosed to another individual or entity without the written consent of the household member. The EIV data will not be copied or displayed to another adult household member or to a person assisting the tenant with the recertification process unless a written consent to disclose the information has been provided by the adult household member.

The EIV data used to verify the total income reported can be used to discuss with the Head of Household how the income was used to determine how the household's income and rent were determined.

Employment and Income Information:

The employment and income information contained in EIV will be used at the time of recertification only for verifying the employment and income of tenants currently being assisted under a HUD rental assistance program.

Independent Third Party Verification:

Third party verification will be requested when: i) the applicant disputes the EIV data; ii) the tenant is unable to provide acceptable and current documented information; iii) the available EIV data is incomplete; iv) and, there is no EIV data for the applicant.

Use of EIV Reports:

Use of the Enterprise Income Verification (EIV) system is mandatory and required effective January 31, 2010 and will be used to determine if applicants are receiving Section 8 subsidy from their current landlord (EIV Existing Tenant Report). Other required reports that will be used for each resident are: i) Failed Verification Report; ii) Deceased Tenant Report; iii) Existing Tenant Search Report; and, iv) Multiple Subsidy Report.

EIV Income Report:

An EIV Income Report will be pulled on all new move-ins within ninety (90) days after move-in information has been transmitted to TRACS to confirm and validate the income reported by the now resident household. Any discrepancies found in the reported income of the resident household will be resolved within 30 days of the EIV Income Report date. A copy of this Income Report will be kept with the applicable move-in income verifications. A copy of the EIV Income Report will be filed.*

Enterprise Income Verification (EIV) will then be used on all tenants eighteen (18) years of age or older at their interim or annual recertifications to check the records kept by certain public agencies (e.g., Social Security Administration (SSA), State agency that keeps wage and unemployment compensation claim information, and the Department of Health and Human Services' (HHS) National Directory of New Hires (NDNH) database that stores wage, new hires, and unemployment compensation).

National Directory of New Hires (NDNH):

The EIV Income Report identifying the National Directory of New Hires (NDNH) employment, wage and unemployment income information in EIV will be printed and used as third party verification of the tenant's employment, but not used to calculate the tenant's income.

Social Security Benefits:

The EIV Income Report used to verify Social Security benefits will be used as third party verification of tenant's income and will be used to calculate the tenant's income. A copy of the tenant's Social Security Administration (SSA) Award letter is not required unless the tenant disputes the SSA information retrieved from EIV. The EIV Income Report will be printed, used as third party verification of income, and a copy filed in the tenant file.

If the SSA information in EIV does not agree with the amount the tenant reports he/she receives, when the tenant disputes the EIV data, or when there is no SSA information in EIV, the tenant must obtain third party verification by providing a copy of their benefit letter, dated within the last 120 days of receipt by the owner. The tenant should not go to the SSA office if they do not have this information. Instead, the tenant should request benefit information from SSA using SSA's web site, the preferred method, or using SSA's toll-free number.

EIV Income Discrepancy Report:

A copy of the EIV Income Discrepancy Report will be obtained within 90-days from the TRACS received date of the new move-in documentation. The EIV Income Discrepancy Report will be used to compare differences in household annual income of \$2,400 or more from wages, unemployment compensation and/or Social Security benefits.

EIV No Income Report:

The EIV No Income Report is used to identify tenants who passes the identity match with the SSA's records but no employment or income information is reported. The information will be used to determine if the individual is employed and/or is receiving income. This report will be used to re-verify the status of an individual's income at least quarterly. A copy of this report will be maintained on file.

EIV New Hires Report:

This report is used to identify those tenants who have started new jobs in the past six months. This information will be used to compare employment and income from employment reported by the applicant/tenant. This report will be used monthly.

EIV Existing Tenant Search Report:

This report will be used to identify applicants applying for assisted housing that may be receiving rental assistance at another location at the time their application is being processed. The applicant cannot receive rental assistance from more than one source.

EIV Multiple Subsidy Report:

This report will be used to determine if an applicant/tenant is receiving multiple rental subsidies. The applicant cannot receive rental assistance from more than one source. The applicant will be asked to explain and resolve the circumstances relative to the assistance received at another location. The matter will be confirmed with the source of the assistance to ensure the issue is resolved. This report is used monthly.

EIV Failed Pre-Screening Report & EIV Failed Verification Report:

These reports will be used to identify household members who failed the SSA identity test because of an error in their reported Social Security Number, last name or date of birth. The tenant will be given an opportunity to correct the errors in their identifiers and the system will be corrected. This report is used monthly.

EIV Deceased Tenant Report:

This report is used to identify tenants who are participating in a HUD rental assistance program who are reported as deceased. This report will be used monthly.

Investigating & Resolving Income Discrepancies:

Discrepancies will be investigated and confirmed to ensure current and accurate income information is used to determine rental payments. When EIV information is different from information provided by the applicant/tenant, or is disputed by the applicant/tenant, the agent will discuss the matter with the applicant/tenant to resolve the issue. The information will be verified by third parties. The applicant/tenant will be notified of the final determination. No action will be taken until the matter is resolved.

RENTAL HISTORY

Once eligibility has been determined based on the criteria set forth by HUD regulations, management will evaluate each applicant to determine eligibility utilizing its resident screening criteria. Management will deny admission to any otherwise eligible applicant whose habits, practices or conduct in present or prior housing has been such as would likely interfere with other residents as to diminish their enjoyment of the premises by adversely affecting the physical environment or financial stability of the property if the applicant were admitted to the property. Relevant information regarding habits or practices to be considered may include, but are not limited to:

Applicants including, but not limited to live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in must provide information to verify acceptable rental history for the past Five (5) years. Verifiable Rental History will include a completed Landlord Verification Form and/or a copy of the applicant's rental agreement showing a monthly amount that is due to rent along with copies of cancelled checks or payment receipts. Acceptable rental history in the past Five (5) years must include:

- A. A history of no civil disturbances.
 - B. A history of no physical abuses or damages to previous places of residence.
 - C. A history of prompt, timely payments of rent, damages or other charges.
 - D. A history of compliance with all former lease terms.
 - E. A history of no evictions from any other housing facility or moving to avoid eviction.
 - F. A history of responsible personal and community behavior
 - G. A history of responsible community behavior that does not cause irreparable damage to the reputation of the apartment community.
 - H. A history that does not exhibit intimidation or threats of physical harm to management, maintenance personnel or other residents.
- Rental History screening will not apply to applicants renting for the first time; however, the applicants must meet all other screening criteria to qualify for occupancy.

Credit History

A credit history check is required of each applicant eighteen (18) and older including additional household members wishing to move-in after the initial move-in. The credit report will be obtained from a reputable credit-reporting agency.

A credit report could be cause to reject the application: **(Please review Exhibit 2 for detailed information)**

- **Exception is medical or hospital expenses.**

In the case of credit references, the responsibility of management is limited to informing the applicant that eligibility has been rejected based on confidential information received from the reputable credit agency. Management will reappraise a credit report forwarded to management by the credit agency on behalf of the applicant that encompasses certain corrections or additions made in that report as a result of action taken directly by the applicant with the credit agency.

- Failure to provide reasonable, acceptable explanations of the poor credit history that can be verified through a reliable, third party source will be cause to reject the application. An acceptable explanation must be provided by an impartial third party in writing on company or agency letterhead stationary.
- The applicant (s) will have the opportunity to clear these matters from their credit record and/or discuss the matters with the management staff. The name, mailing address and telephone number of the credit-reporting agency will be provided to the applicant (s).
- Failure of the applicant (s) to clear alleged erroneous reports from their credit history would be cause to reject the application.
- An applicant with no credit history will be considered an applicant with good credit history.
- Resident has not fulfilled the terms of a Repayment Agreement with a former landlord.

Drug Abuse and Other Criminal Activity

A criminal background check will be completed on each applicant including, but not limited to, live-in aides, security/police officers or additional household members wishing to move-in after the initial move-in. Only applicants with a satisfactory background check will be accepted for residency for this community. The criminal background report will be obtained from a reputable reporting agency.

1. HUD has established standards that prohibit admission of:

- Any household containing a member(s) who was evicted in the last three (3) years from federally assisted housing for Drug Related Criminal Activity threatening the safety and security of others that was violent in nature, and was or has been a repeated offense.
- Any household in which any member is currently engaged in illegal use of drugs or for which the community Manager, agent for Harbour LIHTC, LP has reasonable cause to believe that a member's illegal use or pattern of illegal use of any drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents or is violent against others or property.
- Any household member who is subject to any state sex offender registration requirement or is subject to lifetime inclusion on any state sex offender registration.
- Any household in which there is reasonable cause to believe that a member(s) behavior, from the abuse OR pattern of abuse of alcohol results in violence to others or property and may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

In addition to HUD requirements, the owner/agent has established a policy to reject all applications where the applicant or any household member has engaged in criminal activity that resulted in violence towards others or property and/or would interfere with the health, safety, and right to peaceful enjoyment of the property by other residents. The community manager of Harbour Square Apartments will not accept applicants who meet any of the following criteria providing that the applicant has been given the opportunity to remove said offender from application.

2. Owner/Agent has established standards that prohibit admission of ineligible or unqualified applicants with:

- A record of any conviction, or settlement other than pardon, which involved injury to a person;
 - Misdemeanor: 5 years from date of conviction or detention release
 - Felony: 10 years from date of conviction or detention release.
- A record of any conviction, or settlement other than pardon, which involved damage to property;
 - Misdemeanor: 5 years from date of conviction or detention release.
 - Felony: 10 years from date of conviction or detention release.
- A record of any conviction, or settlement other than pardon which involved manufacturing or distribution of an illegal substance;
 - Misdemeanor: 5 years from date of conviction or detention release.
 - Felony: 10 years from date of conviction or detention release
- A record of any conviction, or settlement other than pardon which involved illegal use or possession of any controlled substance;
 - Misdemeanor: 5 years from date of conviction or detention release.
 - Felony: 10 years from date of conviction or detention release.
- A record of any conviction, or settlement other than pardon which involved possession of an unregistered firearm or possession of an illegal weapon that can cause physical harm or emotional suffering by intimidation.
 - Misdemeanor: 5 years from date of conviction or detention release.
 - Felony: 10 years from date of conviction or detention release.
- A record of any conviction, or settlement other than pardon which involved harm to a child within 10 years from date of conviction or detention release;
- A record of any conviction, or settlement other than pardon which involved harm to an animal within 5 years from date of conviction or detention release;

- h. Conviction of any applicant or member of the household, of any other felony in any state or federal court within 10 years from date of conviction or detention release, or, of any other misdemeanor in any state or federal court within 5 years from date of conviction or detention release, providing that the applicant has been given the opportunity to remove said offender from application.*

3. Owner/Agent has verifiable knowledge of pending criminal charges or history of unlawful activity:

An application will be rejected if the landlord has **verifiable knowledge** that any person listed on the application was recently involved in or charged with criminal activity or has a history of crimes which may include, but not limited to, the following:

- a. The applicant or member of the household did commit or was engaged in drug related criminal activity, violent criminal activity, or other criminal acts that did threaten the health, safety or right to peaceful enjoyment of the premises by the other residents or management agents, contractors, subcontractors or owners.
- b. The applicant or a member of the household did commit or was engaged in a felony and the head of household failed to take immediate action to remove the felon from the unit.
- c. The applicant or a member of the household was evicted from federally assisted housing for drug related criminal activity that resulted in violence towards others or property and/or would interfere with the health, safety, and right to peaceful enjoyment of the property by other residents.
- d. The applicant or member of the household gives reasonable cause to believe there is a pattern of abuse of alcohol that resulted in violence towards others or property and/or interferes with health, safety or right to peaceful enjoyment of the premises by other residents. This includes but is not limited to a history of three 3 or more PI's or DUI charges.
- e. The applicant, resident or any member of the household is currently engaged in illegal use of drugs or for which the owner/agent has reasonable cause to believe that a member's illegal use or pattern of illegal use of a drug that resulted in violence towards others or property and/or may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents;
- f. Conviction of applicant or member of household of a misdemeanor involving violence towards others or property and/or may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents, providing the applicant has been given the opportunity to remove said offender from application.

4. Violence Against Women Act (VAWA)

The Violence Against Women Reauthorization Act of 2013 (VAWA) provides statutory protections for victims of domestic violence, dating violence, sexual assault, and stalking.

Applicants

Admission to the program shall not be denied on the basis that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant otherwise qualifies for assistance or admission.

If *Management* makes a determination to deny admission to an applicant family based on an unfavorable history that would warrant denial under this tenant selection plan, *Management* will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Tenants

An incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy, or occupancy rights of the victim. Criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for terminating the assistance, tenancy or occupancy rights of the victim if the tenant or an affiliated individual of the tenant is the victim. Victims can be evicted or have their subsidies terminated for lease violations not related to VAWA protections and not be subjected to a higher standard than other tenants.

Request for Documentation

If you are a victim of Domestic Violence, certification will be required of victim status which includes their victim status and the names of their abusers. Only victim service providers, medical professionals, or attorneys who have counseled the victim can provide third-party verification of the applicant's/resident's status as a domestic violence victim. Applicant may request a certification form, HUD Form-5382, from management, may submit a Federal, State, tribal, territorial, or local police report or court record of Domestic Violence or may submit the approved third party documentation to certify their status as a victim of domestic violence. The tenant or applicant will be required to submit requested documentation within 14 days after the date Management requests such documents in writing.

Failure to provide required documentation within 14 days from the date of Management's written request, VAWA protections do not limit the authority of *Management* to evict the tenant or an affiliated individual of the tenant for violations of the lease that would otherwise constitute good cause to evict or reject an applicant for an unfavorable history that would warrant denial under this tenant selection plan. *Management* has discretionary authority to extend the statutory 14 day period if applicant or tenant has extenuating circumstances preventing the submission of required documentation.

Relocation

Management will assist VAWA victims who need to relocate to other units or properties and will provide a list of community resources.

Lease Bifurcation

Management may bifurcate a lease or remove from a lease without regard to whether the household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any tenant or lawful occupancy who engages in criminal acts of physical violence against family members or an affiliated individual without evicting, removing, terminating assistance to or otherwise penalizing the victim of such violence who is a tenant or lawful occupant.

Emergency Transfer Plan

The VAWA Reauthorization of 2013 required HUD to adopt a model emergency transfer plan to be used by Management. The model plan must allow a victim (tenant) to transfer to another available and safe home under one of the HUD programs and must have reasonable confidentiality measures. If the tenant is unable to establish eligibility, Management must provide the tenant with ninety 90 calendar days from date of lease bifurcation, or until lease expiration (subject to regulations for subsidy type), to find new housing or establish eligibility under a different housing program. Management may extend the 90 calendar day period up to an additional 60 calendar days unless regulations prohibit it, or unless the time period extends beyond the lease expiration date. The plan must allow tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to transfer to another available safe dwelling under a covered housing program and must incorporate reasonable confidentiality measures. The tenant can be granted a transfer only if the tenant requests one and either reasonably believes he or she is threatened with imminent harm from further violence if he or she remains in the unit or, if the tenant is a victim of assault, the assault occurred on the premises during the 90-day period before the transfer request. Transfers are subject to the availability of other assisted housing and to all other HUD requirements being met.

Confidentiality

Management shall keep all reports of domestic violence, dating violence, sexual assault and/or stalking confidential. Management shall not enter the information contained in the documentation into any shared database, allow employees or those within their employ to have access to such information, disclose this information to any other entity or individual, except to the extent that disclosure is requested or consented to by the individual making the documentation in writing, required for use in an eviction proceeding or otherwise required by applicable law.

If criminal screening indicates an unresolved criminal charge or an unresolved charge of an act covered under the Violence Against Women Act, the application will be suspended until the charge is resolved. At that time, the owner/agents current screening criteria will be applied.

If a resident or applicant has requested VAWA protections and such protections have been justified based on owner/agent investigation, the abuser/perpetrator will not be approved to live on the property.

If the owner/agent is unable to complete required criminal or sexual offender screening, the application will be rejected.

A Notice of Occupancy Rights Under the Violence Against Women Act (Form 5380) and a Certification of Domestic Violence (form 5382) will be provided to any applicant whose application is denied, as well as each household upon move-in.

Management reserves the right to require criminal background checks at any time during residency, at time of recertification, or if in receipt of credible and verifiable information. Past criminal history of applicants and residents may be a basis for rejection or eviction if information received from law enforcement authorities indicates that an applicant, resident or household member may pose a present threat to the health, safety, or right to peaceful enjoyment by other residents, property management staff or persons residing in the immediate vicinity of the facility.

Refusal to sign Consent Form – Criminal History will result in the rejection of the application or the termination of HUD assistance.

Knowledge gained by Owner or Agent after move in of any criminal activity resulting in conviction of a resident for any of the above stated Drug Abuse or Other Criminal Activities OR conviction of a household member for any of the above stated activities will result in immediate termination of the lease agreement. Applicant/Resident or household member will have the opportunity to provide documentation the charge(s) is/are in error.

Additional reasons for rejection of application include:

- A. Failure to verify “eligible non-citizen status” in accordance with Section 214 of the Housing and Community Development Act of 1980.
- B. Refusal to sign HUD Forms 9887 and 9887-A (Document Package) or any other required consent verification form.
- C. If a household fails to move into the rent-ready unit on the agreed date, the application can be rejected and the unit will be offered to the next qualified applicant on the Waiting List.
- D. An application from any individual previously banned from the property for violence, or removed from a lease at the property as a result of a bifurcated lease as the perpetrator of a VAWA crime will be denied.

Recommendations for Admission or Rejection

- A. If the applicant requests an additional interview to determine whether mitigating circumstances or reasonable accommodations due to their disability would make it possible to accept his/her application; Management will do so based on Section 504 of the Rehabilitation Act of 1973.
- B. And, if you are a person with a disability, you have the right to request reasonable accommodations to participate in the informal hearing process.
- C. If an applicant is clearly eligible and passes the screening guidelines, admission shall be authorized. Likewise, if the applicant is ineligible, rejection of the application shall be authorized.

- D. Management will follow the grievance process set forth in the HUD Handbook 4350.3 Revision 1 which is the applicant's right to respond to the owner in writing or request a meeting within 14 days to dispute the rejection.

OCCUPANCY STANDARDS

Dwelling units are to be leased in accordance with the standards set forth below.

| Bedroom Size | Persons per Household | |
|--------------|-----------------------|-------------------|
| | Minimum Occupants | Maximum Occupants |
| 1 BR | 1 | 2 |
| 2 BR | 2 | 4 |

A live-in aide/attendant who is not a member of the family shall not be required to share a bedroom with another member of the household.

Any family placed in a unit size different than that defined in these occupancy standards shall agree to transfer to an appropriate size unit when one becomes available. Children who are away at school who have established a residency at another address or location evidenced by a lease agreement are not counted in occupancy.

COUNTING FAMILY MEMBERS FOR ASSIGNING BEDROOM SIZE

To determine how many bedrooms a family/applicant may have, the following will be counted:

- A. All full-time members of the household;
- B. Children, who are away at school but live with the family during school recesses; **who have not established a residency at another address or location evidenced by a lease agreement are not counted in occupancy.**
- C. Children who are subject to a joint custody agreement, but live in the unit at least 50% of the time;
- D. Children temporarily in a foster home but expected to return to the family
- E. An unborn child
- F. Children being adopted
- G. Foster children/Foster adults; and
- H. Live-in aide/attendants.

Bedroom space will not be provided for others who are not members of the household (e.g., children on active military duty (unless their spouse and/or children still reside in the unit), permanently institutionalized family members, visitors, etc.).

ACCESSIBLE UNITS

For units accessible to persons with mobility, visual or hearing impairments, households containing at least one person with such impairment will have first priority for those designated accessible units. The accessible units will be filled as follows:

- A. A current household containing at least one person with such impairment who would benefit from the special features of the accessible unit.
- B. If no current household requires the special features of the accessible unit, the unit will be offered to the next qualified applicant on the Waiting List who requires the special features of the accessible unit.
- C. If no qualified applicant on the Waiting List requires the unit with the special features, the accessible unit will be offered to the next qualified applicant not requiring the special features. Should this applicant accept the accessible unit, he/she will execute a statement that he/she will vacate the unit and move to a non-accessible unit when a person requiring the special features qualifies. The cost of transferring will be the responsibility of the person who moved into the accessible unit executing the transfer agreement. No costs of the transfer shall be borne by the Owner or Owner's Agent. **(Please review Exhibit 3)**

POLICE OFFICERS OR SECURITY PERSONEL

At the owner's option an apartment unit may be leased to a Police Officer or Security Personnel to deter crime in and around the apartment community. An apartment unit may be leased to the Police Officer or Security Personnel for this purpose even if their household income exceeds the applicable income limit. For the purpose of deterring crime, the Police Officer or Security Personnel must meet certain requirements to be eligible to live at the property. The Police Officer or Security Personnel must:

- A. Be employed full-time (at least 35 hours per week) by government agency or private security company.
- B. Be compensated by their employer for providing security or police services.
- C. Sign the applicable lease and all addendums with added provision that occupancy is contingent on continued employment as a Police Officer or Security Personnel.

Leased units for this purpose are limited to 1% of the total number of units at the apartment community unless there are extenuating circumstances that warrants additional Security Personnel or Police Officers. HUD must approve leasing apartment units to Police Officers or Security Personnel for the purpose of deterring crime.

TRANSFER POLICY

- A. A unit transfer request **may** be accepted ONLY if the resident:
1. Household meets one of the following reasons:
 - a. There is a change in the family size.
 - b. There is a change in the family composition.
 - c. The family receives a deeper subsidy such as Rent Supplement, RAP or Section 8 Assistance.
 - d. There is a need for a unit transfer for a medical reason certified by a doctor.
 - e. There is a need for a unit transfer based on the need for an accessible unit.
- AND, the transfer is approved by the Regional Manager, Director of Operations or President prior to the transfer.**
- B. An emergency transfer request will be processed in accordance with VAWA procedures.
- C. The Transfer request will be considered on a first come, first serve basis: according to the date and time the written request is received by the Management Office or by the date the transfer is requested by Management (for over/under housing circumstances). When the waiting list consists of more than one individual, priority will be given to those who require a unit transfer due to a reasonable accommodation or is a VAWA victim on a first-come, first –serve basis.
- D. The resident must pass a unit inspection prior to receiving the authorization to transfer. Poor housekeeping or damage to the unit will cause the transfer request to be denied.
- E. Has not given notice to move and is not being evicted.
- F. Is current for all outstanding charges and has not entered into a repayment agreement for failure to disclose accurate household composition or household income.
- G. Has been in compliance with all lease provisions with no major lease violations.
- H. The security deposit will be transferred to the new unit providing that the original unit is left clean and with no damages beyond normal wear and tear, and after the resident has met all the terms stated above. If there are charges the resident must pay all balances due within thirty (30) days of receiving the bill.
- I. The new lease will be month to month unless the transfer is done during the initial term, in which case the lease will be made effective on the date of the transfer and continue through the end of the initial lease term.
- J. Depending upon the circumstances, all costs associated with the transfer will be the responsibility of the resident, i.e., cable, phone, and related moving expenses. However, if a resident is transferred as a reasonable accommodation to a household member's disability, the owner is responsible for the moving expense only, unless doing so will be an undue financial and administrative burden.
- K. If management requests the transfer, for over or under occupying the apartment, and the resident refuses to Transfer within 30 days, that resident's rent will increase to the market rent for the current unit occupied.
- L. If management approves a unit transfer request for reason(s) other than a reasonable accommodation, management has established a priority in filling vacant units, every second available unit will be assigned to the next resident on the property in house transfer list. **(Please review Exhibit 4)**
- M. If a household splits and transfers to another apartment a new deposit will be charged. The current deposit will remain with the original unit.

SECTION 504 STATEMENT OF OBJECTIVE

It is the objective of the Owner to operate the housing program so the program, when viewed in its entirety, is readily accessible to and usable by individuals with handicaps. To accomplish this objective, the property will review its policies and procedures, and to:

- Modify those policies and procedures which impose barriers to full accessibility by individuals with handicaps; and
- Adopt such new policies and procedures as are required to provide full accessibility by individuals with handicaps.

The property will also evaluate its program and activities to determine if any physical barriers to full participation by individuals with handicaps exist, and will identify methods for eliminating the identified barriers by:

- Nonstructural changes in the program or activities; and/or
- Structural modifications needed to remove barriers so that the program, when viewed in its entirety, is readily accessible to and usable by individuals with handicaps.

In selecting among available methods, the following guidelines will be used:

- A. Priority will be given to methods that offer activities and facilities in the most integrated setting appropriate (i.e., so that individuals with handicaps may participate in the program in the manner which is most similar to the manner in which individuals without handicaps participate).
- B. No action will be taken which would result in a fundamental alteration in the nature of the property's program or activities.
- C. No action will be taken which would result in an undue financial/administrative burden on the property and the owner.
- D. With respect to actions that would result in a fundamental alteration or undue burden, the property will take such similar action, if any, which would ensure that individuals with handicaps receive the program's benefits and services without resulting in a fundamental alteration or undue burden.

- E. Priority will be given to methods that are requested by individuals with handicaps.

WAITING LIST

The Waiting List Procedures have been designed to take into consideration the needs of individual families for affordable housing.

Equal Housing Opportunity Statement: Management shall not discriminate against any applicant because of race, color, religion, sex, national origin, political and other affiliation, familial status, age, handicap, source of income and regardless of sexual orientation or gender identity or marital status of applicants and residents. A handicapped or disabled person shall be offered any vacant unit of the appropriate bedroom size. The applicant has the right to request reasonable accommodations at the owner's expense. The cost of the accommodation will be at the applicant's expense if Management can prove undue financial burden. The owner/owner's agent will comply with Section 504 (covers federally assisted units) of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Equal Access to Housing in HUD Programs - Regardless of Sexual Orientation or Gender Identity Final Rule.

Management will not discriminate against applicants or residents regardless of sexual orientation, gender identity or marital status as defined in 24 CFR 5.100.

Assignment Plan: Each applicant shall be assigned his or her appropriate place on the waiting list in sequence based upon date and time of application, suitable type or size of unit, and any other factors as determined by the owner. The applicant first on the waiting list shall be offered a dwelling unit in accordance with the following plan:

Waiting List Procedures

- A. There will be one master waiting list. However, additional waiting lists may be maintained, such as Barrier Free, In-House Transfers, etc.
- B. **Income Targeting:** When an apartment becomes available the owners will make at least forty (40%) percent of the assisted units that became available in the property's fiscal year available to households whose income does not exceed the higher of thirty (30%) percent of the area median income ("extremely low-income") or the Federal Poverty Level for the current year at the time of admission. Also, the following income targeting limitations continue to apply:

- For properties occupied **before October 1, 1981**, seventy-five (75%) percent of the turnover units in any year must be rented to households with incomes equal to or less than the very low-income limit (50% of Area Median Income Limit).
- For properties occupied **on or after October 1, 1981**, eighty-five (85%) of the turnover must be rented to households with incomes equal to or less than the very low-income limit.

The owner elects the following method to meet the Income Targeting requirements:

- Method 1 - In chronological order, select eligible applicants from the waiting list whose income is at or below the extremely low income limit (30%) to lease the first 40% of units vacated during the property's fiscal year. After the minimum requirement is met (40% of annual vacancies), vacant units will be leased to applicants in waiting list order.
- Method 2. In alternating order, select the first eligible "extremely low income" applicant from the waiting list, then select the next eligible applicant from the top of the waiting list (regardless of income level). Continue to alternate between next eligible "extremely low income" applicant and the eligible applicant at the top of the waiting list until the 40% target is met. Thereafter, lease available units to the next eligible applicant at the top of the waiting list regardless of income level.
- Method 3. In chronological order, alternate between the first "extremely low income" applicant on the waiting list and the applicant at the top of the waiting list in groups of (10). In chronological order lease the first (4) available units to "extremely low-income" applicants and the next (6) available units to the next eligible applicants on the waiting list regardless of income level. Then, repeat the (4) "extremely low-income" applicant and (6) eligible applicant method.

- C. While remaining in compliance with the above income targeting requirements, **priority to lease vacant units will be given as follows:**

1. Current Section 8 program participating household requesting a transfer due to a request for a reasonable accommodation.
2. Any current household that is participating in the section 8 program is over occupying a unit.
3. See "Method 1, 2 and 3 above."

| |
|---|
| Preferences that affect the order of applicants on the waiting list. All preferences must be verified. |
|---|

Yes No **STATUTORY/HUD REGULATORY PREFERENCES:**

Owners of Section 221(d)(4), 221(d)(3), 236 and 221(d)(3) BMIR properties must give preference to applicants who have been displaced by government action or a presidential declared disaster.

Yes No

STATE PREFERENCES:

Yes No HUD approved

Yes No

LOCAL PREFERENCE:

Yes No HUD approved

If the owner elects to use a local preference, an applicant fulfilling the local preference requirement will be considered for the next available apartment.

**The owner has elected the local preferences marked below.
Unless stated otherwise the preferences are prioritized in the order listed below.**

Priority of Preferences: 1st Elderly, 2nd Near-elderly, 3rd Non-elderly w/ disabilities, 4th

Yes No

Residency Preference:

Yes No HUD approved

The applicant lives in the preference area. The preference area is defined as the municipality in which the property is located. The length of time of residency in the preference area is equal for short or long-term residency.

- 1st Preference- _____
- 2nd Preference- _____
- 3rd Preference- _____

Yes No

Employment Preference

Yes No HUD approved

A household that has an employed head of household, co-head, spouse or other employed adult member of the household.

- 1st Preference- _____
- 2nd Preference- _____
- 3rd Preference- _____

A working preference will be offered to households in which the head or spouse is 62 or older, or to a person with disabilities.

Yes No

Elderly Preference:

Yes No HUD approved

- Yes No 1st Preference – Elderly Persons 62 years of age or older
- Yes No 2nd Preference - Fifty-five (55) years of age or older with disability
- Yes No 3rd Preference - Near-elderly Preference – Fifty (50) years of age or older with disability
- Yes No 4th Preference - Non-elderly Preference – age 61 or younger with disability
- Yes No Non-elderly families with disabilities- The number of non-elderly units will remain 10 %

Yes No

Other Preferences:

Yes No HUD approved

- Yes No None
- Yes No None
- Yes No Other Preference(s)- _____
- Yes No Other Preference(s)- _____

- 4. The first qualified applicant on the wait list.
- D. When a unit becomes available (when a thirty (30) day notice has been submitted), the applicant at the top of the waiting list will be contacted by telephone, email, or in writing via U. S. Mail. Management will attempt to make contact with the applicant by telephone or email, at least (2) times during the next 48-hour period. If contact by telephone or email fails, documentation of the attempts to contact the applicant will be filed with the application.
- E. If contact cannot be made by telephone or email, a letter will be sent through the U.S. mail by certificate of mailing process requesting a date and time for an interview. If there is no response to the letter within five (5) business days from date of letter, the applicant will forfeit the opportunity to apply for the available unit but will remain at the top of the applicable waiting list. When a second unit becomes available, the same process as outlined above will occur. Failure of the applicant to respond to the second letter will be considered a refusal of the unit offer. A letter will be sent through the U.S. mail by certificate of mailing process to inform them that his/her name has been removed from the waiting list.
- F. All attempts to contact the applicant will be documented. Documentation will include notes, emails and letters. In each case of contact, or attempted contact, by telephone, email or U.S. Mail, the contact name, date, time, unit number to be offered, telephone number called and an explanation of the results of the call will be documented on the waiting list. All written communications and notes will be attached to the application.
- G. If an applicant is skipped over the reason for going to the next applicant will be documented on the waiting list.
- H. If the contacted person refuses an available unit, he/she will remain at the top of the applicable waiting list; however, a letter will be mailed immediately (within 48 hours) informing him/her that after the second refusal his/her name will be removed from the waiting list.
- I. When an interview is set up, but the applicant fails to show up and does not contact management within 24 hours of the appointment, the applicant will be removed from the waiting list and placed in the inactive file.

- J. Changes in family size and characteristics may result in moving the applicant to the appropriate unit size waiting list. They will assume a position on the new list based upon the date of their initial application. The decision to move an applicant to a more suitable waiting list rests entirely with management.
- K. All waiting lists will be updated at least bi-annually either by phone or in writing. Those applicants failing to respond within (14) calendar days from date of notification will be removed from the list and placed in an inactive waiting list file. They may reapply when waiting list is open but will not assume their old position on the list. They will be treated as new applicants. It is the responsibility of the applicant to notify management in writing of any changes in phone numbers, addresses, and household composition.
- L. An applicant may be on more than one unit type waiting list if the household qualifies for more than one unit type. The date of initial application will determine place on list.
- M. Once the applicant accepts a unit offered he/she must agree to take possessions in no more than fourteen (14) calendar days.
- N. All applicants will be provided copies of the Notice of Occupancy Rights Under the Violence Against Women Act (Form 5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking and Alternate Documentation form (#5382) when their application rotates to the top of the waiting list and the applicant(s) complete the move-in package.

Closing/Re-opening the Waiting List

Interested parties who insist on submitting applications when the waiting list is closed will not be considered. The application **will not be reviewed** and will be returned.

During the period when the waiting list is closed, the owner/agent **will not** maintain a list of individuals who wish to be notified when the waiting list is reopened.

The waiting lists will be closed when the list of pre-applications has reached a number equal to the estimated annual turnover rate. This will allow for a waiting list of approximately (1) year. Potential applicants will be advised the waiting list is closed and that additional applications will not be accepted. A notice will be published in the Local Publication stating the reason the waiting list is closed and that no additional applications will be taken.

The waiting list will be re-opened when the number of applications on file has been reduced to 30% of the estimated, annual applications needed. The waiting list may be opened for a specific floor plan. The date on which the waiting list will be opened will be publicized in a popular, local publication (30) days in advance. Persons calling the community will be informed that the waiting list is presently closed and that when it is necessary to reopen the waiting list: i) a date will be set for 30 days from the date of the decision to reopen the list; ii) and, a notice will be posted in a popular, local publication.

Security Deposit:

A security deposit is required at move in equal to: The greater of Total Tenant Payment or \$50.00

PRIVACY POLICY

It is the policy of the owner/agent to guard the privacy of individuals conferred by the Federal Privacy Act of 1974, the Health Insurance Portability & Accountability Act of 1996 (HIPAA), Enterprise Income Verification (EIV) System and the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA) to ensure the protection of such individual's records maintained by the owner/agent.*

Therefore, neither the property owner nor its agents shall disclose any personal information contained in our records to any person or agency ***unless*** the applicant/resident gives written consent to do so.

This privacy policy in no way limits the owner/agent's ability to collect such information to determine eligibility, compute rent, or determine and applicant's suitability for tenancy. Consistent with the intent of Section 504 of the Rehabilitation Act of 1973, any information obtained on handicap or disability will be treated in a confidential manner.*

The Owner and Agent are dedicated to protecting the privacy of your personal information that was used to determine your eligibility for rental assistance based on HUD regulations, including Social Security, other governmental identification numbers and any other required information. We are dedicated to maintaining personal information of applicants and residents private and secure. An EIV Guideline and EIV Policy are in place to instruct personnel in the proper use of personnel information.*

CONSENT AND VERIFICATION FORMS

The owner/agent shall obtain verifications in compliance with requirements set forth in the HUD Handbook 4350.03. After the preliminary eligibility determination, no decision to accept or reject an application shall be made until information provided in the application form and subsequent interviews has been collected and any necessary follow-up interviews have been performed. All information relative to the following items must be verified as described in these procedures. Refusal to sign Consent for release of information will result in the rejection of the application.

Information to be verified- The following information will be verified:

- 1. Eligibility for Admission, such as:
 - Income from all sources
 - Unearned income of minors

- Assets and asset income ALL household members
- Identification (all members 18 & older)
- Age
- Household Composition
- Social Security Numbers
- Citizenship and/or legal status
- Disability
- Student Status
- EIV Existing Tenant Search - Double Subsidy*
- Other-

2. Resident Selection Criteria:

- Criminal History (Includes State Lifetime Sex Offender Registration)
- Credit History
- Rental History Personal References

3. Allowances, such as:

- Age Disability
- Student status
- Child care expenses (to work, look for work, go to school if no other member in household to care for child)
- Medical expenses (for elderly/disabled households only)

4. Preferences, such as

- Government Displacement
- Other owner preference: (such as Elderly, near elderly, employment etc.)

5. Special Program Requirements, such as:

- Age: Disability

6. The need for an Accessible Unit

Methods of Verification – Verifications will be attempted in the following order:

1. EIV Existing Tenant Search Report*
2. Third Party verification (written)
3. Third Party verification (oral)
4. Review of applicable documents
5. Self-certification - In the absence of any of the above, affidavits from the household (as allowed by HUD HB 4350.03, appendix 3) (Self-certification)
6. Streamlining verification method for 2nd & 3rd year annual and interim verifications.

Sources of Information to be checked may include, **but are not limited to:**

Any member or applicant household, present and former landlords, present and former employers, bank, financial institutions, other family members person or organizations providing regular contributions to the household, credit screening providers, criminal screening providers, eviction screening providers, social workers, parole officers, health providers, physicians, child care providers, E.I.V (Enterprise Income Verification-HUD System), S.A.V.E (Systematic Alien Verification for Entitlement Program) etcetera.

Forms of Verification documentation required as part of the verification process may include, **but is not limited to:** Checklist as part of interview process, verification forms completed and signed by third parties, reports of third party oral verification through person to person interviews, documents received via applicant/tenant provided documents, facsimile, e-mail and internet, documents, i.e., award letters, pay stubs, bank statements, etc. notarized self-certification.

At a minimum, such reports will indicate the date and time of the conversation, source of the information, name and job title of the individual contacted, and a written summary of the information received.

Management will be the final judge of the credibility of any verification submitted by an applicant. If the documentation is considered to be doubtful, it will be reviewed by Management, who will make a ruling about its acceptability. Management will continue to pursue credible documentation until it is obtained or the applicant's application is rejected for failing to produce it.

Sources of Information - Sources of information to be checked may include, but are not limited to:

- 1) the applicant by means of interviews
- 2) present and former housing providers
- 3) present and former employers
- 4) credit checks and management record services
- 5) social workers, parole officers, court records, drug treatment centers, physician, clergy
- 6) Enterprise Income Verification System provided by HUD*
- 7) The Department of Health and Human Services (HHS)
- 8) The Social Security Administration (SSA)
- 9) Medicare/Medicaid
- 10) law enforcement – federal, state, or local

- 11) Dru Sjodin National Sex Offender Public Website (or other vendor providing Sex Offender Search)
- 12) "institutes of higher learning" for student status
- 13) SAVE System for noncitizen status
- 14) Enterprise Income Verification (EIV) will used to determine if applicants are receiving Section 8 subsidy from their current landlord
- 15) Enterprise Income Verification (EIV) will then be used on all residents at their recertifications to check the records kept by certain public agencies

Period of Verification:

Verification must be less than 120 days old from the date management receives it, to be used for verification or recertification. Verified information not subject to change (such as a person's date of birth) will not be re-verified.

ATTEMPTED FRAUD

Any information provided by the applicant that verification proves to be untrue may be used to disqualify the applicant for admission on the basis of attempted fraud. HUD regulations consider false information discovered during the application process on any of the following to be grounds for rejecting an application:

- 1) Income, assets, household composition
- 2) Social Security Numbers
- 3) Preferences and/or priorities
- 4) Allowances
- 5) Previous residence history
- 6) Criminal history
- 7) Citizenship, naturalization, and/or eligible non-citizen status
- 8) Student status, full or part time

If the applicant or any member of the applicant household fails to fully and accurately disclose rental history, the application may be denied based on the applicant's "misrepresentation" of information.

Unintentional errors that do not cause preferential treatment will not be used as a basis to reject the application.

REVIEW OF APPLICATIONS FOR ACCEPTANCE OR REJECTION

- a.) If the applicant requests an appeal interview to determine whether mitigating circumstances or reasonable accommodations due to their disability would make it possible to accept their application, management will do so according to HUD regulations and Section 504 of the Rehabilitation Act of 1973.
- b.) If you are a person with a disability, you have the right to request reasonable accommodations to participate in the informal hearing process.
- c.) If an applicant is clearly eligible and passes the screening guidelines, admission shall be authorized. Likewise, if the applicant is ineligible, rejection of the application shall be authorized.
- d.) Management will follow the grievance process set forth in the HUD Handbook 4350.3 Revision 1 which is the applicant's right to respond to the owner in writing or request a meeting within 14 days to dispute the rejection.

APPLICANTS WITH DISABILITIES OR HANDICAPS

Management must consider the appeal of an application rejection; if the applicant has a disability and the reasons for the rejection could be overcome by management's reasonable accommodation of the applicant's disability. For reasonable accommodations to apply there are several requirements. First, the applicant must make the request and have a verifiable disability [mental or physical impairment that substantially limits one or more major life activities]. The disability must have a direct nexus to the reason the application would be rejected. The applicant must request the reasonable accommodation and provide verification of the disability and the need for the accommodation. Finally, for the accommodation to be reasonable it cannot result in an undue financial and administrative burden to the Property.

In some situations, even with reasonable accommodations, applicants with disabilities cannot meet essential program requirements. In these situations the applicant is not eligible and the application will be rejected. Examples of such situations are where the behavior or performance in past housing caused a direct threat to the health or safety of persons or property; past history or other information that shows the applicant's inability to comply with the terms of the Property's lease; or an objective determination that the applicant would require services from management that represent an alteration in the fundamental nature of the Property's program.

LEASE AGREEMENT

The Lease Agreement: A Lease Agreement shall be entered into between management and the head(s), co-head and all other members 18 and older of household prior to the family's admission. The initial lease term will be no less than one full year (12-months). One copy of the executed Lease will be given to the resident and one executed copy will be filed in the permanent file established for the family.

Term of Lease Agreement: During the term of the Lease, management shall be notified by resident in writing if:

Guests of the household are expected to live in the unit for more than (14) consecutive calendar days.

Residents have guests living in the units for more than a total of (14) calendar days for any (6) month period. Any resident in violation of this policy shall be subject to lease termination or eviction unless the guest is processed and accepted for residency.

Rent Adjustments: In the event of any rent adjustment, management will mail or deliver a notice of rent adjustment to the resident. Notices of rent adjustment will be issued to amend the dwelling lease. Documentation will be included in the resident file to support proper notification as per 4350.3 requirements.

Changes in Family Composition: Changes in family composition shall become part of the existing lease only upon the expressed approval of management. Any change shall be reported by the resident within ten (10) days of said change. Any family member out of the household for more than 30 days, unless for shared custody, will be removed from the family household composition.

Abandonment of Dwelling Unit: During the term of the Lease, a unit will be considered abandoned if it is unoccupied for more than sixty (60) consecutive days **unless prior approval of management has been received**. A period of ninety (90) days will be allowed for vacation, and one hundred and eighty (180) days for medical reasons.

A unit will be considered abandoned in the event management has evidence indicating the tenant has permanently vacated the premises including, but not limited to, the removal by the tenant of substantially all of the tenant's possessions and personal effects from the premises or the **tenant's voluntary termination of utility service to the premises**. Management will provide written ten (10) day notice of owner's intent to take possession of unit unless additional notice is required by State or local law.

Subleasing: The dwelling unit shall be the only residence of the residents on the Lease Agreement. The unit shall not be sublet and may not be used for any other purpose than the private dwelling of the residents and family as specified in the Lease Agreement.

Drug Free Housing: Provisions are included in the lease document (Paragraph 23) stating the drug free policy for this community.

Notice to Section 8 Residents: Notice to Section 8 Residents must be provided to resident at time of move-in. This Notice explains in detail the required information residents must report to management due to changes in household income and/or family composition that occurs between regularly scheduled (annual) re-certifications. This Notice also explains the time frame in which the resident must comply.

MOVE IN

Management and Applicant(s) will prior to move-In:

- Review the documents included in the move-in package.
- The applicant and Management will inspect the unit and will **sign and date** the move-in inspection form.
- All adult members of the household will sign the lease and related documents.
- The applicant will pay the security deposit (and, for communities with pet policies, etc., any other deposits called for under the lease agreement.)
- The applicant will pay the rent for the first month or partial month of occupancy as set forth in the lease.

At the time of move-in, keys to the apartment and/or mailbox will be issued to the household.

If the household fails to move in on the agreed date, the application will be declined and the unit will be offered to the next household on the Waiting List.

MOVE OUT

Resident must provide a written notice of intent to vacate no less than thirty (30) days prior to move out. Management will complete form prepared by the property outlining the Section 8 Lease Agreement and provide guidance to the resident of resident responsibilities in preparation to vacate the unit. Management will provide the resident with a copy of prepared form.

All residents must be notified of the status of their escrow deposits and any charges that were assessed against their deposits.

The move-out inspection process can be conducted with or without the resident, although having the resident present can help to eliminate any future misunderstanding of charges. The Unit Inspection Report will be used to compare apartment conditions before and after the lease term, along with completing appropriate charges to be assessed.

The Move-out Inspection form will be signed and dated by the Owner/Agent and the resident, if present. A copy of the Move-out Inspection form will be maintained in the tenant file.

ANNUAL RECERTIFICATION

Annual re-certifications shall be conducted in compliance with the following procedure:

- A. Annually, at least 120 days prior to each resident's Lease Anniversary Date, each family will be notified in writing of the requirement to file and sign a complete recertification form. This form shall provide accurate information regarding annual income, employment, and family composition to determine rent and apartment size. Verifications shall be obtained in accordance with the procedure set forth in the HUD Handbook 4350.3 and determinations shall be made accordingly. In the event of failure, or refusal, of the resident to report the necessary information, management retains the right to terminate the existing lease. If the resident is a person with disabilities, the owner must consider extenuating circumstances when this would be required as a matter of reasonable accommodation.
- B. Recertification procedures are to begin at least one hundred twenty (120) days prior to the annual recertification date. Complete and accurate records shall be maintained to insure each resident receives the recertification review within this time frame.
- C. Upon completion of interviews and verifications, each resident shall be notified of the results of the recertification or termination of lease within thirty (30) days.

Management will complete a Sexual Predator Database search at annual recertification for all household members in any state where any household member did formerly reside. Consent for release of information for felony and sexual offense crimes will be signed by each new resident and renewal resident at the time of certification and annual recertification. Refusal to sign consent form will result in lease termination. Past criminal history of applicants and or residents may be a basis for rejection or lease termination if information received from law enforcement authorities indicates that an applicant, resident or household member may pose a present threat to the health, safety, or right to peaceful enjoyment by other residents, property management staff or persons residing in the immediate vicinity of the facility. The same criteria as outlined on pages fifteen, sixteen & seventeen (Drug Abuse and Other Criminal Activity) apply at annual re-certification.

- D. In the event an applicant or resident omits or falsifies information regarding a household member having a lifetime registration requirement as a Sexual Predator the owner will immediately pursue termination of assistance or eviction of the household member.

INTERIM RE-CERTIFICATIONS

Residents are required to report conditions or circumstances that change their occupancy status. Tenants **must report** the following changes to the owner or agent:

- A. A family member leaves the household.
- B. The family proposes to add a new member to the household.
- C. A change of employment of a family member.
- D. A cumulative change in monthly family income of \$200 or more.

Residents **may request** an interim recertification if the following changes occur during an annual recertification period that may affect the Total Tenant Payment (TTP) or rental assistance payment:

- A. A decrease of income.
- B. An increase in allowances such as medical expenses, child care, etc.

Tenants are required to report when a family member turns 18 years of age during an annual recertification period. The household member must report to the office and sign HUD form 9887 and 9887A within 30 days of their 18th birthday.

GROSS RENT CHANGE

In the case of a gross rent change that increases the tenant rent, a 30-day written notice will be provided prior to the rent increase.

Changes to the Tenant Selection Plan, Lease, and Lease addendum: Applicants on the waiting list will be notified of future changes to the Tenant Selection Plan by: i) Posting the revised Tenant Selection Plan in the management office; ii) And, by written notice.

Charges other than rent: The owner may charge for facilities or services provided by the apartment community. The charge for specific services or use of facilities is explained in other Policy documents that may include, but not be limited to:

- A. A Pet Policy;
- B. A Rent Collection Policy;
- C. A Meal Program;
- D. A Return Check Policy;
- E. A Resident Damages Policy;
- F. Special Management Services Policy (lock-out calls and replacement keys, etc.).

Many of these charges are incorporated into the Lease Agreement.

Exhibit 1

Harbour Square Apartments

Income Limits

April 20, 2020

Each applicant family must meet income restrictions that apply for program type;

Applies Does not apply

Section 8 (Federal subsidy)

| Hanover County Virginia | 1 person | 2 person | 3 person | 4 person | 5 person | 6 person | 7 person | 8 person |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| FY 2020 MFI: 89,400 | | | | | | | | |
| 30% OF MEDIAN (Extremely Low) | 18,800 | 21,450 | 24,150 | 26,800 | 30,680 | 35,160 | 39,640 | 44,120 |
| 50% VERY LOW INCOME | 31,300 | 35,800 | 40,250 | 44,700 | 48,300 | 51,900 | 55,450 | 59,050 |
| 80% LOW INCOME | 50,050 | 57,200 | 64,350 | 71,500 | 77,250 | 82,950 | 88,700 | 94,400 |

Applies Does not apply

Section 236/Market Unit Applicants minimum income limit:

Non-section eight subsidized applicant families must meet the minimum monthly income must equal or be greater than 1.5 times the total tenant rent.

Applies Does not apply

LIHTC Housing Credit Income restriction:

An applicant family's total household income from all sources may not exceed 60% of the gross median income.

Hanover County, Virginia

FY 2020 MFI: 89,400

60% LIHC Limit

| 1 person | 2 person | 3 person | 4 person | 5 person | 6 person | 7 person | 8 person |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 37,560 | 42,960 | 48,300 | 53,640 | 57,960 | 62,280 | 66,540 | 70,860 |

Credit History
Exhibit 2

An application is rejected if:

Assisted Housing Applicants

- Families/persons moving from a previous residence with an outstanding balance owed for rent, damages, or other charges.
- Families/persons with an outstanding balance owed for a utility company (electric, water, sewer, gas).
- Resident has not fulfilled the terms of a Repayment Agreement with a former landlord.

236 /Market and LIHTC Applicants without section 8 assistance

- Families/persons moving from a previous residence with an outstanding balance owed for rent, damages, or other charges.
- Families/persons with an outstanding balance owed for a utility company (electric, water, sewer, gas).
- Families/persons on whom a judgment has been obtained in a court of law or more than two (2) installments and or revolving accounts have been turned over for collection in the prior (2) years from date of application. The exception is medical or hospital expenses.
- In determining the time frames discussed above, "date of last activity" reported by credit bureau or creditor may be considered.

Accessible Units

Exhibit 3

Harbour Square Apartments

Accessible Unit Transfer Agreement

Date: _____

I, applicant name(s) , understand that I will occupy an accessible apartment at move in and that no one in my household requires the special features of the apartment.

I, applicant name(s) understand that should a qualified applicant that requires the special features of this unit apply, that management will provide notice in writing that I will be transferred to another apartment unit and that the full cost of transferring will be my responsibility.

I, applicant name(s) understand that once I receive written notice from management that within 30 days I will transfer to the available unit or vacate the accessible unit.

Head of household signature

Date

Co-head/ other adult signature

Date

Other adult member signature

Date

Community Manager

Date

EXHIBIT 5

Harbour Square Apartments

7102 New Hunter Road

Mechanicsville, VA 2311

Telephone (804) 730-1284

Fax (804) 730-9682

Applicants must disclose social security numbers (SSNs) in order for Harbour Square to make an eligibility determination.

If the applicant cannot provide SSN documentation he/she must certify that a social security number has been assigned and provide proof to the office at Harbour Square within ninety (90) days from the date on which the applicant certified that the documentation was not available.

If the applicant is unable to provide social security documentation within ninety (90) days from the date they are first offered a unit, the applicant will be determined ineligible and removed from the waiting list.

For applicants sixty two (62) years of age and older on January 31, 2010, an additional ninety (90) day period is allowed.

Assistance in subsidized housing is restricted to the following: U.S. citizens or nationals; and noncitizens that have eligible immigration status

American Apartment Management Company, Inc., as agent for Harbour LIHTC, LP, is responsible for administering the restriction on assistance to noncitizens in accordance with regulations. When administering the restriction, American Apartment Management Company, Inc. treats all applicants equally, applying the same non-citizen rule procedures without regard to race, color, national origin, sex, religion, disability, or familial status and regardless of sexual orientation or gender identity or marital status of applicants and residents.

A mixed family—a family with one or more ineligible family members and one or more eligible family members—may receive prorated assistance, continued assistance, or a temporary deferral of termination of assistance.

If no SSN has been assigned to a particular family member, the applicant must sign a certification stating that no SSN has been assigned

Required Documentation of Citizenship/Immigration Status;

U.S. Citizens

1. A Signed declaration of citizenship for each household member
2. A Family Summary Form completed by head of household
3. Documentation of Social Security Numbers
4. A U. S. Pass Port for all household members

Documentation of proof of citizenship when proof of identity is also provided:

- 1) U. S. Birth Certificate
- 2) Certification or Report of Birth Abroad issued by USCIS or the State Department
- 3) U. S. Citizen ID Card issued by USCIS
- 4) U. S. Naturalization Certificate issued by U. S. Citizenship & Immigration Services (USCIS)
- 5) Certificate of Citizenship issued by USCIS
- 6) American Indian card issued by USCIS for the Kickapoo tribe
- 7) Final Adoption Decree
- 8) Evidence of Civil Service employment by U. S. Government before 6/1/1976

EXHIBIT 5 (Continued)

- 9) Official Military Record of Service showing U. S. place of birth (i.e., a DD-214)
- 10) Northern Mariana ID card issued by USCIS to a naturalization citizen born before 11/4/1986
- 11) Extract of U. S. hospital birth record established at the time of birth
- 12) Proof of identity includes:
 - A) Driver's License
 - B) Certain government issued ID cards with photo (if no photo, must include identifying information)
 - C) Tribal government issued ID and documents, including Certificate of Indian Blood
 - D) Day care or nursery record (minors only)
 - E) School record or report card (under 16 only)
 - F) School ID with picture
 - G) U. S. Military ID, U. S. Military Dependent ID or U. S. Military Draft Record (over 16 years only)

Non-Citizens:

Noncitizens must sign a Verification Consent Form and submit documentation of their status or sign a declaration that they do not claim to have eligible status.

Noncitizens age 62 and older on January 31, 2010 must sign a declaration of eligible immigration status and provide a proof of age document.

1. A signed declaration of eligible immigration status for each household member;
2. A family summary sheet completed by head of household.
3. A signed consent form for each household member; and
4. One of the DHS-approved documents for each member listed below.
 - A. Form I-551, *Alien Registration Receipt Card* (for permanent resident aliens).
 - B. Form I-94, *Arrival-Departure Record* annotated with one of the following:
 - i. "Admitted as a Refugee Pursuant to Section 207";
 - ii. "Section 208" or "Asylum";
 - iii. "Section 243(h)" or "Deportation stayed by Attorney General"; or
 - iv. "Paroled Pursuant to Section 212(d)(5) of the INA."
 - C. Form I-94, *Arrival-Departure Record* (with no annotation) accompanied by one of the following:
 - i. A final court decision granting asylum (but only if no appeal is taken);
 - ii. A letter from an DHS asylum officer granting asylum (if application was filed on or after October 1, 1990) or from an DHS district director granting asylum (application filed was before October 1, 1990);
 - iii. A court decision granting withholding of deportation; or
 - iv. A letter from an asylum officer granting withholding of deportation (if application was filed on or after October 1, 1990).
 - D. A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above-listed categories has been made and that the applicant's entitlement to the document has been verified.
 - E. *Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice in the *Federal Register*.*

Citizenship declarations will be verified using the SAVE system located at <http://www.vis-dhs.com/> or E-Verify at <https://www.uscis.gov/> (Reference HUD HB 4350.3, Chapter 4, paragraph 3-12, H, page 3-28).

EXHIBIT 5 (Continued)

To be signed by **adult household** members **who do not have documentation of their Social Security Number**. Use additional forms if needed.

I _____, certify that my social security number is:
_____. I further certify that this Social Security Number has been assigned to me and I will provide the required documentation within ninety (90) days of this certification. I understand that if I do not provide documentation within ninety (90) days, I will be removed from the wait list.

Signature

Date:

I _____, certify that my social security number is:
_____. I further certify that this Social Security Number has been assigned to me and I will provide the required documentation within ninety (90) days of this certification. I understand that if I do not provide documentation within ninety (90) days, I will be removed from the wait list.

Signature

Date:

To be signed by a **parent or guardian for all household members between the age of 6 and 17 who do not have documentation of their Social Security Number**. Use additional forms if needed.

I _____, do certify that a social security number has been assigned to the following minors in my household, and I will provide the required documentation within ninety (90) days of this certification. I understand that if I do not provide documentation within ninety (90) days, I will be removed from the wait list.

Parent/Guardian Signature

Date:

Grievance Procedure for Applicants
Exhibit 6

When rejecting an application, management will:

- 1) provide notification in writing of reasons for rejection;
- 2) inform the applicant they have 14 days to request in writing a meeting to discuss the rejection:
- 3) participate through a representative in an informal meeting;
- 4) provide a written determination to the applicant within 5 days of meeting.
- 5) if you believe there are mitigating circumstances that should be considered that would allow us to continue processing your application, please advise us so we may schedule a meeting to discuss your request, and,
- 6) if you are a person with a disability, you have the right to request reasonable accommodations to participate in the informal hearing process
- 7) Your response to this letter does not preclude you from exercising other avenues available if you believe that you are being discriminated against on the basis of race, color, religion, sex, national origin, familial status, or handicap and regardless of sexual orientation or gender identity or marital status of applicants and residents.

I have been given the opportunity to ask any questions that pertain to the Resident Selection Guidelines. I/we by signing below certify that we have read and received a copy of these guidelines.

Applicant's Signature

Date

Applicant's Signature

Date

Exhibit 7
Definitions

(HUD Handbook 4350.3, Revision 4, Chapter 3, Figure 3-6, page 3-48)

Elderly Family: (Definition A)

Elderly family means a family whose head or spouse or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Disabled Family: (Definition D)

A disabled family is a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

Person with Disabilities: (Definition E)

A person with disabilities for purposes of program eligibility:

1. Means a person who:
 - (i) Has a disability, as defined in 42 U.S.C. 423;
 - a. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
 - b. In the case of an individual who has attained the age of 55 and is blind, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time. For the purposes of this definition, the term blindness, as defined in section 416(i)(1) of this title, means central vision acuity of 20/200 or less in the better eye with use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for the purposes of this paragraph as having a central visual acuity of 20/200 or less.
2. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - a. Is expected to be of long-continued and indefinite duration,
 - b. Substantially impedes his or her ability to live independently, and
 - c. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

Exhibit 7 (continued)

- (1) Has a developmental disability, as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(8)), i.e., a person with a severe chronic disability that
 - a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitation in three or more of the following areas of major life activity:
 1. Self-care,
 2. Receptive and expressive language,
 3. Learning,
 4. Mobility,
 5. Self-direction,
 6. Capacity for independent living, and
 7. Economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.
- (2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
- (3) For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and
- (4) Means person with disabilities (individual with handicaps), as defined in 24 CFR 8.3, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

Violence Against Women Act (VAWA) (2013)

This act defines the rights of individuals who are victims of domestic violence, dating violence, sexual assault or stalking. The Violence Against Women Act is summarized in the policy list in Exhibit 8.

Affiliated Individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in place of a parent or guardian (i.e., an individual is in your care, custody or control), or any individual, tenant, or lawful occupant in your household.

Exhibit 8 – Violence Against Women Act Policy (VAWA)

- I. Notification Of Occupancy Rights Under the Violence Against Women Act – Form 5380
- II. Certification Of Domestic Violence, Dating Violence or Stalking and Alternate Documentation – Form 5382
- III. VAWA Lease Addendum – Form 91067
- IV. AAMCI VAWA Policy
- V. Emergency Transfer Plan – Form 5381
- VI. Emergency Transfer Request–Victim– Certification Form 5382
- VII. Emergency Transfer Request – Management – Certification Form 5383
- VIII. Emergency Transfer Request Tracker

(Attach a copy of the VAWA documents listed above to the Tenant Selection Plan for the property.)

Y

Inducement Resolution for Tax Exempt Bonds

Non VHDA loan 4% deals only



May 29, 2020

Virginia Housing Development Authority
602 S. Belvidere Street
Richmond, Virginia 23220

Harbour Square Apartments

Ladies and Gentlemen,

We have been retained to serve as bond counsel in connection with the issuance of tax-exempt multifamily housing revenue bonds by the Economic Development Authority of Hanover County (the "Authority"), the proceeds of which are expected to be used by Harbour LIHTC, LP (the "Borrower"), together with other sources of funds, to finance the acquisition and rehabilitation of Harbour Square Apartments (the "Project"), located in Mechanicsville (Hanover County), Virginia.

In connection with the Borrower's 4% tax credit application to be submitted to Virginia Housing Development Authority, this will confirm that the that the Authority has agreed to work with the Borrower for the issuance of tax-exempt bonds in connection with the transaction, and has at this time taken substantive steps to that end, including without limitation the scheduling of meetings and a public hearing with respect to the issuance of such bonds, as required by applicable Federal and Virginia law. Please feel free to contact the undersigned at 804.554.4802 with any questions or concerns on these matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard L. Hurlbert, Jr.", is written over the typed name.

Richard L. Hurlbert, Jr.