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# 2021 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 18, 2021**

#### 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  
601 South Belvidere Street  
Richmond, Virginia 23220-6500

## INSTRUCTIONS FOR THE VIRGINIA 2021 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 18, 2021**. 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:**

**Virginia Housing only accepts files via our work center sites on Procorem. Contact [TaxCreditApps@virginiahousing.com](mailto:TaxCreditApps@virginiahousing.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 Virginia Housing LIHTC Allocation Department staff.**

#### Disclaimer:

Virginia Housing 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 Virginia Housing.

#### 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 Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

#### Virginia Housing LIHTC Allocation Staff Contact Information

<b>Name</b>	<b>Email</b>	<b>Phone Number</b>
JD Bondurant	<a href="mailto:johndavid.bondurant@virginiahousing.com">johndavid.bondurant@virginiahousing.com</a>	(804) 343-5725
Sheila Stone	<a href="mailto:sheila.stone@virginiahousing.com">sheila.stone@virginiahousing.com</a>	(804) 343-5582
Stephanie Flanders	<a href="mailto:stephanie.flanders@virginiahousing.com">stephanie.flanders@virginiahousing.com</a>	(804) 343-5939
Phil Cunningham	<a href="mailto:phillip.cunningham@virginiahousing.com">phillip.cunningham@virginiahousing.com</a>	(804) 343-5514
Pamela Freeth	<a href="mailto:pamela.freeth@virginiahousing.com">pamela.freeth@virginiahousing.com</a>	(804) 343-5563
Aniyah Moaney	<a href="mailto:aniyah.moaney@virginiahousing.com">aniyah.moaney@virginiahousing.com</a>	(804) 343-5518

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6. <a href="#">Team Information</a>	Development Team Contact information
7. <a href="#">Rehabilitation Information</a>	Acquisition Credits and 10-Year Look Back Info
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## 2021 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 Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

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



VHDA TRACKING NUMBER

2021-C-56

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/18/2021

1. Development Name: Poplar Creek Homes
2. Address (line 1): Poplar Creek Street  
 Address (line 2):   
 City: South Boston State: VA Zip: 24592
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 36.70400 Latitude: -78.91500  
 (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 Halifax 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: 51083930800.00
7. Development is located in a **Qualified Census Tract**..... FALSE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** ..... FALSE
10. Development is located in a **Revitalization Area designated by resolution** ..... TRUE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE  
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....
 

	3%	10%	12%
	FALSE	FALSE	TRUE

Enter only Numeric Values below:

13. Congressional District: 5
- Planning District: 13
- State Senate District: 20
- State House District: 60

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

[Link to Virginia Housing'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

Poplar Creek Homes involves the new construction of 32 one, two and three-bedroom affordable apartments in South Boston, Virginia, seeking to provide housing for low-income individuals and families. In addition, five units will meet Section 504 accessibility and Universal Design requirements. The sponsor for the project is Southside Outreach Group, Inc., a South Boston-based nonprofit that has a strong track record of providing affordable housing in Halifax County. The Town of South Boston has acquired CDBG funding to support the infrastructure development required for the project.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/18/2021

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: Tom Raab  
 Chief Executive Officer's Title: Town Manager Phone: (434) 575-4222  
 Street Address: 455 Ferry Street  
 City: South Boston State: VA Zip: 24592

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

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

Chief Executive Officer's Name:   
 Chief Executive Officer's Title:   
 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:

Non Profit Pool

or

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

[Redacted]

For Tax Exempt Bonds, where are bonds being issued?

[Redacted]

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

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

Carryforward Allocation

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2021.

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, 2021, 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 2021 credits pursuant to Section 42(h)(1)(E).

**3. Select Building Allocation type:**

New Construction

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

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

TRUE

**If True, additional Credit Request cannot exceed 10% of the prior credit award.**

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

FALSE

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

Name of companion development: [Redacted]

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

FALSE

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

**6. Extended Use Restriction**

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

**Must Select One:** 30

**Definition of selection:**

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

**C. OWNERSHIP INFORMATION**

NOTE: Virginia Housing 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 Virginia Housing 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: Poplar Creek Homes, LLC

Developer Name: Southside Outreach Group, Inc.

Contact: M/M  Mr.  First: Earl MI: T. Last: Howerton

Address: 1425 Seymour Drive

City: South Boston St.  VA Zip: 24592

Phone: (434) 572-9556 Ext.          Fax: (434) 572-6762

Email address: ehowerton@ssorg.org

Federal I.D. No. 83-3821077 (If not available, obtain prior to Carryover Allocation.)

Select type of entity:  Limited Liability Company Formation State:  VA

Additional Contact: Please Provide Name, Email and Phone number.  
Earlene Powell, outreach01@embarqmail.com, 434-572-9556

- 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>SSOG Poplar Management, Inc.</u>	<u>(434)572-9556</u>	<u>Managing Member</u>	<u>0.009%</u>	
<u>Southside Outreach Group, Inc.</u>			<u>0.000%</u>	<i>needs</i>
<u>sole shareholder</u>			<u>0.000%</u>	<i>needs</i>
<u>Earl Howerton, Executive Director</u>			<u>0.000%</u>	<i>needs</i>
<u>Housing Equity Fund of VA XXIII, LLC</u>	<u>(804) 482-5388</u>	<u>Investor Member</u>	<u>99.990%</u>	
<u>VAHM, LLC</u>	<u>(804) 482-5388</u>	<u>Special Member</u>	<u>0.001%</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 Virginia Housing 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 Virginia Housing 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). .... **TRUE**

**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 Virginia Housing 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:  Deed  \_\_\_\_\_  
 Expiration Date:

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. 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.  TRUE ..... Owner already controls site by either deed or long-term lease.

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

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: Town of South Boston, Virginia

Address: 455 Ferry Street

City: South Boston St.: VA Zip: 24592

Contact Person: Tom Raab Phone: (434) 575-4200

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.)

Names	Phone	Type Ownership	% Ownership
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

**E. DEVELOPMENT TEAM INFORMATION**

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

1. Tax Attorney: Becca Hartstein This is a Related Entity. FALSE  
 Firm Name: Applegate & Thorne-Thomsen  
 Address: 425 S. Financial Place, Ste 1900, Chicago IL 60605  
 Email: bhartstein@att-law.com Phone: 312-491-4416
  
2. Tax Accountant: Michael Vicars This is a Related Entity. FALSE  
 Firm Name: Dooley & Vicars, CPAs  
 Address: 21 South Sheppard Street, Richmond, VA 23221  
 Email: mike@dvcpas.com Phone: 804-355-2808
  
3. Consultant:  This is a Related Entity. FALSE  
 Firm Name:  Role:   
 Address:   
 Email:  Phone:
  
4. Management Entity: Earlene Powell This is a Related Entity. TRUE  
 Firm Name: Southside Outreach Group, Inc.  
 Address: 1425 Seymour Drive  
 Email: outreach01@embarqmail.com Phone: 434-572-9556
  
5. Contractor: Jimmy Holland This is a Related Entity. FALSE  
 Firm Name: Peacock Holland Construction  
 Address: 301 S Main Street, Suite 105  
 Email: jimmy@peacockhollandconstruction.com Phone: 540-613-2160
  
6. Architect: Colin Arnold This is a Related Entity. FALSE  
 Firm Name: Arnold Design Studio  
 Address: 930 Cambria Street, NE, Christiansburg, VA 24073  
 Email: carnold@arnolddesignstudio.com Phone: (540) 239-2671
  
7. Real Estate Attorney: Peter Henderer This is a Related Entity. FALSE  
 Firm Name: McCandlish Holton  
 Address: 1111 East Main Street, Ste 2100, Richmond, VA 23219  
 Email: phenderer@lawmh.com Phone: 804-755-3833
  
8. Mortgage Banker:  This is a Related Entity. FALSE  
 Firm Name:   
 Address:   
 Email:  Phone:
  
9. Other:  This is a Related Entity. FALSE  
 Firm Name:  Role:   
 Address:   
 Email:  Phone:



**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

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

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

**2. Ten-Year Rule For Acquisition Credits**

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

b. Minimum Expenditure Requirements

- i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... FALSE
ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
iv. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab 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..... TRUE
b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... TRUE
ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE
iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

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

G. NONPROFIT INVOLVEMENT

<p><b>Applications for 9% Credits</b> - Section must be completed in order to compete in the Non Profit tax credit pool.</p>
<p><b>All Applicants</b> - Section must be completed to obtain points for nonprofit involvement.</p>

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

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

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

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... TRUE (If false, go on to #3.)

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ Applicant

Name: Southside Outreach Group, Inc. (Please fit NP name within available space)

Contact Person: Earl T. Howerton

Street Address: 1425 Seymour Steet

City: South Boston State: ▶ VA Zip: 24592-0000

Phone: (434) 572-9556 Extension: \_\_\_\_\_ Contact Email: outreach01@embarqmail.

**G. NONPROFIT INVOLVEMENT**

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

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

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

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

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

**Name of qualified nonprofit:** Southside Outreach Group, Inc.

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

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

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

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

**H. STRUCTURE AND UNITS INFORMATION**

**1. General Information**

a. Total number of <b>all</b> units in development	32	bedrooms	74
Total number of <b>rental</b> units in development	32	bedrooms	74
Number of low-income rental units	32	bedrooms	74
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	32	bedrooms	74
Number of adaptive reuse units: .....	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
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.....	41,043.68 <small>(Sq. ft.)</small>		
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....	3,858.00 <small>(Sq. ft.)</small>		
f. Nonresidential Commercial Floor Area (Not eligible for funding).....	0.00		
g. Total Usable Residential Heated Area.....	37,185.68 <small>(Sq. ft.)</small>		
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .....	100.00%		
i. Exact area of site in acres .....	4.422		
j. Locality has approved a final site plan or plan of development.....	TRUE		
If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....	FALSE		

**Definition:**

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

**H. STRUCTURE AND UNITS INFORMATION**

**2. UNIT MIX**

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	844.94	SF	4	4
2BR Garden	1045.78	SF	6	6
3BR Garden	1360.94	SF	6	6
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	1083.03	SF	8	8
2+ Story 3BR Townhouse	1337.69	SF	8	8
2+ Story 4BR Townhouse	0.00	SF	0	0
			32	32

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)..... 16
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 2
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: \_\_\_\_\_
- f. Development consists primarily of : (Only One Option Below Can Be True)
  - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
  - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
  - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

**H. STRUCTURE AND UNITS INFORMATION**

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

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>FALSE</u>	vi. Detached Two-family	<u>TRUE</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 ▶ Frame  
 k. Primary Exterior Finish ▶ Fiber Cement Siding

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

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

l. Describe Community Facilities: \_\_\_\_\_

m. Number of Proposed Parking Spaces..... 64  
 Parking is shared with another entity ..... FALSE

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

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

**H. STRUCTURE AND UNITS INFORMATION**

**5. Plans and Specifications**

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

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

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

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

**NOTE:** All developments must meet Virginia Housing'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	3.20%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	3.20%
Project Wide Absorption Period (Months)	5



**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:**

New Constr.
----------------

- |        |  |
|--------|--|
| FALSE  | a. A community/meeting room with a minimum of 749 square feet is provided.   |
| 60.00% | 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. |
| TRUE   | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).  |
| FALSE  | 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     |  |
| TRUE   | n. All Construction types: each unit is equipped with a permanent dehumidification system.   |
| TRUE   | o. All interior doors within units are solid core.   |
| TRUE   | p. 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.   |

J. ENHANCEMENTS

TRUE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

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

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:

TRUE Earthcraft Gold or higher certification

FALSE National Green Building Standard (NGBS) certification of Silver or higher.

FALSE U.S. Green Building Council LEED certification

FALSE Enterprise Green Communities (EGC) Certification

**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.)

FALSE Zero Energy Ready Home Requirements

FALSE Passive House Standards

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


TRUE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.

5 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:  
16% 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.

**I. UTILITIES**

1. Utilities Types:

- a. Heating Type Heat Pump
- 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>FALSE</u> | Heat?.....           | <u>FALSE</u> |
| Hot Water?..... | <u>FALSE</u> | AC?.....             | <u>FALSE</u> |
| Lighting?.....  | <u>FALSE</u> | Sewer?.....          | <u>FALSE</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	14	16	19	0
Air Conditioning	0	7	8	9	0
Cooking	0	5	6	7	0
Lighting	0	21	26	31	0
Hot Water	0	12	15	18	0
Water	0	21	27	33	0
Sewer	0	33	40	47	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$113	\$138	\$164	\$0

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

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

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



**K. SPECIAL HOUSING NEEDS**

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

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

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

**FALSE**

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

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

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

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

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


**TRUE**

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

**FALSE**

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

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

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

**K. SPECIAL HOUSING NEEDS**

**2. Special Housing Needs/Leasing Preference:**

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

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

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

b. The development has existing tenants and a relocation plan has been developed.....  FALSE  
 (If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

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

**3. Leasing Preferences**

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

Organization which holds waiting list:

Contact person:

Title:

Phone Number:

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

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

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

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

K. SPECIAL HOUSING NEEDS

3. Target Population Leasing Preference

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant’s tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.

Primary Contact for Target Population leasing preference. The agency will contact as needed.

First Name: Earlene

Last Name: Powell

Phone Number: (434) 572-9556 Email: outreach01@embarqmail.com

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers \*Administering Organization:

FALSE State Assistance \*Administering Organization:

FALSE Other:

**K. SPECIAL HOUSING NEEDS**

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

FALSE

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

0

d. Number of units receiving assistance:

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew.....

FALSE

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



**L. UNIT DETAILS**

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

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (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%
0	0.00%	50% Area Median	0%
32	100.00%	60% Area Median	1920%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
32	100.00%	<b>Total</b>	60.00%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
4	12.50%	40% Area Median	160%
12	37.50%	50% Area Median	600%
16	50.00%	60% Area Median	960%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
32	100.00%	<b>Total</b>	53.75%

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

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	2	1	615.69	\$325.00	\$650
Mix 2	1 BR - 1 Bath	50% AMI	1		870.61	\$400.00	\$400
Mix 3	1 BR - 1 Bath	60% AMI	1		870.61	\$420.00	\$420
Mix 4	2 BR - 1.5 Bath	40% AMI	2	1	945.28	\$388.00	\$776
Mix 5	2 BR - 1.5 Bath	50% AMI	4		945.28	\$519.00	\$2,076
Mix 6	2 BR - 1.5 Bath	50% AMI	3		950.44	\$519.00	\$1,557
Mix 7	2 BR - 1.5 Bath	60% AMI	5		950.44	\$570.00	\$2,850
Mix 8	3 BR - 2 Bath	50% AMI	3	3	1119.69	\$597.00	\$1,791
Mix 9	3 BR - 2 Bath	50% AMI	1		1374.61	\$597.00	\$597
Mix 10	3 BR - 2 Bath	60% AMI	2		1374.61	\$697.00	\$1,394
Mix 11	3 BR - 2 Bath	60% AMI	8		1201.12	\$697.00	\$5,576
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
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Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
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Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0

**L. UNIT DETAILS**

Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
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Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
<b>TOTALS</b>			32	5			\$18,087

<b>Total Units</b>	<b>32</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>33,339.66</b>
			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>33,339.66</b>

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

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$840
2. Office Salaries			\$0
3. Office Supplies			\$1,000
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$13,000
6.30% of EGI	\$406.25	Per Unit	
6. Manager Salaries			\$14,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$675
9. Auditing			\$3,750
10. Bookkeeping/Accounting Fees			
11. Telephone & Answering Service			\$3,000
12. Tax Credit Monitoring Fee			\$1,280
13. Miscellaneous Administrative			\$1,500
<b>Total Administrative</b>			<b>\$39,045</b>

**Utilities**

14. Fuel Oil			\$0
15. Electricity			\$2,500
16. Water			\$2,500
17. Gas			\$0
18. Sewer			\$2,500
<b>Total Utility</b>			<b>\$7,500</b>

**Operating:**

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$1,500
23. Trash Removal			\$2,000
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$8,500
28. Maintenance/Repairs Payroll			\$13,000
29. Repairs/Material			\$9,000
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$10,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$750
35. Decorating/Payroll/Contract			\$3,000
36. Decorating Supplies			\$3,000
37. Miscellaneous			\$1,500
<b>Totals Operating &amp; Maintenance</b>			<b>\$52,250</b>

**M. OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$16,000
39. Payroll Taxes	\$5,000
40. Miscellaneous Taxes/Licenses/Permits	\$3,600
41. Property & Liability Insurance	\$15,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$1,000
44. Health Insurance & Employee Benefits	\$4,000
45. Other Insurance	\$1,000
<b>Total Taxes &amp; Insurance</b>	<b>\$45,600</b>

<b>Total Operating Expense</b>	<b>\$144,395</b>
--------------------------------	------------------

<b>Total Operating Expenses Per Unit</b>	<b>\$4,512</b>	<b>C. Total Operating Expenses as % of EGI</b>	<b>69.95%</b>
--	----------------	--	---------------

<b>Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)</b>	<b>\$9,600</b>
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<b>Total Expenses</b>	<b>\$153,995</b>
-----------------------	------------------

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

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract		
b. Site Acquisition	9/15/2020	Earl Howerton
c. Zoning Approval	3/13/2019	Tom Raab
d. Site Plan Approval	3/13/2019	Tom Raab
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	4/30/2021	Earl Howerton
ii. Conditional Commitment	5/30/2021	Ernie Maddy
iii. Firm Commitment	7/1/2021	Ernie Maddy
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	11/15/2020	Earl Howerton
ii. Conditional Commitment		
iii. Firm Commitment	4/1/2021	Chris Hilbert
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	10/31/2019	Earl Howerton
ii. Conditional Commitment		Willie Fobbs/DHCD
iii. Firm Commitment	1/27/2020	Willie Fobbs/DHCD
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	DHCD	
ii. Application	4/30/2021	Earl Howerton
iii. Award/Commitment	6/15/2021	Willie Fobbs
<b>2. Formation of Owner</b>	1/23/2019	Earl Howerton
<b>3. IRS Approval of Nonprofit Status</b>	4/1/2001	Earl Howerton
<b>4. Closing and Transfer of Property to Owner</b>	8/1/2021	Earl Howerton
<b>5. Plans and Specifications, Working Drawings</b>	12/15/2020	Colin Arnold
<b>6. Building Permit Issued by Local Government</b>	7/1/2021	Earl Howerton
<b>7. Start Construction</b>	8/1/2021	Earl Howerton
<b>8. Begin Lease-up</b>	10/1/2022	Earl Howerton
<b>9. Complete Construction</b>	12/31/2022	Earl Howerton
<b>10. Complete Lease-Up</b>	2/1/2023	Earl Howerton
<b>11. Credit Placed in Service Date</b>	2/1/2023	Earl Howerton

**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"
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	4,684,211	0	0	4,684,211
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
<b>Total Structure</b>	4,684,211	0	0	4,684,211
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	700,000	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
<b>Total Land Improvements</b>	700,000	0	0	0
<b>Total Structure and Land</b>	5,384,211	0	0	4,684,211
q. General Requirements	262,316	0	0	262,316
r. Builder's Overhead ( 4.9% Contract)	262,316	0	0	262,316
s. Builder's Profit ( 2.4% Contract)	131,157	0	0	131,157
t. Bonds	60,000	0	0	60,000
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1:	0	0	0	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
<b>Contractor Costs</b>	<b>\$6,100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,400,000</b>

**O. PROJECT BUDGET - OWNER COSTS**

**MUST USE WHOLE NUMBERS ONLY!**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs</b>				
a. Building Permit	10,100	0	0	10,100
b. Architecture/Engineering Design Fee \$4,063 /Unit)	130,000	0	0	130,000
c. Architecture Supervision Fee \$1,563 /Unit)	50,000	0	0	50,000
d. Tap Fees	96,000	0	0	96,000
e. Environmental	8,000	0	0	8,000
f. Soil Borings	11,000	0	0	11,000
g. Green Building (Earthcraft, LEED, etc.)	21,000	0	0	21,000
h. Appraisal	4,500	0	0	
i. Market Study	9,000	0	0	9,000
j. Site Engineering / Survey	7,200	0	0	7,200
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	20,000	0	0	20,000
n. Construction Interest ( 0.0% for 0 months)	150,000	0	0	150,000
o. Taxes During Construction	1,000	0	0	1,000
p. Insurance During Construction	24,000	0	0	24,000
q. Permanent Loan Fee ( 0.0% )	10,300	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	7,500	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	32,000	0	0	10,000
w. Legal Fees for Closing	57,000	0	0	40,000
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	34,418			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	98,000	0	0	0
ad. Contingency	400,000	0	0	400,000
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(1) Other* specify: Lease-up Reserve	20,000	0	0	0
(2) Other* specify: GC Cost Cert	10,000	0	0	0
(3) Other* specify: Syndicator Legal	35,000	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other* specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
<b>Owner Costs Subtotal (Sum 2A..2(10))</b>	<b>\$1,246,018</b>	<b>\$0</b>	<b>\$0</b>	<b>\$987,300</b>
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	<b>\$7,346,018</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,387,300</b>
<b>3. Developer's Fees</b> <b>Action:</b> Provide Developer Fee Agreement (Tab A)	<b>475,000</b>	<b>0</b>	<b>0</b>	<b>475,000</b>
<b>4. Owner's Acquisition Costs</b>				
Land	0			
Existing Improvements	0	0		
Subtotal 4:	\$0	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	<b>\$7,821,018</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,862,300</b>

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:**

**\$911,522**

Proposed Development's Cost per Sq Foot

\$191 **Meets Limits**

Applicable Cost Limit by Square Foot:

\$197



2021 Low-Income Housing Tax Credit Application For Reservation

**P. ELIGIBLE BASIS CALCULATION**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
<b>1. Total Development Costs</b>	7,821,018	0	0	6,862,300
<b>2. Reductions in Eligible Basis</b>				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
<b>3. Total Eligible Basis (1 - 2 above)</b>		0	0	6,862,300
<b>4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)</b>				
a. For QCT or DDA (Eligible Basis x 30%)			0	0
<i>State Designated Basis Boosts:</i>				
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	2,058,690
c. For Green Certification (Eligible Basis x 10%)				0
<b>Total Adjusted Eligible basis</b>			0	8,920,990
<b>5. Applicable Fraction</b>		100.00000%	100.00000%	100.00000%
<b>6. Total Qualified Basis</b> (Eligible Basis x Applicable Fraction)		0	0	8,920,990
<b>7. Applicable Percentage</b> <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		0.00%	9.00%	9.00%
<b>8. Maximum Allowable Credit under IRC §42</b> (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$0	\$802,889
			\$802,889	Combined 30% & 70% P. V. Credit

**Q. SOURCES OF FUNDS**

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

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. VCC	04/15/21		TBD	Ernie Maddy
2.				
3.				
Total Construction Funding:			\$0	

**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. VH REACH	11/15/2020		\$500,000	\$19,995	1.25%	30.00	30.00
2. VH SIP	11/15/2020		\$220,218			30.00	30.00
3. DHCD HOME	4/1/2021		\$900,000	\$9,000	1.00%	100000.00	20.00
4. DHCD AHTF	10/31/2019	1/27/2020	\$700,000	\$7,000	1.00%	10000.00	20.00
5. FHLB-A		10/31/2019	\$250,000				
6. CDBG		7/7/2020	\$700,000		0.00%		
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$3,270,218	\$35,995			

**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. SERCAP1		8/12/2020	\$100,000	
2. SERCAP2		3/15/2021	\$100,000	
3.				
4.				
5.				
6.				
Total Permanent Grants:			\$200,000	

**Q. SOURCES OF FUNDS**

**4. Subsidized Funding**

	Source of Funds	Date of Commitment	Amount of Funds
1.	Donated Land	4/29/2020	\$73,600
2.	Town of South Boston CDBG	7/7/2020	\$700,000
3.	DHCD AHTF	1/27/2020	\$700,000
4.	FHLB-A	10/31/2019	\$250,000
5.	SERCAP (2)	3/15/2021	\$200,000
Total Subsidized Funding			\$1,923,600

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

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$720,218
g.	HOME Funds	\$900,000
h.	Other: FHLB - AHP	\$250,000
i.	Other: DHCD-AHTF, CDBG	\$1,400,000

Market-Rate Loans

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

Grants\*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

**Q. SOURCES OF FUNDS**

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

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

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

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

\_\_\_\_\_  
\_\_\_\_\_

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

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

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

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

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

**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	\$149,684	(Note: Deferred Developer Fee cannot be negative.)		
iv. Other:	\$0			
<b>ACTION:</b> If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at <b>TAB A.</b>				
<b>Equity Total</b>	<u>\$149,684</u>			

**2. Equity Gap Calculation**

a. Total Development Cost	\$7,821,018	
b. Total of Permanent Funding, Grants and Equity	-	<u>\$3,619,902</u>
c. Equity Gap		\$4,201,116
d. Developer Equity	-	<u>\$418</u>
e. Equity gap to be funded with low-income tax credit proceeds		\$4,200,698

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

a. Actual or Anticipated Name of Syndicator:	VCDC		
Contact Person:	Jen Wickham	Phone:	(804) 343-1200
Street Address:	1840 W Broad Street, Ste 200		
City:	Richmond	State:	23220
b. Syndication Equity			
i. Anticipated Annual Credits		\$477,400.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.880	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$477,352	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$4,200,698</u>	
c. Syndication:	Private		
d. Investors:	Corporate		

**4. Net Syndication Amount**

Which will be used to pay for Total Development Costs \$4,200,698

**5. Net Equity Factor**

Must be equal to or greater than 85% 87.9999604485%

**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 Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing 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 Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$7,821,018</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$3,619,902</u>
3. Equals Equity Gap		<u>\$4,201,116</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.9999604485%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$4,773,998</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$477,400</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$802,889</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$477,400</u>
Credit per LI Units	<u>\$14,918.7500</u>	
Credit per LI Bedroom	<u>\$6,451.3514</u>	
	<b>Combined 30% &amp; 70% PV Credit Requested</b>	<b>\$477,400</b>

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		\$18,087
Plus Other Income Source (list):	Laundry /Vending/Fees	\$410
Equals Total Monthly Income:		\$18,497
Twelve Months		x12
Equals Annual Gross Potential Income		\$221,964
Less Vacancy Allowance	7.0%	\$15,537
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>		<b>\$206,427</b>

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

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

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

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

a.	Annual EGI Low-Income Units	\$206,427
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$206,427
d.	Total Expenses	\$153,995
e.	Net Operating Income	\$52,432
f.	Total Annual Debt Service	\$35,995
g.	Cash Flow Available for Distribution	\$16,437

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	206,427	210,555	214,766	219,061	223,443
Less Oper. Expenses	153,995	158,615	163,373	168,274	173,323
Net Income	52,432	51,940	51,393	50,787	50,120
Less Debt Service	35,995	35,995	35,995	35,995	35,995
Cash Flow	16,437	15,945	15,398	14,792	14,125
Debt Coverage Ratio	1.46	1.44	1.43	1.41	1.39

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	227,912	232,470	237,119	241,862	246,699
Less Oper. Expenses	178,522	183,878	189,394	195,076	200,929
Net Income	49,389	48,592	47,725	46,785	45,770
Less Debt Service	35,995	35,995	35,995	35,995	35,995
Cash Flow	13,394	12,597	11,730	10,790	9,775
Debt Coverage Ratio	1.37	1.35	1.33	1.30	1.27

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	251,633	256,665	261,799	267,035	272,375
Less Oper. Expenses	206,956	213,165	219,560	226,147	232,931
Net Income	44,676	43,500	42,239	40,888	39,444
Less Debt Service	35,995	35,995	35,995	35,995	35,995
Cash Flow	8,681	7,505	6,244	4,893	3,449
Debt Coverage Ratio	1.24	1.21	1.17	1.14	1.10

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



**U. Building-by-Building Information**

Must Complete

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

Number of BINS: 16

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

Bldg #	BIN if known	NUMBER OF		Street Address 1 Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS					Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		2		Poplar Creek Street Building 1	South Boston	VA	24592				\$0				\$0	\$405,406	02/01/23	9.00%	\$36,487
2.		2		Poplar Creek Street Building 2	South Boston	VA	24592				\$0				\$0	\$501,771	02/01/23	9.00%	\$45,159
3.		2		Poplar Creek Street Building 3	South Boston	VA	24592				\$0				\$0	\$405,406	02/01/23	9.00%	\$36,487
4.		2		Poplar Creek Street Building 4	South Boston	VA	24592				\$0				\$0	\$501,771	02/01/23	9.00%	\$45,159
5.		2		Poplar Creek Street Building 5	South Boston	VA	24592				\$0				\$0	\$501,771	02/01/23	9.00%	\$45,159
6.		2		Poplar Creek Street Building 6	South Boston	VA	24592				\$0				\$0	\$652,987	02/01/23	9.00%	\$58,769
7.		2		Poplar Creek Street Building 7	South Boston	VA	24592				\$0				\$0	\$519,644	02/01/23	9.00%	\$46,768
8.		2		Poplar Creek Street Building 8	South Boston	VA	24592				\$0				\$0	\$652,987	02/01/23	9.00%	\$58,769
9.		2		Poplar Creek Street Building 9	South Boston	VA	24592				\$0				\$0	\$641,832	02/01/23	9.00%	\$57,765
10.		2		Poplar Creek Street Building 10	South Boston	VA	24592				\$0				\$0	\$652,987	02/01/23	9.00%	\$58,769
11.		2		Poplar Creek Street Building 11	South Boston	VA	24592				\$0				\$0	\$519,644	02/01/23	9.00%	\$46,768
12.		2		Poplar Creek Street Building 12	South Boston	VA	24592				\$0				\$0	\$641,832	02/01/23	9.00%	\$57,765
13.		2		Poplar Creek Street Building 13	South Boston	VA	24592				\$0				\$0	\$519,644	02/01/23	9.00%	\$46,768
14.		2		Poplar Creek Street Building 14	South Boston	VA	24592				\$0				\$0	\$641,832	02/01/23	9.00%	\$57,765
15.		2		Poplar Creek Street Building 15	South Boston	VA	24592				\$0				\$0	\$519,644	02/01/23	9.00%	\$46,768
16.		2		Poplar Creek Street Building 16	South Boston	VA	24592				\$0				\$0	\$641,832	02/01/23	9.00%	\$57,765
17.											\$0				\$0				\$0
18.											\$0				\$0				\$0
19.											\$0				\$0				\$0
20.											\$0				\$0				\$0
21.											\$0				\$0				\$0
22.											\$0				\$0				\$0
23.											\$0				\$0				\$0
24.											\$0				\$0				\$0
25.											\$0				\$0				\$0
26.											\$0				\$0				\$0
27.											\$0				\$0				\$0
28.											\$0				\$0				\$0
29.											\$0				\$0				\$0
30.											\$0				\$0				\$0
31.											\$0				\$0				\$0
32.											\$0				\$0				\$0
33.											\$0				\$0				\$0
34.											\$0				\$0				\$0
35.											\$0				\$0				\$0

32 0

Totals from all buildings

\$0

\$0

\$8,920,990

\$0

\$0

\$802,889

Number of BINS: 16

**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 Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing'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 Virginia Housing 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 Virginia Housing 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 Virginia Housing prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, 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: Poplar Creek Homes, LLC  
By: SSOG Poplar Management, LLC, Managing  
Member, By: Southside Outreach Group, Inc. Sole Sha

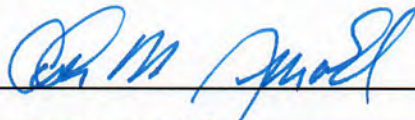
By: Earl Howerton  
 Its: Earl Howerton, Executive Director  
 (Title)

**V. STATEMENT OF ARCHITECT**

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing 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: COLIN M. ARNOLD  
Virginia License#: 11337  
Architecture Firm or Company: ARNOLD DESIGN STUDIO, LLC

By:   
Its: PRINCIPAL  
(Title)

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

**W. LIHTC SELF SCORE SHEET**

**Self Scoring Process**

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing'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. Virginia Housing 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, 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
Y	Y or N	0
<b>Total:</b>		<b>0.00</b>

**1. READINESS:**

- a. Virginia Housing notification letter to CEO (via Locality Notification Information App)
- 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
Y	0 or 15	15.00
N	0 or 15	0.00
<b>Total:</b>		<b>55.00</b>

**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

Y	0 or up to 5	5.00
N	0 or 20	0.00
24.60%	Up to 40	40.00
N	0 or 5	0.00
N	0 or 10	0.00
12%	0, 20, 25 or 30	20.00
N	0 or 15	0.00
N	Up to -20	0.00
N	Up to 20	0.00
<b>Total:</b>		<b>65.00</b>



3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			44.75
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	Y	0 or 30	30.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet Virginia Housing's Universal Design standards	16%	Up to 15	2.34
h. Developments with less than 100 units	Y	up to 20	20.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>117.09</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$58,900	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	43.75%	Up to 15	15.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	12.50%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	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	50.00
Total:			<u>90.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	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	Y	0 or 10	10.00
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 Virginia Housing	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>10.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	66.63
b. Cost per unit		Up to 100	13.19
Total:			<u>79.82</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
Total:			<u>60.00</u>

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

**TOTAL SCORE:** 476.91

**Enhancements:**

All units have:

	Max Pts	Score
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	25	18.75
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	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	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	4.00
		<u>44.75</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: 44.75**

X.

## Development Summary

**Summary Information**

**2021 Low-Income Housing Tax Credit Application For Reservation**

**Deal Name:** Poplar Creek Homes

**Cycle Type:** 9% Tax Credits **Requested Credit Amount:** \$477,400  
**Allocation Type:** New Construction **Jurisdiction:** Halifax County  
**Total Units:** 32 **Population Target:** General  
**Total LI Units:** 32  
**Project Gross Sq Ft:** 41,043.68 **Owner Contact:** Earl Howerton  
**Green Certified?** TRUE

<b>Total Score</b> 476.91
------------------------------

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$3,270,218	\$102,194	\$80	\$35,995

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$5,384,211	\$168,257	\$131	68.84%
General Req/Overhead/Profit	\$655,789	\$20,493	\$16	8.38%
Other Contract Costs	\$60,000	\$1,875	\$1	0.77%
Owner Costs	\$1,246,018	\$38,938	\$30	15.93%
Acquisition	\$0	\$0	\$0	0.00%
Developer Fee	\$475,000	\$14,844	\$12	6.07%
<b>Total Uses</b>	<b>\$7,821,018</b>	<b>\$244,407</b>		

Total Development Costs	
Total Improvements	\$7,346,018
Land Acquisition	\$0
Developer Fee	\$475,000
<b>Total Development Costs</b>	<b>\$7,821,018</b>

Income		
Gross Potential Income - LI Units		\$221,964
Gross Potential Income - Mkt Units		\$0
Subtotal		\$221,964
Less Vacancy %	7.00%	\$15,537
<b>Effective Gross Income</b>		<b>\$206,427</b>

**Rental Assistance?** FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$39,045	\$1,220
Utilities	\$7,500	\$234
Operating & Maintenance	\$52,250	\$1,633
Taxes & Insurance	\$45,600	\$1,425
<b>Total Operating Expenses</b>	<b>\$144,395</b>	<b>\$4,512</b>
Replacement Reserves	\$9,600	\$300
<b>Total Expenses</b>	<b>\$153,995</b>	<b>\$4,812</b>

Cash Flow	
EGI	\$206,427
Total Expenses	\$153,995
<b>Net Income</b>	<b>\$52,432</b>
Debt Service	\$35,995
<b>Debt Coverage Ratio (YR1):</b>	<b>1.46</b>

**Proposed Cost Limit/Sq Ft:** \$191  
**Applicable Cost Limit/Sq Ft:** \$197

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	4
# of 2BR	14
# of 3BR	14
# of 4+ BR	0
<b>Total Units</b>	<b>32</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	4
50% AMI	0	12
60% AMI	32	16
>60% AMI	0	0
Market	0	0

**Income Averaging?** TRUE

**Extended Use Restriction?** 30



## 2021 Low-Income Housing Tax Credit Application For Reservation

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Virginia Housing is running a BETA test of new EUR calculations that will be considered for implementation in 2022. These points are only a test and will not be used for scoring purposes in 2021. Please contact [taxcreditapps@virginiahousing.com](mailto:taxcreditapps@virginiahousing.com) with questions or comments.

### Credit Points:

If the Combined Max Allowable is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example,  $(40\%/60\%) \times 200$  or 133.33 points.

<b>Using Current E-U-R method (up to 200)</b>		66.63
<b>Using proposed method:</b>		
Combined Max	\$802,889	
Credit Requested	\$477,400	
% of Savings	40.54%	
Sliding Scale Points		135.13
<i>Difference</i>		68.50

### Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal's Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 credit points.

For another example, the Applicable Cost by SqFt is \$238 and the deal's Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example,  $(35.7\%/50\%) \times 100$  or 71.40 points.

<b>Using Current E-U-R method (up to 100)</b>		13.19
<b>Using proposed method:</b>		
Total Costs Less Acquisition	\$7,821,018	
Total Square Feet	41,043.68	
Proposed Cost per SqFt	\$190.55	
Applicable Cost Limit per Sq Ft	\$197.00	
% of Savings	3.27%	
Sliding Scale Points		6.54
<i>Difference</i>		-6.65

\$/SF = **\$205.11** Credits/SF = **12.83822** Const \$/unit = **\$190,625.000**

TYPE OF PROJECT  
LOCATION  
TYPE OF CONSTRUCTION

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

**11000**  
**600**  
**1**

In  
Nova  
**600**  
**1**

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

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

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	844.94	1,045.78	1,360.94	0.00	1,083.03	1,337.69	0.00
NUMBER OF UNITS	0	4	6	6	0	8	8	0
PARAMETER-(COSTS=>35,000)	0	198,000	264,000	310,200	0	270,600	295,200	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	198,000	264,000	310,200	0	270,600	295,200	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	198,000	264,000	310,200	0	270,600	295,200	0
PROJECT COST PER UNIT	0	173,303	214,496	279,137	0	222,136	274,369	0
PARAMETER-(CREDITS=>35,000)	0	16,728	21,420	24,174	0	22,275	24,300	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	16,728	21,420	24,174	0	22,275	24,300	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	16,728	21,420	24,174	0	22,275	24,300	0
PROJECT CREDIT PER UNIT	0	10,848	13,426	17,472	0	13,904	17,174	0
COST PER UNIT POINTS	0.00	1.56	3.52	1.88	0.00	4.48	1.76	0.00
CREDIT PER UNIT POINTS	0.00	8.79	14.00	10.40	0.00	18.79	14.66	0.00

TOTAL COST PER UNIT POINTS **13.19**

TOTAL CREDIT PER UNIT POINTS **66.63**

**Cost Parameters - Elderly**

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

**Credit Parameters - Elderly**

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

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	198,000	264,000	310,200	0	270,600	295,200	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	198,000	264,000	310,200	0	270,600	295,200	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	16,728	21,420	24,174	0	22,275	24,300	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	16,728	21,420	24,174	0	22,275	24,300	0

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

**Cost Parameters - Elderly**

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

**Credit Parameters - Elderly**

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

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	198,000	264,000	310,200	0	270,600	295,200	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	198,000	264,000	310,200	0	270,600	295,200	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	16,728	21,420	24,174	0	22,275	24,300	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	16,728	21,420	24,174	0	22,275	24,300	0

\$/SF = **\$205.11** Credits/SF = **12.83822** Const \$/unit = **\$190,625.00**

TYPE OF PROJECT  
LOCATION  
TYPE OF CONSTRUCTION

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

**11000**  
**600**  
**1**

**600**  
**1**

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

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

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	844.94	1,045.78	1,360.94	0.00	1,083.03	1,337.69	0.00
NUMBER OF UNITS	0	4	6	6	0	8	8	0
PARAMETER-(COSTS=>35,000)	0	198,000	264,000	310,200	0	270,600	295,200	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	198,000	264,000	310,200	0	270,600	295,200	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	198,000	264,000	310,200	0	270,600	295,200	0
PROJECT COST PER UNIT	0	173,303	214,496	279,137	0	222,136	274,369	0
PARAMETER-(CREDITS=>35,000)	0	16,728	21,420	24,174	0	22,275	24,300	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	16,728	21,420	24,174	0	22,275	24,300	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	16,728	21,420	24,174	0	22,275	24,300	0
PROJECT CREDIT PER UNIT	0	10,848	13,426	17,472	0	13,904	17,174	0
COST PER UNIT POINTS	0.00	1.56	3.52	1.88	0.00	4.48	1.76	0.00
CREDIT PER UNIT POINTS	0.00	8.79	14.00	10.40	0.00	18.79	14.66	0.00

TOTAL COST PER UNIT POINTS **13.19**

TOTAL CREDIT PER UNIT POINTS **66.63**

**Cost Parameters - Elderly**

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

**Credit Parameters - Elderly**

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

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	198,000	264,000	310,200	0	270,600	295,200	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	198,000	264,000	310,200	0	270,600	295,200	0

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	16,728	21,420	24,174	0	22,275	24,300	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	16,728	21,420	24,174	0	22,275	24,300	0

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

**Cost Parameters - Elderly**

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

**Credit Parameters - Elderly**

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

**Cost Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	198,000	264,000	310,200	0	270,600	295,200	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	198,000	264,000	310,200	0	270,600	295,200	0

**Credit Parameters - General**

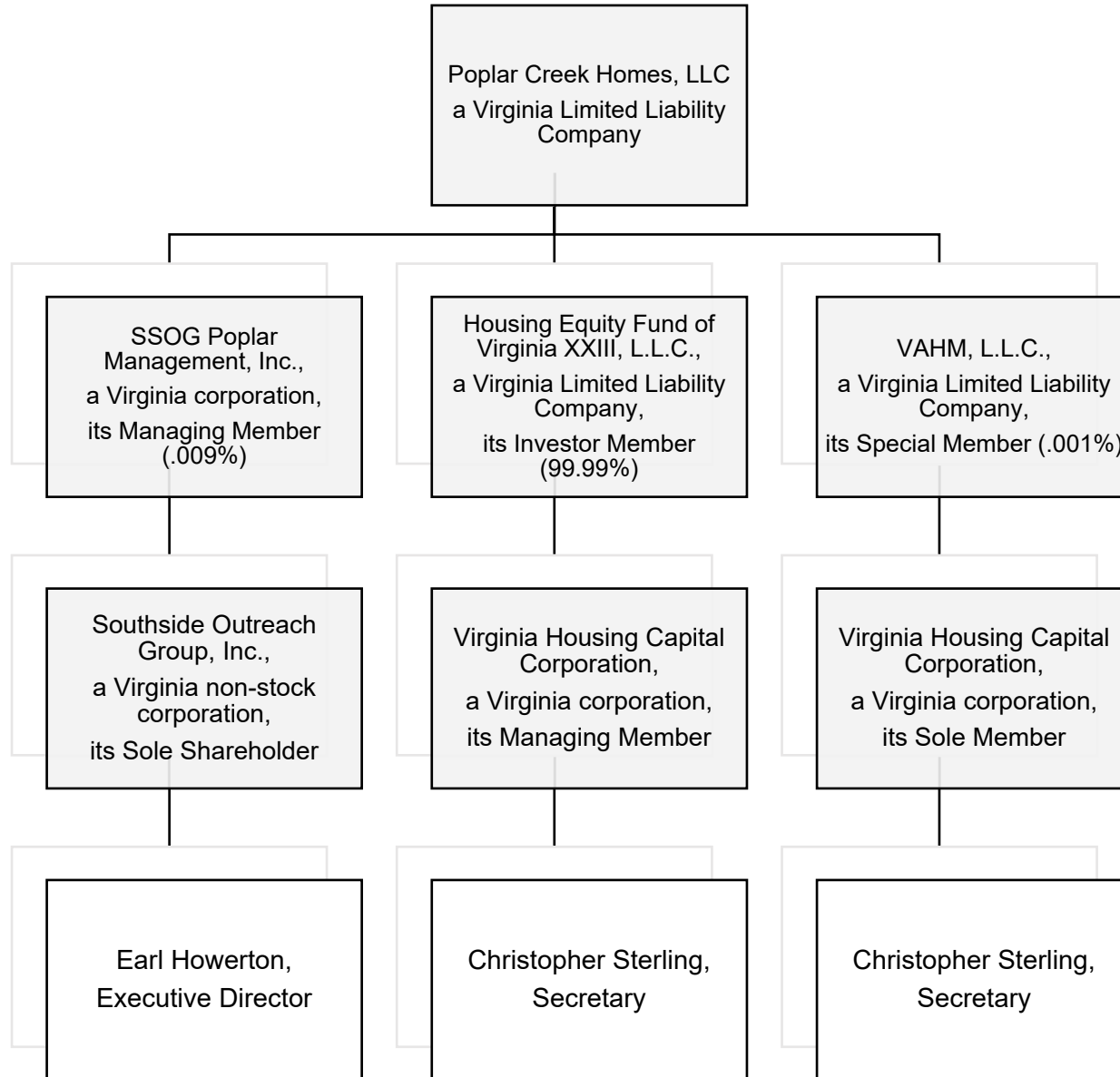
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	16,728	21,420	24,174	0	22,275	24,300	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	16,728	21,420	24,174	0	22,275	24,300	0

A

# Partnership or Operating Agreement

Including **chart of ownership structure with percentage of interests** and **draft developer fee agreement**  
(MANDATORY)

# POPLAR CREEK HOMES – ORGANIZATIONAL CHART



AMENDED AND RESTATED OPERATING AGREEMENT OF  
POPLAR CREEK HOMES, LLC

This AMENDED AND RESTATED OPERATING AGREEMENT OF POPLAR CREEK HOMES, LLC (“Agreement”) is entered into and shall be effective as of the 19th day of December, 2019, by and among SSOG Poplar Management, Inc., a Virginia corporation (the “Managing Member”), Housing Equity Fund of Virginia XXIII, L.L.C., a limited liability company formed under the laws of the Commonwealth of Virginia (the “Investor Member”), VAHM, L.L.C., a Virginia limited liability company (the “Special Member”).

RECITALS

A. WHEREAS, on January 23, 2019, Articles of Organization were filed for Poplar Creek Homes, LLC (the “Company”) with the Virginia State Corporation Commission, and the Company thereby came into existence pursuant to the provisions of the Virginia limited liability company act (the "Act"). On January 23, 2019, the Managing Member, as sole member executed the Operating Agreement of the Company (the “Original Operating Agreement”);

B. WHEREAS, the parties desire to admit the Special Member and the Investor Member, and the Managing Member, Investor Member and Special Member wish to continue the Company pursuant to the Act and further desire to amend and restate the Original Operating Agreement in its entirety in accordance with the terms hereof;

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

ARTICLE I  
THE COMPANY

1.1 Admission of Investor Member and Special Member. Housing Equity Fund of Virginia XXIII, L.L.C., a Virginia limited liability company is hereby admitted as the Investor Member of the Company. VAHM, L.L.C., a Virginia limited liability company, is hereby admitted as a Special Member of the Company

1.2 Intentionally Omitted.

1.3 Continuation. The Members hereby agree to continue the Company pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement.



- 1.4 Company Name. The name of the Company shall be Poplar Creek Homes, LLC, and all business of the Company shall be conducted in such name. The Company shall hold all of its property in the name of the Company and not in the name of any Member.
- 1.5 Purpose. The purpose of the Company is to own, improve, develop, construct, lease, operate, finance and manage a 32-unit townhome community located in South Boston, Virginia and to be known as Poplar Creek Homes (the acquisition and construction of such improvement shall be referred to as the “Project”). The Company shall engage in any and all activities related or incidental to the Project and shall engage in no other business.
- 1.6 Principal Place of Business. The principal place of business of the Company shall be at 1425 Seymour Drive, South Boston, VA 24592. The principal place of business of the Company shall not be changed except upon the Consent of the Members.
- 1.7 Term. The term of the Company commenced as of the date of the filing of the Articles of Organization with the Secretary of State of the State of Formation and shall continue until the winding up and liquidation of the Company and its business is completed following a Liquidating Event, as provided in Article VIII hereof.
- 1.8 Independent Activities; Right to Withdraw.
- (a) Except as otherwise provided in this Agreement, each Member and the members, stockholders, officers and directors of each Member may, notwithstanding this Agreement, directly or indirectly, independently or with others, engage in or possess any interest in whatever activities it or they may choose, whether the same or competitive with the Company or otherwise, without having or incurring any obligation to offer any interest in or opportunity with respect to such activities to the Company or any Member or to account in any way to any such Person.
  - (b) The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.
  - (c) The Members hereby acknowledge that the Investor Member and Company have entered into that certain Commitment Letter dated December 18, 2019 addressed to the Company (the “**Commitment Letter**”), a copy of which is attached hereto as

Exhibit E, and the terms of which are incorporated herein and made a part hereof, pursuant to which the Investor Member has committed to invest approximately \$3,818,818 in the Company (subject to underwriting, due diligence, investor committee approval, tax review and the negotiation of other terms and conditions, with all the matters in this parenthetical clause collectively referred to herein as the “**Commitment Conditions**”). Neither the Managing Member, the Guarantor, nor anyone acting on their behalf or at their direction shall sell, assign, encumber or otherwise transfer any right, title or interest in or with respect to the Project or the Federal Tax Credits without the prior written consent of Investor Member. Further, the Managing Member shall not, and shall ensure that the Guarantor nor anyone on either of their behalf shall not communicate, solicit bids, negotiate or enter into any contracts, agreements or other understandings with any syndicators, brokers or investors with respect to investments in the Federal Tax Credits. The Company shall proceed to carry out the Commitment Letter through a First Amended and Restated Operating Agreement, which the parties hereto agree to use reasonable, timely and good faith efforts to negotiate. The Parties hereto shall execute the First Amended and Restated Operating Agreement on or before June 1, 2020, or such later date as to which the Investor Member Consents (the “Closing Date”). The Investor Member shall not be obligated to execute the First Amended and Restated Operating Agreement if the Commitment Conditions are not satisfied prior to the Closing Date, as it may be extended. In the event the First Amended and Restated Operating Agreement is not executed by the Closing Date, the Investor Member shall provide written notice to the Managing Member of the Commitment Conditions that have not been satisfied, whereupon the Managing Member shall have thirty (30) days to cure such conditions, provided that the Managing Member can demonstrate within the cure period that the Project can still be placed in service in December 31, 2021. If the Managing Member is unable or unwilling to satisfy the Commitment Conditions within such thirty (30) (or 60) day period, the Investor Member shall have the right, by providing written notice of withdrawal to the Managing Member, to withdraw as members of the Company and terminate the Commitment Letter. Upon such withdrawal, the Investor Member shall have no further obligations under this Agreement or the Commitment Letter to contribute capital to the Company or take any other actions whereupon the Investor Member shall not have any further rights or obligations with respect to the Company or the Managing Member.

1.9 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“Act” means the Virginia Limited Liability Company Act, as amended from time to time (or any corresponding provisions of succeeding law).

“Adjusted Capital Account Deficit” means with respect to any Investor Member, the deficit balance, if any, in such Investor Member's Capital Account as of the end of the relevant fiscal year,

after giving effect to the following adjustments:

- (i) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1704-2(g)(1) and 1704-2(i)(5); and
- (ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate" means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with a designated Person, as the context may require. "Control" shall mean (a) ownership or control of ten percent (10%) or more of the shares entitled to vote for the election of directors in the case of a corporation and ten percent (10%) or more of the beneficial interests in the case of a legal entity other than a corporation, (b) boards of directors that overlap by fifty percent (50%) or more of their directors, or (c) control of a majority of the directors in the case of a corporation.

"Agreement" or "Operating Agreement" means this Operating Agreement, as amended from time to time. Words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires.

"Capital Account" means the capital account maintained for each Member in accordance with the following provisions:

- (i) To such Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3(a) hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member.

- (ii) To such Member's Capital Account there shall be debited the amount of cash and the fair market value of any property distributed to such Member (net of any liabilities secured by such property) pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 3.3(a) hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(iii) In the event all or a portion of an interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of the foregoing subparagraphs (i) and (ii) of this definition of "Capital Account," there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations.

“Capital Contributions” means, with respect to any Member, the amount of money and the fair market value, as determined by the Members, of any property other than money contributed to the Company with respect to the interest in the Company held by such Member.

“Closing Date” has the meaning set forth in Section 1.8.

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

“Company” means Poplar Creek Homes, LLC, a Virginia limited liability company.

“Consent” means the prior written consent or approval of the Investor Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited, provided that the Investor Member may designate the Special Member as the party to determine if any Consent is to be given or withheld.

“Consent of the Members” means the agreement of or a determination by the Members requiring the unanimous written consent of all Members.

“Federal Tax Credits” means the low-income housing tax credits allowed for low-income housing projects pursuant to Section 42 of the Internal Revenue Code.

“Guarantor” means Southside Outreach Group, Inc.

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

Member to comply with all the terms and provisions of this Agreement and of said Act.

“Investor Member” means collectively, Housing Equity Fund of Virginia XXIII, L.L.C., a Virginia limited liability company or their assigns.

“Land” means the tract of land to be purchased by the Company upon which the Project is located, as more particularly described on Exhibit C attached hereto.

“Managing Member” means SSOG Poplar Management, Inc., a Virginia corporation.

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

“Percentage Interest” means the percentage set forth for the Members on Exhibit A.

“Person” means any individual, Company, investment fund, corporation, trust, limited liability company, limited partnership or other entity.

“Property” means all real and personal property acquired by the Company and any improvements thereto and shall include both tangible and intangible property.

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

“Special Member” means VAHM, L.L.C, a Virginia limited liability company.

“Transfer” means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, grant of security interest, or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, grant a security interest or otherwise dispose of.

## Article II MEMBERS' CAPITAL CONTRIBUTIONS; REPRESENTATIONS AND WARRANTIES

2.1 Members. The names, addresses, Capital Contributions, and Percentage Interests of the Members are set forth on Exhibit A attached hereto.

2.2 Representations and Warranties. As of the date hereof, the Managing Member hereby represents, warrants and covenants to Investor Member, the Company and to the Members:

- a. Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate actions or proceedings. The Managing Member is duly organized, validly existing and in good standing under the laws of the State of Virginia with power to enter into this Agreement and to consummate the transactions contemplated hereby.
- b. Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the State of Virginia and shall have and shall continue to have full power and authority to acquire the Land and to develop the Project. The Company at all times will be operated in accordance with the provisions of the Act, any other applicable state statutes relating to limited liability companies, and this Agreement. The Company has claimed and will always claim to be a partnership for federal income tax purposes.
- c. No Defaults. The Managing Member is not aware of (i) any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any Operating Agreement, contract, lease, loan, or other commitment, or (ii) of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, Project or Company.
- d. No Violation. The execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any agreement, indenture, provision of law, or court order, judgment or decree binding on the Company, the Managing Member, and/or any Affiliate(s) thereof, and will not result in a breach of or constitute a default under any such agreement, indenture or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Land or Project.
- e. Low-Income Housing Tax Credit Reservation; Carryover Allocation Agreement. The Company submitted an application for Federal Tax Credits for the Project to the Virginia Housing Development Authority (the "State Agency"). The State Agency issued the Company a reservation of Federal Tax Credits in the annual amount of \$434,000 on July 15, 2019. A copy of the reservation letter is attached hereto as Exhibit D. The Project will be developed and operated in a manner which is consistent with all of the representations made by the Managing Member, Project

developer or sponsor, and/or the Company in the foregoing application, reservation and carryover allocation application.

- f. Title to Land. The Company will acquire and maintain at all times good and marketable leasehold title to the Land. Any Investor Member's Consent to title exceptions granted at or prior to the execution of this Agreement shall not limit or constitute a waiver of the Investor Member's right to object to any title exception or encumbrance concerning the Land at or prior to the entry of the forthcoming Amended and Restated Operating Agreement.
- g. Good Faith of Managing Member. The Managing Member shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.
- h. No Security Interests or Encumbrances. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for those securing any of the loans, mortgages and any additional security agreements executed in connection with the development of the Project, all as may be approved by the Investor Member.
- i. Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit B attached hereto.
- j. Duties. The Managing Member has not and shall not perform any duties or assume any obligations relating to the development of the Project. The Managing Member shall be specifically and solely responsible for the following duties:
  - (1) Analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state;
  - (2) Identifying potential land sites.
  - (3) Analyzing the demographics of potential sites.
  - (4) Analyzing a site's economy and forecast future growth potential.
  - (5) Determining the site's zoning status and possible rezoning actions.

- (6) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (7) Performing environmental tests on selected sites.
- (8) Negotiating the purchase of the land upon which the Project is located and its related financing.

The Managing Member agree that it shall take no action or refrain from action which will be in breach of the representations and agreements contained in its application(s) for Federal Tax Credits or in this Agreement. All of the representations, warranties and covenants contained herein shall survive this Agreement. The Managing Member shall indemnify and hold harmless the Investor Member against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

### ARTICLE III ALLOCATIONS AND DISTRIBUTIONS

3.1 Profits. After giving effect to the special allocation provisions set forth in Section 3.3(a) hereof, Profits for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

3.2 Losses.

(a) Losses for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

(b) The Losses allocated pursuant to Section 3.2(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Investor Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. All Losses in excess of the limitations set forth in this Section 3.2(b) shall be allocated to the Managing Members.

3.3 Other Allocation Rules.

(a) Target Final Capital Account Balances. The allocations of Profits and Losses under this Agreement are intended to produce final Capital Account balances (Capital Account balances immediately prior to the liquidation of the Company or of a Member's Interest, after taking into account all allocations of fiscal periods through such point in time) that are at levels ("Target Final Balances") which permit liquidating distributions made in accordance with final Capital Account balances to equal the distributions which would occur if such liquidating proceeds were



distributed in accordance with Section 3.4. To the extent that the tax allocation provisions of this Agreement would not produce the Target Final Balances, the Members agree to take such actions as are necessary to amend such tax allocation provisions to produce such Target Final Balances. Notwithstanding the other provisions of this Agreement, allocations of income, gain, loss and deduction (including items of gross income, gain, loss and deduction) shall be made prospectively as necessary to produce such Target Final Balances, and, to the extent such prospective allocations would not affect such result, the prior tax returns of the Company shall be amended to reallocate items of gross income, gain, loss and deductions to produce such Target Final Balances.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the year.

(d) The Members are aware of the income tax consequences of the allocations made by this Article III and hereby agree to be bound by the provisions of this Article III in reporting their shares of Company income and loss for income tax purposes.

3.4 Distributions. The net cash proceeds from operations of the Company and all sales and other distributions of Company property for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

#### Article IV MANAGEMENT

4.1 Decisions on Behalf of the Company by the Managing Member. Except as provided elsewhere in this Agreement (including Section 4.2 below), all decisions relating to the Company and the conduct of its business, including the operation of the Project after its acquisition, shall be made by the Managing Member and in accordance with any budget or other operating agreements adopted by the Company upon the Consent of the Members.

4.2 Restrictions on Authority of the Managing Member. Without the Consent of Investor Member, the Managing Member shall have no authority to:

- (a) do or refrain from doing any act which terminates, cancels, annuls, invalidates, amends, modifies or otherwise affects the reservation and allocation of Federal Tax Credits allocated to the Project;

- (b) do or refrain from doing any act which terminates, cancels, annuls, invalidates, amends, modifies or otherwise affects any contract or option in favor of the Company to purchase the Property;
- (c) sell, transfer, convey or otherwise encumber the Property; or
- (d) enter into any commitment for construction or permanent loan financing.

4.3 Assignment of Project Documents. As a condition to and inducement for the Investor Member's admission to the Company as Investor Member, the Managing Member and its Affiliates hereby transfer, assign, convey and set over unto the Company all of its respective right, title and interest in and to: (i) all existing or future purchase agreements, service and other contracts with respect to the Project; (ii) any and all governmental permits, approvals and licenses with respect to the Project; (iii) any and all plats and surveys of the Project; (iv) any and all Federal Tax Credits, reservations, allocations or other rights with respect to the Project; (v) agreements with third party contractors, attorneys, accountants, architects and engineers, and consultants, and (vi) any and all warranties and guaranties relating to the Project.

## ARTICLE V

### BOOKS AND RECORDS

5.1 Books and Records. The Company shall keep adequate books and records at its principal place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Company and meeting the requirements of the Act. Any Member or its designated representative shall have the right, at any reasonable time, to have access to and inspect and copy the contents of such books or records.

## Article VI AMENDMENTS

6.1 Amendments. Amendments and restatements to this Agreement may be proposed by any Member and shall be adopted only upon the Consent of the Members.

## Article VII TRANSFERS OF INTERESTS

7.1 Restriction on Transfers. The Managing Member shall not Transfer all or any portion of its Interest except upon the Consent of the Special Member. The Investor Member shall have the right to transfer its Interest without the Consent of the Members to an Affiliate. For purposes of this Agreement, the Transfer of an interest in either Member which results in a change in the control of

such Member, as such control exists as of the date of this Agreement, shall constitute and be deemed a Transfer of an Interest in the Company subject to the foregoing restriction. Any Transferee of an Interest or any portion thereof shall agree to be bound by the terms of this Agreement.

Article VIII  
DISSOLUTION AND WINDING UP

- 8.1 Liquidating Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):
- (a) The Consent of the Members to dissolve, wind up, and liquidate the Company;
  - (b) The sale of all or substantially all of the Property;
  - (c) The happening of any other event that makes it unlawful or impossible to carry on the business of the Company; or
  - (d) The occurrence of any event causing dissolution under the Act.

Article IX  
OTHER WITHDRAWAL CONDITIONS

- 9.1 Withdrawal. Subject to Section 9.2 hereof, the Investor Member, in its sole and exclusive discretion, shall have the right to withdraw as a member (along with the Special Member), for any of the following reasons:
- (a) Any fraud, gross negligence or intentional misconduct, material breach of fiduciary duty in violation of the covenants, terms and conditions to be performed or observed by the Managing Member hereunder that has a material and adverse effect on the Company or the Investor Member;
  - (b) Material breach by the Managing Member of any representations, warranty or covenant set forth in this Agreement;
  - (c) (i) The filing by the Managing Member or Guarantor of a voluntary petition under federal or state bankruptcy laws; (ii) a general assignment for the benefit of creditors by the Managing Member or Guarantor; or (iii) the appointment of a receiver or trustee to administer all or any part of the assets of the Managing Member or Guarantor or seizure of such assets or part thereof by a judgment creditor; or

(d) The Federal Tax Credits are returned to or recaptured by the Agency for any reason.

9.2 Notice of Cure. The Investor Member, prior to exercising its rights under 9.1 to withdraw, shall provide the Managing Member written notice by certified mail of such default. Managing Member shall have thirty (30) days to cure such default from the date of receipt of such notice or if such cure cannot by its nature be completed within such 30-day period, then such longer period as may reasonably be required, in the judgment of the Investor Member, to effect such cure, not to exceed sixty (60) days.

## Article X MISCELLANEOUS

10.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be delivered personally to the Person or to an officer of the Person to whom the same is directed, or sent by registered or certified mail, or by overnight courier, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Members:

- (a) If to the Company, to the Company at the address set forth in Section 1.5 hereof with a copy to each Member; and
- (b) If to a Member, to the address set forth below its name on Exhibit A attached hereto.

Any such notice shall be deemed to be delivered, given, and received for all purposes as of the date so delivered, if delivered personally or by overnight courier, or as of five business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, if sent by registered or certified mail, postage and charges prepaid. Any Person may from time to time specify a different address by notice to the Company and the Members.

10.2 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

10.3 Governing Law. The laws of the Commonwealth of Virginia shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Members.

10.4 Entire Agreement. This Agreement constitutes the entire agreement and understanding among the Members hereof and supersedes any prior understandings or written or oral agreements among them respecting the subject matter hereof.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day first above set forth.

MANAGING MEMBER

SSOG Poplar Management, Inc.  
a Virginia corporation

By: Earl Howerton

Name: Earl Howerton

Title: Executive Director

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day first above set forth.

INVESTOR MEMBER:

Housing Equity Fund of Virginia XXIII L.L.C., a Virginia limited liability company

By: Virginia Housing Capital Corporation, its managing member

By: Arild O. Trent  
Name: Arild O. Trent  
Title: Vice President

SPECIAL MEMBER:

VAHM, L.L.C., a Virginia limited liability company

By: Arild O. Trent  
Name: Arild O. Trent  
Title: Vice President

EXHIBIT "A"

OPERATING AGREEMENT  
OF  
POPLAR CREEK HOMES, INC.

Members

<u>Names and Addresses</u>	<u>Capital Contributions</u>	<u>Percentage Interests</u>
Managing Member:		
SSOG Poplar Management, Inc. 1425 Seymour Drive South Boston, VA 24592 Attention: Earl Howerton	\$0.09	.009%
Investor Member:		
Housing Equity Fund of Virginia XXIII, L.L.C. c/o Virginia Housing Capital Corporation 1840 West Broad Street, Suite 200 Richmond, Virginia 23220 Attention: Chris Sterling	\$999.99	99.99%
Special Member:		
VAHM, L.L.C. c/o Virginia Housing Capital Corporation 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	\$0.01	00.001%

## EXHIBIT "B"

### **Insurance Requirements**

Throughout the term of this Agreement, Managing Member shall obtain, and maintain in full force and effect, the following policies of insurance:

- Commercial General Liability insurance, insuring for legal liability of the Company, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership or management of the Project and including the costs to defend such actions brought against the Company. The policy shall include endorsements adding the Investor Member and Special Member as additional insureds, and shall be primary coverage for the additional insureds, without contribution from other valid insurance policies which may be carried directly by the additional insureds. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the aggregate. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis."
- Umbrella/Excess Liability insurance, with the Commercial General Liability policy scheduled as underlying policy. Limits of the policy shall be at least \$5 million per occurrence and in the annual aggregate. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis."
- Other forms or types of insurance that the Investor Member may now or hereafter require, including without limitation, earthquake, flood and other special hazards.

Prior to the commencement of any construction of the Project, Managing Member shall obtain (or cause to be obtained by the Contractor) and keep in force until the Final Closing:

- Builder's Risk insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor Member) to the real property comprising or intended to comprise the Project construction, and personal property of the Company used to maintain or service the Project construction, whether located at the site or elsewhere, including while in-transit Coverage Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation and for any additional architectural or engineering fees incurred as a result of an insured loss (and include a soft costs endorsement); loss payment shall be to the Company. Limits of policy will be at least the estimated replacement value of the completed Project. The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. The policy shall include an endorsement naming the Investor Member and Special Member as Loss Payees, as their interests may appear, and as additional insureds, and shall allow the Investor Member and Special Member to be associated in the adjustment of any claim.



- Evidence from the Contractor of Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project construction, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability Limits shall be at least \$1 million per occurrence.
- Comprehensive General Liability and Property Damage Insurance (including limited contractual liability and completed operations) in the amount of not less than two million dollars (\$2,000,000.00) covering personal injury, bodily injury and property damage, and covering products and completed operations for a minimum of three years following completion of construction.
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than one million dollars (\$1,000,000.00) covering personal injury, bodily injury and property damage.
- Pollution coverage insurance providing defense and indemnity coverage for bodily injury, property damage, and environmental investigation and clean-up costs for pollution conditions arising from the contractor's operations.

Managing Member shall provide or cause to be provided by the architect for the renovation/construction of the Project, and keep in force until Final Closing:

- Architect's professional liability insurance in the amount of not less than one million dollars (\$1,000,000.00) (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Agreement or the commencement of the Architects' services in relation to the Project) covering personal injury, bodily injury and property damages.
- Comprehensive General Liability Insurance (including limited contractual liability and completed operations) in the amount of not less than two million dollars (\$2,000,000.00) covering personal injury, bodily injury and property damage.
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than one million dollars (\$1,000,000.00) covering personal injury, bodily injury and property damage.
- Workmen's Compensation Insurance in the amount of the statutory maximum with an employer's liability coverage of at least five hundred thousand dollars (\$500,000.00).

Prior to any occupancy of the Project, Managing Member shall obtain, and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

- Property Damage insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor Member) to the real property comprising the Project, personal property of the Company used to maintain or service the Project, and new construction, additions, alterations and repairs to structures. Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation; loss payment shall be to the Company. Limits of policy will be at least the replacement value of the Project (excluding from the value of the Project, site utilities, foundations and architectural and engineering expenses). The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. Coverage and limits shall be extended to include the actual loss of rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss. Coverage shall be further extended to include debris removal, outdoor trees, shrubs, plants and lawns, and Ordinance or Law coverage for the increased costs of construction caused by the enforcement of building, zoning or Project use law. The policy shall include an endorsement naming the Investor Member and Special Member as Loss Payees, as their interests may appear, and as additional insureds, and shall allow the Investor Member and Special Member to be associated in the adjustment of any claim.
- Evidence of Worker's Compensation insurance from any contractor performing work for the Company, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1 million per occurrence.
- If applicable, boiler and machinery insurance written on a comprehensive form basis.

All such policies shall be underwritten by companies licensed to write such insurance in the state in which the Project is located, and shall be rated in the latest A.M. Best's Insurance Rating Guide with a rating of at least A-, and be in a financial category of at least X. The Managing Member shall furnish to the Investor Member and Special Member a complete copy of each such policy of insurance. If the policy is not available prior to the Final Closing, then certificates of insurance detailing the policy terms and conditions as noted above shall be provided, but the policies must then be provided within sixty days. All such policies shall include endorsements requiring at least 30 days prior written notice to the Investor Member of any cancellation, termination or reduction of coverage therein. Notice of the renewal of any policy shall be made at least 10 days prior to the scheduled date of such renewal and shall be in the form of endorsement to the policy. Notice to the Investor Member and Special Member of any replacement of any policy shall be made at least 10 days prior to such replacement and shall be in the form of a copy of the replacement policy, or by certificate, as noted above.

The Managing Member hereby releases and relieves the Investor Member and Special Member for any and all liability, and waives its entire right of recovery against them, with respect to any loss or damage of property or for property damage, bodily injury or personal injury to third-parties arising out of or incident to any loss or peril insured against under any for the foregoing policies, and any other perils for which the Managing Member has arranged insurance.

EXHIBIT "C"

LEGAL DESCRIPTION

## SCHEDULE A

File No.: 00109-1243

TENTATIVE LEGAL DESCRIPTION. DESCRIPTION OF PROPERTY TO BE INSURED TO BE PROVIDED UPON RECEIPT OF SUBDIVISION PLAT OF THE PROPERTY:

LEGAL DESCRIPTIONS OF RECORD:

Tract I - Tax Parcel Nos. 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450 and 2363:

ALL of those certain lots, tracts, or parcels of land with improvements thereon and appurtenances thereunto belonging, situate in the Town of South Boston, Halifax County, Virginia, shown on a plat of the South Boston Improvement Company property, recorded in the back of Deed Book 81 (the "Plat") in the Clerk's Office of the Circuit Court of Halifax County, Virginia and more particularly described as follows:

Lots 1, 2, 3 and 4 in Block 63 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 as shown on said plat.

Lot 7 in Block 77 as shown on said plat.

Further Lots 1, 2, 3 and 4 in Block 63; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78; and, Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 are further shown on a plat of subdivision made by B & B Consultants, Inc./ Jones & Associates, dated October 4, 2012, entitled "BOUNDARY SURVEY OF THE POPLAR CREEK SUBDIVISION TOTALING 4.29 ACRES Located in The TOWN OF SOUTH BOSTON HALIFAX COUNTY, VIRGINIA", recorded in the Clerk's Office aforesaid in Plat Book 29, Page 248 and were renumbered thereon to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

LESS AND EXCEPT from the above Lots 6 and 7 as shown on Plat Book 29, Page 248 as were conveyed to Southside Outreach Group, Inc., a Virginia corporation, by deed from the Town of South Boston, Virginia, dated March 15, 2013, recorded in the Clerk's Office aforesaid in Deed Book 1128, Page 62.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins dated October 20, 2010, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 110000188. ALSO BEING the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins, in her own right, and as Trustee under the Edward B. Wilkins Amended and Restated Trust Agreement dated November 15, 1988, Leslie W. Powell, as Trustee under the Edward B. Wilkins Amended and Restate Trust Agreement dated November 15, 1988, Jenny O. Wilkins, Paige Wilkins Powell, E. Bruce Wilkins and Sue Wilkins Bales, Beneficiaries, dated October 20, 2010, recorded in the Clerk's Office aforesaid as Instrument No. 110000187.

Tract II - Tax Parcel No. 2395:

ALL that certain lot or parcel of land, located in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting on Harrell Street, and shown as Lot No. 5 in Block 80 on the plat of South Boston Improvement Company property recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81, Page 657.

BEING the same real estate conveyed to The Town of South Boston, Virginia by deed from Jimmy D. Hite, dated November 5, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003515.

Tract III - Tax Parcel Nos. 2396 and 2397:

ALL those certain lots situate in the Town of South Boston, Halifax County, Virginia, being Lot Six (6) and Lot Eleven (11) in Block 80 of the South Boston Improvements Company's property situate on lower Wilborn Avenue.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Thomas C. Arthur and Betty B. Arthur dated November 19, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003516.

Tract IV - Tax Parcel No. 2398:

That certain lot or parcel of land situate in the Town of South Boston, Halifax County, Virginia, designated in Plan of South Boston Improvement Company recorded in Deed Book 81, Page 535 as Lot 7, Block 80.

BEING a part of the same real estate conveyed to J.S. Thomas by deed from J. M. Carrington and S.P. Carrington, his wife, owners of one-half undivided interest, and Eliza C. Lawson, John O. Lawson, Tyree C. Wright and Bessie L. Wright, his wife, R. B. Lawson, and Salle W. Lawson, his wife, Julian L. East and Janey L. East, his wife, A. Venable Lawson and Vivian M. Lawson, his wife, Mary H. Lawson, J. Stobbine Lawson, Katherine W. Lawson, and D.L. Traynham and Katie O. Traynham, his wife, owners of the other one-half undivided interest, dated May 7, 1920, recorded September 20, 1920 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 127, Page 117. J.S. Thomas died intestate on \_\_\_\_\_, survived by \_\_\_\_\_, his sole heirs at law.

Tract V - Tax Parcel No. 2399:

**A one-fourth undivided interest in Lee P. Woody and a one-fourth undivided interest in Judith R. Woody:** in that certain lot lying in the Town of South Boston, Halifax County, Virginia, known and designated as Lot Eight (8) in Block Eighty (80) as shown on the plat of South Boston Development Company, recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81 at Page 656; said lot fronting 50 feet on the southeast side of Webster Street and extending back along the southwest side of Terry Street 150 feet.

BEING a portion of the same real estate conveyed to Lee P. Woody, Jr., Trustee Under a Revocable Trust Dated October 30, 1997, by deed from Lee P. Moody, Jr. and Susan S. Moody, his wife, dated December 10, 1999, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 685, Page 507.

ALSO BEING a portion of the same real estate conveyed to Lee P. Woody, Jr. and Judith R. Woody (collectively a one-half interest), by deed from Lee P. Woody, Jr. and Rosa R. Woody, Executors of the Estate of L. P. Woody, deceased, and Rosa R. Woody, widow, in her own right, dated June 9, 1978,

recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 426, Page 96.

ALSO the other one-half undivided interest in said Lot being vested in \_\_\_\_\_ by virtue of a Deed recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

Tract VI - Tax Parcel No. 2364:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia, and designate on the map of the property of the South Boston Improvement Company, which is recorded in the back of Deed Book 81 in the Clerk's Office of Halifax County, Virginia as Lot 8, Block 77, and fronting 60 feet on the southeasterly side of an unnamed street and extending back between parallel lines 150 feet to an alley. See Plat Book 1, Page 11.

BEING a portion of the same real estate conveyed to Halifax County Fair Association, Incorporated, a Virginia corporation, dated February 1, 1968, recorded February 19, 1968 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 336, Page 110.

Tract VII - Tax Parcel No. 2365:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia and designated as a one-half undivided interest in one-half of Lot 9, Block 77, as shown on the plat of the South Boston Improvements Company property recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 81, Page 656.

BEING a portion of the same real estate conveyed to Robert Michael Harris ( a one-half undivided interest in the above lot) by deed of distribution from Robert Michael Harris, in his capacity as successor Trustees of Eva M. Harris Declaration of Trust dated August 31, 2006, dated September 4, 2014, recorded September 22, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 140002654.

The other one-half undivided interest was not conveyed by Jane E. Blackwell to Robert L. Harris and Eva Jean Maddox, dated January 16, 1991, recorded in said Clerk's Office in Deed Book 559, Page 359 and is vested in the name of \_\_\_\_\_.

Tract VIII - Streets and Alleys

All right, title and interest of the Town of South Boston, Virginia, in and to the Streets and Alleys to be vacated by Ordinance of the Town of South Boston, Virginia dated \_\_\_\_\_, 2019, as follows:

Terry Street running from Poplar Creek Street to \_\_\_\_\_; Owen Street running from Poplar Creek Street to \_\_\_\_\_; Harrell Street running from Poplar Creek and the Norfolk and Southern Railroad; and the Alley running trough the center of Block 78, dividing Lots 1 through 6 from Lots 7 through 12.

Tax Map Number:

## **EXHIBIT "A" - PROPERTY DESCRIPTION**

All those certain lots or parcels of land, and the platted but undeveloped streets between them, all as necessary to make up the site plan for the Development shown in Exhibit "B", and generally known and described as:

For the 13 originally planned units:

- (1) PRN # 2381, known as Lot 1, Block 79, of Poplar Creek St., conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (2) PRN # 34435, known as Lot 2, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (3) PRN # 34436, known as Lot 3, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (4) PRN # 34437, known as Lot 4, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (5) PRN # 34438, known as Lot 5, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (6) PRN # 34441, known as Lot 8, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (7) PRN # 34442, known as Lot 9, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (8) PRN # 34443, known as Lot 10, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (9) PRN # 34444, known as Lot 11, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.



- (10) PRN # 34445, known as Lot 12, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (11) PRN # 34446, known as Lot 13, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (12) PRN # 34447, known as Lot 14, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (13) PRN # 34448, known as Lot 15, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (14) PRN # 34449, known as Lot 16, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.

And the following lots for the stormwater retention facility to service the Development:

- (15) PRN # 2396, known as Lot 11, Block 80, conveyed to the Town of South Boston on December 19, 2018.
- (16) PRN # 2395, known as Lot 5, Block 80, conveyed to the Town of South Boston on December 19, 2018.
- (17) PRN # 2397, known as Lot 6, Block 80, conveyed to the Town of South Boston on December 19, 2018.
- (18) PRN # 2398, known as Lot 7, Block 80, conveyed to the Town of South Boston on February 26, 2019.
- (19) PRN # 2399, known as Lot 8, Block 80, conveyed to the Town of South Boston on \_\_\_\_\_, 2019.
- (20) PRN # 2363, known as Lot 7, Block 77, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.
- (21) PRN # 2364, known as Lot 8, Block 77, conveyed to the Town of South Boston on February 26, 2019.
- (22) PRN # 2365, known as ½ Lot 9, Block 77, conveyed to the Town of South Boston on February 26, 2019.

And an additional Parcel to add six units to the original 13 unit design:

- (23) PRN # 34450, known as known as Lot 17, Poplar Creek Subdivision, as shown on P.B. 29, p. 248, conveyed to the Town of South Boston by Deed recorded in the County of Halifax in D.B. 1082, p.21.

EXHIBIT "D"

INTENTIONALLY OMITTED

COPY

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

RESERVATION OF  
LOW-INCOME HOUSING TAX CREDITS

THIS RESERVATION AGREEMENT made this 15<sup>th</sup> day of July, 2019, by and between POPLAR CREEK HOMES, LLC (the "Owner") and the VIRGINIA HOUSING DEVELOPMENT AUTHORITY ("VHDA") hereby recites and provides as follows:

WITNESSETH:

WHEREAS, pursuant to § 42 of the Internal Revenue Code of 1986, as amended (the "Code"), the Owner has submitted to VHDA an application (the "Application") for a reservation ("Reservation") of low-income housing tax credits ("Credits") from VHDA's 2019 Credit Program to be allocated with respect to the building(s) comprising that certain residential rental housing development known as Poplar Creek Homes (the "Development"), which buildings are of the type(s) more particularly described in the Application which is incorporated herein by reference; and

WHEREAS, pursuant to Internal Revenue Service ("IRS") Regulation § 1.42-1T(d)(8)(i), VHDA may, prior to allocating Credits to the Owner with respect to the Development, issue to the Owner a binding commitment to make a Credit allocation; and

WHEREAS, according to IRS Notice 89-1, in order for the Owner to be entitled, should it choose to do so, to elect to fix the applicable credit percentage for the buildings of the Development not yet placed in service pursuant to § 42(b)(2)(A)(ii)(I) of the Code, such binding commitment must meet the requirements of IRS Notice 89-1 as a binding agreement; and

WHEREAS, the Owner and VHDA desire that this Reservation Agreement constitute such a binding commitment.

NOW THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein and other good and valuable consideration, the Owner and VHDA hereby agree as follows:

1. VHDA agrees to reserve for allocation to each building in the Development, as more particularly described in the Application, Credits in the amount set forth with respect to such buildings; provided, however, that such Reservation and allocation ("Allocation") shall in all cases be subject to (a) all of the terms, provisions and limitations hereof (including those in Section 3 hereof relative to the amount of Credits to be allocated), (b) the Owner's timely satisfaction of all of the requirements set forth or referenced herein, (c) all applicable terms, conditions, limitations and requirements of § 42 of the Code, as amended, and any successor provisions, and all applicable regulations, pronouncements, notices and rulings relative thereto as and when issued, and (d) all applicable Rules and Regulations of VHDA governing the reservation and allocation of Credits.

Furthermore, it is VHDA's intention that, to the extent permitted by law, the specific amounts reserved for each building be advisory only, such that the Reservation be made in an aggregate annual amount of \$434,000.00 with respect to the Development as a whole, as contemplated by § 42(h)(1)(F) of the Code.

2. As conditions precedent to the allocation of Credits with respect to the Development, VHDA must receive within the applicable time periods each of the following items in form and substance satisfactory to it (**Failure to meet the deadlines below will result in a fine of \$500 per day or a loss of your reservation for extended delays**):

- a) By July 31, 2019 (except Developments in the Nonprofit Pool, the ASH Pool and Local Housing Authority Pool), a non-refundable Reservation Fee in an amount equal to 7% of the annual Credit amount being reserved, in the form of a check made payable to VHDA.
- b) By July 31, 2019, this Reservation Agreement fully executed. (You may keep one of the duplicate originals for your files.)
- c) By July 31, 2019, the original, executed Contract to Enforce Representations regarding Low-Income Housing Tax Credit Development (the "Contract") (in the form provided herewith). The terms of this Contract will, to the extent applicable, survive the Allocation of Credits, if any.
- d) By April 30, 2020, unless already provided with the Application, evidence that the Owner has either sole fee simple ownership of the site or holds a lease of such site for a term no shorter than the period represented in the Application during which the Development (or portion thereof with respect to which Credits have been requested) shall be held for occupancy by low income persons.

- e) By November 1, 2019, an original, completed, properly executed, allocation application (package to be sent under separate cover). Such application will be deemed complete (i) when the Owner has updated those sections in which information has CHANGED from that represented in the Reservation Application and (ii) when the Owner has attached thereto satisfactory, executed, original Attorney's Opinion and, for carryforward allocation requests, an Owner's Certification, all in the forms prescribed in the allocation application package.

In such application, the Owner shall, among other things, certify as to the reasonable, ordinary and necessary costs and expenses paid or incurred by the Owner in the construction or rehabilitation and, if applicable, the acquisition of the Development. In addition, if the Development has not been completed by the November 1, 2019, deadline for such application (e.g., if it is a carryforward project or, in the alternative, if it is a regular allocation project which has been placed in service but is still not 100% complete), the Owner shall include in such certification its reasonable estimates of all costs and expenses necessary to complete the Development. However, no increase in the developer's fee established by VHDA in scoring the Reservation Application shall be permitted without the consent of VHDA. All costs and expenses as certified shall be subject to review, adjustment and approval by VHDA.

- f) By April 30, 2020, the original (or the Circuit Court Clerk's certified copy thereof), executed, **recorded** Extended Use Agreement (in exactly the form provided herewith) and the original recording receipt therefor. Exhibit A (the property's legal description) must be prepared and attached and the Agreement must be executed by the Owner. This must be recorded **after** the deed conveying title to the property to the Owner identified herein. The terms of the Agreement shall survive the Allocation of Credits, if any. Note that this Agreement governs the use of the Development and imposes certain additional requirements on the Owner and its successors, including requirements relative to the nonprofit.

3. The Owner understands and agrees that, notwithstanding anything herein to the contrary, VHDA is required under § 42 of the Code to determine the amount of Credits necessary for the financial feasibility of the Development (which determination shall include a review of the costs and expenses of the Development for reasonableness) at the time of Allocation and, for projects requesting Carryforward Allocations, again at the time of placement in service of the buildings in the Development and, further, that VHDA is prohibited from allocating to the Development or, as applicable, issuing with respect to the Development an I.R.S. Form 8609 for, any more Credits than the amount so determined to be necessary.

4. No changes material to the Development or to the number of points assigned to the Application in the Reservation selection process may be made to the proposal described in the Application (including costs thereof, sources and uses of funds and information included in the accompanying documentation, such as plans and specifications) without the prior approval of VHDA. Any such change may result in a decrease in or loss of the Reservation of Credits made hereby.

5. Unless otherwise requested in a notice given from the Owner to VHDA pursuant hereto and approved in advance by VHDA, (i) no transfers, directly or indirectly, of all or any portion of the Owner's interest in the Development, once acquired, or of all or any portion of the ownership interests in the Owner (other than limited partnership interests) shall be permitted during the term of this Reservation Agreement and (ii) no entity other than the Owner identified herein and described in the Application shall be entitled to an Allocation of Credits.

6. Failure to strictly and timely comply with each and every provision hereof shall, at the option of VHDA, result in the immediate cancellation by VHDA of the Reservation of Credits. Any forbearance by VHDA in exercising such right of cancellation shall not be a waiver of or preclude the subsequent exercise of such right.

VHDA undertakes no responsibility for notifying the Owner of missing items or unsatisfied conditions prior to the deadlines for their submission or completion imposed hereunder.

7. The Owner expressly agrees that if, at any time, it determines that it will be unable to use all or any portion of the Credits reserved to it, it will promptly so notify VHDA.

8. All notices to be given pursuant to this Reservation Agreement shall be in writing and shall be deemed given when mailed by first class mail, to the parties hereto at the addresses set forth below, or, to such other place as may be designated by notice given hereunder.

To VHDA: Virginia Housing Development Authority  
601 South Belvidere Street  
Richmond, Virginia 23220  
Attn: Tax Credit Allocation Department

EXHIBIT A  
to  
RESERVATION OF LOW-INCOME HOUSING TAX CREDITS

Special Conditions

1. A reservation fee of \$30,380.00 will be due and payable on November 1, 2019.
2. By April 30, 2020, the Owner shall provide VHDA with a Circuit Court Clerk's certified copy of the recorded option or right of first refusal (as contained in the Owner's application) by and between the Owner and Southside Outreach Group, Inc. and the recording receipt therefor, which shall be recorded immediately after the recording of the Extended Use Agreement.
3. The Credits subject to this Reservation may include a pre-reservation of the 2020 Credits pursuant to VHDA's Plan for Allocation of Low-Income Housing Tax Credits. Final determination of the amount of 2019 Credits and 2020 Credits allocated to the Development will be determined by the Authority in December 2019.

**ELECTION TO FIX APPLICABLE CREDIT PERCENTAGE**

Pursuant to §42(b)(1)(A)(ii)(I) of the Code, the Owner hereby irrevocably elects to fix the Applicable Credit Percentage (as defined in § 42(b)(1) of the Code) for the month of July, 2019.

Reference is hereby made to the Reservation of Low-Income Housing Tax Credits dated July 15, 2019 between Virginia Housing Development Authority and the Owner.

**POPLAR CREEK HOMES, LLC**  
(the Owner)

By: Earl Howerton  
Its: Executive Director

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Halifax, To-Wit:

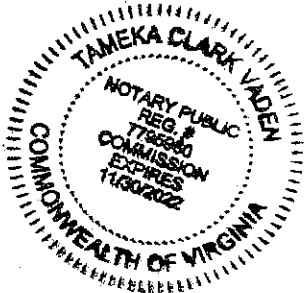
The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of July, 2019,  
by Earl Howerton, the  
of Poplar Creek Homes, LLC, the Owner

My notary seal is affixed below:

Tameka Clark Vaden  
Notary Public

My commission expires: 11/30/22

My notary registration number is: 7795960



**RETURN ORIGINAL TO VHDA BY AUGUST 5, 2019, IF YOU MAKE THE ELECTION ABOVE.**

To the Owner: Poplar Creek Homes, LLC  
1425 Seymour Drive  
South Boston, VA 24592  
Attn: Mr. Earl Howerton

9. This Reservation Agreement may not be altered, modified, or amended except in writing, signed on behalf of the Owner and VHDA; provided, however, that the Owner agrees that it shall take all actions necessary to effect amendment of this Reservation Agreement as VHDA may determine to be necessary to comply with § 42 of the Code, as amended, and any successor provisions, and all applicable regulations, notices, pronouncements, rulings and other official communication relative thereto as and when issued.

10. The invalidity of any clause, part or portion of this Reservation Agreement shall not affect the validity of the remaining portions hereof.

11. Subject to the limitation imposed by Section 5 hereof on transfers of ownership interests, this Reservation Agreement is binding on the Owner, VHDA and all successors in interest to the Owner as owners of the Development.

12. This Reservation Agreement is not assignable by the Owner without VHDA's prior consent.

13. This Reservation Agreement is subject to the additional or special conditions set forth in Exhibit A which is attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Owner and VHDA have caused this Contract to be signed by their duly authorized representatives as of the day and year first written above.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

Dated: July 15, 2019

By: John D. Badruat  
Its: Authorized Officer  
Agency/Taxpayer I.D. No.: 54-0921892

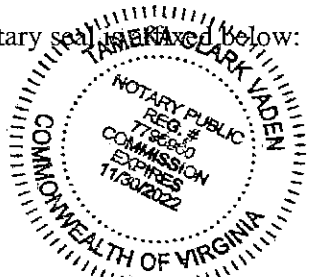
**POPLAR CREEK HOMES, LLC**  
(the Owner)

By: Earl Howerton  
Its: Executive Director

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Halifax, To-Wit:

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of July, 2019,  
by Earl Howerton, the  
of Poplar Creek Homes, LLC, the Owner.

My notary seal is located below:



Tamara Clark Vaden  
Notary Public

My commission expires: 11/30/22

My notary registration number is: 7795960

**OWNER: IF YOU WISH TO ELECT TO FIX THE APPLICABLE CREDIT PERCENTAGE CONTINUE TO THE NEXT PAGE.**



COPY

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

**CONTRACT TO ENFORCE REPRESENTATIONS  
REGARDING LOW-INCOME HOUSING TAX CREDIT DEVELOPMENT**

**THIS CONTRACT**, made this 15<sup>th</sup> day of July, 2019, by and between **POPLAR CREEK HOMES, LLC** (the "Owner") and the **VIRGINIA HOUSING DEVELOPMENT AUTHORITY** ("VHDA"), hereby recites and provides as follows:

**WITNESSETH:**

WHEREAS, pursuant to § 42 of the Internal Revenue Code of 1986, as amended (the "Code"), the Owner has submitted to VHDA an application (the "Application") for a reservation ("Reservation") of low-income housing tax credits ("Credits") from VHDA's Credit Program to be allocated with respect to the building(s) comprising that certain residential rental housing development known as Poplar Creek Homes (the "Development"); and

WHEREAS, the Owner has made in its Application (which Application is incorporated herein by reference) certain representations to VHDA upon which VHDA relied in considering the Application for a Reservation of Credits; and

WHEREAS, based upon such representations, VHDA has agreed to reserve for Allocation (as defined in § 42(h) of the Code) to the Owner an aggregate annual amount of \$434,000.00 of Credits with respect to the Development provided that, as a condition precedent to any such Allocation, the Owner must, among other things, enter into this Contract, pursuant to which certain of the representations made by the Owner in its Application and certain other requirements imposed by VHDA shall be enforceable.

NOW THEREFORE, the parties do hereby agree as follows:

1. Representations.

(a) In the case of a building which receives a carryforward allocation of Credits pursuant to § 42(h)(1)(E) of the Code, the Owner shall provide to VHDA at the time it requests from VHDA an IRS Form 8609 for each building in the Development an executed Request for IRS Forms 8609 with respect to the buildings in the Development in the form required by VHDA (which Request form shall be included with the carryforward allocation document issued by VHDA to the Owner) in which the Owner shall, among other things, certify as to the reasonable, ordinary and necessary costs and expenses incurred by the Owner in the construction or rehabilitation and, if applicable, the acquisition of the Development. The Owner shall submit such request in accordance with the carryforward allocation document issued by VHDA to the Owner no later than the earlier of (i) six months after the last building in the Development is placed in service or (ii) April 30, 2022. However, Owner shall notify the Authority by April 30, 2021 in the event owner reasonably anticipates it will not place in service by the applicable deadline. If the Development has not been completed by the deadline for such submission, the Owner shall include in such certification its reasonable estimates of all costs and expenses necessary to complete the Development. All costs and expenses as certified shall be subject to review, adjustment and approval by VHDA.

(b) Not later than the last day of the first year of the Credit Period (as defined in § 42(f) of the Code) for the last building of the Development which is placed in service, (i) the Development shall contain all of the amenities, building materials and energy efficient features, if any, described in the Application, (ii) the Development shall contain not fewer than the number of Low-Income units and bedrooms set forth in the Application and (iii) the percentage of new units (or, as applicable, units adapted for housing from another use) in the Development shall be not less than that specified in the Application.

2. Requests for Information. The Owner shall promptly prepare and deliver to VHDA, in a format acceptable to VHDA, such information as VHDA shall from time to time request with respect to its compliance with the terms hereof.

3. IRS Form 8821. The Owner shall, at the request of the VHDA, execute and deliver to VHDA a valid IRS Form 8821, Tax Information Authorization, naming VHDA as the appointee to receive tax information. The Owner also agrees to provide VHDA with an additional IRS Form 8821 upon the expiration of any previous IRS Form 8821 during the Extended Use Period of the Development.

4. Records and Inspections. The book, contracts, records, documents, plans and other materials relating to compliance with the terms hereof shall at all times be maintained at the Development (or such other place as VHDA shall approve) in reasonable condition for inspection and shall be subject to inspection and copying at any reasonable time by VHDA or its authorized agents. VHDA shall also have the right to enter upon and make inspections of the property and all improvements thereon constituting the Development.

It is understood and agreed that any such inspection by VHDA shall be for the sole benefit and protection of VHDA, and neither the Owner nor any other party shall be entitled to rely upon such inspection or the results therefrom for any purpose whatsoever, including without limitation the assertion of (a) any claim or defense with respect to any failure by the Owner to perform in accordance with the terms of this Contract or (b) any waiver or other modification of the rights of VHDA or the obligations of the Owner hereunder.

5. Event of Default. A violation of any provision of this Contract shall constitute a default hereunder.

6. Enforcement of Terms.

(a) In the event of a violation of the provisions of subsection 1.a hereof, no IRS Forms 8609 shall be issued by VHDA with respect to the applicable buildings of the Development and VHDA shall reclaim the Credits allocated to the Development. VHDA may, however, extend the deadline in subsection 1.a if the Owner can prove to the satisfaction of VHDA that the Development will be placed in service within the time limits required by § 42 of the Code. A fee may be assessed by VHDA in connection with any extension of the deadline in subsection 1.

(b) In the event of a violation of any other provision hereof, VHDA shall have the right, in addition to all other remedies provided by law or in equity, to apply to any court of competent jurisdiction within the Commonwealth of Virginia to enforce specific performance by the Owner of its obligations hereunder, or to obtain an injunction against any violations hereof, or to obtain such other relief as may be appropriate. In the alternative or, in the event of any additional violation of the provisions hereof, VHDA may, at its sole option, require the payment by the Owner of an amount equal to 10% of the Total Development Cost (as set forth in the Application) of the Development as liquidated damages for such violation.

(c) In addition, in all cases of default, the Owner shall be responsible for the payment of any and all costs, fees and expenses paid by VHDA in connection with the enforcement of the terms hereof.

(d) VHDA's election to pursue any one or more of the above remedies shall not be construed to preclude or be a waiver of VHDA's right to pursue any of the other remedies with respect to the violation for which such remedy was pursued or with respect to any other violation prior or subsequent thereto. In addition, any forbearance by VHDA in exercising its rights hereunder shall not constitute a waiver or preclude the exercise of such rights.

7. Severability. The invalidity of any clause, part or provision of this Contract shall not affect the validity of the remaining portions thereof.

8. Amendment. This Contract may not be altered, modified or amended except in writing signed on behalf of the Owner and VHDA.

9. Binding on Successors. This Contract is binding on VHDA, the Owner and any successors in interest to the Owner.

10. Assignment. This Contract may not be assigned by the Owner without the prior consent of VHDA.

11. Governing Law. This Contract shall be governed by the laws of the Commonwealth of Virginia and, as applicable, the laws of the United States of America.

12. Survival of Obligations. The obligations of the Owner as set forth herein shall survive the Allocation and shall not be deemed to merge with or be terminated by the making of such Allocation.

[Signatures appear on following page]

IN WITNESS WHEREOF, the Owner and VHDA have caused this Contract to be signed by their duly authorized representatives as of the day and year first written above.

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**  
(“VHDA”)

By: John D. Raduant  
Its: Authorized Officer

**POPLAR CREEK HOMES, LLC**  
(the “Owner”)

By: Earl Howerton  
Its: Executive Director

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Halifax, To-Wit:

The foregoing instrument was acknowledged before me this 29<sup>th</sup> day of July, 2019, by Earl Howerton, the Executive Director, of Poplar Creek Homes, LLC, the Owner.

My notary seal is affixed below:

Tameka Clark Vaden  
Notary Public

My commission expires: 11/30/22

My notary registration number is: 7795960

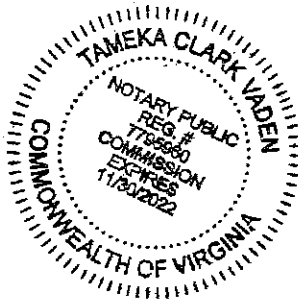


EXHIBIT "E"

COMMITMENT LETTER

December 18, 2019

Mr. Earl Howerton  
Poplar Creek Homes, LLC  
c/o Southside Outreach Group, Inc.  
P.O Box 375  
South Boston, VA 24592

RE: Poplar Creek Homes, LLC  
Poplar Creek Homes  
Commitment Letter

Dear Mr. Howerton:

Subject to the terms and conditions outlined in this letter, additional underwriting and due diligence including reviews of tax-related technical details and appraisal reports, we are prepared to purchase the Investor Member's interests in the above referenced Limited Liability Company (the "Company"). As a condition to our investment in this project, from the date hereof until the date of closing, there shall be no adverse change in existing law, no additional adverse change in current investor market conditions, and no adverse change in the project information provided to us.

This letter outlines some of the major terms and conditions that we would include in an Operating Agreement (the "Operating Agreement") and related documents. These terms and conditions are based on our analysis of information provided to date by you and certain assumptions and information, including estimates of project costs and debt financing and is subject to change as the assumptions and information change.

1. **The Company**

A. The Project

The project ("Project") involves the new construction of Poplar Creek Homes, located on Poplar Creek Street in the Town of South Boston, Virginia, and consists of 32 one, two and three-bedroom apartments for families. The Company will own and operate this project and has elected the 40/60 set aside income restrictions requirement, although 100% of the residential units (the "Applicable Fraction") are expected to be eligible to receive an allocation of federal low income housing tax credits (the "Housing Credits") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").



Mr. Earl Howerton  
Poplar Creek Homes, LLC  
December 16, 2019  
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B. Company Interests

The Company will consist of SSOG Poplar Management, Inc., a wholly owned subsidiary of Southside Outreach Group, Inc., or assigns, as the Managing Member (the "Managing Member"), the Housing Equity Fund of Virginia XXIII, L.L.C. (the "Fund") as the Investor Member (the "Investor Member"), and VAHM, LLC as a Special Member (the "Special Member"). The Managing Member shall be a single purpose entity and shall not engage in any business other than that of the Company. The Managing Member will own a .009% interest in the Company, and will file an 8832 with its tax return (and, if necessary through consultation with the Accountant selected by the Fund, make a Section 168(h) on that same return). The Fund will own a 99.99% interest in the Company. The Special Investor Member shall own .001% interest in the Company.

C. Capital Contributions

The Managing Member will be required to make a nominal capital contribution of \$100 to the Company at Closing.

The Fund will acquire the Investor Member interest in the Company for a total contribution of \$3,818,818. This total contribution is based on the availability of \$434,000 in annual Housing Credits (the "Projected Credits"), and on the accuracy of the other information and assumptions set forth in the Project's Housing Credit application.

The Fund's capital contributions to the Company will be paid in installments according to the following schedule:

(i) \$350,000 at the time of Closing and the commencement of construction. This amount shall include \$35,000 to pay for the Fund's due diligence and the tax opinion rendered by its counsel as well as \$25,000 to pay a portion of the net cash developer's fee. These funds would be subject to timely review and approval by the Fund of the items set forth on the Fund's checklist, including but not limited to:

(a) Legal Opinion. Tax and local law opinions as described herein.

(b) Title Policy. An ALTA owner's title insurance policy with respect to the Project in an amount equal to total project costs as shown in the Project Budget, insuring that the Company has fee simple title to the Project with only those encumbrances and exceptions acceptable to the Fund.

(c) Environmental Matters. Reports, in accordance with current ASTM standards at the time of Company closing, satisfactorily confirming no adverse environmental conditions, including, without limitation, evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection



Mr. Earl Howerton  
Poplar Creek Homes, LLC  
December 16, 2019  
Page 3

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Agency or any other applicable governmental authority, or that lead-based paint and asbestos containing materials, if present, can be properly abated as part of construction.

(d) Survey. An ALTA survey, dated no more than ninety (90) days prior to the date of funding.

(e) Plans and Specifications. The Managing Member shall have submitted to the Fund Plans and Specifications for the Project.

(f) Permits. A copy of any permits and licenses that are required for the construction of the Project, issued by the appropriate governmental authorities.

(g) Checklist. All other items as the Fund may reasonably request to satisfy its due diligence requirements, including, without limitation, those documents set forth on the Fund' closing checklist and to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in the Operating Agreement.

(h) Permanent Financing. Copies of commitment letters or agreements from all anticipated financing sources, in form and substance acceptable to the Fund, necessary to meet the Company's financial needs.

(i) Construction Financing. Receipt and approval of all construction financing documents.

(j) Housing Credits. A reservation for annual Credits in the amount of at least \$434,000.

(k) Construction Contract. The general construction contract, in form and substance acceptable to the Fund and with a fixed price or maximum upset price acceptable to the Fund, and with a general contractor reasonably acceptable to the Fund.

(l) Financials. Current financial statements of the Managing Member and its affiliates, verification of background information to be provided to the Fund by the Managing Member and there having been no changes in the tax laws or treasury regulations or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Fund' investment in the Company.

(ii) Up to \$350,000 at the time of 25% completion of construction based on certification by a construction inspector selected by the Fund and following completion of documentation of the 10% test cost certification required by the Low Income Housing Tax Credits. The funds from this contribution will be used to repay any balance outstanding on the construction loan (if the construction loan is revolving), or otherwise for approved development expenses;





Mr. Earl Howerton  
Poplar Creek Homes, LLC  
December 16, 2019  
Page 4

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(iii) Up to \$350,000 at the time of 50% completion of construction based on certification by a construction inspector selected by the Fund. These funds will be used to repay any balance outstanding on the construction loan (if the construction loan is revolving), or otherwise for approved development expenses;

(iv) Up to \$350,000 at the time of 75% completion of construction based on certification by a construction inspector selected by the Fund. Of this amount, \$20,000 will be used to fully fund the Lease-Up Reserve. The remaining funds will be used to repay any balance outstanding on the construction loan (if the construction loan is revolving) or otherwise for approved development expenses.

(v) \$2,093,818 at completion of construction in accordance with plans and specifications and after receipt of a certificate of occupancy, and in conjunction with closing the permanent financing. The remaining Fund will be used to repay the construction loan and other development expenses, including a projected \$150,000 to pay a portion of the cash developer's fee. However, this installment will not be paid before receipt, by the Fund from the Company's independent accountant, a draft Cost Certification confirming basis sufficient to generate the projected Housing Credits.

(vi) \$200,000 when the project has achieved full qualified occupancy, and breakeven operations with physical and economic occupancy of at least 93% for at least 3 consecutive months including debt service coverage of 1.15 or better (except for \$10,000 discussed below). All \$200,000 will be used to pay towards the cash developer's fee. However, this installment will not be paid before the (1) receipt by the Fund of the Company's tax return, (2) satisfaction of the other terms and conditions of this Commitment Letter, (3) receipt by the fund of an environmental assessment of the property certifying that there are no adverse environmental conditions, (4) receipt of IRS Form(s) 8609, and (5) receipt of a final Cost Certification confirming sufficient basis. Of this amount, if the project achieves full qualified occupancy and breakeven operations with physical and economic occupancy of at least 93% for at least 3 consecutive months and all of the other above-identified conditions are met, the Investor Member consents to release all but \$10,000 of the capital contribution amount. The remaining \$10,000 would be released following achievement of 6 consecutive months of the breakeven operations as discussed above.

(vii) \$125,000 will be used to fund the Operating Reserves. The Investor Member reserves the right to deposit any or all of the \$125,000 in Reserves within 24 months of the date the project is eligible to receive the equity payment of \$10,000 mentioned above. Any amounts not deposited immediately upon satisfaction of the other conditions for equity funding will accrue interest at 1.5% per annum to be paid by the Investor Member.

The payments identified in Paragraph 1C are subject to reduction pursuant to Paragraph 2C below, if the actual, available Credit is less than the Projected Housing Credits. Also, each payment will be contingent upon satisfaction of certain representations and warranties to insure the Project's viability, including that (a) the operation of the Project in all respects complies with the Code; (b)



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the Managing Member's representations, warranties and covenants contained in the Operating Agreement remain true and correct in all material respects; including but not limited to, any environmental representations and warranties set forth in the Operating Agreement; and (c) the Managing Member has complied with the covenants and obligations contained in the Operating Agreement and related documents.

## 2. **Early and Late Delivery Capital Adjustments**

As an incentive to encourage the early delivery of Housing Credits, the Investor Member will contribute an additional amount equal to \$0.50 times the amount the actual 2021 credits exceed \$67,813 and the actual 2022 credits exceed \$429,479. The upward adjuster shall not exceed \$10,000 and payment will not be required if 100% Qualified Occupancy is not achieved by February 1, 2022. A reduction in the above Investor Member contributions will occur if the actual amount of 2021 Housing Credits delivered is less than projected. This "Late Delivery Capital Adjustment" will equal the amount by which \$67,813 exceeds the actual credits claimed in 2021 and the amount by which \$429,479 exceeds the actual credits claimed in 2022. The Late Delivery Capital Adjustment would also include late Housing Credit delivery, if any, in 2023 and beyond, for which \$434,000 in credits are projected to be delivered.

## 3. **Managing Member and Guarantees**

The Managing Member will be responsible for the following items. Any costs borne by it will not be considered as loans or capital contributions to be reimbursable or repayable by the Company unless otherwise stated herein.

A. The Managing Member will unconditionally guarantee construction completion in accordance with approved plans and specifications and will bear and timely pay for any construction costs, costs to achieve permanent loan closings and operating deficits until each unit in the property has been leased at least one time to a qualified low-income household and until the property has achieved six consecutive months of breakeven operations with physical and economic occupancy of at least 93%. No additional Company debt financing will be permitted unless approved by the Fund. Any amounts paid under this guaranty will be a "Construction Loan."

B. The Managing Member will be obliged to fund operating deficits, as may be limited as per Section 3H below, for a period of 15 years, commencing after expiration of the construction completion guaranty, in excess of reserves allocated therefore from debt and/or equity Fund (as indicated in the attached Exhibit A and below). This obligation will be unsecured. Fund expended to satisfy this operating deficit obligation shall be treated as a loan to the Company without interest and repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 4 hereof (an "Operating Deficit Loan").



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C. The total Housing Credits reserved for this project are \$434,000. The Managing Member and the Guarantor shall guarantee the allocation of 99.99% of the foregoing amount of Housing Credits to the Fund. If the Credits are reduced for any reason other than a change in federal or state tax laws and the Managing Member is unable to comply with same despite its good faith efforts to do so, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required under the Operating Agreement), or a sale approved by the Investor Member, then, if the Credit shortfall exceeds Operating Reserves, the Managing Member and Guarantor will pay to the Fund an amount equal to the Housing Credit shortfall multiplied by \$0.88. If a Housing Credit shortfall occurs while capital contributions are still unpaid, the amount to be contributed will first be reduced by the amount to be paid to the Fund. If the Managing Member or the Guarantor do not pay such amounts as and when required under the Operating Agreement, and the Fund does not exercise its remedies as set forth therein, all benefits and distributions, including Developer Fee, Construction Period Management Incentive Fee, Incentive Management Fee and repayment of operating deficit loans, shall be subordinated until such shortfall is paid.

In addition to the Credit guarantees described above, the Managing Member shall guarantee to the Fund the receipt of Credits in 2021 of \$67,813; \$429,479 in 2022; \$434,000 per year for years 2023 through 2030; \$366,151 in 2031; and \$4,520 in 2032. in 2031. If Credits are not delivered as projected ("late delivery"), the Fund may reduce its remaining capital contributions as per the Late Delivery provisions discussed above.

D. The Managing Member will repurchase the Fund's interest and return its investment payments made to date of repurchase, with interest, if the Project does not generate 95% of the Projected Credit for the year it is placed in service or in the subsequent year and the occurrence of other events to be set forth in the Operating Agreement.

E. The Managing Member will unconditionally guarantee receipt of permanent mortgage financing with terms and conditions equivalent to those described in Exhibit A. The proposed total debt is projected to have a minimum annual debt service coverage ratio in excess of 1.15.

F. The Managing Member shall indemnify and hold the Company and the Investor Member(s) harmless from and against claims and losses due to the presence of any and all hazardous waste upon, under or otherwise affecting the property.

G. Southside Outreach Group, Inc. (the "Guarantor"), or such other Guarantor with an acceptable financial condition will unconditionally guarantee all of the Managing Member obligations as delineated above, subject to the limitations set forth in H. below.

H. Certain of Guarantor's guarantee obligations will be limited as follows: (i) guaranty obligation under Section 3B will, until the longer of 5 years after commencement of such guaranty or 2 consecutive years of operations with positive distributable cash from the achievement of breakeven operations, and thereafter the guaranty obligation will be limited to an amount equal to six months of the then current operating expenses and debt service; (ii) guaranty obligation under



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Section 3C will be limited to the amount of the development fee (including deferred fee) and other fees, excluding the property management fees, paid to guarantor or its affiliates with respect to the Project; (iii) guaranty obligation under Section 3D will be limited to the amount of the Investor Member's capital contributions, but will not include interest.

#### 4. Reserves

A. An Operating Reserve in the minimum amount of \$125,000 will be established by the Members no sooner than concurrent with the fourth capital contribution and no later than 24 months after the release of all other contributions. In the event the Investor Member delays the deposit of any or all of the Reserve, the amount not deposited will accrue interest at 1.5% per annum and this interest will be paid by the Investor Member to the Operating Reserve account no later than 24 months after the remaining contributions have been released. The Operating Reserve will remain in place to fund the Managing Member's obligations under the operating deficit guarantee and Credit shortfall guarantee. In the event the Investor Member has delayed funding the Operating Reserves, but the Operating Reserve is needed to fund obligations under the guarantees or for other purposes, the Investor Member will release the amount needed to the Managing Member. The Operating Reserve will be replenished, if drawn upon, out of cash flow and other available Fund, throughout the life of the Company, as described in Section 5B, prior to payment of a management incentive fee. In addition, the Investor Member may elect to have additional cash reserves held at the Fund level as an additional Operating Reserve amount that will be strictly for this project. This Fund level reserve amount is in addition to the total capital contribution amount detailed above subject, also, to Investor Committee approval. No such Fund level reserve is detailed in the attached projections.

B. A Replacement Reserve shall be funded out of cash flow on a monthly basis, this amount shall be no less than \$300 per residential unit per year under VHDA LIHTC program requirements.

C. A Lease-Up Reserve in the amount of \$20,000 will be created through the fourth capital contribution for the purpose of funding operating expenses during the lease-up period. Any unused capital from the lease-up portion of this reserve shall be paid to the Managing Member or its nominee as an incentive management fee, following full-qualified occupancy and the achievement of 3 consecutive months of 93% occupancy and break-even operations.

#### 5. Allocation of Operational Profits/Losses Credits and Distributable Cash Flow

A. Generally, the Managing Member will be entitled to .009%, the Fund will be entitled to 99.99%, and the Special Member will be entitled to .001% of ordinary profit, losses and Credits. Other allocations will be provided to insure that the allocations have substantial economic effect.



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B. Distributable Cash Flow (as defined in the Operating Agreement, after replenishment of the reserve accounts identified in Paragraph 4 hereof) in any year shall be distributed or paid in the following order and amounts:

- (i) To Investor Member for their phantom tax liability;
- (ii) Amounts due to the Fund pursuant to adjustments described in Paragraph 2 hereof;
- (iii) Amounts due to the Managing Member for assumed Managing Member tax liability for current and prior years;
- (iv) To replenish the Operating Reserve up to a balance of \$125,000 at the project level, or to provide additional capital to the Operating Reserves, or other reserves, as may be determined later by mutual agreement of the Managing Member and Investor Member;
- (v) Amounts due to the Developer(s) for any deferred Developer Fee as described in Paragraph 6A hereof;
- (vi) To the Managing Member(s) for any incentive management fee then due and payable;
- (vii) Any amounts then remaining to the Members in percentages as shall be specified in the final Operating Agreement.

**6. Allocation of Net Proceeds of Sales and Refinancing and Profits/Losses From Sale or Refinancing**

A. Proceeds of Sale, Refinancing or Liquidation (as defined in the Operating Agreement) will be distributed in the following order, after payment of all debts and liabilities to third parties:

- (i) To the Investor Member for amounts due as a result of adjustments described in Paragraph 2 hereof and not previously received from Distributable Cash Flow;
- (ii) To the Managing Member(s) for any loans described in Paragraph 2 hereof not previously repaid;
- (iii) To the Fund in payment of any exit taxes incurred as a result of the sale or refinancing;
- (iv) To the Developer to pay any deferred Developer's Fee or any other deferred or unpaid fees;



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(v) To the Guarantor for payments made by the Guarantor under the first paragraph of Section 3C.;

(vi) To the Partners in percentages as shall be specified in the final Operating Agreement.

B. Profits and Losses from sale or refinancing will be similarly allocated after certain priority allocations designed to meet requirements of the Code and treasury regulations ("Regulations") there under.

## 7. Fees to Be Paid

The following fees will be paid by the Company for services rendered in organizing, developing and managing the Company and the Project.

A. Developer Fee. The Managing Member(s) will earn a Developer Fee of \$475,000 deemed earned as follows:

- (1) 20% on November 1, 2019;
- (2) 40% when the units are deemed occupiable by the project architect;
- (3) 20% on achievement of 93% qualified occupancy;
- (4) 20% on receipt of IRS Form(s) 8609.

The Developer Fee will be paid from Investor Member capital contributions as set forth in the Operating Agreement. If the proceeds from the Project Budget are insufficient to pay the Developer Fee, the fee will be deferred at no interest and payable from up to 100% of Distributable Cash Flow (as described in Section 5B). The Managing Member and Guarantor will unconditionally guarantee payment of any developer fee remaining unpaid after 13 years from placement in service. It is projected that \$100,000 of the Developer Fee is expected to be deferred and the remainder will be released from the Fund' capital contributions.

B. Accounting Fee. An accounting fee of \$7,400 per year, increasing annually by 3.00% shall be paid to VCDC or its affiliate, the Virginia Housing Capital Corporation, as an annual expense to the Company before the determination of Distributable Cash Flow. In consideration of the fee, VCDC, or its affiliate, shall bear the cost of and be responsible for causing the preparation of monthly income and expense statements, the Company's annual tax return, and the Company's independent audit and shall coordinate communications with both the Managing Member and the investors.

C. Property Management Fee. The management agent and the terms and conditions of the management agreement for the Project shall be subject to the prior approval of the Fund. The management agreement shall contain provisions providing for termination of the management agreement by the Fund in the event of the removal or withdrawal of the Managing Member and for certain events of default to be described in the Operating Agreement. Each said management



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agreement shall be for a term of no more than two years. The property management fees shall not exceed 7.00% of gross rental revenues.

D. Incentive Management Fee. An incentive management fee shall be payable to the Managing Member on an annual basis in an amount equal to 90% of Distributable Cash Flow after payment of the items described in Paragraph 5B(i)-(vi), but not in excess of 10% of gross collections for that year.

## 8. Schedule of Events

The schedule of events on which this commitment's projections of profit, loss, cash flow and Credits and the Fund' capital contribution commitment are predicated as follows:

Closing and Start-Up:	June 1, 2021
Construction Completion:	October 1, 2022
Qualified Occupancy:	March 1, 2023

## 9. Rights of the Investor Member

Special rights of the Fund as Investor Member shall include, among other things, subject to the prior consent of the Company's lenders, if required, the right to:

A. Remove the Managing Member and admit a replacement Managing Member upon a default under the Operating Agreement, including one or more of the following events:

- (i) a material breach of the Managing Member's duties or responsibilities which hasn't been cured given a 30-day notice;
- (ii) if the Managing Member defaults on its guarantee obligations as described herein;
- (iii) upon the bankruptcy or insolvency of the Managing Member;
- (iv) upon filing by the Managing Member of an assignment for the benefit of creditors; or
- (v) upon the attachment, execution or judicial seizure, whether by enforcement of money judgment, writ or warrant of attachment or any other process, of all or substantially all of the assets of the Managing Member which is not released within 30 days after such action.



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- B. Dissolve the Company (with the consent of the Managing Member);
- C. Continue the business of the Company with a substitute Managing Member(s);
- D. Consent to the sale of all or substantially all of the assets of the Company (which sale shall not be permitted without such consent) without abrogating the terms of the recorded Right of First Refusal Agreement;
- E. Consent to any refinancing of long-term debt (which refinancing shall not be permitted without such consent and such consent will not be unreasonably withheld);
- F. Consent to any assignment, sale, encumbrance or pledge of the Managing Member's interest (which shall not be permitted without such consent).
- G. Consent to any action that jeopardizes the Credit or increases the risk of recapture.

**10. Accountant's Letter; Selection**

A. The Fund will receive an Accountant's letter from the Fund' Accountant that addresses issues on the Project and shall contain a line item accounting and calculation of Credit basis. If the Housing Credit basis includes the cost of land or materials, the letter shall set forth the name of the seller or vendor therefore, purchase price, down payment and other material terms, and shall have attached thereto all relevant invoiced and back-up for such items. The cost of this letter will be included in the Project Budget.

B. Virginia Community Development Corporation shall be entitled to select an independent firm of certified public accountants to prepare or review the Company's year-end financial statements and prepare the Company's annual tax returns. The fee of said accountants for the year-end financial statements and tax returns shall be borne by VCDC out of the fees payable to Virginia Housing Capital Corporation, a VCDC affiliate, described in Paragraph 7B hereof. Audited financial statements shall be required.

**11. Opinion of Counsel**

The Fund will require an opinion of counsel satisfactory to the Fund on such matters as may be requested, including, without limitation, a tax opinion that all conditions are met for distribution of tax attributes to the Fund, formation of the Company, Limited of the Investor Member, no conflict between the Operating Agreement and other binding documents, and no litigation. The cost of this opinion shall be a Project expense and an allowance therefore is included in the Project Budget. If the fees or cost thereof exceed the allowance thereof, the excess shall be borne by the Managing Member(s).





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**12. Legal Cost**

The Company shall be responsible for the legal costs of the Fund for Company document preparation, due diligence and other tasks necessary to complete the transaction. These legal costs will total \$35,000.

**13. Company Closing**

Final Company closing will be contingent upon completion of Fund's due diligence review, including, but not limited to, the following:

A. The Fund's determination that the financial projections, Project Budget and other assumptions can be met or satisfied by the Company and the Managing Member.

B. Preparation and execution of an Operating Agreement acceptable to the Fund and the Managing Member and the satisfaction of other conditions to closing set forth in this letter of commitment and said Company documents.

C. During construction, a title company acceptable to the Fund will be used to obtain lien waivers and secure other title needs of the Fund.

D. Acceptance of the Project by the Fund's Investor Committee.

E. Receipt of firm commitments of financing.

The Managing Member shall make available to the Fund any and all items, reports or information requested by the Fund in connection with such due diligence review. Costs of all due diligence reports shall be paid by the Managing Member. The Company shall reimburse the fund for out-of-pocket due diligence expenses, including legal fees. Such amount shall be limited to \$35,000 and will be payable out of the Fund' first capital contribution.

**14. Non-Profit Purchase Option**

Southside Outreach Group, Inc. will be granted a purchase option and right of first refusal with respect to the Project on the terms to be set forth in the Operating Agreement and in the Right of First Refusal Agreement recorded against the property.

**15. Commitment Letter**

This letter of commitment outlines terms and conditions that will be included in Company documents, in form and substance acceptable to both parties. The parties agree to review promptly and cooperate in good faith in preparing the Company documents.



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16. **Failure to Agree**

A. This letter of commitment will be null and void if not signed by you and returned to the Fund before 5:00 p.m., Richmond, Virginia time, on December 27, 2019.

B. This letter of commitment is contingent upon successful completion of the Fund's underwriting process.

C. If the parties do not reach an agreement with respect to the Company documents or if the conditions described herein to the Fund's purchase of the Investor Member's interest are not satisfied within 180 days after the date of acceptance of this letter of commitment (which date of acceptance shall be the effective date of the commitment letter), either party may terminate this letter of commitment by written notice to the other.



VIRGINIA COMMUNITY DEVELOPMENT CORPORATION

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Sincerely,



By: Arild Trent  
Virginia Housing Capital Corporation  
Managing Member for the Housing Equity Fund of  
Virginia XXIII, L.L.C.



VIRGINIA COMMUNITY DEVELOPMENT CORPORATION

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Agreed and accepted:

Poplar Creek Homes, LLC:

By: Earl Howerton Date: 12-19-2019  
Earl Howerton  
Executive Director of Southside Outreach Group, Inc.,  
Sole Shareholder of SSOG Poplar Management, Inc.,  
Managing Member



## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") made as of \_\_\_\_\_ Southside Outreach Group, Inc., a Virginia nonstock corporation (the "Developer") and Poplar Creek Homes, LLC, a Virginia limited liability company (the "Company").

### WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate certain property as low-income residential rental housing, to be known as Poplar Creek Homes, to be located at Poplar Creek Street, South Boston, Virginia (the "Project"); and

WHEREAS, the Project, following the completion of construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the 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 Company has agreed to pay to the Developer certain fees computed in the manner stated herein.

**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 construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b)     The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in 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 Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the managing member of the Company (“Managing Member”) unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;

(iii) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any construction loan agreements with any lending

institutions providing funds for the benefit of the Company for the design or construction of any improvements;

(F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for the maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the construction of the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company 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 Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Company's expense, filing on behalf of and as the attorney-in-fact for the Company any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Project.

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to

and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or construction 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 construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate;

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the management agent of the Project ("Management Agent"), and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(viii) To the extent applicable to the construction of the Project, comply with all present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices having jurisdiction over the



Project. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the construction of the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) 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 Company 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;

(x) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;

(xii) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and

(xiii) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 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 Company:

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

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, 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 Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$25,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

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

Section 3. Accounts and Records.

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

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the management agreement between the Company and the Management Agent (“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 Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Company Agreement.

Section 4. Obligation To Complete Construction.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanic’s, 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 loan and other documents governing the development and operation of the Project and in the plans and specifications for the Project.

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the “Development Amount”) equal to Four Hundred Seventy-five Thousand and No/100 Dollars (\$475,000). The Development Amount shall be deemed to have been earned as follows:

- (i) Twenty percent (20%) as of the date of this Agreement;
- (ii) Eighty percent (80%) upon substantial completion of the Project;

The Development Amount shall be paid from and only to the extent of the Company's available cash, in installments as follows:

- (i) \_\_\_\_\_ percent (\_\_\_%) on initial equity funding of the Project;
- (ii) \_\_\_\_\_ percent (\_\_\_%) upon substantial completion of the Project; and
- (iii) \_\_\_\_\_ percent (\_\_\_%) upon achievement of 95% occupancy for the Project.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available cash, provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events at the earlier of (i) the thirteenth anniversary of the date of this Agreement, or (ii) if the Project qualifies for Tax Credits under Code Section 42, then the end of the Project's compliance period.

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 Commonwealth of Virginia.

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as the Developer is not in default under this Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company.

Section 8. 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 9. 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 10. Benefit of Agreement.

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Company and its Partners and shall not inure to the benefit of

any creditor of the Company other than a Partner, notwithstanding any pledge or assignment by the Company of this Agreement of any rights hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the date first written above.

COMPANY:

Poplar Creek Homes, LLC, a Virginia limited liability company

By: SSOG Poplar Management, LLC  
a Virginia limited liability company, sole member

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member sole shareholder

By: \_\_\_\_\_  
Name: Earl Howerton  
Title: Executive Director

DEVELOPER:

Southside Outreach Group, Inc., a Virginia nonstock corporation

By: \_\_\_\_\_  
Name: Earl Howerton  
Title: Executive Director

B

Virginia State Corporation  
Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

*Richmond, January 23, 2019*

*This is to certify that the certificate of organization of*

**Poplar Creek Homes, LLC**

*was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: January 23, 2019*



*State Corporation Commission*

*Attest:*

*Joel H. Beck*  
*Clerk of the Commission*



C

Principal's Previous  
Participation Certification  
(MANDATORY)



## Previous Participation Certification

Development Name:	<u>Poplar Creek Homes</u>
Name of Applicant (entity):	<u>Poplar Creek Homes, LLC</u>
	<u>SSOG Poplar Management, Inc. (Managing Member)</u>

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 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.

*Earl Howerton*

Signature

**Earl Howerton**

Printed Name

**3/16/2021**

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: Poplar Creek Homes  
 Name of Applicant: Poplar Creek Homes, LLC

**INSTRUCTIONS:**

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

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

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member 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	No prior participation						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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35							
36							
37							
38							
39							
40							

\* 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: \_\_\_\_\_  
 Name of Applicant: \_\_\_\_\_  
 \_\_\_\_\_

**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 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: \_\_\_\_\_ Controlling GP (CGP) or 'Named' Managing Member of Proposed property?\* 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								
2								
3								
4								
5								
6								
7								
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9								
10								
11								
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39								
40								

\* 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

v.01.01.21

E

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

DEED NO. 200003157

Tax Parcel I.D. Nos.: all or formerly a part of 2290-2291; 2363-2369; 2381; 2395-2399; 34435-34438; 34441-34450; 34439; and 34440

Prepared by and after  
recording return to:

Peter L. Henderer, VSB No. 40994  
McCandlish Holton, PC  
1111 E. Main St., Suite 1500  
Richmond, VA 23219

**THIS DOCUMENT IS EXEMPT FROM RECORDATION TAXES PURSUANT TO SECTION 58.1-811(D) OF THE CODE OF VIRGINIA, 1950, AS AMENDED.**

## DEED OF GIFT

THIS DEED OF CONTRIBUTION, made and entered into as of this 15<sup>th</sup> day of September, 2020, by and between **SOUTHSIDE OUTREACH GROUP, INC.**, a Virginia non-stock corporation (“**GRANTOR**”); and **POPLAR CREEK HOMES, LLC**, a Virginia limited liability company (“**GRANTEE**”) whose address is 1425 Seymour Drive, South Boston, VA 24592, hereby recites and provides as follows:

WHEREAS, Grantor is the owner of certain real property situate in the Town of South Boston in Halifax County, Virginia, having acquired the same pursuant to deeds recorded as Instrument No. 200001156, Instrument No. 200001157, and Plat Book 29, Page 248, among the land records of the Circuit Court of Halifax County, Virginia, as well as a deed of record in D.B. 1128, Page 62, among the land records of the Circuit Court of Halifax County, Virginia, (collectively, the “Source Instruments”); and

WHEREAS, Grantor is planning to develop a portion of the real property described in the Source Instruments, while retaining the rest for future development; and

WHEREAS, Grantor combined and re-subdivided the real property described in the Source Instruments by that certain Deed of Consolidation, Subdivision, Dedication, and Easement dated August 31, 2020, and recorded as Instrument No. 200002511 (the “Deed of Subdivision”) among the land records of the Circuit Court of Halifax County, together with its accompanying plat dated July 20, 2020, entitled “BOUNDARY SURVEY OF THE POPLAR CREEK HOMES SUBDIVISION, Located in the TOWN OF SOUTH BOSTON, HALIFAX COUNTY, VIRGINIA”, and prepared by B&B Consultants, Inc., of South Boston, Virginia, certified land surveyors, and recorded simultaneously with the Deed of Subdivision (the “Subdivision Plat”); and

WHEREAS, Grantor desires to transfer certain of lots of real property created by the Deed of Subdivision and shown on the Subdivision Plat to Grantee in conjunction with Grantor’s plans to develop the same; and



WHEREAS, Grantor is the sole shareholder of the Managing Member of Grantee, and therefore Grantor desires to gift the property conveyed hereby to Grantee to further the development of such property; therefore

WITNESSETH:

That for and in consideration of the covenants contained herein, and no financial consideration, the sufficiency of which is hereby acknowledged by Grantor, Grantor does hereby grant and convey with SPECIAL WARRANTY OF TITLE, subject to the terms hereof, unto Grantee, the following described real estate, in fee simple, to-wit:

**[See attached Exhibit A.]**

For purposes of clarity, the parcel of land on the Subdivision Plat labelled, “+/- 2.88 Acres Remaining” is not being conveyed hereby and is being retained by Southside Outreach Group, Inc.

Additionally, for purposes of clarity, pursuant to the Deed of Subdivision, Lot 6A and Lot 7A as shown on the Subdivision Plat were combined with adjacent land to form larger lots, as further shown and more particularly described on the Subdivision Plat. These two re-combined Lots are not being conveyed hereby and are being retained by Southside Outreach Group, Inc.

This conveyance is made expressly subject to those restrictions, conditions, and easements of record to the extent that they may lawfully apply to the Property hereby conveyed.

[See Attached Page for Signatures and Seals.]

WITNESS the following signatures and seals:

GRANTOR:

SOUTHSIDE OUTREACH GROUP, INC., a  
Virginia non-stock corporation

By: Earl Howerton  
Earl Howerton, its Executive Director



COMMONWEALTH OF VIRGINIA,  
CITY/COUNTY OF Halifax, ss:

The foregoing instrument was executed and acknowledged before me this 29<sup>th</sup> day of October, 2020, by Earl Howerton, the Executive Director of Southside Outreach Group, Inc., a Virginia non-stock corporation, for and on behalf of said limited liability company for the purposes contained therein.

Earlene R Powell  
Notary Public

My Notary Registration No.: 199817

My commission expires: March 31, 2024

Exhibit A

All of those Lots numbered 1 through 5, inclusive, and Lots numbered 8 through 20, inclusive, in Poplar Creek Subdivision, lying and being in the Town of South Boston, Halifax County, Virginia as shown and more particularly described on that Deed of Consolidation, Subdivision, Dedication, and Easement dated August 31, 2020, recorded as Instrument No. 200002511 (the "Deed of Subdivision") among the land records of the Circuit Court of Halifax County, together with its accompanying plat dated July 20, 2020, entitled "BOUNDARY SURVEY OF THE POPLAR CREEK HOMES SUBDIVISION, Located in the TOWN OF SOUTH BOSTON, HALIFAX COUNTY, VIRGINIA", and prepared by B&B Consultants, Inc., of South Boston, Virginia, certified land surveyors, and recorded simultaneously with the Deed of Subdivision on September 9, 2000, in Plat Book 34, pages 193 and 194 (the "Subdivision Plat").

BEING a portion of the properties acquired by Southside Outreach Group, Inc., a Virginia non-stock corporation, pursuant to deeds recorded as Instrument No. 200001156, Instrument No. 200001157, and Plat Book 29, Page 248, among the land records of the Circuit Court of Halifax County, Virginia, as well as a deed of record in D.B. 1128, Page 62, among the land records of the Circuit Court of Halifax County, and then combined and re-subdivided pursuant to the aforementioned Deed of Subdivision and Subdivision Plat.

VIRGINIA: CLERK'S OFFICE OF THE CIRCUIT COUNTY OF HALIFAX COUNTY

St. R. Tax 039 \_\_\_\_\_

Co. R. Tax 213 \_\_\_\_\_

Transfer 212 1.00Clerk 301 14.50

Grantor Tax 038/220 \_\_\_\_\_

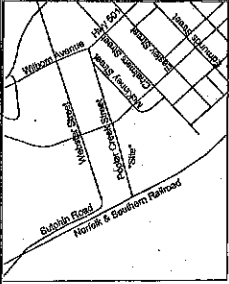
VSLF 145 3.50Tech Fund 106 5.00

Add'l St Rec Tax 036 \_\_\_\_\_

Open sp pres 035 3.00Total \$ 27.00The foregoing instrument with acknowledgement was admitted to  
record on Oct. 30, 2020 at 1:03 P.M.

Teste: CATHY M. COSBY, CLERK

By: Amanda S. Long Deputy ClerkGiven/Mailed to: Southside Outreach Group  
PO BOX 375  
South Boston VA 24592



Vicinity Map Not to Scale

- LOT 1 0.18 Acres or 8,001 Sq. Ft.
- LOT 2 0.18 Acres or 8,057 Sq. Ft.
- LOT 3 0.18 Acres or 8,057 Sq. Ft.
- LOT 4 0.18 Acres or 8,057 Sq. Ft.
- LOT 5 0.18 Acres or 8,001 Sq. Ft.
- LOT 6A 0.08 Acres or 3,468 Sq. Ft.
- LOT 7A 0.04 Acres or 1,836 Sq. Ft.
- LOT 8 0.19 Acres or 8,100 Sq. Ft.
- LOT 9 0.19 Acres or 8,100 Sq. Ft.
- LOT 10 0.19 Acres or 8,100 Sq. Ft.
- LOT 11 0.19 Acres or 8,100 Sq. Ft.
- LOT 12 0.19 Acres or 8,100 Sq. Ft.
- LOT 13 0.19 Acres or 8,100 Sq. Ft.
- LOT 14 0.18 Acres or 8,006 Sq. Ft.
- LOT 15 0.32 Acres or 14,062 Sq. Ft.
- LOT 16 0.18 Acres or 8,255 Sq. Ft.
- LOT 17 0.19 Acres or 8,100 Sq. Ft.
- LOT 18 0.19 Acres or 8,100 Sq. Ft.
- LOT 19 0.18 Acres or 8,100 Sq. Ft.
- LOT 20 1.13 Acres or 49,293 Sq. Ft.

**BOUNDARY SURVEY OF THE POPLAR CREEK HOMES SUBDIVISION  
Located in THE TOWN OF SOUTH BOSTON,  
HALIFAX COUNTY, VIRGINIA**

Surveyor's Certificate

I hereby certify that this current boundary survey, to the best of my knowledge and belief, is correct and complies with the Minimum Procedures and Standards established by the Virginia State Board of Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects.

The property shown herein was surveyed without the benefit of a title report and does not necessarily reflect all encumbrances on the property.



Filed for record in the Clerk's Office of the  
Circuit Court of Halifax County Va. on the  
9<sup>th</sup> day of September 20 20  
James E. Temple  
Clerk, Southside Outreach  
PO Box 375  
South Boston, VA 24162

**SHEET 1 OF 2**

**OWNER'S STATEMENT**  
The Subdivision as proposed in this plat is with the consent and in accordance with the desire of the undesignated owners, proprietors and trustees, if any.

Edo Harris 8-14-2020  
Southside Outreach Group Inc. Date

STATE OF VIRGINIA, HALIFAX COUNTY  
I hereby certify that Edo Harris is the owner of the property described in this plat and that he is the person who caused this plat to be prepared and who caused it to be filed for record in the Clerk's Office of the Circuit Court of Halifax County, Virginia. Witness my hand and official seal this 14<sup>th</sup> day of July, 2020.  
NOTARY PUBLIC Gene P. Jones



Approved By: [Signature] 8/14/20  
Subdivision Agent Date

NOTE: These lots to be served by public water and sewer system.

This property is currently zoned R-2  
Front = 420  
Side = 57  
Rear = 29  
Height = 35'

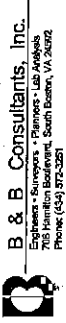
**OWNER:**  
Southside Outreach Group, Inc.

**LEGAL REFERENCE**  
Instrument #200001157  
Instrument #200001159  
Plot Book 29, Page 248

**TAX MAP:**  
Parcel ID #2380-2281  
Parcel ID #2380-2389  
Parcel ID #2381  
Parcel ID #2385-2399  
Parcel ID #2443-2449  
Parcel ID #2449-2450

**INSTRUMENT #**  
200000103

**SCALE:** 1" = 80'  
**DATE:** July 20, 2020  
**FILE:** 66320-Subdivision-193-L



**B & B Consultants, Inc.**  
Engineers • Surveyors • Planners • Land Analysts  
2000 Northpark Drive, Suite 1000, South Boston, VA 24162  
Phone: (540) 875-2201

NOTE: Non plus set at all corners unless otherwise directed.

Line #	Bearing	Length
L1	N74° 51' 38"E	113.19
L2	S87° 04' 59"E	21.45
L3	N23° 50' 36"E	18.87
L4	S43° 08' 22"E	108.53
L5	N74° 38' 18"E	48.87
L6	N74° 38' 18"E	68.07
L7	S15° 23' 42"E	27.87
L8	S15° 23' 42"E	28.21
L9	N15° 23' 42"W	108.75
L10	N85° 03' 27"E	81.05
L11	N43° 04' 36"W	3.28
L12	S18° 23' 42"E	102.46
L13	S74° 51' 38"W	320.73
L14	N74° 51' 38"E	102.58
L15	S74° 51' 38"W	52.35
L16	S25° 05' 26"W	151.07
L17	N37° 45' 57"W	22.28
L18	S25° 05' 26"W	180.32
L19	S74° 51' 38"W	57.05
L20	N74° 51' 38"E	102.38
L21	N74° 51' 38"E	305.14
L22	S15° 23' 42"E	81.58
L23	N15° 08' 22"W	14.00
L24	N74° 51' 38"E	20.00
L25	N15° 08' 22"W	14.00
L26	N74° 51' 38"E	38.88

LEGEND  
 I.P.E. Iron Pin Found  
 D.P. Iron Pin Set  
 W.B. - Well Book  
 P.B. - Plat Book  
 R.W. - Right-of-Way

SCALE 1" = 60'  
 DATE: July 22, 2020  
 FILE: S523-Subdivision-18-1

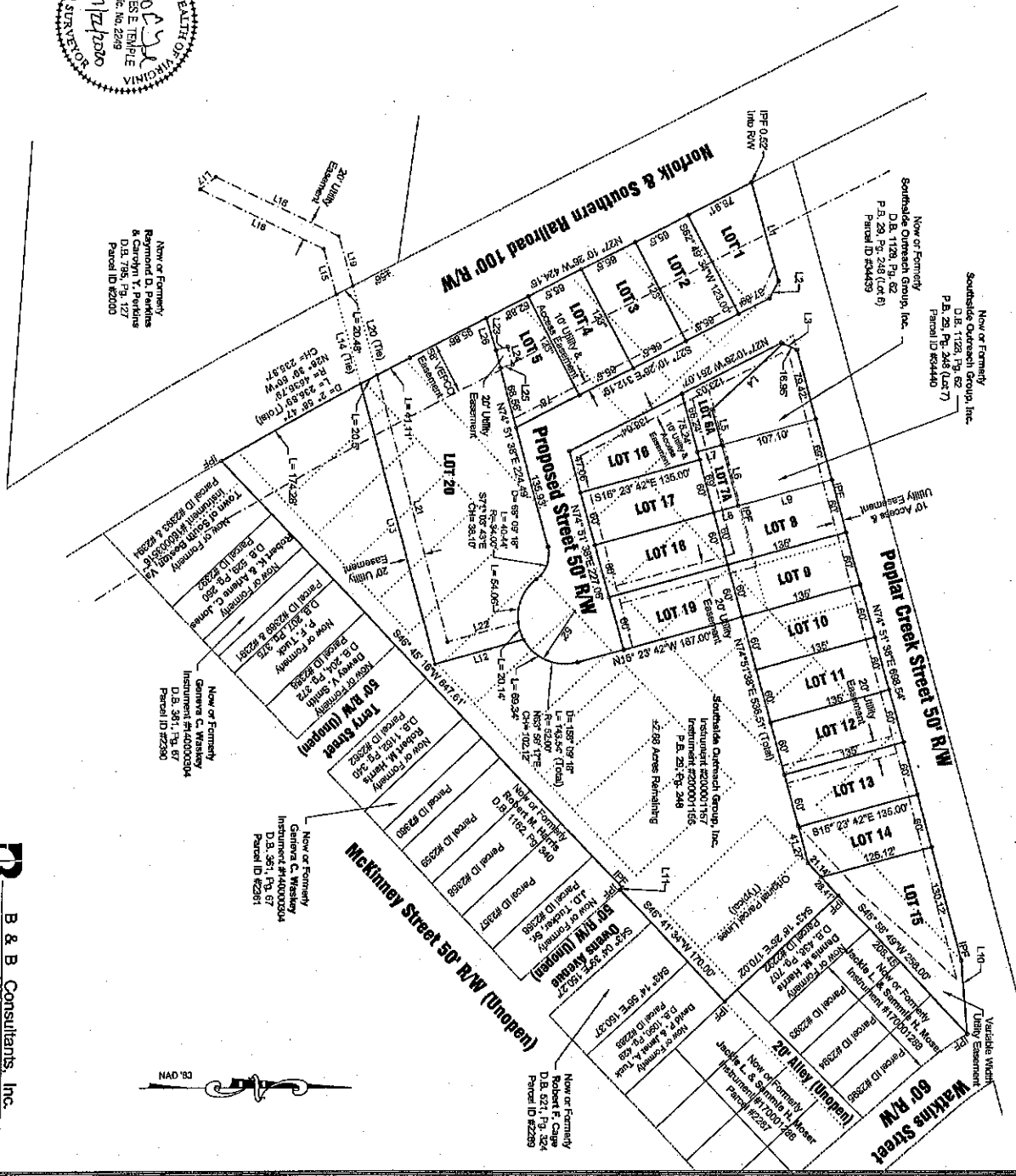
INSTRUMENT # 200000103

Filed for record in the Clerk's Office of the Circuit Court of Halifax County, Va. on the 20 day of September 20 20  
 M. J. ...  
 Clerk



SHEET 2 OF 2

**B & B Consultants, Inc.**  
 Engineers - Surveyors - Planners - Land Appraisers  
 706 Harrison Boulevard, South Boston, VA 24052  
 Phone: (434) 872-2321



Plot Book 34 Page 194



# Poplar Creek Homes

## Value of Parcels Donated from the Town of South Boston

Parcel	Value
2381	\$ 4,000.00
34435	\$ 4,000.00
34436	\$ 4,000.00
34437	\$ 4,000.00
34438	\$ 6,300.00
34441	\$ 4,000.00
34442	\$ 4,000.00
34443	\$ 4,000.00
34444	\$ 4,000.00
34445	\$ 4,000.00
34446	\$ 4,000.00
34447	\$ 4,000.00
34448	\$ 4,000.00
34449	\$ 4,000.00
34450	\$ 4,000.00
2365	\$ 800.00
2364	\$ 2,000.00
2363	\$ 2,000.00
2399	\$ 1,300.00
2398	\$ 1,300.00
2397	\$ 1,300.00
2395	\$ 1,300.00
2396	\$ 1,300.00
<b>TOTAL</b>	<b>\$ 73,600.00</b>

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
 455 FERRY ST  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 UNKNOWN	0 ELECTRICITY	0 PAVED	
0 LEVEL	0 UNKNOWN		
0 ROLLING	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat	Lister Date
NBHD Cod T17-1;South Boston -	Mobile Ho 0
Info By E:Estimated Informatio	
Exempt 01:Yes	Tracts 0
Total Acre 0.18	Road Num 0
Lister	Gis ID 013-04-79-0001

**CURRENT ASSESSMENT**

Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 1 BLK 79 POPLAR CREEK ST. Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN  
 WILKINS, JENNY O  
 WILKINS, JENNY O

WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0	11-187	1082 21	01-26-2011	G	0
0 0	11-188	0 0	01-01-2011		0
0 0			01-01-2011		0
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

**OTHER ASSESSMENTS**

**AG DISTRICT**

Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int
Total			0.00					

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-15-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value	
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000	
Total Card Land Units					0.000	AC	Parcel Total Land Area	0.0000											Total Land Value	4,000



CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code								
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol								
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor	1							
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.2	Gis ID

CURRENT ASSESSMENT			
Descript	Co	LU MRKT Value	Assessed
Land	730		4,000
Total			4,000

Parcel Description LOT 2 POPLAR CREEK SUBDIVISION PB29/248  
 Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value	
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000	
Total Card Land Units					0.000	AC	Parcel Total Land Area	0.0000											Total Land Value	4,000



CURRENT OWNER		TOPO	UTILITIES	STRT/ROAD	ZONING	CURRENT ASSESSMENT				
SOUTH BOSTON, VIRGINIA, TOWN OF		0 LEVEL	0 NO UTILITIES	0 PAVED		Descript	Co	LU MRKT Value	Appraised	Assessed
455 FERRY ST		0 ROLLING	0 UNKNOWN			Land	730		4,000	4,000
SOUTH BOSTON VA 24592		0 UNKNOWN	0 UNKNOWN							
SUPPLEMENTAL DATA										
Plat PB29/248		NBHD Cod T17-00:South Boston -		Info By		Lister Date		Mobile Ho		0
Exempt 01:Yes		Tracts 0		Road Num 0		Gis ID				
Total Acre 0.22										
Lister										
Total								4,000		4,000

Parcel Description	LOT 3 POPLAR CREEK SUBDIVISION PB29/248	Total Appraised Land	4,000
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RECORD OF OWNERSHIP							PREVIOUS ASSESSMENTS (HISTORY)								
WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR	Year	Code	Assessed	Year	Code	Assessed	Year	Co	Assessed	
0 0		1082 21	01-26-2011		0	2018	730	4,000	2017	730	4,000	2016	730	4,000	
0 0															
0 0															
Total							4000		Total		4000		Total		4000

EXEMPTIONS				OTHER ASSESSMENTS				AG DISTRICT				
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int				
Total			0.00									

ASSESSING NEIGHBORHOOD				
NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES		APPRAISED VALUE SUMMARY	
		Appraised Bldg. Value (Card)	0
		Appraised XF (B) Value (Bldg)	0
		Appraised OB (B) Value (Bldg)	0
		Appraised Land Value	4,000
		Special Land Value	0
		Total Appraised Parcel Value	4,000
		Valuation Method	C
		Exemption	0
		Adjustment	
		Total Appraised Parcel Value	4,000

VISIT / CHANGE HISTORY						
Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

LAND LINE VALUATION SECTION																					
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Df	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value		
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000	
Total Card Land Units							0.000	AC	Parcel Total Land Area			0.0000								Total Land Value	4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code	A							
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol	0							
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor	1							
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD	0							
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	ZONING	CURRENT ASSESSMENT				
SOUTH BOSTON, VIRGINIA, TOWN OF		0   LEVEL	0   NO UTILITIES	0   PAVED		Descript	Co	LU MRKT Value	Appraised	Assessed
455 FERRY ST		0   ROLLING	0   UNKNOWN			Land	730		4,000	4,000
SOUTH BOSTON VA 24592		0   UNKNOWN	0   UNKNOWN							
<b>SUPPLEMENTAL DATA</b>										
Plat PB29/248		NBHD Cod T 17-00:South Boston -		Lister Date						
Info By		Exempt 01:Yes		Mobile Ho 0						
Total Acre 0.25		Tracts 0		Road Num 0						
Lister		Gis ID								
Parcel Description LOT 4 POPLAR CREEK SUBDIVISION PB29/248								Total Appraised Land		4,000

RECORD OF OWNERSHIP	WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)								
SOUTH BOSTON, VIRGINIA, TOWN	0 0		1082 21	01-26-2011		0	Year	Code	Assessed	Year	Code	Assessed	Year	Co	Assessed
	0 0						2018	730	4,000	2017	730	4,000	2016	730	4,000
	0 0						Total		4000	Total		4000	Total		4000

EXEMPTIONS		OTHER ASSESSMENTS				AG DISTRICT						
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int				
Total		0.00										

ASSESSING NEIGHBORHOOD				APPRAISED VALUE SUMMARY				
NBHD	NBHD Name	Street Index Name	District Code	Class Code				
0001			T 17	74	Appraised Bldg. Value (Card)			0
					Appraised XF (B) Value (Bldg)			0
					Appraised OB (B) Value (Bldg)			0
					Appraised Land Value			4,000
					Special Land Value			0
					Total Appraised Parcel Value			4,000
					Valuation Method			C
					Exemption			0
					Adjustment			
					Total Appraised Parcel Value			4,000

VISIT / CHANGE HISTORY							Notes
Date	Type	IS	ID	Cd	Purpose/Result		
05-30-2017			TS	RE	REASSESSMENT		

LAND LINE VALUATION SECTION																					
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value		
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000	
Total Card Land Units							0.000	AC	Parcel Total Land Area							0.0000	Total Land Value				4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)											
Half Bath Grad			RCNLD		0						
Extra Fixture(s)			Dep % Ovr								
Extra Fix Grad			Dep Ovr Comment								
Fireplace Ope			Misc Imp Ovr								
Fireplace(s)			Misc Imp Ovr Comment								
Chimney - 1M			Cost to Cure Ovr								
Chimney - 1P			Cost to Cure Ovr Comment								
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING			GROSS		EFF AR				
		Ttl Gross Liv / Lease Area			0	0					

No Sketch

CURRENT OWNER	TOPO	UTILITIES	STRT / ROAD	ZONING	Describe	Co
SOUTH BOSTON, VIRGINIA, TOWN OF  455 FERRY ST  SOUTH BOSTON VA 24592	0 LEVEL	0 NO UTILITIES	0 PAVED		Land	730
	0 ROLLING	0 UNKNOWN				
	0 UNKNOWN	0 UNKNOWN				
<b>SUPPLEMENTAL DATA</b>						
Plat PB29/248		NBHD Cod T17-00:South Boston -		Lister Date		
Info By		Exempt 01:Yes		Mobile Ho 0		
Total Acre 0.63		Lister		Tracts 0		
				Road Num 0		
				Gis ID		
						Total

Parcel Description LOT 5 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised La

RECORD OF OWNERSHIP	WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR	PREVIOUS A			
Year	Code	Assessed	Year							
2018	730	6,300	2017							
Total		6300								

EXEMPTIONS				OTHER ASSESSMENTS				API		
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int		
Total			0.00							Appraised Bldg. Value

ASSESSING NEIGHBORHOOD				
NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES									

VISIT / CHANGE HISTORY									
Date	Type	IS	ID	Cd	Purpose/Result	Notes			
05-30-2017			TD	18	REASSESSMENT				

LAND LINE VALUATION SECTION																
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac DI	C. Fact	St. Idx	Adj	Notes	Specia
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	N	1.00	L - LOT VALUE	
Total Card Land Units							0.000	AC	Parcel Total Land Area		0.0000					



CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimnev - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No 3

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.17	Gis ID

Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 8 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000
Total Card Land Units					0.000	AC	Parcel Total Land Area					0.0000	Total Land Value					4,000	

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	ZONING	CURRENT ASSESSMENT				
SOUTH BOSTON, VIRGINIA, TOWN OF  455 FERRY ST  SOUTH BOSTON VA 24592		0 LEVEL	0 NO UTILITIES	0 PAVED		Descript	Co	LU MRKT Value	Appraised	Assessed
		0 ROLLING	0 UNKNOWN			Land	730		4,000	4,000
		0 UNKNOWN	0 UNKNOWN							
<b>SUPPLEMENTAL DATA</b>										
Plat PB29/248		NBHD Cod T17-00:South Boston -		Lister Date Mobile Ho 0						
Exempt 01:Yes		Total Acre 0.17		Tracts 0		Road Num 0		Gls ID		
						Total		4,000		4,000

Parcel Description LOT 9 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

RECORD OF OWNERSHIP	WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)									
SOUTH BOSTON, VIRGINIA, TOWN	0 0		1082 21	01-26-2011		0	Year	Code	Assessed	Year	Code	Assessed	Year	Co	Assessed	
	0 0						2018	730	4,000	2017	730	4,000	2016	730	4,000	
	0 0															
	0 0															
							Total		4000		Total		4000		Total	4000

EXEMPTIONS			OTHER ASSESSMENTS				AG DISTRICT					
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int				
			Total									

ASSESSING NEIGHBORHOOD				
NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES					APPRAISED VALUE SUMMARY					
					Appraised Bldg. Value (Card)					0
					Appraised XF (B) Value (Bldg)					0
					Appraised OB (B) Value (Bldg)					0
					Appraised Land Value					4,000
					Special Land Value					0
					Total Appraised Parcel Value					4,000
					Valuation Method					C
					Exemption					0
Adjustment										
					Total Appraised Parcel Value					4,000

VISIT / CHANGE HISTORY						
Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

LAND LINE VALUATION SECTION																				
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value	
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000
							Total Card Land Units	0.000	AC	Parcel Total Land Area				0.0000					Total Land Value	4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol		1						
Bedrooms			Cost Trend Factor								
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description		LIVING	GROSS	EFF AR						
Ttl Gross Liv / Lease Area			0	0							

No Sketch

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	ZONING	CURRENT ASSESSMENT				
SOUTH BOSTON, VIRGINIA, TOWN OF  455 FERRY ST  SOUTH BOSTON VA 24592		0 LEVEL	0 NO UTILITIES	0 PAVED		Descript	Co	LU MRKT Value	Appraised	Assessed
		0 ROLLING	0 UNKNOWN			Land	730		4,000	4,000
		0 UNKNOWN	0 UNKNOWN							
<b>SUPPLEMENTAL DATA</b>										
		Plat PB29/248	NBHD Cod T17-00:South Boston -		Lister Date					
		Info By	Exempt 01:Yes		Mobile Ho 0					
		Total Acre 0.16	Lister		Tracts 0					
					Road Num 0					
					Gis ID					
						Total		4,000		4,000

Parcel Description	LOT 10 POPLAR CREEK SUBDIVISION PB29/248	Total Appraised Land	4,000
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RECORD OF OWNERSHIP	WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)									
SOUTH BOSTON, VIRGINIA, TOWN	0 0		1082 21	01-26-2011		0	Year	Code	Assessed	Year	Code	Assessed	Year	Co	Assessed	
	0 0						2018	730	4,000	2017	730	4,000	2016	730	4,000	
	0 0															
	0 0															
							Total		4000		Total		4000		Total	4000

EXEMPTIONS				OTHER ASSESSMENTS				AG DISTRICT				
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int				
			Total									
			0.00									

ASSESSING NEIGHBORHOOD				
NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES				

VISIT / CHANGE HISTORY						
Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

LAND LINE VALUATION SECTION																						
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value			
1	730V	Regional Gove			45	Lot Value (	1	BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000	
					Total Card Land Units		0.000		AC		Parcel Total Land Area		0.0000							Total Land Value		4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	⌘	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.24	Gis ID
Lister	

**CURRENT ASSESSMENT**

Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 11 POPLAR CREEK SUBDIVISION PB29/248

Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000
Total Card Land Units					0.000	AC	Parcel Total Land Area					0.0000	Total Land Value					4,000	



**CONSTRUCTION DETAIL**

**CONSTRUCTION DETAIL (CONTINUED)**

Element	Cd	Description	Element	Cd	Description
Model	00	Vacant	Chimney - 1P		
Building Class	99	Vacant	Chimney - 2M		
Style			Chimney - 2P		
Grade			<b>MIXED USE</b>		
Foundation Ty			Code	Description	Percentage
Exterior Wall 1			730V	Regional Government	100
Exterior Wall 2					0
Roof Structure					0
Roof Cover 1			<b>COST / MARKET VALUATION</b>		
Roof Cover 2			Base Rate		0.00
Interior Wall 1			RCN		0
Interior Wall 2			Net Other Adj		
Interior Floor 1			RCN		0
Interior Floor 2			AYB		
Interior Floor 3			Effective Year Built		
Fuel Type 1			Depreciation Code		A
Fuel Type 2			Remodel Rating		
Heat Type 1			Year Remodeled		
Heat Type 2			EYB DPR		
AC Type			Functional Obsol		0
Total Rooms			Economic Obsol		
Bedrooms			Cost Trend Factor		1
Full Bath(s)			Condition		
Full Bath Grad			% Complete		
Half Bath(s)			RCNLD		0
Half Bath Grad			Dep % Ovr		
Extra Fixture(s)			Dep Ovr Comment		
Extra Fix Grad			Misc Imp Ovr		
Fireplace Ope			Misc Imp Ovr Comment		
Fireplace(s)			Cost to Cure Ovr		
Chimney - 1M			Cost to Cure Ovr Comment		
Chimnev - 1P					

No Sketch

**OB - OUTBUILDING & YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)**

Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	*	Apprais Valu

**BUILDING SUB-AREA SUMMARY SECTION**

SUBAR	Description	LIVING	GROSS	EFF AR		
Ttl Gross Liv / Lease Area		0	0			

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.17	Gis ID
Lister	

**CURRENT ASSESSMENT**

Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 12 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000
Total Card Land Units 0.000 AC Parcel Total Land Area 0.0000																	Total Land Value	4,000	

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST/MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code	A							
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol	0							
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor	1							
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimnev - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area						0	0				

No Sketch

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.17	Gis ID

CURRENT ASSESSMENT				
Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 13 POPLAR CREEK SUBDIVISION PB29/248  
 Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					4000

PREVIOUS ASSESSMENTS (HISTORY)								
Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value	
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000	
Total Card Land Units					0.000	AC	Parcel Total Land Area	0.0000											Total Land Value	4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

CURRENT OWNER

SOUTH BOSTON, VIRGINIA, TOWN OF  
455 FERRY ST  
SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		
SUPPLEMENTAL DATA			
Plat PB29/248	NBHD Cod T17-00:South Boston -	Lister Date	Mobile Ho 0
Info By	Exempt 01:Yes	Tracts 0	Road Num 0
Total Acre 0.17	Lister	Gis ID	

CURRENT ASSESSMENT			
Descript	Co	LU MRKT Value	Assessed
Land	730		4,000
Total			4,000

Parcel Description LOT 14 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

RECORD OF OWNERSHIP

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/Pg	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					

PREVIOUS ASSESSMENTS (HISTORY)

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

EXEMPTIONS

Year	Code	Description	Amount
Total			0.00

OTHER ASSESSMENTS

Code	Description	Number	Amount	Comm Int

AG DISTRICT

APPRAISED VALUE SUMMARY

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

ASSESSING NEIGHBORHOOD

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES

VISIT / CHANGE HISTORY

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

LAND LINE VALUATION SECTION

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value																
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000															
Total Card Land Units																		0.000	AC	Parcel Total Land Area				0.0000	Total Land Value										4,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			730V	Regional Government	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate		0.00						
Interior Wall 1			RCN		0						
Interior Wall 2			Net Other Adj								
Interior Floor 1			RCN		0						
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code		A						
Fuel Type 2			Remodel Rating								
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol		0						
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor		1						
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD		0						
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimney - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF AR							
Ttl Gross Liv / Lease Area		0	0								

No Sketch

**CURRENT OWNER**

SOUTH BOSTON, VIRGINIA, TOWN OF  
  
 455 FERRY ST  
  
 SOUTH BOSTON VA 24592

TOPO	UTILITIES	STRT / ROAD	ZONING
0 LEVEL	0 NO UTILITIES	0 PAVED	
0 ROLLING	0 UNKNOWN		
0 UNKNOWN	0 UNKNOWN		

SUPPLEMENTAL DATA	
Plat PB29/248	Lister Date
NBHD Cod T17-00:South Boston -	Mobile Ho 0
Info By	Tracts 0
Exempt 01:Yes	Road Num 0
Total Acre 0.17	Gis ID

CURRENT ASSESSMENT				
Descript	Co	LU MRKT Value	Appraised	Assessed
Land	730		4,000	4,000
Total			4,000	4,000

Parcel Description LOT 15 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

**RECORD OF OWNERSHIP**

SOUTH BOSTON, VIRGINIA, TOWN

WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR
0 0		1082 21	01-26-2011		0
0 0					
0 0					
0 0					
Total					4000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
2018	730	4,000	2017	730	4,000	2016	730	4,000
Total		4000	Total		4000	Total		4000

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**OTHER ASSESSMENTS**

Code	Description	Number	Amount	Comm Int

**AG DISTRICT**

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	4,000
Special Land Value	0
Total Appraised Parcel Value	4,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	4,000

**ASSESSING NEIGHBORHOOD**

NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

**NOTES**

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-30-2017			TD	18	REASSESSMENT	

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove			45	Lot Value (	1 BL		1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0 1.000	4,000.00	4,000
Total Card Land Units					0.000	AC	Parcel Total Land Area					0.0000	Total Land Value					4,000	



**CONSTRUCTION DETAIL**

**CONSTRUCTION DETAIL (CONTINUED)**

Element	Cd	Description	Element	Cd	Description
Model	00	Vacant	Chimney - 1P		
Building Class	99	Vacant	Chimney - 2M		
Style			Chimney - 2P		
Grade			<b>MIXED USE</b>		
Foundation Ty			Code	Description	Percentage
Exterior Wall 1			730V	Regional Government	100
Exterior Wall 2					0
Roof Structure					0
Roof Cover 1			<b>COST / MARKET VALUATION</b>		
Roof Cover 2			Base Rate		0.00
Interior Wall 1			RCN		0
Interior Wall 2			Net Other Adj		
Interior Floor 1			RCN		0
Interior Floor 2			AYB		
Interior Floor 3			Effective Year Built		
Fuel Type 1			Depreciation Code		A
Fuel Type 2			Remodel Rating		
Heat Type 1			Year Remodeled		
Heat Type 2			EYB DPR		
AC Type			Functional Obsol		0
Total Rooms			Economic Obsol		
Bedrooms			Cost Trend Factor		1
Full Bath(s)			Condition		
Full Bath Grad			% Complete		
Half Bath(s)					
Half Bath Grad			RCNLD		0
Extra Fixture(s)			Dep % Ovr		
Extra Fix Grad			Dep Ovr Comment		
Fireplace Ope			Misc Imp Ovr		
Fireplace(s)			Misc Imp Ovr Comment		
Chimney - 1M			Cost to Cure Ovr		
Chimney - 1P			Cost to Cure Ovr Comment		

No Sketch

**OB - OUTBUILDING & YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)**

Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu

**BUILDING SUB-AREA SUMMARY SECTION**

SUBAR	Description	LIVING	GROSS	EFF AR
Ttl Gross Liv / Lease Area		0	0	

CURRENT OWNER		TOPO	UTILITIES	STRT/ROAD	ZONING	CURRENT ASSESSMENT				
SOUTH BOSTON, VIRGINIA, TOWN OF		0 LEVEL	0 NO UTILITIES	0 PAVED		Descript	Co	LU MRKT Value	Appraised	Assessed
455 FERRY ST		0 ROLLING	0 UNKNOWN			Land	730		4,000	4,000
SOUTH BOSTON VA 24592		0 UNKNOWN	0 UNKNOWN							
<b>SUPPLEMENTAL DATA</b>										
Plat PB29/248		NBHD Cod T17-00:South Boston -		Lister Date						
Info By		Exempt 01:Yes		Mobile Ho 0						
Total Acre 0.17		Tracts 0		Road Num 0						
Lister		Gis ID								
						Total		4,000		4,000

Parcel Description	LOT 16 POPLAR CREEK SUBDIVISION PB29/248	Total Appraised Land	4,000
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RECORD OF OWNERSHIP	WILL BK/P6	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)								
SOUTH BOSTON, VIRGINIA, TOWN	0 0		1082 21	01-26-2011		0	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
	0 0						2018	730	4,000	2017	730	4,000	2016	730	4,000
	0 0														
	0 0														
							Total	4000		Total	4000		Total	4000	

EXEMPTIONS				OTHER ASSESSMENTS				AG DISTRICT				
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int				
			Total					0.00				

ASSESSING NEIGHBORHOOD				
NBHD	NBHD Name	Street Index Name	District Code	Class Code
0001			T17	74

NOTES	

VISIT / CHANGE HISTORY									
Date	Type	IS	ID	Cd	Purpose/Result	Notes			
05-30-2017			TD	18	REASSESSMENT				

LAND LINE VALUATION SECTION																				
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac DI	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value	
1	730V	Regional Gove			45	Lot Value (	1	BL	1.000	C	1.000	1.00	B	1.00	L - LOT VALUE		0	1.000	4,000.00	4,000
							Total Card Land Units	0.000	AC	Parcel Total Land Area 0.0000								Total Land Value	4,000	



**CURRENT OWNER**  
ARTHUR, THOMAS C & BETTY B  
3309 N MAIN ST  
SOUTH BOSTON VA 24592

**TOPO**  
0 UNKNOWN  
0 ROLLING  
0 UNKNOWN  
0 UNKNOWN

**UTILITIES**  
0 NO UTILITIES  
0 UNKNOWN  
0 UNKNOWN

**STRT/ROAD**  
0 PROPOSED

**ZONING**  
013-04-80-0005A

**CURRENT ASSESSMENT**  
Descript Co LU MRKT Value Appraised Assessed  
Land 100 1,300 1,300 1,300

**SUPPLEMENTAL DATA**  
Plat NBHD Cod T17-1:South Boston -  
Info By E:Estimated Informatio  
Exempt 00:No  
Total Acre 0  
Lister

Parcel Description: LOT 11 BLK 80

RECORD OF OWNERSHIP		WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR
ARTHUR, THOMAS C & BETTY B	0 0	0 0	715 185	01-28-1999	G	0	
Total		0 0					

**OTHER ASSESSMENTS**

Year	Code	Description	Number	Amount	Comm Int
2018	100				
Total	1300				1300

**AG DISTRICT**  
Total Appraised Land: 1,300

**EXEMPTIONS**

Year	Code	Description	Amount
Total			0.00

**ASSESSING NEIGHBORHOOD**

NBHD Name	Street Index Name	District Code	Class Code
0001		T17	01

**NOTES**

**APPRaised VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	1,300
Special Land Value	0
Total Appraised Parcel Value	1,300
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	1,300

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result
04-12-2016	PH			18	REASSESSMENT

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value					
1	100V	SFD - Urban V		44	Lot Value (	1 BL	1.000	1.000	5	1.000	1.000	1.00	M	1.00	L- LOT VALUE	0	1.000	1,300.00	1,300					
Total Card Land Units																			0.000	AC	Parcel Total Land Area	0.0000	Total Land Value	1,300

**CONSTRUCTION DETAIL (CONTINUED)**

Element	Cd	Description	Element	Cd	Description					
Model	00	Vacant	Chimney - 1P							
Building Class	99	Vacant	Chimney - 2M							
Style			Chimney - 2P							
Grade										
Foundation Ty										
Exterior Wall 1										
Exterior Wall 2										
Roof Structure										
Roof Cover 1										
Roof Cover 2										
Interior Wall 1										
Interior Wall 2										
Interior Floor 1										
Interior Floor 2										
Interior Floor 3										
Fuel Type 1										
Fuel Type 2										
Heat Type 1										
Heat Type 2										
AC Type										
Total Rooms										
Bedrooms										
Full Bath(s)										
Half Bath Grad										
Half Bath(s)										
Extra Fixture(s)										
Extra Fix Grad										
Fireplace Ope										
Fireplace(s)										
Chimney - 1M										
Chimnev - 1P										
<b>OB - OUTBUILDING &amp; YARD ITEMS(L)/XF - BUILDING EXTRA FEATURES(B)</b>										
Code	Description	Su	Sub Desc	Lan	Units	Year	%	Cond	#	Apprais Valu

**BUILDING SUB-AREA SUMMARY SECTION**

SUBAR	Description	LIVING	GROSS	EFF	AR
Tot Gross Liv / Lease Area					0

No Sketch

<b>CURRENT OWNER</b>		<b>UTILITIES</b>		<b>STRT / ROAD</b>		<b>ZONING</b>		<b>CURRENT ASSESSMENT</b>	
HITE, JIMMY D & PATRICIA S		0 UNKNOWN 0 LEVEL 0 ROLLING		0 PROPOSED				Descript Co LU MRKT Value Appraised Assessed	
2137 JAMES D HAGOOD HWY		SUPPLEMENTAL DATA						Land 100 1,300 1,300	
HALIFAX VA 24558		Plat NBHD Cod T17-1:South Boston - E:Estimated Informatio						Total 1,300 1,300	
		Info By Exempt 00:No							
		Total Acre 0							
		Lister		013-04-80-0005					

Parcel Description LOT 5 BLK 80

<b>RECORD OF OWNERSHIP</b>			<b>WILL BK/PG</b>			<b>INSTRUMENT</b>			<b>BK-VOL/PAGE</b>			<b>SALE DATE</b>			<b>Q / SALE PR</b>		
HITE, JIMMY D & PATRICIA S			0 0			422 438			01-01-2000			0			0		
Total			0.00														

<b>EXEMPTIONS</b>												<b>OTHER ASSESSMENTS</b>															
Year	Code	Description	Amount	Code	Description	Number	Amount	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed					
Total				0.00								2018				2017				2016				2015			
Total				0.00								1300				1300				1300				1300			

<b>ASSESSING NEIGHBORHOOD</b>		<b>ASSESSING NEIGHBORHOOD</b>	
NBHD Name	Street Index Name	District Code	Class Code
0001		T17	01

**NOTES**

APPRAISED VALUE SUMMARY

Appraised Bldg. Value (Card) 0

Appraised XF (B) Value (Bldg) 0

Appraised OB (B) Value (Bldg) 0

Appraised Land Value 1,300

Special Land Value 0

Total Appraised Parcel Value 1,300

Valuation Method C

Exemption 0

Adjustment 0

Total Appraised Parcel Value 1,300

<b>VISIT / CHANGE HISTORY</b>											
Date	Type	IS	ID	Cd	Purpose/Result	Notes					
04-12-2016	PH			18	REASSESSMENT						

<b>LAND LINE VALUATION SECTION</b>																							
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value				
1	100V	SFD - Urban V			44	Lot Value (	1 BL	1,000	1,000	5	1,000	1,000	M	1.00	L- LOT VALUE		0	1,300.00	1,300				
Total Card Land Units				0.000 AC				Parcel Total Land Area				0.0000				Total Land Value				1,300			

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade											
Foundation Ty											
Exterior Wall 1											
Exterior Wall 2											
Roof Structure											
Roof Cover 1											
Roof Cover 2											
Interior Wall 1											
Interior Wall 2											
Interior Floor 1											
Interior Floor 2											
Interior Floor 3											
Fuel Type 1											
Fuel Type 2											
Heat Type 1											
Heat Type 2											
AC Type											
Total Rooms											
Bedrooms											
Full Bath(s)											
Half Bath(s)											
Half Bath Grad											
Extra Fixture(s)											
Extra Fix Grad											
Fireplace Ope											
Fireplace(s)											
Chimney - 1M											
Chimnev - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>			<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>								
Code	Description	Su	Sub Desc	Lan	Units	Year	%	Cond	#	Apprais Valu	
<b>BUILDING SUB-AREA SUMMARY SECTION</b>			<b>BUILDING SUB-AREA SUMMARY SECTION</b>			<b>BUILDING SUB-AREA SUMMARY SECTION</b>			<b>BUILDING SUB-AREA SUMMARY SECTION</b>		
SUBAR	Description	LIVING	GROSS	EFF	AR						
		Tot Gross Liv / Lease Area		0	0						

No Sketch

**CURRENT OWNER** ARTHUR, THOMAS C & BETTY B  
 3309 N MAIN ST  
 SOUTH BOSTON VA 24592

**UTILITIES**  
 0 NO UTILITIES  
 0 LEVEL  
 0 ROLLING

**STRT / ROAD**  
 0 PROPOSED

**ZONING**  
 013-04-80-0006

**SUPPLEMENTAL DATA**  
 Plat NBHD Cod T17-1:South Boston -  
 Info By E:Estimated Informatio  
 Exempt 00:No  
 Total Acre 0  
 Lister

Parcel Description LOT 6 BLK 80

Year	Code	Description	Amount	Number	Code	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
<b>EXEMPTIONS</b>														
Total 0.00														
<b>OTHER ASSESSMENTS</b>														
Total 1300														

Year	Code	Description	Amount	Number	Code	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
<b>PREVIOUS ASSESSMENTS (HISTORY)</b>														
Total 1300														

Year	Code	Description	Amount	Number	Code	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
<b>AG DISTRICT</b>														
Total 1300														

Year	Code	Description	Amount	Number	Code	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
<b>APPRaised VALUE SUMMARY</b>														
Appraised Bldg. Value (Card) 0														
Appraised XF (B) Value (Bldg) 0														
Appraised OB (B) Value (Bldg) 0														
Appraised Land Value 1,300														
Special Land Value 0														
Total Appraised Parcel Value 1,300														
Valuation Method C														
Exemption 0														
Adjustment														
Total Appraised Parcel Value 1,300														

Date	Type	IS	ID	Cd	Purpose/Result	Notes
04-12-2016	PH			18	REASSESSMENT	

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	100V	SFD - Urban V		44	Lot Value (	1 BL	1.000	1.000	5	1.000	1.000	1.00	M	1.00	L- LOT VALUE	0	1.000	1,300.00	1,300
Total Card Land Units 0.000 AC Parcel Total Land Area 0.0000 Total Land Value 1,300																			



CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)									
Element	Cd	Element	Description								
Model Building Class Style	00 99	Chimney - 1P Chimney - 2M Chimney - 2P									
Grade		<b>MIXED USE</b>									
Foundation Ty		Code	Description Percentage								
Exterior Wall 1		100V	SFD - Urban Vacant 100								
Exterior Wall 2			0								
Roof Structure			0								
Roof Cover 1		<b>COST / MARKET VALUATION</b>									
Roof Cover 2		Base Rate	0.00								
Interior Wall 1		RCN	0								
Interior Wall 2		Net Other Adj	0								
Interior Floor 1		RCN									
Interior Floor 2		AYB									
Interior Floor 3		Effective Year Built									
Fuel Type 1		Depreciation Code									
Fuel Type 2		Remodel Rating									
Heat Type 1		Year Remodeled									
Heat Type 2		EYB DPR									
AC Type		Functional Obsol	1								
Total Rooms		Economic Obsol									
Bedrooms		Cost Trend Factor									
Full Bath(s)		Condition									
Full Bath Grad		% Complete									
Half Bath(s)		RCNLD	0								
Half Bath Grad		Dep % Ovr									
Extra Fixture(s)		Dep Ovr Comment									
Fireplace Ope		Misc Imp Ovr									
Fireplace(s)		Misc Imp Ovr Comment									
Chimney - 1M		Cost to Cure Ovr									
Chimnev - 1P		Cost to Cure Ovr Comment									
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF	AR						
		Totl Gross Liv / Lease Area				0					

No Sketch

CURRENT OWNER		TOPO	UTILITIES	STRT / ROAD	ZONING	CURRENT ASSESSMENT		
THOMAS, J S		0 UNKNOWN	0 NO UTILITIES	0 PROPOSED		Describe Co	LU MRKT Value	Assessed
C/O EVA M. HARRIS		0 LEVEL	0 UNKNOWN			Land	1,300	1,300
1203 JOHN RANDOLPH BLVD		0 ROLLING	0 UNKNOWN					
SOUTH BOSTON		SUPPLEMENTAL DATA			Total			
VA	24592	Plat NBHD Cod T-17-1:South Boston - Mobile Ho 0			Total Appraised Land			
		Info By E:Estimated Informatio			1,300			
		Exempt 00:No			1,300			
		Total Acre 0			1,300			
		Lister			1,300			
		Gis ID 013-04-80-0007			1,300			

Parcel Description LOT 7 BLK 80 HARRELL ST.

RECORD OF OWNERSHIP		WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)					
THOMAS, J S		0 0		0 0	01-01-1900		0	Year	Code	Assessed	Year	Co	Assessed
		0 0						2018	100	1,300	2017	100	1,300
		0 0									2016	100	1,300
		0 0											
		0 0						Total		1,300	Total		1,300

EXEMPTIONS		OTHER ASSESSMENTS	
Year	Code	Description	Amount
			0.00
Total			

ASSESSING NEIGHBORHOOD	
NBHD	Street Index Name
0001	T17
	District Code
	01
	Class Code

NOTES	
APPRAISED VALUE SUMMARY	
Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	1,300
Special Land Value	0
Total Appraised Parcel Value	1,300
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	1,300

VISIT / CHANGE HISTORY						
Date	Type	IS	ID	Cd	Purpose/Result	Notes
04-12-2016	PH		18		REASSESSMENT	

LAND LINE VALUATION SECTION																		
B	Use co	Description	Zone	D	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	100V	SFD - Urban V			44	Lot Value (	1 BL	1.000	5	1.000	1.00	1.00	M	1.00	L - LOT VALUE	0	1,300.00	1,300
Total Card Land Units										0.000	AC	Parcel Total Land Area	0.0000	Total Land Value		1,300		

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Description	Element	Cd	Description						
Model	00	Vacant	Chimney - 1P								
Building Class	99	Vacant	Chimney - 2M								
Style			Chimney - 2P								
Grade			<b>MIXED USE</b>								
Foundation Ty			Code	Description	Percentage						
Exterior Wall 1			100V	SFD - Urban Vacant	100						
Exterior Wall 2					0						
Roof Structure					0						
Roof Cover 1			<b>COST / MARKET VALUATION</b>								
Roof Cover 2			Base Rate	0.00							
Interior Wall 1			RCN	0							
Interior Wall 2			Net Other Adj	0							
Interior Floor 1			RCN								
Interior Floor 2			AYB								
Interior Floor 3			Effective Year Built								
Fuel Type 1			Depreciation Code								
Fuel Type 2			Remodel Rating	1							
Heat Type 1			Year Remodeled								
Heat Type 2			EYB DPR								
AC Type			Functional Obsol								
Total Rooms			Economic Obsol								
Bedrooms			Cost Trend Factor								
Full Bath(s)			Condition								
Full Bath Grad			% Complete								
Half Bath(s)			RCNLD	0							
Half Bath Grad			Dep % Ovr								
Extra Fixture(s)			Dep Ovr Comment								
Extra Fix Grad			Misc Imp Ovr								
Fireplace Ope			Misc Imp Ovr Comment								
Fireplace(s)			Cost to Cure Ovr								
Chimney - 1M			Cost to Cure Ovr Comment								
Chimnev - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF	AR						
		Tot Gross Liv / Lease Area		0	0						

No Sketch

<b>CURRENT OWNER</b>		<b>TOPO</b>		<b>UTILITIES</b>		<b>STRT / ROAD</b>		<b>ZONING</b>		<b>CURRENT ASSESSMENT</b>	
WOODY, LEE P JR REVOCABLE TRUST & PHYLLIS RYAN ETAL 102 N. WEST ST.		0 UNKNOWN 0 LEVEL 0 ROLLING		0 NO UTILITIES 0 UNKNOWN 0 UNKNOWN		0 PROPOSED				LU MRKT Value 1,300	
CULPEPER VA 22701		Plat NBHD Cod T17-1:South Boston - Info By E:Estimated Informatio Exempt 00:No Total Acre 0		Lister Date Mobile Ho 0 Tracts 0 Road Num 0 Gis ID 013-04-80-0008						Assessed 1,300	

Parcel Description LOT 8 BLK 80 HARRELL ST. Total Appraised Land 1,300

RECORD OF OWNERSHIP		WILL BKPG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q	SALE PR	PREVIOUS ASSESSMENTS (HISTORY)				
Year	Code	Amount	Description	Number	Amount	Comm Int	Year	Code	Assessed	Year	Code	Assessed
2018	100	1,300	100	685	507	0	01-06-1998	100	1,300	2017	100	1,300
Total		1,300						Total	1,300	Total	1,300	Total

EXEMPTIONS		OTHER ASSESSMENTS	
Year	Code	Description	Amount
Total			0.00

ASSESSING NEIGHBORHOOD	
NBHD	Street Index Name
0001	T17

APPRaised VALUE SUMMARY	
Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	1,300
Special Land Value	0
Total Appraised Parcel Value	1,300
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	1,300

VISIT / CHANGE HISTORY		NOTES	
Date	Type	IS	CD
04-12-2016	PH	18	REASSESSMENT

LAND LINE VALUATION SECTION																		
B Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	100V SFD - Urban V		44	Lot Value (	1 BL	1,000	5	1,000	1.00	1.00	1.00	M	1.00	L - LOT VALUE	0	1,000	1,300.00	1,300
Total Card Land Units										0.000	AC	Parcel Total Land Area		0.0000	Total Land Value		1,300	

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Cd	Element	Description
Model Building Class Style	00 99	Chimney - 1P Chimney - 2M Chimney - 2P	
Grade		<b>MIXED USE</b>	
Foundation Ty		Code	Description
Exterior Wall 1		100V	SFD - Urban Vacant
Exterior Wall 2			Percentage
Roof Structure			100
Roof Cover 1			0
Roof Cover 2			0
Interior Wall 1		<b>COST / MARKET VALUATION</b>	
Interior Wall 2		Base Rate	0.00
Interior Floor 1		RCN	0
Interior Floor 2		Net Other Adj	0
Interior Floor 3		RCN	0
Fuel Type 1		AYB	
Fuel Type 2		Effective Year Built	
Heat Type 1		Depreciation Code	
Heat Type 2		Remodel Rating	
AC Type		Year Remodeled	
Total Rooms		EYB DPR	
Bedrooms		Functional Obsol	1
Full Bath(s)		Economic Obsol	
Half Bath(s)		Cost Trend Factor	
Full Bath Grad		Condition	
Half Bath Grad		% Complete	
Extra Fixture(s)		RCNLD	0
Extra Fix Grad		Dep % Ovr	
Fireplace Ope		Dep Ovr Comment	
Fireplace(s)		Misc Imp Ovr	
Chimney - 1M		Misc Imp Ovr Comment	
Chimnev - 1P		Cost to Cure Ovr	
		Cost to Cure Ovr Comment	
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>			
Code	Description	Su	Sub Desc
		Lan	Units
		Year	%
		Cond	#
		Apprais	Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>			
SUBAR	Description	LIVING	GROSS
		EFF	AR
		0	0
		Totl Gross Liv / Lease Area	
		0 0	

No Sketch

CURRENT OWNER		WILL BK/PG		INSTRUMENT		BK-VOL/PAGE		SALE DATE		Q/ SALE PR		STRT/ROAD		UTILITIES		ZONING		CURRENT ASSESSMENT			
SOUTH BOSTON, VIRGINIA, TOWN OF		247	452	11-187	1082	21	01-26-2011	G	0	0	0	0	0	0	0	0	0	730	2,000	2,000	
455 FERRY ST		247	452	11-188	0	0	01-01-2011	0	0	0	0	0	0	0	0	0	0	730	2,000	2,000	
SOUTH BOSTON		VA 24592		Plat		NBHD Cod T-17-1:South Boston -		Lister Date		Mobile Ho 0		Tracts 0		Road Num 0		Gis ID 013-04-77-0007		Total		2,000	2,000

Parcel Description: LOT 7 BLK 77

PREVIOUS ASSESSMENTS (HISTORY)																	
Year	Code	Description	Amount	Code	Description	Number	Amount	Comm Int	Year	Code	Assessed	Year	Code	Assessed	Year	Code	Assessed
EXEMPTIONS																	
OTHER ASSESSMENTS																	
AG DISTRICT																	
Total																	
2000																	
Total																	
2000																	
Total																	
2000																	

ASSESSING NEIGHBORHOOD			
NBHD	0001	NBHD Name	Street Index Name
			District Code
			T 17
			Class Code
			74

EXEMPTIONS		OTHER ASSESSMENTS		VISIT / CHANGE HISTORY	
Year	Code	Description	Amount	Code	Amount
Total		0.00			
NOTES					
APPRaised VALUE SUMMARY					
Appraised Bldg. Value (Card)					
Appraised XF (B) Value (Bldg)					
Appraised OB (B) Value (Bldg)					
Appraised Land Value					
Special Land Value					
Total Appraised Parcel Value					
Valuation Method					
Exemption					
Adjustment					
Total Appraised Parcel Value					
2,000					

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-15-2017	TD		18	REASSESSMENT		

LAND LINE VALUATION SECTION																			
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	L. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove		44	Lot Value (	1 BL	1.000	1.000	1.00	1.00	1.00	1.00	R	1.00	L - LOT VALUE		0	2,000.00	2,000
Total Card Land Units												0.000	AC	Parcel Total Land Area	0.0000	Total Land Value		2,000	

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Cd	Element	Description
Model	00	Chimney - 1P	
Building Class	99	Chimney - 2M	
Style		Chimney - 2P	
Grade			
Foundation Ty			
Exterior Wall 1			
Exterior Wall 2			
Roof Structure			
Roof Cover 1			
Roof Cover 2			
Interior Wall 1			
Interior Wall 2			
Interior Floor 1			
Interior Floor 2			
Interior Floor 3			
Fuel Type 1			
Fuel Type 2			
Heat Type 1			
Heat Type 2			
AC Type			
Total Rooms			
Bedrooms			
Full Bath(s)			
Half Bath Grad			
Half Bath(s)			
Half Bath Grad			
Extra Fixture(s)			
Extra Fix Grad			
Fireplace Ope			
Fireplace(s)			
Chimney - 1M			
Chimnev - 1P			

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)								
Code	Element	Cd	Description							
730V	Regional Government									
<b>MIXED USE</b>										
			Percentage							
			100							
			0							
			0							
<b>COST / MARKET VALUATION</b>										
	Base Rate		0.00							
	RCN		0							
	Net Other Adj		0							
	RCN		0							
	AYB									
	Effective Year Built									
	Depreciation Code									
	Remodel Rating									
	Year Remodeled									
	EYB DPR									
	Functional Obsol									
	Economic Obsol									
	Cost Trend Factor	1								
	Condition									
	% Complete									
	RCNLD		0							
	Dep % Ovr									
	Dep Ovr Comment									
	Misc Imp Ovr									
	Misc Imp Ovr Comment									
	Cost to Cure Ovr									
	Cost to Cure Ovr Comment									
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>										
Code	Description	Su	Sub Desc	Lan	Units	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>										
SUBAR	Description	LIVING	GROSS	EFF	AR					
		0	0							
Totl Gross Liv / Lease Area										0

No Sketch

**CURRENT OWNER**  
 HALIFAX COUNTY FAIR ASSOC INC  
 % E B WILKINS  
 102 MERRITT ST  
 SOUTH BOSTON  
 VA 24592

**TOPO**  
 0 UNKNOWN  
 0 LEVEL  
 0 ROLLING  
**UTILITIES**  
 0 NO UTILITIES  
 0 UNKNOWN  
 0 UNKNOWN  
**STRT / ROAD**  
 0 PROPOSED  
**ZONING**  
 013-04-77-0008

**SUPPLEMENTAL DATA**  
 Plat  
 NBHD Cod T17-1:South Boston -  
 Info By E:Estimated Informatio  
 Exempt 00:No  
 Total Acre 0  
 Lister  
 Lister Date  
 Mobile Ho 0  
 Tracts 0  
 Road Num 0  
 Gis ID 013-04-77-0008

**OTHER ASSESSMENTS**  
 Code Description Number Amount  
 Comm Int

**ASSESSING NEIGHBORHOOD**  
 NBHD Name Street Index Name District Code Class Code  
 0001 NBHD Name T17 01

**EXEMPTIONS**

Year	Code	Description	Amount
			0.00
Total			0.00

**RECORD OF OWNERSHIP**

WILL BK/PG	INSTRUMENT	BK-VOL/PAGE	SALE DATE	Q/	SALE PR
247 452		336 110	01-01-2000		0
247 452					
Total					0

**CURRENT ASSESSMENT**

Descript	Co	LU MRKT Value	Appraised	Assessed
Land	100		2,000	2,000
Total			2,000	2,000

**PREVIOUS ASSESSMENTS (HISTORY)**

Year	Code	Assessed	Year	Co	Assessed
2018	100	2,000	2016	100	2,000
Total		2000	2000		Total

**AG DISTRICT**

Year	Code	Assessed	Year	Co	Assessed
2018	100	2,000	2016	100	2,000
Total		2000	2000		Total

**APPRaised VALUE SUMMARY**

Appraised Bldg. Value (Card)	0
Appraised XF (B) Value (Bldg)	0
Appraised OB (B) Value (Bldg)	0
Appraised Land Value	2,000
Special Land Value	0
Total Appraised Parcel Value	2,000
Valuation Method	C
Exemption	0
Adjustment	
Total Appraised Parcel Value	2,000

**VISIT / CHANGE HISTORY**

Date	Type	IS	ID	Cd	Purpose/Result	Notes
05-15-2017	TD		18	REASSESSMENT		

**LAND LINE VALUATION SECTION**

B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value					
1	100V	SFD - Urban V		44	Lot Value (	1 BL	1	1,000	1,000	5	1,000	1,000	1.00	R	1.00	L - LOT VALUE	0	2,000.00	2,000					
Total Card Land Units																			0.000	AC	Parcel Total Land Area	0.0000	Total Land Value	2,000



CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)									
Element	Cd	Element	Description								
Model	00	Chimney - 1P									
Building Class	99	Chimney - 2M									
Style		Chimney - 2P									
Grade											
Foundation Ty											
Exterior Wall 1											
Exterior Wall 2											
Roof Structure											
Roof Cover 1											
Roof Cover 2											
Interior Wall 1											
Interior Wall 2											
Interior Floor 1											
Interior Floor 2											
Interior Floor 3											
Fuel Type 1											
Fuel Type 2											
Heat Type 1											
Heat Type 2											
AC Type											
Total Rooms											
Bedrooms											
Full Bath(s)											
Full Bath Grad											
Half Bath(s)											
Half Bath Grad											
Extra Fixture(s)											
Extra Fix Grad											
Fireplace Ope											
Fireplace(s)											
Chimney - 1M											
Chimnev - 1P											
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Contd	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR		Description		LIVING	GROSS	EFF	AR				
		Ttl Gross Liv / Lease Area		0	0						

No Sketch

CURRENT ASSESSMENT		CURRENT ASSESSMENT	
Describe	Co	LU MRKT Value	Appraised
Land	100		800
Total		800	800

PREVIOUS ASSESSMENTS (HISTORY)		PREVIOUS ASSESSMENTS (HISTORY)	
Assessed	Year	Code	Assessed
800	2017	100	800
100	2016		100
Total		800	800

OTHER ASSESSMENTS		OTHER ASSESSMENTS	
Year	Code	Description	Amount
2018	100		0
2012			0
Total			0.00

ASSESSING NEIGHBORHOOD		ASSESSING NEIGHBORHOOD	
Street Index Name	District Code	Class Code	Notes
T17		01	

EXEMPTIONS		EXEMPTIONS	
Year	Code	Description	Amount
Total			0.00

VISIT / CHANGE HISTORY		VISIT / CHANGE HISTORY	
Date	Type	IS	ID
05-15-2017	TD	18	REASSESSMENT

LAND LINE VALUATION SECTION		LAND LINE VALUATION SECTION	
B Use co	Description	Zone	D
1	100V SFD - Urban V		44
Total Card Land Units		0.000	AC
Parcel Total Land Area		0.0000	

APPRaised VALUE SUMMARY		APPRaised VALUE SUMMARY	
Appraised Bldg. Value (Card)	Appraised XF (B) Value (Bldg)	Appraised OB (B) Value (Bldg)	Appraised Land Value
0	0	0	800
Total Appraised Parcel Value			800

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)								
Element	Cd	Element	Description							
Model Building Class Style	00 99	Chimney - 1P Chimney - 2M Chimney - 2P								
Grade										
Foundation Ty										
Exterior Wall 1										
Exterior Wall 2										
Roof Structure										
Roof Cover 1										
Roof Cover 2										
Interior Wall 1										
Interior Wall 2										
Interior Floor 1										
Interior Floor 2										
Interior Floor 3										
Fuel Type 1										
Fuel Type 2										
Heat Type 1										
Heat Type 2										
AC Type										
Total Rooms										
Bedrooms										
Full Bath(s)										
Half Bath(s)										
Half Bath Grad										
Extra Fixture(s)										
Extra Fix Grad										
Fireplace Ope										
Fireplace(s)										
Chimney - 1M										
Chimnev - 1P										
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>										
Code	Description	Su	Sub Desc	Lan	Units	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>										
SUBAR	Description	LIVING	GROSS	EFF	AR					
		Tot Gross Liv / Lease Area		0						

No Sketch

<b>CURRENT OWNER</b>		<b>TOPO</b>		<b>UTILITIES</b>		<b>STRT / ROAD</b>		<b>ZONING</b>		<b>CURRENT ASSESSMENT</b>	
SOUTH BOSTON, VIRGINIA, TOWN OF		0 LEVEL		0 NO UTILITIES		0 PAVED				LU MRKT Value	
455 FERRY ST		0 ROLLING		0 UNKNOWN						Appraised	
SOUTH BOSTON		0 UNKNOWN		0 UNKNOWN						4,000	
VA 24592		Plat PB29/248		SUPPLEMENTAL DATA						Assessed	
		NBHD Cod T17-00:South Boston -		Lister Date						4,000	
		Info By		Mobile Ho 0						Total	
		Exempt 01:Yes		Tracts 0						4,000	
		Total Acre 0.33		Road Num 0						Total	
		Lister		Gis ID						4,000	

Parcel Description LOT 17 POPLAR CREEK SUBDIVISION PB29/248 Total Appraised Land 4,000

<b>RECORD OF OWNERSHIP</b>		<b>WILL BKPG</b>		<b>INSTRUMENT</b>		<b>BK-VOL/PAGE</b>		<b>SALE DATE</b>		<b>Q / SALE PR</b>		<b>PREVIOUS ASSESSMENTS (HISTORY)</b>	
SOUTH BOSTON, VIRGINIA, TOWN		0 0		1082 21		01-26-2011		0		Year Code		Assessed Year Code Assessed Year Co Assessed	
		0 0								2018 730		4,000 2016 730 4,000	
		0 0								Total		4000 Total 4000	

<b>EXEMPTIONS</b>		<b>OTHER ASSESSMENTS</b>	
Year	Code	Description	Amount
			0.00
Total		0.00	

<b>ASSESSING NEIGHBORHOOD</b>	
NBHD Name	Street Index Name
0001	T17
District Code	
74	
<b>NOTES</b>	
Appraised Bldg. Value (Card) 0	
Appraised XF (B) Value (Bldg) 0	
Appraised OB (B) Value (Bldg) 0	
Appraised Land Value 4,000	
Special Land Value 0	
Total Appraised Parcel Value 4,000	
Valuation Method C	
Exemption 0	
Adjustment	
Total Appraised Parcel Value 4,000	

<b>VISIT / CHANGE HISTORY</b>		<b>NOTES</b>	
Date	Type	IS	ID
05-30-2017		TD	18
Purpose/Result		REASSESSMENT	

<b>LAND LINE VALUATION SECTION</b>																			
B	Use co	Description	Zone	D	Land	Land Type	Units	Unit Price	I. Fact	S.A.	Ac Di	C. Fact	St. Idx	Adj	Notes	Special Pricing	Size	Adj Unit Pric	Land Value
1	730V	Regional Gove			45	Lot Value (	1 BL	1.000	1.000	C	1.000	1.00	1.00	B	L - LOT VALUE	0	1.000	4,000.00	4,000
Total Card Land Units										0.000	AC	Parcel Total Land Area		0.0000	Total Land Value		4,000		

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)									
Element	Cd	Element	Description								
Model	00	Chimney - 1P									
Building Class	99	Chimney - 2M									
Style		Chimney - 2P									
Grade		<b>MIXED USE</b>									
Foundation Ty		Code	Description								
Exterior Wall 1		730V	Regional Government								
Exterior Wall 2		Percentage	100								
Roof Structure			0								
Roof Cover 1			0								
Roof Cover 2		<b>COST / MARKET VALUATION</b>									
Interior Wall 1		Base Rate	0.00								
Interior Wall 2		RCN	0								
Interior Floor 1		Net Other Adj	0								
Interior Floor 2		RCN	0								
Interior Floor 3		AYB	0								
Fuel Type 1		Effective Year Built	A								
Fuel Type 2		Depreciation Code									
Heat Type 1		Remodel Rating									
Heat Type 2		Year Remodeled									
AC Type		EYB DPR	0								
Total Rooms		Functional Obsol	0								
Bedrooms		Economic Obsol	1								
Full Bath(s)		Cost Trend Factor									
Half Bath(s)		Condition									
Half Bath Grad		% Complete									
Extra Fixture(s)		RCNLD	0								
Fireplace Ope		Dep % Ovr									
Fireplace(s)		Dep Ovr Comment									
Chimney - 1M		Misc Imp Ovr									
Chimnev - 1P		Misc Imp Ovr Comment									
		Cost to Cure Ovr									
		Cost to Cure Ovr Comment									
<b>OB - OUTBUILDING &amp; YARD ITEMS(L) / XF - BUILDING EXTRA FEATURES(B)</b>											
Code	Description	Su	Sub Desc	Lan	Units	Unit Price	Year	%	Cond	#	Apprais Valu
<b>BUILDING SUB-AREA SUMMARY SECTION</b>											
SUBAR	Description	LIVING	GROSS	EFF	AR						
	Ttl Gross Liv / Lease Area	0	0								

No Sketch

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**

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

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

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

**Additional Optional Certifications**

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

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

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

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

**FALSE** **Enterprise Green Communities** - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

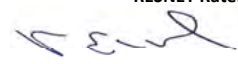
**\*\*\*Please Note Raters must have completed 500+ ratings in order to certify this form**

Signed: 

Date: 02.22.2021

Printed Name: Matt Waring

Resnet Provider Agency  
Viridian

RESNET Rater  
 Signature 

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



Project Name: Poplar Creek Homes  
Construction Type: New Construction  
Energy Efficiency Path: Energy Star

Unit Type	Quantity	HERS
Type V	8	56
Type W	8	61
Type X - 1st Flr.	3	54
Type X - 2nd Flr.	3	51
Type Y - 1st Flr.	3	54
Type Y - 2nd Flr.	3	51
Type Z - 1st Flr.	2	54
Type Z - 2nd Flr.	2	51
Projected Project HERS - Weighted Average		56



# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: gdEDWYjL

### HERS® Index Score:

# 54

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$913

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	5.8	\$190
Cooling	1.8	\$59
Hot Water	7.1	\$235
Lights/Appliances	15.2	\$501
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>29.9</b>	<b>\$1,064</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

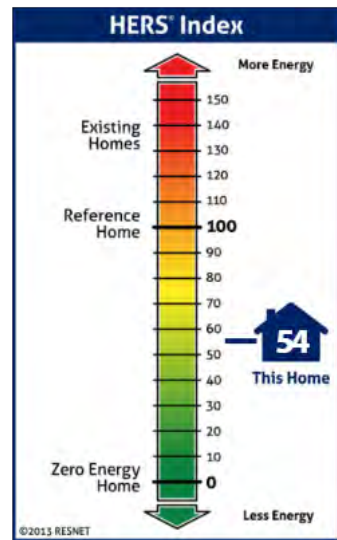
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Duplex, single unit  
 Model: Type X 3 BR Duplex - 1st Flr (ovr/undr)  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 1,182 ft<sup>2</sup>  
 Number of Bedrooms: 3  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 60 CFM • 42 Watts  
 Duct Leakage to Outside: 47.28 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-22  
 Ceiling: Adiabatic, R-4  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A

# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: YdxD7gmd

### HERS® Index Score:

# 51

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$897

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	4.6	\$152
Cooling	1.8	\$61
Hot Water	5.6	\$186
Lights/Appliances	14.2	\$469
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>26.2</b>	<b>\$948</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

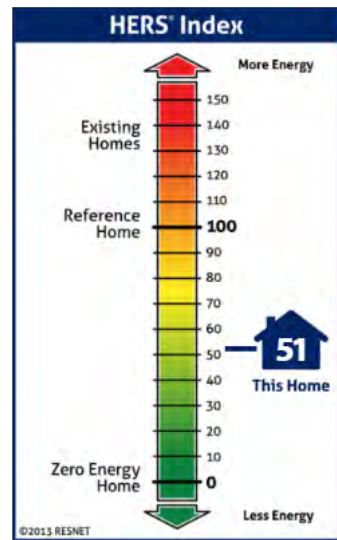
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Duplex, single unit  
 Model: Type Y 2 BR Duplex - 2nd Flr (ovr/undr)  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 1,178 ft<sup>2</sup>  
 Number of Bedrooms: 2  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 60 CFM • 42 Watts  
 Duct Leakage to Outside: 47.12 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-22  
 Ceiling: Attic, R-50  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A

# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: bL7w3WVL

### HERS® Index Score:

# 51

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$984

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	5.8	\$189
Cooling	2.2	\$72
Hot Water	7.1	\$235
Lights/Appliances	15.2	\$501
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>30.2</b>	<b>\$1,075</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

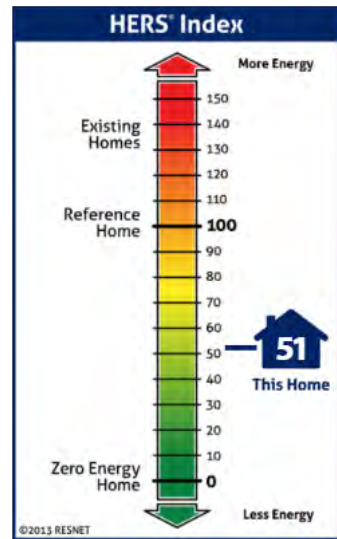
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Duplex, single unit  
 Model: Type X 3 BR Duplex - 2nd Flr (ovr/undr)  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 1,182 ft<sup>2</sup>  
 Number of Bedrooms: 3  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 60 CFM • 42 Watts  
 Duct Leakage to Outside: 47.28 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-22  
 Ceiling: Attic, R-50  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A



# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12

Registry ID:

Ekotrope ID: bLbVlq6L

### HERS® Index Score:

# 54

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$896

\*Relative to an average U.S. home

**Home:**  
Poplar Creek St.  
South Boston, VA 24592

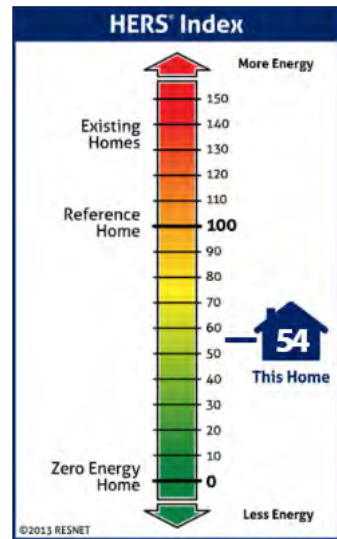
**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	7.4	\$241
Cooling	1.7	\$57
Hot Water	5.6	\$185
Lights/Appliances	14.2	\$467
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>28.9</b>	<b>\$1,029</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
ENERGY STAR v3.1



### Home Feature Summary:

Home Type:	Duplex, single unit
Model:	Type Y 2 BR Duplex -1st Flr (ovr/undr)
Community:	Poplar Creek Homes
Conditioned Floor Area:	1,178 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 10.2 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	60 CFM • 42 Watts
Duct Leakage to Outside:	47.12 CFM @ 25Pa (4 / 100 s.f.)
Above Grade Walls:	R-22
Ceiling:	Adiabatic, R-4
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** Matt Waring  
RESNET ID: 6729287

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

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



*Matt Waring*

Matt Waring, Certified Energy Rater  
Digitally signed: 2/22/21 at 3:22 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: KvpD9Brv

### HERS® Index Score:

**54** Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

**\$636**

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

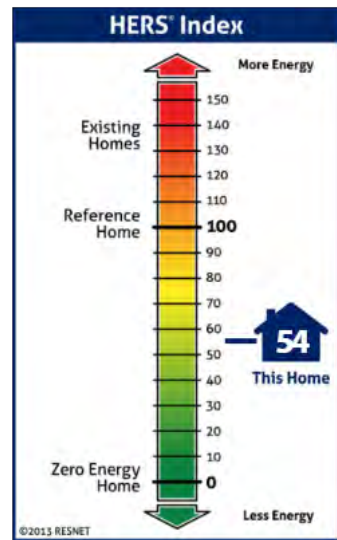
**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	3.9	\$128
Cooling	1.0	\$34
Hot Water	4.1	\$135
Lights/Appliances	11.1	\$370
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>20.1</b>	<b>\$747</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1



### Home Feature Summary:

Home Type:	Duplex, single unit
Model:	Type Z - 1 BR 1st Flr.
Community:	Poplar Creek Homes
Conditioned Floor Area:	655 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 10.2 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 19 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	40 CFM • 42 Watts
Duct Leakage to Outside:	26.2 CFM @ 25Pa (4 / 100 s.f.)
Above Grade Walls:	R-22
Ceiling:	Adiabatic, R-50
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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



*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: x25D3DJv

### HERS® Index Score:

# 56

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$958

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.8	\$221
Cooling	2.1	\$71
Hot Water	7.4	\$244
Lights/Appliances	15.6	\$513
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>32.0</b>	<b>\$1,128</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

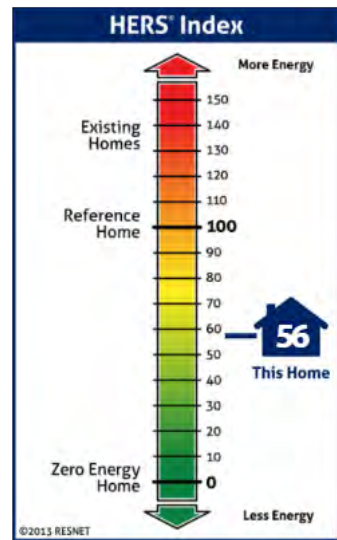
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Townhouse, end unit  
 Model: Type V 3 BR TH - Left Side  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 1,300 ft<sup>2</sup>  
 Number of Bedrooms: 3  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 60 CFM • 42 Watts  
 Duct Leakage to Outside: 52 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-22  
 Ceiling: Attic, R-50  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A



# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: Pda08OR2

### HERS® Index Score:

# 51

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$730

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	4.4	\$147
Cooling	1.4	\$46
Hot Water	4.0	\$134
Lights/Appliances	11.7	\$387
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>21.5</b>	<b>\$793</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

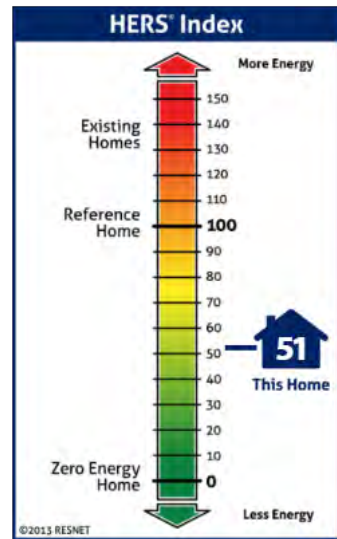
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Duplex, single unit  
 Model: Type Z 1BR Duplex - 2nd Flr (ovr/undr)  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 790 ft<sup>2</sup>  
 Number of Bedrooms: 1  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 40 CFM • 42 Watts  
 Duct Leakage to Outside: 31.6 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-22  
 Ceiling: Attic, R-50  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A

# Home Energy Rating Certificate

## Projected Report

Rating Date: 2019-03-12  
 Registry ID:  
 Ekotrope ID: zLO535Mv

### HERS® Index Score:

# 61

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$804

\*Relative to an average U.S. home

**Home:**  
 Poplar Creek St.  
 South Boston, VA 24592

**Builder:**

### Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	9.3	\$302
Cooling	2.0	\$68
Hot Water	5.8	\$190
Lights/Appliances	13.7	\$450
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>30.9</b>	<b>\$1,089</b>

### This home meets or exceeds the criteria of the following:

ENERGY STAR v3  
 ENERGY STAR v3.1

### Rating Completed by:

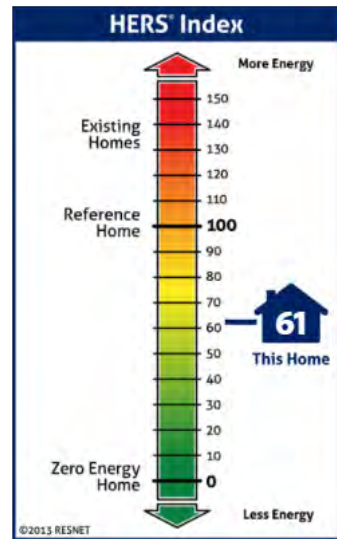
**Energy Rater:** Matt Waring  
 RESNET ID: 6729287

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

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

*Matt Waring*

Matt Waring, Certified Energy Rater  
 Digitally signed: 2/22/21 at 3:22 PM



### Home Feature Summary:

Home Type: Townhouse, end unit  
 Model: Type W 2BRTH Left Side  
 Community: Poplar Creek Homes  
 Conditioned Floor Area: 1,068 ft<sup>2</sup>  
 Number of Bedrooms: 2  
 Primary Heating System: Air Source Heat Pump • Electric • 10.2 HSPF  
 Primary Cooling System: Air Source Heat Pump • Electric • 19 SEER  
 Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor  
 House Tightness: 5 ACH50  
 Ventilation: 50 CFM • 42 Watts  
 Duct Leakage to Outside: 42.72 CFM @ 25Pa (4 / 100 s.f.)  
 Above Grade Walls: R-18  
 Ceiling: Attic, R-50  
 Window Type: U-Value: 0.32, SHGC: 0.27  
 Foundation Walls: N/A



G

Zoning Certification Letter  
(MANDATORY)



455 Ferry Street • South Boston, Virginia 24592 • 434.575.4200 • traab@southbostonva.us

Zoning Certification

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Poplar Creek Homes
Name of Owner/Applicant: Poplar Creek Homes, LLC
Name of Seller/Current Owner: Town of South Boston, Virginia

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:
Poplar Creek Street, South Boston, 24592

Legal Description:
See attached legal description

Proposed Improvements:

Table with 4 columns: Improvement Type, # Units, # Buildings, Total Floor Area Sq. Ft. Includes rows for New Construction, Adaptive Reuse, and Rehabilitation.

**Zoning Certification, cont'd**

Current Zoning: R-2 MEDIUM DENSITY RESIDENTIAL DISTRICT allowing a density of 10.9 units per acre, and the following other applicable conditions: \_\_\_\_\_  
As per Chapter 114 - Zoning, Code of the Town of South Boston, Virginia

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.

W Hope Cole  
Signature

W Hope Cole  
Printed Name

ZONING ADMINISTRATOR  
Title of Local Official or Civil Engineer

434-575-4241  
Phone:

MARCH 13, 2019  
Date:

**NOTES TO LOCALITY:**

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

## SCHEDULE A

File No.: 00109-1243

TENTATIVE LEGAL DESCRIPTION. DESCRIPTION OF PROPERTY TO BE INSURED TO BE PROVIDED UPON RECEIPT OF SUBDIVISION PLAT OF THE PROPERTY:

LEGAL DESCRIPTIONS OF RECORD:

Tract I - Tax Parcel Nos. 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450 and 2363:

ALL of those certain lots, tracts, or parcels of land with improvements thereon and appurtenances thereunto belonging, situate in the Town of South Boston, Halifax County, Virginia, shown on a plat of the South Boston Improvement Company property, recorded in the back of Deed Book 81 (the "Plat") in the Clerk's Office of the Circuit Court of Halifax County, Virginia and more particularly described as follows:

Lots 1, 2, 3 and 4 in Block 63 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 as shown on said plat.

Lot 7 in Block 77 as shown on said plat.

Further Lots 1, 2, 3 and 4 in Block 63; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78; and, Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 are further shown on a plat of subdivision made by B & B Consultants, Inc./ Jones & Associates, dated October 4, 2012, entitled "BOUNDARY SURVEY OF THE POPLAR CREEK SUBDIVISION TOTALING 4.29 ACRES Located in The TOWN OF SOUTH BOSTON HALIFAX COUNTY, VIRGINIA", recorded in the Clerk's Office aforesaid in Plat Book 29, Page 248 and were renumbered thereon to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

LESS AND EXCEPT from the above Lots 6 and 7 as shown on Plat Book 29, Page 248 as were conveyed to Southside Outreach Group, Inc., a Virginia corporation, by deed from the Town of South Boston, Virginia, dated March 15, 2013, recorded in the Clerk's Office aforesaid in Deed Book 1128, Page 62.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins dated October 20, 2010, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 110000188. ALSO BEING the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins, in her own right, and as Trustee under the Edward B. Wilkins Amended and Restated Trust Agreement dated November 15, 1988, Leslie W. Powell, as Trustee under the Edward B. Wilkins Amended and Restate Trust Agreement dated November 15, 1988, Jenny O. Wilkins, Paige Wilkins Powell, E. Bruce Wilkins and Sue Wilkins Bales, Beneficiaries, dated October 20, 2010, recorded in the Clerk's Office aforesaid as Instrument No. 110000187.

Tract II - Tax Parcel No. 2395:

ALL that certain lot or parcel of land, located in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting on Harrell Street, and shown as Lot No. 5 in Block 80 on the plat of South Boston Improvement Company property recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81, Page 657.

BEING the same real estate conveyed to The Town of South Boston, Virginia by deed from Jimmy D. Hite, dated November 5, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003515.

Tract III - Tax Parcel Nos. 2396 and 2397:

ALL those certain lots situate in the Town of South Boston, Halifax County, Virginia, being Lot Six (6) and Lot Eleven (11) in Block 80 of the South Boston Improvements Company's property situate on lower Wilborn Avenue.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Thomas C. Arthur and Betty B. Arthur dated November 19, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003516.

Tract IV - Tax Parcel No. 2398:

That certain lot or parcel of land situate in the Town of South Boston, Halifax County, Virginia, designated in Plan of South Boston Improvement Company recorded in Deed Book 81, Page 535 as Lot 7, Block 80.

BEING a part of the same real estate conveyed to J.S. Thomas by deed from J. M. Carrington and S.P. Carrington, his wife, owners of one-half undivided interest, and Eliza C. Lawson, John O. Lawson, Tyree C. Wright and Bessie L. Wright, his wife, R. B. Lawson, and Salle W. Lawson, his wife, Julian L. East and Janey L. East, his wife, A. Venable Lawson and Vivian M. Lawson, his wife, Mary H. Lawson, J. Stobbine Lawson, Katherine W. Lawson, and D.L. Traynham and Katie O. Traynham, his wife, owners of the other one-half undivided interest, dated May 7, 1920, recorded September 20, 1920 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 127, Page 117. J.S. Thomas died intestate on \_\_\_\_\_, survived by \_\_\_\_\_, his sole heirs at law.

Tract V - Tax Parcel No. 2399:

**A one-fourth undivided interest in Lee P. Woody and a one-fourth undivided interest in Judith R. Woody:** in that certain lot lying in the Town of South Boston, Halifax County, Virginia, known and designated as Lot Eight (8) in Block Eighty (80) as shown on the plat of South Boston Development Company, recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81 at Page 656; said lot fronting 50 feet on the southeast side of Webster Street and extending back along the southwest side of Terry Street 150 feet.

BEING a portion of the same real estate conveyed to Lee P. Woody, Jr., Trustee Under a Revocable Trust Dated October 30, 1997, by deed from Lee P. Moody, Jr. and Susan S. Moody, his wife, dated December 10, 1999, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 685, Page 507.

ALSO BEING a portion of the same real estate conveyed to Lee P. Woody, Jr. and Judith R. Woody (collectively a one-half interest), by deed from Lee P. Woody, Jr. and Rosa R. Woody, Executors of the Estate of L. P. Woody, deceased, and Rosa R. Woody, widow, in her own right, dated June 9, 1978,

recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 426, Page 96.

ALSO the other one-half undivided interest in said Lot being vested in \_\_\_\_\_ by virtue of a Deed recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

Tract VI - Tax Parcel No. 2364:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia, and designate on the map of the property of the South Boston Improvement Company, which is recorded in the back of Deed Book 81 in the Clerk's Office of Halifax County, Virginia as Lot 8, Block 77, and fronting 60 feet on the southeasterly side of an unnamed street and extending back between parallel lines 150 feet to an alley. See Plat Book 1, Page 11.

BEING a portion of the same real estate conveyed to Halifax County Fair Association, Incorporated, a Virginia corporation, dated February 1, 1968, recorded February 19, 1968 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 336, Page 110.

Tract VII - Tax Parcel No. 2365:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia and designated as a one-half undivided interest in one-half of Lot 9, Block 77, as shown on the plat of the South Boston Improvements Company property recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 81, Page 656.

BEING a portion of the same real estate conveyed to Robert Michael Harris ( a one-half undivided interest in the above lot) by deed of distribution from Robert Michael Harris, in his capacity as successor Trustees of Eva M. Harris Declaration of Trust dated August 31, 2006, dated September 4, 2014, recorded September 22, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 140002654.

The other one-half undivided interest was not conveyed by Jane E. Blackwell to Robert L. Harris and Eva Jean Maddox, dated January 16, 1991, recorded in said Clerk's Office in Deed Book 559, Page 359 and is vested in the name of \_\_\_\_\_.

Tract VIII - Streets and Alleys

All right, title and interest of the Town of South Boston, Virginia, in and to the Streets and Alleys to be vacated by Ordinance of the Town of South Boston, Virginia dated \_\_\_\_\_, 2019, as follows:

Terry Street running from Poplar Creek Street to \_\_\_\_\_; Owen Street running from Poplar Creek Street to \_\_\_\_\_; Harrell Street running from Poplar Creek and the Norfolk and Southern Railroad; and the Alley running trough the center of Block 78, dividing Lots 1 through 6 from Lots 7 through 12.

Tax Map Number:

H

Attorney's Opinion  
(MANDATORY)



March 18, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Poplar Creek Homes

Name of Owner: Poplar Creek Homes, LLC

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 18, 2021 (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 Parts VIII and IX 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 in Part VIII of the Application form and (b) of the Estimated Qualified Basis of each building in the Development in Part IX of the Application form comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in Subpart I-D of the Application form.
4. The information set forth in Subpart VII-C of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in Subpart II-A of the Application, for a period of not less than four (4) months beyond the application deadline.



ATTORNEY'S OPINION LETTER, continued

6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organizations' ownership interest in the development is as described in Subpart II-D of the Application form.
8. [Intentionally Deleted. The Development is new construction.]
9. [Intentionally Deleted. The Development is new construction.]

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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



\_\_\_\_\_  
McCandlish Holton PC

By: \_\_\_\_\_

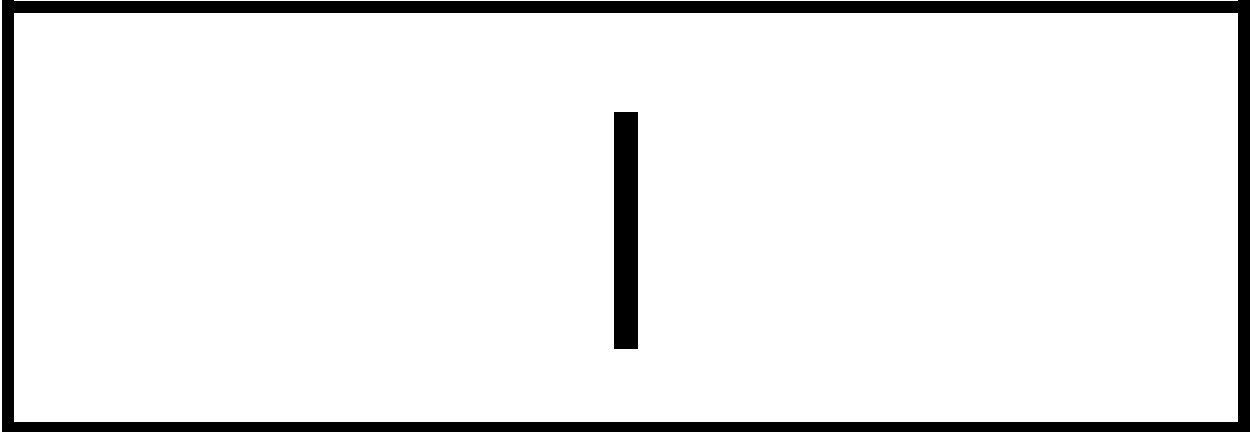


\_\_\_\_\_  
Peter L. Henderer, VSB # 40994

Its: \_\_\_\_\_

\_\_\_\_\_  
Director

\_\_\_\_\_  
(Title)



# Nonprofit Questionnaire

(MANDATORY for points or pool)



## Non-profit Questionnaire

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

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

### 1. General Information

- a. Name of development: Poplar Creek Homes
- b. Name of owner/applicant: Poplar Creek Homes, LLC
- c. Name of non-profit entity: Southside Outreach Group, Inc.
- d. Address of principal place of business of non-profit entity:  
1425 Seymour Drive South Boston, VA 24592
- Indicate funding sources and amount used to pay for office space:  
Rehabilitation Program administration fees
- e. Tax exempt status:  501(c)(3)  501(c)(4)  501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); 1/18/1996  
evidenced by the following documentation: State Corporation Commission Certificate
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):  
04/02/2001
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):  
The Southside Outreach Group, Inc.'s mission is to provide safe, decent and affordable housing to low-to-moderate income persons.
- i. Expected life (in years) of non-profit:  
Perpetual

## Non-profit Questionnaire, cont'd

j. Explain the anticipated future activities of the non-profit over the next five years:  
Construction and operations of Poplar Creek Homes and operational oversight of Miller Homes at Poplar Creek, in addition to single family construction and rehabilitation in South Boston.

k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?  
4 How many part time, paid staff members? 4

Describe the duties of all staff members:

Financial Director - reconcile bank accounts, oversee all financial, program and grants accounting, assist in identifying and applying for funding

Executive Director- oversee operations of the office, supervise staff, housing development and other related programs.

Admin assistant - typing, filing, phones, client intake. - Financial assistant - pay invoices, make deposits, assist Financial Director

l. Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes  No If yes, explain in detail:

m. How many volunteers does the non-profit and, if applicable, any related non-profit have?  
The number of volunteers that Southside Outreach Group, Inc. uses is project specific ranging from 5-25 people. We have no related nonprofit.

n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development  
The board of directors is involved in fundraising activities. The Southside Outreach Group administers programs for the Virginia Department of Housing and Community Development for an administrative fee. The Southside Outreach Group also assists various localities in administering Community Development Block grants for an administrative fee.

o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:  
See attached

## 2. Non-profit Formation

a. Explain in detail the genesis of the formation of the non-profit:  
In December 1995 a group of concerned citizens met to discuss ways and means to provide affordable housing to low-to-moderate income persons. As a result, the Southside Outreach Group, Inc. was founded.



## Non-profit Questionnaire, cont'd

- b. Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes  No If yes, explain in detail:

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- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes  No If yes, explain:

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- d. Does any for-profit organization or local housing authority have the right to make such appointments?

Yes  No If yes, explain:

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- e. Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes  No, If yes, explain:

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- f. Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes  No

- g. Explain in detail the past experience of the non-profit including, if applicable, the past experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.):

Southside Outreach Group has rehabilitated 50 low-to-moderate income houses using the DHCD Indoor Plumbing Rehab funds, constructed and sold 22 homes in South Boston to first-time homebuyers, and rehabilitated one LIHTC project Miller Homes at Poplar Creek.

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- h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

Not applicable

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### 3. Non-profit Involvement

## Non-profit Questionnaire, cont'd

- a. Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

Yes  No

- (i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes  No

- (ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes  No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

- b. (i) Will the non-profit be the managing member or managing general partner?  
 Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced?

Southside Outreach Group is the sole shareholder of the managing member of the owner LLC. see Operating Agreement in Tab A.

- (ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest?  Yes  No

- c. Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced?

Item #11

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

- d. Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes  No If yes,

- (i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:

Southside Outreach Group will apply for project financing, negotiate contracts and agreements, coordinate construction payments, monitor the construction progress, attend construction meetings, and complete actions for permanent conversion. Deep involvement will occur from Southside Outreach Group.

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or



**Non-profit Questionnaire, cont'd**

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):  
Southside Outreach Group is hopeful to become a VHDA Certified Property Manager before placement in service, otherwise a third party property manager such as Rush Homes who currently manages SOG's other tax credit project will handle management duties. Southside will seek to be involved as deemed appropriate.

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture?  Yes  No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:  
Financial director - keeping track of finances - at least 10 hours per week  
Site manager - works with property manager, operate daily activities for owner, rent rolls and maintenance, at least 30 hours per week  
Executive Director - coordination of staff, development, problem solving - 10 hours per week

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?  
The idea for the proposed development was conceived due to the findings of a market study conducted for the Southside Outreach Group. The Southside Outreach Group also has a waiting list of clients who are seeking decent and affordable housing.

- f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:  
See org chart in Tab A. Southside Outreach Group, Inc., the nonprofit, is the sole shareholder of the managing member of the Owner.

- g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.  
N/A

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?  Yes  No If yes, (i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

- (ii) Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services?

- i. Will the non-profit or the Owner (as identified in the application) pay a joint venture partner

**Non-profit Questionnaire, cont'd**

or consultant fee for providing development services?  Yes  No If yes, explain the amount and source of the funds for such payments.

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j. Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner?  Yes  No If yes, explain in detail the amount and timing of such payments.

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k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow?  Yes  No If yes, explain:

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l. Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity?  Yes  No If yes, explain:

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m. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

N/A

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n. Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development?  Yes  No If yes, explain in detail, including the compensation for the other non-profits:  
Southside Outreach Group, Inc. is the local community based nonprofit.

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## Non-profit Questionnaire, cont'd

### 4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia?  Yes  No
- b. Define the non-profit's geographic target area or population to be served:  
Halifax County (South Boston), Charlotte and Pittsylvania Counties, Virginia
- 
- c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  Yes  No If yes, or no, explain nature, extent and duration of any service:  
Southside Outreach Group has been servicing Halifax County residents for over 20 years, providing housing rehabilitation and creating homeownership opportunities, and one tax credit apartment project. SOG also completed two ecoMOD houses for homeownership and provides inspection services to the County.
- 
- d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing?  Yes  No If yes, explain:  
Southside Outreach Group is a Certified Housing Development Organization (CDHO) certified by DHCD.
- 
- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?  
 Yes  No
- f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 Yes  No If yes, explain:  
Most of the support to the organization derives from the units of local government that contract services to manage IPR and CDBG projects. They also waive certain fees and provide meeting space.
- 
- g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  Yes  No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:
- 
- h. Are at least 33% of the members of the board of directors representatives of the community being served?  Yes  No If yes,  
(i) low-income residents of the community?  Yes  No

## Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations?  Yes  No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  Yes  No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community?  Yes  No If yes, explain the meeting schedule:  
Every third Thursday of the month.
- 
- k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction?  Yes  No
- l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses?  Yes  No If yes, explain in detail:  
Virginia DHCD has provided CHDO operating assistance funds.
- 
- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area?  Yes  No If yes, explain:  
Although not formally designated, Southside Outreach Group, Inc. is the local government's principal community based nonprofit organization operating in the Poplar Creek community.
- 
- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  Yes  No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).  
Taylor Lofts - South Boston, VA - Southside Outreach Group entered into a partnership agreement with Landmark Asset Service, Inc., and has the ROFR and a 10% ownership. Project was completed and is under compliance of the VHDA and LIHTC programs.
- 
- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  Yes  No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).  
Southside Outreach Group solely developed Miller Homes at Poplar Creek, application dated March 14, 2013, located in South Boston across the street from Poplar Creek Homes. The application was successful in an allocation award, and is currently construction completed, in compliance and operating well.
- 
- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  Yes  No If yes, explain:
-



**Non-profit Questionnaire, cont'd**

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the VHDA Housing Funds?  Yes  No If yes, explain:

r. Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources?  Yes  No If yes, explain the need identified:

s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community?  Yes  No If yes, explain the plan:

**5. Attachments**

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

February 27, 2019

Date

Poplar Creek Homes, LLC/Southside Outreach Group, Inc.

Owner/Applicant

By: Earl Howerton

Its: Executive Director of Southside Outreach Group, Inc.

Title

March 4, 2019

Date

Southside Outreach Group, Inc.

Non-profit

By: Chris Ward

Board Chairman

Non-profit Questionnaire, cont'd

By: Earl Hawcutt  
Executive Director

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 02 2001

SOUTHSIDE OUTREACH GROUP INC  
PO BOX 375  
SOUTH BOSTON, VA 24592

Employer Identification Number:  
54-1805314

DLN:  
17053034741001

Contact Person:  
RONALD D BELL

ID# 31185

Contact Telephone Number:  
(877) 829-5500

Our Letter Dated:  
March 1997

Addendum Applies:  
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

SOUTHSIDE OUTREACH GROUP INC

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in cursive script that reads "Steven T. Miller". The signature is written in dark ink and is positioned above the typed name and title.

Steven T. Miller  
Director, Exempt Organizations



**Southside Outreach Group, Inc.  
2019 Officers & Members**

<b>NAME</b>	<b>ADDRESS</b>	<b>Occupation</b>	<b>Length of Service</b>
Chris Ward (President)	1200 Easley Hill Trail Nathalie, VA 24577 (434) 470-0100	Truck Driver	24 years
Wayne Tucker (Vice President)	15441 East Gretna Road Gretna, VA 24557 (434) 665-0143	Retired	12 years
Lucinda Williams (Treasurer)	1014 Chatham Road Halifax, VA 24558 (434) 476-7022	Retired	22 years
Detra Carr (Secretary)	2220 Dudley Road Halifax, VA 24558 (434) 470-0524	CDL License Instructor	24 years
Solomon Perkins (Assistant Secretary)	1041 Dudley Road Halifax, VA 24558 (434) 476-6289 or (434) 471-1924	Retired	24 years
Nannie Jones (Sergeant-At- Arms)	15092 Mountain Road Halifax, VA 24558 (434) 476-6100	Retired	7 years
Judy Howerton (Chaplain)	20048 Old Richmond Road Keeling, VA 24566 (434) 792-2458 or (434) 579-5252	Retired	14 years
Shirley Owen (Board Member)	16179 L. P. Bailey Hwy. Nathalie, VA 24577 (434) 349-4009	Industry Worker	24 years

# Southside Outreach Group, Inc. Organization Chart





**Earl T. Howerton, Sr.**  
**3026 Dudley Rd**  
**Halifax, Virginia 24558**  
**Mobile Number: (804) 387-3808**

**WORK EXPERIENCE:**

**Construction Specialist**  
**Contracting with Virginia Community Development Corporation**  
**1840 W Broad Street, Richmond, VA**  
**03/98 -Present**

Construction Management: Work closely with the development team and the asset management team, review architectural construction plans and specs; make site visits to proposed projects; attend construction monthly team meetings; review AIA pay requests; conduct progress inspections for capital contributions; provide technical assistance to the sponsor, the construction team and prepare monthly inspection reports of all current projects

Asset Management: Conduct physical inspections of single-family and multi-family houses; review maintenance budgets, perform roof inspections; inspect mechanical and plumbing systems; write specifications for renovations or repairs; bid renovation or repairs to contractors; prepare Capital Needs Assessments; conduct pre-bid conference; provide technical assistance to project maintenance staff on general maintenance and deferred maintenance.

**Southside Outreach Group, Inc.**  
**P.O. Box 375 South Boston, VA 24592**  
**1996-Present**

Founder and the Executive Director  
Identify financial resources; identify eligible applicants; provide housing development of multi-family and single family construction, construction management, inspections for new construction and rehabilitation projects; compile financial operating budgets; supervise staff; develop partnerships with local, state, and federal government agencies to provide safe, decent, and sanitary housing; conduct financial literacy training; conduct home maintenance /education training.

**Community Planner C**  
**VA Dept. of Housing and Community Development**  
**501 N. Second Street, Richmond, VA 23219**  
**04/93 -2/2000**

Manage CDBG projects involving housing rehabilitation and public works/ community facilities which includes grant award and contract negotiation and management through close out; provide technical assistance to grantees for compliance with federal and state laws and agency regulations and requirements; provide financial management and monitoring of grants disbursements, financial reports, and reconciliation and approval of expenditures and budgeted amounts for projects; maintenance of financial data base and entry of programmatic data using PC and Microsoft Office. Perform on-site technical assistance and monitoring visits, which include review of client files and documentation of expenditures, procurement methods & purchasing, contractor qualifications, environmental reviews, and inspection of progress and quality of construction. Provide technical assistance and training to clients, state and local government entities and officials, other federal and state agencies on CDBG program issues, regulations and requirements through consultation, making technical presentations or conducting training workshops. Conduct home maintenance and education workshops for grant recipients of housing rehabilitation projects that includes training on electrical, plumbing, heating, housekeeping, budgeting/finance, and homeowner's insurance. Conducted presentations for Virginia State Extension Cooperative -Topic "How to Choose a Contractor for Home Repair".

**Rehabilitation Specialist/Weatherization Supervisor & Trainer**  
**Halifax County Community Action (Non-Profit Human Services)**  
**P. O. Box 799, Highway 501 South, South Boston, VA 24592**  
**04/78 -04/93**

Supervised the Weatherization Program and crew performing energy conservation inspections (included blower door inspections) and projects for homes (8 units per month). Supervised purchasing of materials, installation and construction by crew, and budgeting, monitoring, and reporting of funds received and expended. Averaged funds for projects (projects included energy conservation and rehabilitation for roofs, doors, floors, baths, appliances, structural damage or weakness, siding, windows, heating systems, wiring systems according to code requirements, termite inspection, insulation, lead base paint, light receptacles, peeling paint, etc.)

(1990-1992) as Rehabilitation Specialist, managed \$700,000 in Community Development Block Grant (CDBG) monies to rehabilitate over 29 single family homes. Provided the scope of work, cost estimate and followed procurement requirements for competitive bid process to select contractors. Conducted weekly inspections, initiated and approved change orders and payment.

Supervised projects for the Headstart Program including playground accessibility and safety for handicapped children. Participated in the Infant Development Program, and Community Cannery Program.

Founder of the Halifax County Community Action Employees Education Fund.

***CERTIFICATIONS***

- Comprehensive Certified Housing Counselor
- Certified Lead Risk Assessor
- Certified Asbestos Supervisor
- Certified Housing Quality Inspector

## **Southside Outreach Group, Inc.**

The Southside Outreach Group, Inc. is a 501(c)3 non-profit organization. SOG has been servicing Halifax County and surrounding counties since 1995. The Southside Outreach Group is a Community Housing Development Organization (CHDO) certified by the Virginia Department of Housing and Community Development (DHCD). The Southside Outreach Group has the compassion and drive to make things happen. We are open-minded and innovative, and are willing to go that extra mile for those who are unable or are unsure of how to find and afford a decent, safe, and affordable place to live.

The Southside Outreach Group has worked with several municipalities throughout the State of various CDBG (Community Development Block Grant) and IPR (Indoor Plumbing Rehabilitation) projects. The Southside Outreach Group provides project management, grant management assistance, technical assistance, applicant intake services, home maintenance/education, housing counseling, and budgeting services.

In 2005-2010, SOG developed and managed the construction and sale of 22 single-family houses. These houses were sold to low-to-moderate income persons to create first-time homeownership opportunities. In 2006, this project received the Governor's Housing Award for the Best Housing Development.

The Southside Outreach Group also serves as the Regional Administrator for the Virginia Department of Housing and Community Development's (DHCD) Indoor Plumbing Rehabilitation (IPR) program in 15 localities. To-date, SOG has provided rehab & Indoor Plumbing/Rehabilitation to over 200 houses. For the past several years, the Southside Outreach Group has been one of the top ten producers throughout the State of Virginia.

Current on-going activities:

- IPR (Indoor Plumbing/Rehabilitation) administration
- Housing Development for first-time homebuyers
- Housing Counseling
- Creating Spending Plans (Budget) & Action Plans for Clients
- Pulling Credit Reports
- Assistant Grant Management
- Conducting Home Maintenance Education Classes
- Property management for single and multi-family housing owned by the Southside Outreach Group

The Southside Outreach Group is very familiar in working with the local communities and the Virginia Department of Housing and Community Development. SOG has been the IPR subrecipient for the Indoor Plumbing/Rehabilitation Program for over fifteen years. The Southside Outreach Group has also worked with the Town of South Boston, Town of Brookneal, Town of Blackstone, Town of Burkeville, Nottoway County, Amelia, Prince Edward, Cumberland, Henry and Halifax County by assisting with grant management and administration on IPR projects and CDBG projects.

In 2005-2010, in partnership with Halifax County, the Town of South Boston, and the Southside Planning District Commission created a subdivision (Halifax County Housing Production CDBG project – Phase I &

II) that consisted of 22 single-family houses that were sold to low-to-moderated income individuals to create first-time homeownership opportunities. This project allowed individuals who may have traditionally not been able to afford to purchase a home the opportunity to make the dream of homeownership a reality. (NOTE: We have had no foreclosures to-date)

The Southside Outreach Group also assisted the Town of Blackstone in creating homeownership opportunities for individuals living in the Castle Trailer Park located on Dinwiddie Avenue – Blackstone, Virginia. The project consisted of demolishing 10 mobile home rental units and constructing 10 new stick built houses to create homeownership opportunities. The Southside Outreach Group provided housing counseling, technical assistance, and grant management assistance. In 2009, this project received the Governor’s Award for the Best Housing Preservation/Revitalization effort.

Recognizing the need for more affordable rental housing in rural Southside Virginia, the Southside Outreach Group partnered with the University of Virginia, Town of South Boston, Cardinal Homes, SIPS of Blairs, and Southern Virginia Education Center to create, develop, and construct an award-winning ecoMOD green housing project located in South Boston, Virginia. The first is a “code house” built according to Virginia statewide building code, and the second is built by the “passive standard”, having to meet a certain standard – a standard that uses different material what was used in the code house (such as Styrofoam insulated panels (SIPS). The units were constructed to be used as transitional rental units for individuals and families who have credit issues and lack the down payment funds. These individuals will go through our homeownership program to not only clean up their credit, but also to allow them to save money towards their down payment for a home. Once the tenant has received pre-approval for a mortgage loan, the tenant will be transitioned into a homeownership opportunity. Energy use and indoor comfort of the homes will be monitored to allow the University of Virginia’s research team to assess the performance of the homes. This project received the Architect Magazine’s 2013 Research and Development Award.

In Halifax County, 18% of the population lives in poverty – significantly higher than the national average of 14.8%. In 2014, the Southside Outreach Group purchased Fairmont Apartments which was constructed in the early 1970’s. The units lacked energy efficient appliances, windows, and HVAC systems. None of the units were handicap accessible. The apartment complex consisted of 46 multi-family rental apartment units in the Town of South Boston. The Southside Outreach Group received several sources of funding: VHDA (Virginia Housing Development Authority- low-income housing tax credit allocation, HOME Funds from the Virginia Department of Housing and Community Development, Virginia Community Development Corporation, Virginia Community Capital, and the Town of South Boston. The total development cost is approximately \$3,567,660. This project started in February 2015 and is complete.

The project will benefit low-to-moderate income individuals at or below 60% of the area median income level for Halifax County. Miller Homes consists of the following units: 8 – 1 BR units at \$365; 30 – 2 BR units at \$435; and 8 3-BR units at \$484.

Some of the upgrades and amenities include new flooring, kitchen cabinets, upgrading the electrical system, install new energy-efficient heat pumps, EnergyStar vinyl windows, water heaters, dishwashers, washer and dryers, new EnergyStar refrigerators, new rubber membrane roof on three buildings and roof repairs to the other three buildings, minor landscaping, sealing and striping the parking lot. All walls and ceilings were painted. New fascia, soffits, new gutters, new awnings over each entrance, new phone jacks and cable lines. Five of the 46 units were constructed to meet universal design standards.

J

Relocation Plan  
Including Unit  
Delivery Schedule  
(MANDATORY, if tenants are displaced)

**N/A**

K

Documentation of  
Development Location



K.1

Revitalization Area  
Certification

**RESOLUTION OF THE TOWN OF SOUTH BOSTON TOWN COUNCIL DESIGNATING A REDEVELOPMENT AREA**

***POPLAR CREEK HOMES***

WHEREAS, pursuant to §36-55:30.2(A) of the Code of Virginia (1950) as amended, the Town of South Boston Town Council desires to designate the parcel of real estate identified as Poplar Creek Homes, situate on the southern side of Poplar Creek Street, known as parcels number 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450, 2396, 2395, 2397, 2398, 2399, 2363, 2364, and 2365, South Boston, Virginia 24592, and further described in the accompanying Legal Description, as a Revitalization Area (herein the "Area");

NOW, THEREFORE, BE IT HEREBY DETERMINED as follows:

The above-referenced development is located in a Revitalization Area in the Town of South Boston, Virginia. The industrial, commercial or other economic development of such area will benefit the Town of South Boston but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and

Private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

NOW, THEREFORE, BE IT RESOLVED that pursuant to §36-55:30.2(A) of the Code of Virginia (1950) as amended, the Area is hereby designated as a revitalization area.

Adopted by the South Boston Town Council this March 11, 2019.

	YES	NO	ABSTAIN	ABSENT
WYATT-YOUNGER, T.	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
SNEAD, W.	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
HUGHES, R.	<u>      </u>	<u>      </u>	<u>      </u>	<u>  X  </u>
HARRELL, W.	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>
BYRD, M.	<u>      </u>	<u>      </u>	<u>      </u>	<u>  X  </u>
HARRIS, S.	<u>  X  </u>	<u>      </u>	<u>      </u>	<u>      </u>

*This is to certify that the above is an exact and true copy of a resolution adopted by the South Boston Town Council on March 11, 2019.*

*Jane P. Jones*  
 Jane P. Jones, Town Clerk, CMC  
 Notary Public #141446  
 Commission Expires 2/28/2021

2019 IRS SECTION 42(d)(5)(B) NONMETROPOLITAN QUALIFIED CENSUS TRACTS

(2010 Census and 2010-2014, 2011-2015 and 2012-2016 American Community Survey (ACS) Data; OMB Metropolitan Area Definitions, July 15, 2015)

NONMETROPOLITAN PART OF STATE: Virginia

COUNTY OR COUNTY EQUIVALENT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT
Alleghany County	701.00											
Brunswick County	9302.03											
Buchanan County	101.00	102.00	104.00									
Dickenson County	404.00											
Grayson County	601.01	602.01										
Halifax County	9306.00	9308.00										
Henry County	108.00	110.00	112.00									
Lee County	9501.00	9503.00	9504.00	9506.00								
Northampton County	9303.00											
Nottoway County	3.00											
Orange County	1102.00											
Prince Edward County	9301.00	9302.03										
Russell County	301.00											
Smyth County	306.00											
Tazewell County	203.00	205.00										
Wise County	9311.00	9312.00	9315.00	9316.00								
Buena Vista city	9306.00											
Covington city	601.00											
Danville city	4.00	5.00	6.00	10.00	11.00	12.00						
Emporia city	8901.00	8902.00										
Franklin city	902.00											
Galax city	701.01											
Martinsville city	2.00	3.00	4.00									

NONMETROPOLITAN PART OF STATE: Washington

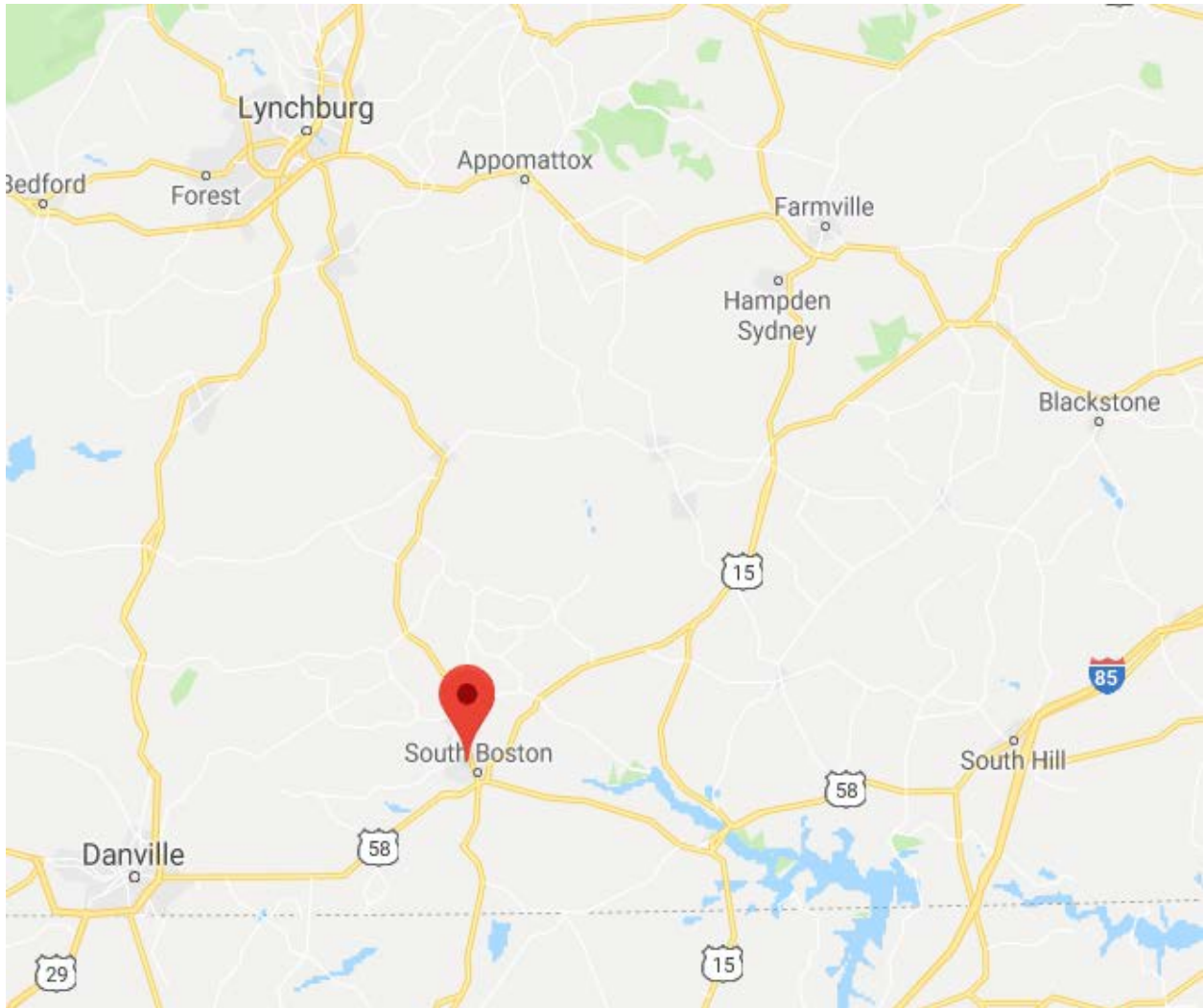
COUNTY OR COUNTY EQUIVALENT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT	TRACT
Adams County	9504.00											
Clallam County	7.00											
Ferry County	9400.00											
Grant County	108.00	114.02										
Grays Harbor County	10.00	14.00	15.00	9400.00								
Kittitas County	9754.01	9755.00	9756.00									
Lewis County	9702.00	9703.00	9706.00	9707.00	9709.00							
Mason County	9400.00	9602.00	9609.00									
Okanogan County	9401.00	9402.00	9707.00									
Pacific County	9503.00	9506.00										
Whitman County	1.00	5.00	6.00									

K.2

Location Map

# Location Map

Poplar Creek Street, South Boston, VA





K.3

Surveyor's Certification of  
Proximity to Public  
Transportation



**Surveyor's Certification of Proximity to Transportation**

DATE: March 11, 2019

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

RE: 2019 Tax Credit Reservation Request  
Name of Development: Poplar Creek Homes  
Name of Owner: Poplar Creek Homes, LLC

Gentlemen:

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

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

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.



B&B Consultants, Inc. \_\_\_\_\_  
 Firm Name  
 By: *James S. Epps* \_\_\_\_\_  
 Its: President \_\_\_\_\_  
 Title





L

PHA/Section 8 Notification  
Letter



## PHA or Section 8 Notification Letter

Development Name: \_\_\_\_\_  
Tracking #: \_\_\_\_\_

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

### General Instructions

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have 100% project-based Section 8 or project-based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to the application.
4. 'Proposed Improvements' should correspond with the Application.
5. 'Proposed Rents' should correspond with the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

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

# PHA or Section 8 Notification Letter

**DATE:**

**TO:**

**RE:** PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: \_\_\_\_\_

Name of Owner: \_\_\_\_\_

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from Virginia Housing. We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on 10/1/2022 (date).

The following is a brief description of the proposed development:

Development Address:

\_\_\_\_\_  
\_\_\_\_\_

Proposed Improvements:

New Constr.: \_\_\_\_\_ # units \_\_\_\_\_ # Bldgs  
 Adaptive Reuse: \_\_\_\_\_ # units \_\_\_\_\_ # Bldgs  
 Rehabilitation: \_\_\_\_\_ # units \_\_\_\_\_ # Bldgs

Proposed Rents:

Efficiencies: \$ \_\_\_\_\_ / month  
 1 Bedroom Units: \$ \_\_\_\_\_ / month  
 2 Bedroom Units: \$ \_\_\_\_\_ / month  
 3 Bedroom Units: \$ \_\_\_\_\_ / month  
 4 Bedroom Units: \$ \_\_\_\_\_ / month

Other Descriptive Information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# PHA or Section 8 Notification Letter

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We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (\_\_\_\_)\_\_\_\_-\_\_\_\_.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**To be completed by the Local Housing Authority or Sec 8 Administrator:**

Seen and Acknowledged By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

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



## PHA or Section 8 Notification Letter

Development Name: \_\_\_\_\_  
Tracking #: \_\_\_\_\_

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

### General Instructions

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

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

# PHA or Section 8 Notification Letter

**DATE:**

**TO:**

**RE:** PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: \_\_\_\_\_

Name of Owner: \_\_\_\_\_

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on \_\_\_\_\_ (date).

The following is a brief description of the proposed development:

Development Address:

\_\_\_\_\_  
\_\_\_\_\_

Proposed Improvements:

<input type="checkbox"/> New Constr.:	_____ # units	_____ # Bldgs
<input type="checkbox"/> Adaptive Reuse:	_____ # units	_____ # Bldgs
<input type="checkbox"/> Rehabilitation:	_____ # units	_____ # Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ _____ / month
<input type="checkbox"/> 1 Bedroom Units:	\$ _____ / month
<input type="checkbox"/> 2 Bedroom Units:	\$ _____ / month
<input type="checkbox"/> 3 Bedroom Units:	\$ _____ / month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____ / month

Other Descriptive Information:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## PHA or Section 8 Notification Letter

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Contact info for owner: 434-572-9556

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We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (434) 572-9556.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,

Earl T. Howerton

Name

Executive Director, Southside Outreach Group, Inc.

Title

**To be completed by the Local Housing Authority or Sec 8 Administrator:**

Seen and Acknowledged By: Everlena B. Ross

Printed Name: Everlena B. Ross

Title: Executive Director

Phone: 434-432-8250

Date: 3-11-14

M

Locality CEO Response  
Letter





455 Ferry Street • South Boston, Virginia 24592 • 434.575.4200 • traab@southbostonva.us

Locality CEO Letter

3-13-2019

Date

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

VHDA Tracking Number:	<u>2019-C-108</u>
Development Name:	<u>Poplar Creek Homes</u>
Name of Owner/Applicant:	<u>Poplar Creek Homes, LLC/Southside Outreach Group, Inc.</u>

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of the Town of South Boston. Accordingly, the Town of South Boston supports the allocation of federal housing tax credits requested by Poplar Creek Homes, LLC for this development.

Yours truly,

Signature  
Tom Raab  
 [CEO Name]  
Town Manager  
 [Title]

March 13, 2019

Re: Poplar Creek Homes  
Locality Notification and Support

To whom it may concern,

On behalf of the Town of South Boston, we would like to firmly declare our support for Southside Outreach Group, Inc. and their proposed development Poplar Creek Homes. This affordable housing project seeks to fulfill the housing needs of our community, specifically in constructing 32 quality, affordable apartments. In addition, five of the units will serve persons the disabilities under Section 504 requirements. Our residents are greatly in need of housing that is constructed for persons with physical disabilities.

The Town of South Boston has a longstanding relationship with Southside Outreach Group, Inc., dating back to its inception in 1995 as a nonprofit organization seeking to serve specific housing needs in the area. Among a list of other collaborations in various capacities, Poplar Creek Homes will be the fourth collaboration in affordable housing between the Town and Southside Outreach Group, including 22 single-family homes constructed in 2005-2010, which received a Governor's award, and the Miller Homes at Poplar Creek project, involving the request to rehabilitate a deteriorating affordable housing development that was able to secure Low Income Housing Tax Credits as a financing source.

The Town, Southside Outreach Group and other stakeholders have been meeting monthly since early 2018 to determine the best housing need for the town, including receipt of a Planning Grant from the Department of Housing and Community Development to assist with the research. The result of which has concluded with the current 32 affordable housing unit project known as Poplar Creek Homes. The Town of South Boston has agreed to donate all parcels of land for this project, including an additional parcel very recently, which has allowed the project to construct six more affordable housing units, for a total of 32, than previously notified in the January 2019 locality notification, further demonstrating the level of partnership with Southside Outreach group and aspiration to serve the community's housing needs.

Thank you, we appreciate your consideration.

Sincerely,

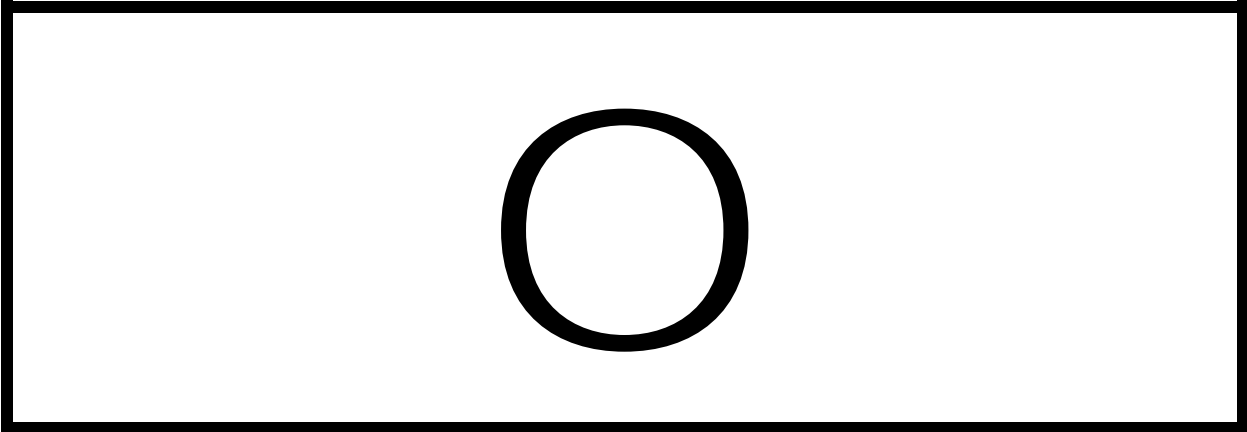


Thomas S. Raab, Town Manager

**N**

Homeownership Plan

**N/A**



O

Plan of Development  
Certification Letter

**Plan of Development Certification**

**DATE:** 3-13-2019

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

**RE:** PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Poplar Creek Homes</u>
Name of Owner/Applicant:	<u>Poplar Creek Homes, LLC</u>
Name of Seller/Current Owner:	<u>Town of South Boston, Virginia</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:  
Poplar Creek Street, South Boston, VA  
\_\_\_\_\_

Legal Description:  
See attached legal description  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plan of Development Number: N/A



Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	32	# Units	16	# Buildings	41,043.68	Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area
<input type="checkbox"/> Rehabilitation:	_____	# Units	_____	# Buildings	_____	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 \_\_\_\_\_

THOMAS S. RAAB \_\_\_\_\_

Printed Name \_\_\_\_\_

TOWN MANAGER \_\_\_\_\_

Title \_\_\_\_\_

434-575-4200 \_\_\_\_\_

Phone \_\_\_\_\_

MARCH 13, 2019 \_\_\_\_\_

Date \_\_\_\_\_

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in a reduction of points under the scoring system. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

## SCHEDULE A

File No.: 00109-1243

TENTATIVE LEGAL DESCRIPTION. DESCRIPTION OF PROPERTY TO BE INSURED TO BE PROVIDED UPON RECEIPT OF SUBDIVISION PLAT OF THE PROPERTY:

LEGAL DESCRIPTIONS OF RECORD:

Tract I - Tax Parcel Nos. 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450 and 2363:

ALL of those certain lots, tracts, or parcels of land with improvements thereon and appurtenances thereunto belonging, situate in the Town of South Boston, Halifax County, Virginia, shown on a plat of the South Boston Improvement Company property, recorded in the back of Deed Book 81 (the "Plat") in the Clerk's Office of the Circuit Court of Halifax County, Virginia and more particularly described as follows:

Lots 1, 2, 3 and 4 in Block 63 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 as shown on said plat.

Lot 7 in Block 77 as shown on said plat.

Further Lots 1, 2, 3 and 4 in Block 63; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78; and, Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 are further shown on a plat of subdivision made by B & B Consultants, Inc./ Jones & Associates, dated October 4, 2012, entitled "BOUNDARY SURVEY OF THE POPLAR CREEK SUBDIVISION TOTALING 4.29 ACRES Located in The TOWN OF SOUTH BOSTON HALIFAX COUNTY, VIRGINIA", recorded in the Clerk's Office aforesaid in Plat Book 29, Page 248 and were renumbered thereon to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

LESS AND EXCEPT from the above Lots 6 and 7 as shown on Plat Book 29, Page 248 as were conveyed to Southside Outreach Group, Inc., a Virginia corporation, by deed from the Town of South Boston, Virginia, dated March 15, 2013, recorded in the Clerk's Office aforesaid in Deed Book 1128, Page 62.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins dated October 20, 2010, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 110000188. ALSO BEING the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins, in her own right, and as Trustee under the Edward B. Wilkins Amended and Restated Trust Agreement dated November 15, 1988, Leslie W. Powell, as Trustee under the Edward B. Wilkins Amended and Restate Trust Agreement dated November 15, 1988, Jenny O. Wilkins, Paige Wilkins Powell, E. Bruce Wilkins and Sue Wilkins Bales, Beneficiaries, dated October 20, 2010, recorded in the Clerk's Office aforesaid as Instrument No. 110000187.

Tract II - Tax Parcel No. 2395:



ALL that certain lot or parcel of land, located in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting on Harrell Street, and shown as Lot No. 5 in Block 80 on the plat of South Boston Improvement Company property recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81, Page 657.

BEING the same real estate conveyed to The Town of South Boston, Virginia by deed from Jimmy D. Hite, dated November 5, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003515.

Tract III - Tax Parcel Nos. 2396 and 2397:

ALL those certain lots situate in the Town of South Boston, Halifax County, Virginia, being Lot Six (6) and Lot Eleven (11) in Block 80 of the South Boston Improvements Company's property situate on lower Wilborn Avenue.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Thomas C. Arthur and Betty B. Arthur dated November 19, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003516.

Tract IV - Tax Parcel No. 2398:

That certain lot or parcel of land situate in the Town of South Boston, Halifax County, Virginia, designated in Plan of South Boston Improvement Company recorded in Deed Book 81, Page 535 as Lot 7, Block 80.

BEING a part of the same real estate conveyed to J.S. Thomas by deed from J. M. Carrington and S.P. Carrington, his wife, owners of one-half undivided interest, and Eliza C. Lawson, John O. Lawson, Tyree C. Wright and Bessie L. Wright, his wife, R. B. Lawson, and Salle W. Lawson, his wife, Julian L. East and Janey L. East, his wife, A. Venable Lawson and Vivian M. Lawson, his wife, Mary H. Lawson, J. Stobbine Lawson, Katherine W. Lawson, and D.L. Traynham and Katie O. Traynham, his wife, owners of the other one-half undivided interest, dated May 7, 1920, recorded September 20, 1920 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 127, Page 117. J.S. Thomas died intestate on \_\_\_\_\_, survived by \_\_\_\_\_, his sole heirs at law.

Tract V - Tax Parcel No. 2399:

**A one-fourth undivided interest in Lee P. Woody and a one-fourth undivided interest in Judith R. Woody:** in that certain lot lying in the Town of South Boston, Halifax County, Virginia, known and designated as Lot Eight (8) in Block Eighty (80) as shown on the plat of South Boston Development Company, recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81 at Page 656; said lot fronting 50 feet on the southeast side of Webster Street and extending back along the southwest side of Terry Street 150 feet.

BEING a portion of the same real estate conveyed to Lee P. Woody, Jr., Trustee Under a Revocable Trust Dated October 30, 1997, by deed from Lee P. Moody, Jr. and Susan S. Moody, his wife, dated December 10, 1999, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 685, Page 507.

ALSO BEING a portion of the same real estate conveyed to Lee P. Woody, Jr. and Judith R. Woody (collectively a one-half interest), by deed from Lee P. Woody, Jr. and Rosa R. Woody, Executors of the Estate of L. P. Woody, deceased, and Rosa R. Woody, widow, in her own right, dated June 9, 1978,

recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 426, Page 96.

ALSO the other one-half undivided interest in said Lot being vested in \_\_\_\_\_ by virtue of a Deed recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

Tract VI - Tax Parcel No. 2364:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia, and designate on the map of the property of the South Boston Improvement Company, which is recorded in the back of Deed Book 81 in the Clerk's Office of Halifax County, Virginia as Lot 8, Block 77, and fronting 60 feet on the southeasterly side of an unnamed street and extending back between parallel lines 150 feet to an alley. See Plat Book 1, Page 11.

BEING a portion of the same real estate conveyed to Halifax County Fair Association, Incorporated, a Virginia corporation, dated February 1, 1968, recorded February 19, 1968 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 336, Page 110.

Tract VII - Tax Parcel No. 2365:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia and designated as a one-half undivided interest in one-half of Lot 9, Block 77, as shown on the plat of the South Boston Improvements Company property recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 81, Page 656.

BEING a portion of the same real estate conveyed to Robert Michael Harris ( a one-half undivided interest in the above lot) by deed of distribution from Robert Michael Harris, in his capacity as successor Trustees of Eva M. Harris Declaration of Trust dated August 31, 2006, dated September 4, 2014, recorded September 22, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 140002654.

The other one-half undivided interest was not conveyed by Jane E. Blackwell to Robert L. Harris and Eva Jean Maddox, dated January 16, 1991, recorded in said Clerk's Office in Deed Book 559, Page 359 and is vested in the name of \_\_\_\_\_.

Tract VIII - Streets and Alleys

All right, title and interest of the Town of South Boston, Virginia, in and to the Streets and Alleys to be vacated by Ordinance of the Town of South Boston, Virginia dated \_\_\_\_\_, 2019, as follows:

Terry Street running from Poplar Creek Street to \_\_\_\_\_; Owen Street running from Poplar Creek Street to \_\_\_\_\_; Harrell Street running from Poplar Creek and the Norfolk and Southern Railroad; and the Alley running trough the center of Block 78, dividing Lots 1 through 6 from Lots 7 through 12.

Tax Map Number:

P

Copies of 8609s to  
Certify Developer  
Experience and  
Partnership agreements

## Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at [www.irs.gov/form8609](http://www.irs.gov/form8609).

OMB No. 1545-0988

### Part I Allocation of Credit.

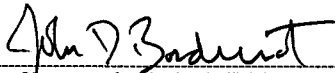
Check If:  Addition to Qualified Basis  Amended Form

<b>A</b> Address of <b>building</b> (do not use P. O. box) (see instructions) Units 100-107, 130 Poplar Creek Street South Boston, Virginia 24592	<b>B</b> Name and address of <b>housing credit agency</b> Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220-6504
<b>C</b> Name, address, and TIN of <b>building owner</b> receiving allocation SSOG Miller Homes, LLC P.O. Box 375 South Boston, Virginia 24592 <b>TIN</b> ▶ 46-2209461	<b>D</b> Employer identification number of agency 54-0921892
	<b>E</b> Building identification number (BIN) VA1313001

<b>1a</b> Date of allocation ▶ 12/18/13	<b>b</b> Maximum housing credit dollar amount allowable.	<b>1b</b>	\$41,694
<b>2</b> Maximum applicable credit percentage allowable (see instructions)		<b>2</b>	9.00%
<b>3a</b> Maximum qualified basis		<b>3a</b>	\$463,267
<b>b</b> Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		<b>3b</b>	1 ____ %
<b>4</b> Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		<b>4</b>	0%
<b>5</b> Date building placed in service. ▶ 12/31/15			
<b>6</b> Check the boxes that describe the allocation for the building (check those that apply):			
<b>a</b> <input type="checkbox"/> Newly constructed and federally subsidized	<b>b</b> <input type="checkbox"/> Newly constructed and <b>not</b> federally subsidized	<b>c</b> <input type="checkbox"/> Existing building	
<b>d</b> <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	<b>e</b> <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures <b>not</b> federally subsidized		
<b>f</b> <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec.42(h)(5)			

### Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

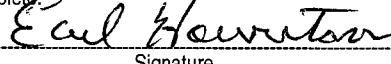
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct and complete.

▶  Signature of authorized official	▶ <b>JOHN D. BONDURANT</b> <b>AUTHORIZED OFFICER</b> Name (please type or print)	▶ 2.14.17 Date
---	--	-------------------

### Part II First-Year Certification – Completed by Building Owners with respect to the first Year of the Credit Period

<b>7</b> Eligible basis of building (see instructions)	<b>7</b>	508,945
<b>8a</b> Original qualified basis of the building at close of first year of credit period	<b>8a</b>	508,945
<b>b</b> Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>9a</b> If box 6a or box 6d is checked, do you elect to reduce eligible basis under section (42(i)(2)(B))?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>b</b> For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>10</b> Check the appropriate box for each election: <b>Caution:</b> Once made, the following elections are irrevocable.		
<b>a</b> Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>b</b> Elect <b>not</b> to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
<b>c</b> Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
<b>d</b> Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, and complete.

▶  Signature	▶ 46-2209461 Taxpayer identification number	▶ 2-27-17 Date
▶ <b>Earl Howerton</b> Name (please type or print)	▶ <b>2015</b> First Year of the credit period	

**EXECUTION COPY**

**SSOG MILLER HOMES, LLC,  
A VIRGINIA LIMITED LIABILITY COMPANY**

**SECOND AMENDED AND RESTATED OPERATING AGREEMENT**

As of December 12, 2014

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

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**SSOG MILLER HOMES, LLC  
A VIRGINIA LIMITED LIABILITY COMPANY**

**SECOND AMENDED AND RESTATED OPERATING AGREEMENT**

THIS SECOND AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of December 12, 2014, by and among SSOG Management Miller Homes, LLC, a Virginia limited liability company (the “Managing Member”), Housing Equity Fund of Virginia XVIII, L.L.C., a limited liability company formed under the laws of the Commonwealth of Virginia (the “Investor Member”) and VAHM, LLC, a Virginia limited liability company (the “Special Investor Member”).

WHEREAS, the Managing Member, as Managing Member, executed a Certificate of Organization (the “Certificate”) for the formation of SSOG Miller Homes, LLC (the “Company”) pursuant to the terms of the Revised Uniform Limited Liability Company Act of the Commonwealth of Virginia (the “Act”), which Certificate was subsequently filed with the State Corporation Commissioner of the Commonwealth of Virginia (the “State of Formation”) on February 6, 2013;

WHEREAS, the Managing Member previously executed an Operating Statement of the Company dated as of February 6, 2013 (the “Original Agreement”);

WHEREAS, Managing Member, Investor Member and Special Investor previously executed the First Amended and Restated Operating Agreement of the Company dated as of December 13, 2013 (the “First Amended and Restated Agreement”);

WHEREAS, the Managing Member, the Special Investor Member and the Investor Member wish to continue the Company pursuant to the Act by amending and restating the First Amended and Restated Agreement in its entirety;

WHEREAS, the Company has been formed to acquire, develop, rehabilitate, own, maintain and operate a 46-unit apartment complex for rental to low-income or very low-income individuals and families containing a community space and an office located in South Boston, Virginia (the “Project”);

WHEREAS, the parties hereto now desire to enter into this Second Amended and Restated Operating Agreement to (i) continue the Company under the Act and (ii) set forth all of the provisions governing the Company;

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

ARTICLE I  
CONTINUATION OF COMPANY

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

1.02 Name. The name of the Company is SSOG Miller Homes, LLC.

1.03 Principal Place of Business. The principal place of business of the Company shall be 130 Poplar Creek Street, South Boston, Virginia. The Company may change the location of its principal place of business to such other place or places within the Commonwealth of Virginia as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal place of business. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

1.04 Agent for Service of Process. The name of the Agent for service of process is Johnson Kanady, III, who is a resident of Virginia and a member of the Virginia State Bar, and whose address is 9200 Forest Hill Avenue, Richmond, Virginia, 23235.

1.05 Intentionally Omitted.

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

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

## ARTICLE II DEFINED TERMS

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

“Accountants” means Dooley & Vicars or such other firm of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Investor Member, to prepare financial statements and provide other services to the Company. Dooley & Vicars (or other independent accountants approved by the Investor Member) shall review and execute all tax returns for the Company.

“Accounting Fee” shall have the meaning set forth in Section 8.21.

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

“Actual Credit” means as of any point in time, the total amount of the LIHTC allocated by the Company to the Investor Member, representing ninety-nine and ninety-nine hundredths percent (99.99%) of the aggregate LIHTC reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

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

“Affiliate” of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, partner, managing member or trustee, any corporation, limited partnership, limited liability company or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, managing member, general partner, trustee or holder of ten percent (10%) or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the term “controlled by” and “under common control with”)

means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Affiliate Guarantor” means Southside Outreach Group, Inc., which is an Affiliate of the Managing Member.

“Affiliate Guaranty” means the guaranty of the performance of the obligations of the Managing Member under this Agreement and the obligations of the Developer under the Development Agreement for the benefit of the Investor Member given by the Affiliate Guarantor, which Affiliate Guaranty is in the form of **Exhibit D**.

“Agency” means the Virginia Housing Development Authority, in its capacity as the agency designated to allocate LIHTC, acting through any authorized representative.

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

“Articles” means the Company’s Articles of Organization or any other instrument or document which is required under the laws of the State of Formation to be signed by the Managing Member and filed in the appropriate public offices within the State of Formation to perfect or maintain the Company as a limited liability company under the laws of the State of Formation, to effect the admission, withdrawal or substitution of any Member of the Company, or to protect the limited liability of the members as Members under the laws of the Commonwealth of Virginia.

“Assumed Investor Member Tax Liability” means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Investor Member pursuant to Section 11.01(b) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the Investor Member pursuant to Sections 11.07(a) and (d) through (j) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

“Assumed Managing Member Tax Liability” means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Managing Member pursuant to Section 11.01(b) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the Managing Member pursuant to Sections 11.07(a) and (d) through (j) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal,

state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 60 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

“Breakeven Operations” means the date following Final Closing upon which the gross operating revenues from the normal operation of the Project received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Company) for a period of three (3) consecutive calendar months after Final Closing equals or exceeds all accrued operational costs of the Project, including, but not limited to, taxes, assessments, reserve fund for replacement deposits and debt service payments, the Accounting Fee and a ratable portion of the annual amount (as reasonably estimated by the Managing Member) of those seasonal and/or periodic expenses (such as utilities, maintenance expenses and real estate taxes or service charges in lieu of real estate taxes) which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, for such period of three (3) consecutive calendar months on an annualized basis (based on projections of the Company), as evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet of the Company indicating that all trade payables have been satisfied (or with respect to trade payables within sixty (60) days of the date the services were performed or goods were delivered, the trade payables shall not be past due and the Company shall have an adequate cash reserve for the payment of such trade payables), all as shall be subject to the approval of the Investor Member. For the purpose of calculating Breakeven Operations only, the following costs shall not be considered operating costs of the Project: (i) payments on the Incentive Management Fee and Construction Period Management Incentive Fee; and (ii) payments to be made under the Development Agreement.

“Bridge Loan Interest” means the interest expense incurred by Investor Member in connection with any loan obtained by such Investor Member which is secured by the deferred capital contribution obligations of any of the members of such Investor Member.

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

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

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

“Capital Transaction Administrative Fee” means the fee payable under Section 11.04(d).

“Capitalized Bridge Loan Interest” means any Bridge Loan Interest required to be capitalized by the Company pursuant to Code Section 263A.

“Carveouts” has the meaning set forth in Section 4.01(g).

“Certificate” has the meaning set forth in the Recitals hereof.

“Certified Credits” means ninety-nine and ninety-nine hundredths percent (99.99%) of the annual LIHTC that the Accountants certify in writing to the Company that the Company will be able to claim during each full fiscal year during the Credit Period for all buildings in the Project assuming full compliance with the rent restrictions and income limitations of Section 42 of the Code. The calculation of the Certified Credits shall be based, among other things, on the Form(s) 8609 issued by the Agency for all the buildings comprising the Project and on the cost certification prepared in connection with the application by the Company for Form(s) 8609. Once the Certified Credits are determined, they shall not be adjusted during the term of this Agreement; provided, however, if with respect to an LIHTC Recapture Event the Managing Member makes a payment under Section 8.11(c), then the Certified Credits shall be reduced prospectively by the annual reduction in LIHTC attributable to such LIHTC Recapture Event.

“Certified Credit Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Certified Credit Capital Decrease” has the meaning set forth in Section 5.01(e)(i).

“Certified Credit Capital Increase” has the meaning set forth in Section 5.01(e)(i).

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

“Company” means SSOG Miller Homes, a Virginia limited liability company.

“Completion Loan” has the meaning set forth in Section 8.11(a).

“Compliance Termination Sale” has the meaning set forth in Section 8.03(a).

“Consent” means the prior written consent or approval of the Investor Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited.

“Construction Contract” means the construction contract in the guaranteed maximum amount of \$1,925,000 (including all exhibits and attachments thereto) to be entered into between the Company and the Contractor, pursuant to which the Project is to be rehabilitated. Such Construction Contract shall be subject to the Consent of the Investor Member.

“Construction Loan” means the Project Loan from a private lender identified on **Exhibit F** hereto.

“Construction Period Management Incentive Fee” has the meaning set forth in Section 4.02(s).

“Contractor” means Community Housing Partners, a Virginia nonstock corporation, which is the general construction contractor for the Project.

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

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

“Credit Period” means the ten-year “credit period” as defined in and determined in accordance with Section 42(f) of the Code.

“Debt Service Coverage Ratio” shall mean a fraction, the numerator of which is the difference between all cash actually received by the Company on a cash basis from normal operations, less all accrued operational costs of the Project, including any required deposits to a capital replacement reserve, and the denominator of which is all debt service, reserve, mortgage insurance premium and/or other cash requirements imposed by the Project Loan documents properly allocable to a particular period on an annualized basis, as determined by the Accountants (but not including loans to be repaid solely from available Net Cash Flow).

“Developer” means Southside Outreach Group, Inc, a Virginia nonstock corporation.

“Development Agreement” means the Development Agreement between the Company and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee, in the form set forth in **Exhibit A**.

“Development Budget” means the acquisition, construction, rehabilitation, development and financing budget for the acquisition, construction, rehabilitation, development, financing and operation of the Project, including without limitation the construction or rehabilitation of all improvements, the furnishing of all personalty in connection therewith, and the operation of the Project which Budget is attached hereto as **Exhibit H**, and any amendments thereto made with the Consent of the Investor Member. The Development Budget shall also include a calculation of the Projected LIHTC for the Project indicating the assumptions regarding basis which underlie such calculation, a 15-year income/expense pro forma, profit/loss statement, cash flow statement, depreciation/amortization schedule, capital account, minimum gain and 30 year analysis and a calculation of net sale proceeds.

“Development Costs” means all of the following: (i) all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land (and any improvements thereon) and the development or rehabilitation of the Project, including payment of the Development Fee, amounts due under the Construction Contract, any construction cost overruns, the cost of any change orders and all costs necessary to achieve Substantial Completion; (ii) all costs to achieve Initial Closing and Final Closing, and satisfy any escrow deposit requirements which are conditions to the Final Closing, including any amounts necessary for local taxes, utilities, mortgage insurance premiums, casualty and liability insurance premiums, and any applicable loan fees, discounts or other expenses; (iii) for the period prior to Breakeven Operations, all costs, payments and deposits needed to avoid a default under any Project Loan, including without limitation, all required deposits to satisfy any requirements of a Project Lender to keep a Project Loan “in balance”; (iv) all costs and expenses relating to remedying any environmental problem or condition or Hazardous Materials that existed on or prior to Final Closing; and (v) all Operating Deficits incurred by the Company prior to Breakeven Operations and the achievement of at least 95% physical and economic occupancy during the three-month period while Breakeven Operations are achieved.

“Development Fee” means the fee payable by the Company to the Developer pursuant to Section 8.12 of this Agreement.

“Downward Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Early Delivery Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

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

“Environmental Consultant” has the meaning set forth in Section 5.01(j).



“Excess Development Costs” means all Development Costs in excess of the proceeds of the Project Loans and all Capital Contributions the Managing Member and Investor Member are required to make hereunder.

“Extended Use Agreement” means the Extended Use Regulatory Agreement and Declaration of Restrictive Covenants to be executed by the Company and delivered to the Agency at or subsequent to the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.

“Final Closing” means the occurrence of all of the following: (i) Substantial Completion, (ii) approval by the Project Lenders, if any, of the Company’s certification of actual costs as to the development and construction or rehabilitation of the Project, (iii) disbursement by all Project Lenders of any and all previously undisbursed Project Loan proceeds including the funding of the Permanent Loan under Documents acceptable to the Investor Member, and (iv) commencement of amortization as to all Project Loans (to the extent any Project Loan requires principal amortization).

“Final Mortgage Amount” means the principal amount of all of the Project Loans, advanced at or prior to the Final Closing, before any reduction resulting from repayments of principal thereof.

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

“Guarantor LIHTC Compliance Loan” has the meaning set forth in Section 8.11(c)(v).

“Hazardous Substances” has the meaning set forth in Section 16.07(e).

“Hazardous Waste Laws” has the meaning set forth in Section 16.07(e).

“HOME Loan” means the Project Loan from the Virginia Department of Housing and Community Development identified on **Exhibit F** hereto.

“Incentive Management Fee” means the fee payable by the Company to the Managing Member pursuant to Section 8.13 of this Agreement.

“Initial Amount” has the meaning set forth in Section 4.02(q).

“Initial Closing” means the date upon which one or more of the Project Loans is closed and the initial disbursement is made thereunder. The Initial Closing is anticipated to occur on December 12, 2014.

“Initial Period” has the meaning set forth in Section 8.11(b).

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

“Investor Member” means, initially, Housing Equity Fund of Virginia XVIII, L.L.C., a Virginia limited liability company.

“Investor Member Due Diligence Costs” has the meaning set forth in Section 5.01(f).

“IRS” means the Internal Revenue Service of the United States or any successor agency.

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

“Late Delivery Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Lease-Up Reserve” has the meaning set forth in Section 4.02(s).

“LIHTC” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“LIHTC Compliance Guaranty” means, collectively, the Managing Member obligations set forth in Section 8.11(c).

“LIHTC Recapture Event” means (a) the filing of a tax return by the Company evidencing a reduction in the qualified basis of the Project causing a recapture of LIHTC previously allocated to the Investor Member, (b) a reduction in the qualified basis of the Project following an audit by the IRS which results in the assessment of a deficiency by the IRS against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court and any other federal tax court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

“LIHTC Reduction Guaranty Payment” has the meaning set forth in Section 5.01(e)(ii).

“LIHTC Shortfall” means, as to any period of time, the difference between the Certified Credit for such period of time and the Actual Credit for such period of time. For purposes of determining the amount of the LIHTC Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.01(e) because of a Late Delivery Capital Adjustment, the LIHTC Shortfall for such period of time shall be reduced by the Late Delivery Capital Adjustment.

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

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

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

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.15.

“Management Agreement” means the agreement between the Company and the Management Agent providing for the marketing and management of the Project by the Management Agent.

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

“Managing Member Pledge” has the meaning set forth in Section 8.19.

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

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

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

“Member Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(i)(2), and the amount of Member Nonrecourse Deductions with respect to a Member

Nonrecourse Debt for a fiscal year shall be determined in accordance with the rules of Treas. Reg. §1.704-2(i)(2).

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

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

“MM Loans” means the loans which may be made by the Managing Member to the Company pursuant to Section 5.07(a) hereof, including any accrued interest thereon. Operating Deficit Loans shall not constitute MM Loans.

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

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

by the Managing Member with the approval of the Investor Member and the Project Lenders, if required, to be advisable for the operation of the Company.

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

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

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

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

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

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

“Notice” means a writing containing the information required by this Agreement to be communicated to a Member and sent by any manner set forth in Section 16.08, to such Member at such Member’s address as specified pursuant to Section 16.08, the date of receipt thereof (or the next business day if the date of receipt is not a business day) or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable, being deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Member actually received by such Member shall constitute Notice for all purposes of this Agreement.

“Operating Deficit” means the amount by which the gross receipts of the Company from lease payments, and all other income and receipts of the Company (other than proceeds of any loans to the Company, Capital Contributions, and investment earnings not available for distribution on funds on deposit in the Reserve Fund for Replacements, and other such reserve or escrow funds or accounts not available for distribution) for a particular period of time, is exceeded by the sum of all the operating expenses, including all debt service, operating and maintenance expenses, required deposits into the Reserve Fund for Replacements, any fees to the Project Lenders and/or any applicable mortgage insurance premium payments and all other Company obligations or expenditures, and excluding payments for construction of the Project and fees and other expenses and obligations of the Company to be paid from the Capital Contributions of the Investor Member to the Company pursuant to this Agreement during the same period of time.

“Operating Deficit Loan” shall have the meaning set forth in Section 8.11(b) of this Agreement.

“Operating Reserve” means the reserve referred to in Section 4.02(r).

“Payment Date” means the date which is ninety (90) days after the end of the Company’s fiscal year with respect to the preceding fiscal year.

“Percentage Interest” means the percentage Interest of each Member as set forth in Sections 5.01(a) and (c).

“Permanent Loan” means the loans set forth on **Exhibit F** hereto and described as permanent loans.

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.

“Plans and Specifications” means the plans and specifications for the Project stamped with the seal of an architect and/or engineer, which are subject to the approval of the Investor Member, and any changes thereto made in accordance with the terms of this Agreement.

“Post Closing Obligations” means those conditions to the Investor Member’s obligation to fund all or any portion of its Capital Contribution as more fully described on the Post Closing Letter attached hereto as **Exhibit K**.

“Prime Rate” means the interest rate announced from time to time by The Wall Street Journal as the prime lending rate expressed as a percent per annum. The “Prime Rate” shall be adjusted semi-annually on January 1 and July 1 of each year.

“Profits” and “Losses” mean, for each fiscal year of the Company, an amount equal to the

Company's taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (a) the income of the Company that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Company which are not deductible in computing its taxable income and not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Company asset is revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), then the amount of any adjustment to the value of such Company asset shall be taken into account as gain or loss from the disposition of such Company asset for purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of Company asset which has been revalued pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(f) and with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the adjusted value of such Company asset, notwithstanding that the adjusted tax basis of such Company asset differs from the adjusted value; (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Company asset which has been revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f); and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to Sections 11.07(b) through (n) shall not be taken into account in computing Profits or Losses.

“Project” means the land currently owned (or to be purchased) by the Company in South Boston, Virginia and the improvements to be rehabilitated, owned and operated thereon by the Company, and to be known as Miller Homes at Poplar Creek.

“Project Documents” means and includes the Construction Contract, the Mortgage(s), Note(s), Loan Agreement(s), Regulatory Agreement, Extended Use Agreement, Management Agreement, and all instruments delivered to (or required by) the Project Lenders or the Agency to the extent not otherwise listed in this definition.

“Project Lender” means any lender in its capacity as a lender of one of the Project Loans, or its successors and assigns in such capacity, acting through any authorized representative.

“Project Loans” means those loans set forth and described on **Exhibit F** hereto.

“Projected LIHTC” has the meaning set forth in Section 4.01(p).

“Qualified Contract” has the meaning set forth in Section 42(b)(h)(F) of the Code.

“Qualified Occupancy” shall mean occupancy of a LIHTC unit by a Qualified Tenant.

“Qualified Tenants” shall mean tenants under executed leases of at least six (6) months who at the time of their initial occupancy of the Project satisfy the (i) rent restriction and (ii) minimum set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in the Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income.

“Recapture Amount” has the meaning set forth in Section 11.02(c).

“Regulations” or “Treasury Regulations” or “Treas.Reg.” means the Income Tax Regulations issued under the Code.

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Company and any Project Lender or any applicable government agency, whether prior to, at or after the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.

“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the low-income units in the Project cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.

“Reserve Fund for Replacements” means the cash funded reserve for replacements required pursuant to Section 4.02 (q).

“SPARC Loan” means the Project Loan from the Virginia Housing Development Authority identified on **Exhibit F** hereto.

“Special Additional Capital Contribution” means the Special Additional Capital Contributions of the Investor Member under Section 5.01(d)(viii).

“Special Investor Member” means VAHM, LLC, a Virginia limited liability company, or its assignee.

“Sponsor” means Southside Outreach Group, Inc., a Virginia nonstock corporation, its successors and assigns.

“Sponsor Loan” means the Project Loan from the Sponsor identified on **Exhibit F** hereto.

“State Designation” means, with respect to the Project, the allocation by the Agency of LIHTC, as evidenced by the receipt by the Company of either a carryover allocation of LIHTC meeting the requirements of Section 42(h)(1)(E) of the Code and Treasury Regulations or IRS Form 8609 executed by the Agency as to all building in the Project for which such form is required.

“Substantial Completion” means the date that the Company receives all necessary permanent certificate(s) of occupancy (or certificates of occupancy which contain conditions or qualifications which are Consented to by the Investor Member) from the applicable governmental jurisdictions or authority(ies); provided, however, that Substantial Completion shall not be deemed to have occurred if on such date any liens or other encumbrances as to title



to the Land and the Project exist, other than those securing any Project Loan and/or those Consented to by the Investor Member.

“Substitute Investor Member” means any Person admitted to the Company as an Investor Member pursuant to Section 9.02.

“Surplus Cash” means any Net Cash Flow which, pursuant to the Project Documents or rules or regulations of any Project Lenders or the Agency, is permitted to be distributed to the Members.

“Title Company” means Stewart Title Guaranty Company.

“Unpaid Fee” has the meaning set forth in Section 5.01(b).

“Unpaid LIHTC Shortfall” means the outstanding amount of any LIHTC Shortfall for all the fiscal years of the Company, reduced by any amounts of Unpaid LIHTC Shortfall distributed to the Investor Member pursuant to Article XI of this Agreement. The unpaid LIHTC Shortfall shall bear interest at the “long-term applicable Federal rate” (as defined in Section 1274 of the Code) determined as of the date of the Investor Member’s First Capital Contribution, compounded monthly.

“VHCC” means Virginia Housing Capital Corporation, a Virginia corporation and the managing member of the Investor Member.

“VHDA” means Virginia Housing Development Authority.

### ARTICLE III PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to acquire the Land and to develop, finance, construct, own, maintain, lease, operate and sell or otherwise dispose of the Project, in order to obtain long-term appreciation, cash income, LIHTC and tax losses. The Company will operate the Project in a manner that furthers the charitable purpose of Southside Outreach Group, Inc. by providing decent, safe, sanitary and affordable housing for low income persons and families. In the event of the conflict between the operation of the Project in a manner consistent with such charitable purpose and any duty of the Managing Member to operate the Project in order to maximize profits for the Investor Members, such charitable purpose shall prevail; provided, however, that in operating the Project no decision shall be made inconsistent with the requirements of any Regulatory Agreement.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

(a) acquire the Land on which the Project is to be located and any improvements thereon;

(b) construct, rehabilitate, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements so long as the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(e) borrow money and issue evidences of indebtedness in furtherance of the Company business and secure any such indebtedness by mortgage, pledge, or other lien; provided, however, that unless otherwise specifically allowed under this Agreement or otherwise Consented to by the Investor Member, any Project Loans, and any evidences of indebtedness thereof and any documents amending, modifying or replacing any of such loans shall have the legal effect that at and after Final Closing the Company and the Members shall have no personal liability for the repayment of the principal of or payment of interest on any Project Loan, and that the sole recourse of any Project Lender, with respect to the principal thereof and interest thereon, shall be to the property securing such Project Loan, except for any Carveouts;

(f) maintain and operate the Project, including hiring the Management Agent (which Management Agent may be any of the Members or an Affiliate thereof) and entering into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Project Lenders, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Company, or for the refinancing of any mortgage loan on the property of the Company;

(h) enter into the Loan Agreement, the Regulatory Agreement and the Extended Use Agreement, providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to LIHTC and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Members, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Company business.

ARTICLE IV  
REPRESENTATIONS, WARRANTIES AND COVENANTS;  
DUTIES AND OBLIGATIONS

4.01 Representations, Warranties and Covenants Relating to the Project and the Company. As of the date hereof, the Managing Member hereby represents, warrants and covenants to the Company and to the Members that:

(a) Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate, partnership, limited liability company or trust actions or proceedings. The Managing Member is duly organized, validly existing and in good standing under the laws of the state of its formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) Rehabilitation of Project. The rehabilitation and development of the Project shall be undertaken and shall be completed in a timely and workmanlike manner in accordance with (i) all applicable requirements of the Project Loans and the Project Documents, (ii) all applicable requirements of all appropriate governmental entities, and (iii) the Plans and Specifications of the Project that have been or shall be hereafter approved by the Investor Member and, if required, the Project Lenders and any applicable governmental entities, as such Plans and Specifications may be changed from time to time with the approval of the Investor Member and the Project Lenders, if required, and any applicable governmental entities, if such approval shall be required; it shall promptly provide copies of all change orders to the Investor Member.

(c) Zoning and Related Matters. At the date hereof, at the Initial Closing and at the time of commencement of rehabilitation and thereafter continuously, the Land is and will be properly zoned for the Project, all consents, permissions and licenses required by all applicable governmental entities have been obtained, and the Project conforms and will conform

to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations.

(d) Plans and Specifications. The Managing Member has sent to the Investor Member the Plans and Specifications (including, without limitation, all working drawings) and all construction schedules, approved construction draws, certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to the Plans and Specifications, all documents pertaining to the Project Loan and any other information that is relevant to the rehabilitation and development of the Project.

(e) Public Utilities. All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available and will be operating properly and in sufficient capacity for the Project at the time of certificate of occupancy. The Managing Member will keep all such utilities operating in a manner sufficient to service the Project.

(f) Title Insurance. An owner's title insurance policy of a financially responsible institution acceptable to the Investor Member, in an amount equal to the principal amount of the Project Loans and the Capital Contributions of the Managing Member and the Investor Member, in favor of the Company, will be issued at or prior to the Initial Closing subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's title insurance policies and which are Consented to by the Investor Member and with such endorsements to such policy as the Investor Member may request. Good and marketable fee simple title to the Land will be held by the Company. The Managing Member has not made any misrepresentation or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company or the Managing Member's ability to perform its obligations hereunder.

(g) Non-Recourse Loans. Except as otherwise provided herein, at and after the Final Closing, there shall be no direct or indirect personal liability of the Company, any of the Members, or any Affiliates of the Company or Members for the repayment of the principal of or payment of interest on any Project Loan, and the sole recourse of any Project Lender under any Project Loan with respect to the principal thereof and interest thereon shall be to the property securing the indebtedness, except for any liability of the Managing Member with respect to customary "carveouts" that are set forth in loan documents relating to the Project Loans (the "Carveouts") to which the Investor Member has Consented. However, the Managing Member shall be personally liable for the obligations of the Company under the Construction Loan and Sponsor Loan as described in **Exhibit F**.

(h) No Defaults. The Managing Member is not aware of any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any agreement, contract, lease, or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, the

Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, the Project or Company.

(i) No Violation. The execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Company or the Managing Member or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Company or the Managing Member is a party or by which the Company, Managing Member or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project.

(j) Construction Contract. The Construction Contract has been entered into between the Company and the Contractor; no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor for the Project other than the amounts set forth in the Construction Contract or as evidenced by change orders approved by the Project Lenders and as otherwise disclosed in writing to and approved by the Investor Member; and all change orders to date have been paid in full. In addition, no consideration or fee shall be paid to the Developer or Managing Member by the Contractor.

(k) Performance Bond; Letter of Credit. Either (i) one hundred percent (100%) payment and performance bonds issued by a nationally, financially recognized bonding company, in forms acceptable to the Project Lenders and the Investor Member, and in amounts satisfactory to the Project Lenders and the Investor Member, or (ii) a letter of credit in an amount and in a form, and from an issuer satisfactory to the Project Lenders and the Investor Member, will be obtained by the Contractor at or before Initial Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Project Lenders and the Investor Member; in the alternative, the obligations of the Contractor will be guaranteed by the Managing Member and the Affiliate Guarantors and secured by cash, letter of credit or other security acceptable to the Project Lenders and the Investor Member.

(l) Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of **Exhibit I** attached hereto.

(m) No Undisclosed Financial Responsibilities. Neither the Company, nor the Managing Member, either individually or on behalf of the Company, has incurred any financial responsibility with respect to the Project prior to the date of execution of this Agreement, other than (i) that disclosed to the Investor Member, or (ii) obligations which will be fully satisfied at or prior to the Initial Closing. As of the date hereof and hereafter continuously, unless the Investor Member otherwise Consents or unless otherwise specifically provided for herein, the only indebtedness of the Company with respect to the Project are the Project Loans, if any, described on **Exhibit F**. Without limiting the generality of the foregoing, neither the Managing

Member, any of its Affiliates nor the Company, has entered, or shall enter, into any agreement or contract for any loans (other than the Project Loan) or for the payment of any Project Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to any Project Loan.

(n) Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the Commonwealth of Virginia, and shall have and shall continue to have full power and authority to acquire the Land and to own, develop, construct, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State of Formation and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Members and to enable the Company to engage in its business.

(o) Restrictions on Sale or Refinancing. No restrictions on the sale or refinancing of the Project, other than restrictions that may be set forth in the Project Documents, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member is an Investor Member, be placed upon the sale or refinancing of the Project.

(p) Projected LIHTC. The Projected LIHTC applicable to the Project is \$61,739 for 2015, \$210,685 for 2016, \$213,000 for each year 2017 through 2024, \$151,261 for 2025, and \$2,315 for 2026 which equals the amount of LIHTC the Managing Member has projected will be allocated to the Investor Member, constituting ninety-nine and ninety-nine hundredths percent (99.99% ) of the LIHTC which the Managing Member has projected will be available to the Company.

(q) Compliance with Agreements. To the best of its knowledge after due inquiry, the Managing Member, either individually or on behalf of the Company, has fully complied with all applicable provisions and requirements of any and all contracts, options and other agreements with respect to the purchase of the Land and the ownership, development, financing and operation of the Project, including all Project Documents; it shall take, and/or cause the Company to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements.

(r) State Designation. On December 18, 2013, the Company received valid State Designation with respect to the Project.

(s) Applicable Income and Rent Restrictions. The Project is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating LIHTC under Section 42 of the Code. The Company will comply with the so-called “40-60 Set-Aside Test” of Code Section 42(g)(1)(B), so that at least 40% of the units in the Project will be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size; the Project is not subject to any other rental restrictions under the Project Documents except to the extent that

more than 40% of the residential units in the Project will be rent and income restricted in order to generate the full amount of the Projected Credits.

(t) Term of Extended Use Agreement. The term of the Extended Use Agreement will not exceed 40 years and neither the Extended Use Agreement nor any other document, instrument or agreement to which the Company is a party shall restrict, limit or waive the right of the Company to cause a termination of the Extended Use Agreement prior to the end of such 40-year term in accordance with Code Section 42(h)(6)(E)(i)(II).

(u) Ownership of Managing Member. Southside Outreach Group, Inc. owns and shall continue to own at all times during the term of the Company one hundred percent (100%) of all classes of interests of the Managing Member.

(v) Title to Project; Taxes and Assessments. The Company has and shall have at all times good and marketable title to the Project, subject only to permitted exceptions thereto to which the Investor Member has given its Consent. All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Project.

(w) Taxpayer Certifications. On behalf of the Company, the Managing Member will cause to be filed any and all certifications and other documents on a timely basis with the IRS, the Agency and all other Authorities, as have been and may be required to support the full amount of Projected Credits.

(x) Taxation and Limited Liability. No event has occurred that has caused, and the Managing Member will not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an “association” taxable as a corporation, rather than as a limited liability company; or (ii) the Investor Member or the Special Investor Member to be liable for the Company’s obligations in excess of its Capital Contributions.

(y) No Tax-Exempt Use Property. No portion of the Project is or will be treated as “tax exempt use property” as defined in Section 168(h) of the Code. In the event the Managing Member or any member or shareholder of the Managing Member is controlled by a tax-exempt entity, such entity will make the election permitted under Section 168(h)(6)(F) of the Code. The Managing Member shall not allow the Company to enter into any lease with a tax-exempt entity without the prior written approval of the Special Investor Member.

(z) No Abusive Tax Shelter. The Managing Member has not received notice from the IRS that it has considered the Managing Member to be involved in any abusive tax shelter and is not aware of any facts, which if known to the IRS, would cause such notice to be issued.

(aa) Required Consents; No Defaults Under Loan Documents. The Company has obtained all consents required for the admission of the Investor Member to the Company,

including but not limited to, the consent of the holder(s) of the Project Loans, if necessary, and any required consents of applicable Authorities.

(ab) Bankruptcy. No Bankruptcy, including, without limitation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, reorganization or other proceedings are pending or threatened against the Company or the Managing Member. The Managing Member will not permit such a Bankruptcy to occur.

(ac) Governmental Actions. To the best of the Managing Member's knowledge, there is no official action of any Authority, pending or threatened, which in any way would (i) have a material adverse effect on the Company, the Project, the Investor Member or the LIHTC; (ii) involve any intended public improvements which improvements may result in any charge in excess of \$10,000 being levied against the Land; or (iii) any special assessment, being levied against or assessed upon the Land or the Project. There is no existing, proposed or contemplated, plan to widen, modify or realign any street or highway contiguous to the Land. The Managing Member will promptly notify the Investor Member of any such official actions or plans, if and as they arise.

(ad) Moratoria; Assignments; Dedications. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or proposed to be imposed, by any Authority or any public or private utility having jurisdiction over the Land which would have a material adverse effect upon the use or occupancy of the Project. No special assessments have been levied against the Project or by an Authority upon the commencement or completion of any construction, alteration or rehabilitation on or of the Project or any portion thereof. The Managing Member will promptly notify the Investor Member of any such actions, if and as they arise. Except as previously disclosed in writing to and approved by the Investor Member, the completion of the improvements, alteration or rehabilitation on or to the Project or any portion thereof will not require the dedication of any portion of the Project by any Authority.

(ae) No Defects, Compliance. Upon completion of the Project, there will be no material physical or mechanical defects or deficiencies in the condition of the Project, including, but not limited to, the roofs, exterior walls or structural components of the Project and the heating, air conditioning, plumbing, ventilating, elevator, utility, sprinkler and other mechanical and electrical systems, apparatuses and appliances located in, or about, the Land which would materially and adversely affect the Project or any portion thereof. The Project is free from infestation by termites or other pests, insects, animals or other vermin and the Managing Member will keep it so. The Project conforms (or will timely conform) to all governmental regulations, including, without limitation, all zoning, building, health, fire and environmental rules, regulations ordinances or requirements or environmental laws, regulations or procedures applicable to the Project where the failure to conform would result in a material adverse effect.

(af) No Defective Soils Conditions. To the best of the Managing Member's knowledge after due inquiry, there are no defects or conditions of the soil that would have a



material adverse effect upon the use, occupancy and operation of the Project. The soil condition of the Land is such that it will support all of the improvements to be located thereon for its foreseeable life, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations. The improvements on the Land, as built, will be or are constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations were then, have since been and will be provided.

(ag) Rights of First Refusal; Options. Except as contemplated by the Amended and Restated Right of First Refusal Agreement set forth in **Exhibit L** attached hereto, neither the Managing Member nor the Company has entered into (nor will enter into) any contracts for the sale of the Project, the LIHTC with respect thereto, or any interest in the Project or Company other than in contemplation of this Agreement, nor do there exist any rights of first refusal or options to purchase the Project, the LIHTC with respect thereto, or any interest in the Company.

(ah) Securities Law Compliance. The Managing Member has or will have timely complied or cause the timely compliance with all applicable Federal and state securities laws in connection with the offer and sale of the interest in the Company to the Investor Member.

(ai) Truth and Completeness of Representations and Disclosures. No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investor Member pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. All material information concerning the Project known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, has been disclosed by the Managing Member to the Investor Member and there are no facts or information known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, which would make any of the facts or information submitted by the Managing Member to the Investor Member with respect to the Project inaccurate, incomplete or misleading in any material respect.

(aj) Compliance with Fair Housing Act. At all times during the term of this Agreement, the Company shall comply with the provisions of the Fair Housing Act, as amended.

(ak) Lenders to Project Entities Generally. Subject to provisions of this Agreement with respect to related party loans, an investor member or partner, including without limitation the Federal Home Loan Mortgage Corporation (such investor member or partner being referred to herein as a “Mortgagee”), in any entity that is a Member herein at any time may make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Company (any such loan being referred to as a “Mortgage Loan”). Under no circumstances will a Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Member. A Mortgagee may take any actions that the Mortgagee, in its discretion,

determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan). By acquiring an interest in the Company, each Member acknowledges that no Mortgagee owes the Company or any Member any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being a limited partner or member in a Member. Neither the Company nor any Member will make any claim against a Mortgagee, or against the Member in which the Mortgagee is a member or partner, relating to a Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Company or to any Member based in any way upon the Mortgagee's status as a partner or member of a Member.

(al) Member Loans. No Member or any Affiliate of a Member shall make or purchase a loan to the Company unless the Company receives an opinion of competent tax counsel to the effect that such loan will have no adverse tax consequences to any of the Members.

(am) Intentionally Omitted.

(an) Development Budget. The Development Budget attached hereto as **Exhibit H** is accurate and complete. The assumptions underlying the calculations therein are reasonable and based upon the Managing Member's knowledge and experience.

(ao) Reportable Transactions. The Company and its Members shall be permitted to disclose to any and all Persons, without limitation of any kind, the "tax treatment and tax structure" (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. The Managing Member shall (A) promptly notify the Investor Member of any "reportable transaction" under Code Section 6707(A)(c) or Treasury Regulation Section 1.6011-4 in which the Company shall engage or which it reports under Code Section 6111, and (B) maintain investor lists with respect to the Company as required under Code Section 6112. The Managing Member shall be responsible for its expenses or penalties attributable to its failure to report a reportable transaction or maintain lists (in accordance with Code Section 6112) as required by the Managing Member or the Company under the Code and applicable Treasury Regulations. Material advisors are required to supplement information disclosed to the IRS if the information provided in a filed disclosure is not longer accurate, in such instances, the Managing Member agrees to provide timely supplemental information about the Project to the IRS and the Investor.

(ap) Reasonableness of Fees. All fees to be paid to the Managing Member or any Affiliate of the Managing Member hereunder or otherwise in connection with the development of the Project are reasonable in amount and consistent with standard practice in the industry.

(aq) REAC and HUD Reports. The Managing Member shall advise the Investor Member of any REAC (Real Estate Assessment Center) inspection reports it receives

with respect to the Project as well as any notices from HUD indicating any adverse findings with respect to the Project, including, but not limited to, the following:

- (i) management review findings;
- (ii) Section 8 HAP contract violations; and
- (iii) HUD Regulatory Agreement violations.

(ar) Governmental Review and Approvals/HUD 2530 Language. The Company shall not acquire or proceed with the development of the Project unless approval is obtained from HUD if such approval is required in connection with such development or acquisition. If the acquisition or development of the Project necessitates the filing of a Form 2530 Previous Participation Certificate with HUD (a “Previous Participation Certification”), the Managing Member shall so notify the Investor Member and such acquisition or development shall not proceed without the required Form 2530 filing. The Managing Member shall also provide adequate information to the Investor Member to enable any of its members to file any additional documents that may be required by HUD. Such information shall include but not be limited to the following:

- (i) type of financing and governmental agency providing such assistance, FHA project number, Section 8 contract number or other agency identification number (if any);
- (ii) closing date/date of receipt of assistance;
- (iii) date that the Project is intended to be acquired and/or the development is to be financed by the Company;
- (iv) property address and last inspection date/rating;
- (v) status of any pre-existing loan on the project (current, defaulted, assigned or foreclosed) and if ever defaulted, an explanation as to the causes of such default/foreclosure.

(as) OFAC Requirements. The Managing Member and its Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act and the laws administered by the United States Treasury Department’s Office of Foreign Assets Control (“OFAC”), including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a Person with whom a U.S. Person is prohibited from transacting business. “U.S. Person” shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(at) Survival of Representations and Warranties. All of the representations, warranties and covenants contained herein shall be deemed to be re-made as of the date of each Capital Contribution made by the Investor Member and shall survive the date of Final Closing and the funding date of each such Capital Contribution. The Managing Member shall indemnify and hold harmless the Investor Member against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

4.02 Duties and Obligations Relating to the Project and the Company. The Managing Member shall have the following duties and obligations with respect to the Project and the Company:

(a) Qualifying for LIHTC. It shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for LIHTC, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) issuance of IRS Form(s) 8609 with respect to the LIHTC, (iii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of the Project, and (iv) Initial Closing and Final Closing.

(b) Tax Treatment of Company. While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have known after due inquiry will (i) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation.

(c) Securities Law Matters. The Managing Member shall prepare and timely file all appropriate reports for the Company with the Securities and Exchange Commission and state securities administrators.

(d) Limited Liability Status. The Managing Member shall (i) file such certificates and do such other acts as may be required to qualify and maintain the Company as a limited liability company under the Act and to qualify the Company to transact business in all such other jurisdictions as may be required under the applicable provisions of law, and (ii) take or cause the Company to take all reasonable steps deemed necessary by counsel to the Company to assure that the Company is at all times classified as a limited liability company for federal income tax purposes.

(e) Good Faith of Managing Member. It shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.

(f) No Security Interests or Encumbrances; Debt Service Coverage Ratio. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for the Project Loans, the Mortgages, and any additional security agreements executed in connection therewith. From and after the Final Closing, the Project shall maintain a Debt Service Coverage Ratio of at least 1.15:1.0.

(g) Basis Adjustments. It will execute on behalf of the Company all documents necessary pursuant to Sections 732, 743 and 754 of the Code to elect to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member.

(h) Payment of Development Fee. It guarantees payment by the Company of the Development Fee as provided in Section 5.01(b).

(i) Tax Returns and Financial Statements. It shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns and shall provide the Investor Member with the opportunity to review and Consent to drafts of all such returns at least twenty (20) days prior to their filing date, and will incorporate the changes of the Investor Member. In addition, the Managing Member shall provide the Investor Member with the opportunity to have not less than twenty (20) days to review drafts of audited financial statements prior to their finalization and will incorporate the changes of the Investor Member.

(j) Compliance with Governmental and Contractor Obligations. It shall comply and cause the Company to comply with the provisions of all applicable governmental and contractual obligations, including any Regulatory Agreement.

(k) Tax Elections. It has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the LIHTC, as are necessary to achieve and maintain the maximum allowable LIHTC to the Investor Member, unless otherwise directed in writing by the Investor Member. The Managing Member has made or will make the election to be taxed as a corporation on Form 8832 and will make the election to be taxable under Section 168(h) of the Code.

(l) Fines and Penalties. It shall be responsible for the payment of any fines or penalties imposed by any applicable governmental authority or any Project Lender pursuant to the Project Documents and any documents executed in connection with obtaining the LIHTC (other than with respect to payments of principal or interest under any Project Loan) attributable to any action or inaction of it or its Affiliates.

(m) Notification of Default or IRS Proceedings. It shall immediately notify the Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans or any other financial, contractual or governmental obligation of the Company or the Managing Member, or (ii) any IRS proceeding regarding the Project or the Company.

(n) Notification of Construction Delays. If at any time during the construction or rehabilitation of the Project, (i) construction or rehabilitation stops or is suspended for a period of ten (10) consecutive days, or (ii) construction or rehabilitation has been delayed so that in the reasonable determination of the Managing Member (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract, or (B) the Projected Credits for any year during the Credit Period may not be achieved, the Managing Member shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Investor Member.

(o) Bank Accounts. The Managing Member shall establish in the name and on behalf of the Company such bank accounts as shall be required to facilitate the operation of the Company's business. The Company's funds shall not be commingled with any other funds of the Managing Member or any of its Affiliates, including, without limitation, any other limited liability company in which the Managing Member is a managing member. Promptly upon the request of the Investor Member, the Managing Member shall obtain and deliver to the Investor Member full, complete and accurate statements of the amount and status of all Company bank accounts and all withdrawals therefrom and deposits thereto.

(p) Sales Notice to State Agency. If necessary to obtain, maintain or avoid recapture of any LIHTC for the Company, upon written request of an Investor Member, the Managing Member shall, pursuant to Section 42(h)(6) of the Code, submit on behalf of the Company and its Members, and in accordance with the rules and regulations of the Agency, a written request to the Agency (or other applicable housing credit agency) to find a Person to acquire the Project pursuant to a Qualified Contract.

(q) Reserve Fund for Replacements. It shall establish and maintain a segregated replacement reserve, in a lending institution acceptable to the Special Investor Member, to provide for working capital needs, improvements, replacements and any other contingencies of the Company. The initial \$10,000 of the Reserve Fund for Replacements shall be funded from the Seventh Capital Contribution and no later than 24 months after the release of the remaining \$10,000 from the Sixth Capital Contribution. At a minimum, the Managing Member shall cause the Company to annually deposit into a segregated reserve account, commencing upon Final Closing, \$300 per unit per year from the Company's gross operating revenues into the Reserve Fund for Replacements ("Initial Amount"). Thereafter, the Managing Member shall, each year, further fund the Reserve Fund for Replacement with an additional amount equal to the Initial Amount increased at a compounded rate of 4% per annum. Withdrawals from the Reserve Fund for Replacements shall require the consent and signature of

the Investor Member or Special Investor Member. The Managing Member shall not increase the amount in the Reserve Fund for Replacements materially above the amount required to be maintained by this Section 4.02(q) without the consent of the Investor Member, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary in this Section 4.02(q), however, the amount of the Reserve Fund for Replacements shall be increased if necessary to satisfy the requirements of any creditor of the Company or any Authority having jurisdiction over the Project. Notwithstanding the foregoing, in the event the Investor Member or Special Investor Member delay the deposit of the \$10,000 for Reserve Fund for Replacements from the Seventh Capital Contribution, the amount not deposited will accrue interest at 1.5% per annum and this interest will be paid by the Special Investor Member to the Reserve Fund for Replacements account no later than 24 months after the remaining \$10,000 from the Sixth Capital Contribution has been released.

(r) Operating Reserves. In addition to the requirements of Section 4.02 (q), in order to meet operating expenses of the Company which exceed operating income available for the payment thereof, the Managing Member shall cause the Company to deposit an initial amount of \$125,000 (or such greater amount as may be required by the Project Lenders) into a segregated reserve account in a lending institution acceptable to the Special Investor Member (the "Operating Reserve") to fund operating expenses and debt service in excess of operating revenues and to pay any Unpaid Fee, as that term is defined in Paragraph 5.01(b) hereof. The initial \$125,000 of the Operating Reserve shall be funded from the proceeds of the Seventh Capital Contribution and no later than 24 months after the release of the remaining \$10,000 from the Sixth Capital Contribution; provided, however, that if the Investor Member or Special Investor Member delays funding of the Operating Reserve and the Operating Reserve is needed to for the aforementioned purposes, the Investor Member shall release the amount needed to the Managing Member. If there is a delay in the payment of the Seventh Capital Contribution due to the fault of the Investor Member, the unpaid portion of the Operating Reserve shall bear interest at the rate of 1.5% per annum (starting upon the release of the preceding Capital Contribution), and such unpaid portion, including any accrued interest, will be paid no later than 24 months after payment of the Sixth Capital Contribution ("Delayed Operating Reserve Payment"). If the Delayed Operating Reserve Payment is necessary to pay guaranty or other obligations hereunder, Investor Member shall disburse such payment to fully fund the Operating Reserve. Disbursements from the Operating Reserve for the aforementioned purposes shall constitute MM Loans by the Managing Member only to the extent of amounts funded by it into the Operating Reserve pursuant to the previous sentence. Additionally, the Managing Member shall cause the Company to deposit into the Operating Reserve amounts sufficient to maintain a balance of \$125,000, from Net Cash Flow as set forth in Section 11.03(b) hereof. Withdrawals from the Operating Reserve shall require the prior written approval of the Special Investor Member. Notwithstanding the foregoing, the Special Investor Member may elect to hold additional cash reserves as an additional Operating Reserve amount, which would be strictly used for the Project and would be in addition to the \$125,000 referenced above.

(s) Lease-Up Reserve.

By the time of certificate of occupancy, the Managing Member shall establish and cause the Company to fund and maintain a lease-up reserve (the “Lease-Up Reserve”) in the name of the Company and maintained in a segregated Company account established for this purpose. The amount of the Lease-Up Reserve shall be \$10,000 and shall be fully funded by the proceeds of the Fifth Capital Contribution. Withdrawals from the Lease-up Reserve account shall require the consent and signature of the Investor Member. At such time as the Project Property shall have achieved and maintained for a period of at least three months at least 93% occupancy (measured by both physical occupancy and “paid” occupancy based upon the then current rents for apartment units) and three months of Breakeven Operations, any unused portion of the Lease-Up Reserve shall be paid to the Managing Member (or the nominee if so directed by the Managing Member) as a construction period management incentive fee (“Construction Period Management Incentive Fee”).

(t) Pre-Development Activities. The Managing Member shall be specifically and solely responsible for the following duties:

- (1) Analyzing the Qualified Allocation Plan (“QAP”) for targeted areas within a state.
- (2) Identifying potential land sites.
- (3) Analyzing the demographics of potential sites.
- (4) Analyzing a site’s economy and forecast future growth potential.
- (5) Determining the site’s zoning status and possible rezoning actions.
- (6) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (7) Performing environmental tests on selected sites.
- (8) Negotiating the purchase of the land upon which the Project is located and its related financing.
- (9) Performing any other duties or activities relating to the acquisition of the land upon which the Project is located.

4.03 Single Purpose Entity. The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other



than its liability for the debts of the Company. If the Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its shareholders or members. The Managing Member has observed and shall continue to observe all necessary or appropriate corporate formalities in the conduct of its business. The Managing Member shall keep its books and records separate and distinct from those of its shareholders, members and affiliates. The Managing Member shall clearly identify itself as a legal entity separate and distinct from its shareholders, members and its affiliates in all dealings with other Persons. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.

ARTICLE V  
MEMBERS, MEMBERSHIP INTERESTS  
AND OBLIGATIONS OF THE COMPANY.

5.01 Members; Capital Contributions; Company Interests.

(a) Initial Managing Member Contribution. The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are as follows:

(i) Name and Address:  
SSOG Management Miller Homes, LLC  
c/o Southside Outreach Group, Inc.  
P.O. Box 375  
South Boston, VA 24592

(ii) Capital Contribution: \$100.00, plus all of its rights, title and interest in, to and under all agreements, licenses, approvals, permits, LIHTC applications and allocations and any other tangible or intangible personal property which is related to the Project or which is required to permit the Company to pursue its business and carry out its purposes as contemplated in this Agreement.

(iii) Percentage Interest: 0.009%

(b) Managing Member's Special Capital Contribution. In the event that the Company has not paid all or part of the amounts due under the Development Agreement ("Unpaid Fee") on or before the earlier of (i) the thirteenth (13th) anniversary of placement in service of the Project, or (ii) the date required under the Development Agreement, the Managing Member shall contribute to the Company an amount equal to any such Unpaid Fee (the "Managing Member's Special Capital Contribution") and the Company shall thereupon make a

payment in an equal amount to the Unpaid Fee; provided, however, that prior to the making of the Managing Member's Special Capital Contribution, funds in the Operating Reserve may be used to pay the Unpaid Fee, subject to approval by the Investor Member, and after application of the approved portion of the Operating Reserve, any remaining Unpaid Fee shall be paid using the Managing Member's Special Capital Contribution.

(c) Investor Members. The Investor Member and the Special Investor Member, respectively, their principal officer and places of business and Percentage Interests are as follows:

(i) The Investor Member, its principal office and place of business, and its Percentage Interest are as follows:

Housing Equity Fund 99.99% of Virginia XVIII, L.L.C. 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	Capital Contribution of the Investor Member  is as set forth in subparagraph (d) immediately below, as increased for purposes of the Company's books of account by the amount of the Capitalized Bridge Loan Interest allocable to the Investor Member, also as set forth in subparagraph (d) immediately below
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(ii) The Special Investor Member, its principal office and place of business, its Percentage Interest and its Capital Contribution are as follows:

VAHM, LLC 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	\$10.00	0.001%
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(d) Investor Member Capital Contributions. Subject to the provisions of this Agreement, including, without limitation, the provisions of Sections 5.01(e) and 5.03, the Investor Member shall be obligated to make Capital Contributions to the Company in the amount of \$1,955,000 payable in installments as follows. However, in addition to such Contributions, the Capital Contributions of the Investor Members shall be deemed to include, and their respective Capital Accounts shall so reflect, each Investor Member's allocable share of Capitalized Bridge Loan Interest as determined by the Company's Accountants in consultation with each Investor Member.)

(i) First Capital Contribution. The amount of the first Capital Contribution shall be Three Hundred Thousand and No/100 Dollars (\$300,000). After satisfaction of all of the conditions set forth below, and review and approval of the items described below, the Investor Member shall make the First Capital Contribution. A portion of the First Capital Contribution in the amount of \$28,000 shall be used to pay the Investor Member's Due Diligence Costs and an additional portion of the First Capital Contribution shall be used to pay for approved costs of the

Development of the Project, including payment of a portion of the Development Fee in the amount of \$25,000.

- (A) Title Policy. The Title Company shall have issued the Company's title policy in an amount equal to the acquisition and development cost of the Project, showing the Company as owner of fee simple title to the Land and subject to only such exceptions as are acceptable to the Investor Member, and containing fairways, non-imputation, creditors' rights, zoning, survey, access, tax parcel and such other endorsements as the Investor Member may require;
- (B) Environmental Matters. The Investor Member shall have received a report satisfactory to the Investor Member confirming no material adverse environmental conditions, including, without limitation, (1) evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority, and (2) lead-based paint and asbestos containing materials, if present, can be properly abated as part of construction;
- (C) Legal Opinion. The Investor Member shall have received a legal opinion as set forth in Section 5.04;
- (D) Permanent Financing. The Investor Member shall have received copies of all commitment letters or agreements from all of the Company's anticipated financing sources, in form and substance acceptable to the Investor Member, necessary to meet the Company's financial needs for the Project.
- (E) Survey. The Investor Member shall have received and approved an ALTA Survey, dated no more than ninety (90) days prior to the date of funding;
- (F) Plans and Specifications. The Investor Member shall have received and approved Plans and Specifications for the Project;
- (G) Permits. The Investor Member shall have received a copy of all permits and licenses required for the construction and rehabilitation of the Project, issued by the appropriate governmental authorities;
- (H) Construction Financing. Evidence that all construction financing proceeds are available, including copies of all executed construction financing documents;
- (I) Credits. Evidence from the Agency that the Project will qualify for annual LIHTC of at least \$213,000;

- (J) Construction Contract. The general construction contract, in form and substance acceptable to the Investor Member and with a fixed price or maximum upset price acceptable to the Investor Member, and with a general contractor reasonably acceptable to the Investor Member;
- (K) Financials. Current financial statements of the Developer, verification of background information to be provided to the Investor Member by the Managing Member and there having been no changes in the tax laws or treasury regulations or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Investor Member's investment in the Company; and
- (L) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy its due diligence requirements including, without limitation, (i) those documents listed on the Investor Member's closing checklist, a copy of which has been previously delivered to the Managing Member; (ii) the Post Closing Obligations, if any, as set forth on **Exhibit K** attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(ii) Second Capital Contribution. The amount of the Second Capital Contribution shall be up to Three Hundred Thousand and No/100 Dollars (\$300,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Second Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to pay for the cost of rehabilitation of the Project or to repay the Construction Loan.

- (A) First Capital Contribution Paid. The occurrence of the Investor Member's First Capital Contribution;
- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;

- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that 25% of the construction has been completed in accordance with the Plans and Specifications;
- (E) 10% Cost Certification. The Investor Member shall have received a copy of the cost certification the Company or Affiliate Guarantor delivered to the Virginia Housing Development Authority in connection with any carryover of LIHTC, with copies of all invoices and backup information;
- (F) Title Policy. The Title Company shall have issued: (1) a “date down” endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require; and
- (G) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on **Exhibit K** attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

Amounts disbursed pursuant to Sections 5.01(d)(i) and (ii), and to the extent necessary to pay for the costs of construction or rehabilitation, any amount under Section 5.01(d)(iii) and (iv), shall be disbursed through an escrow agreement in form and substance satisfactory to the Investor Member, and providing for, among other things, a *pari passu* disbursement of the Investor Member’s capital contributions with the Project Loans. All investment earnings on the Investor Member’s Capital Contributions disbursed through an escrow shall inure to the benefit and belong to the Investor Member.

(iii) Third Capital Contribution. The amount of the Third Capital Contribution shall be up to Three Hundred Thousand and No/100 Dollars (\$300,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Third Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to pay for the cost of rehabilitation of the Project or to repay the Construction Loan.

- (A) Second Capital Contribution Paid. The occurrence of the Investor Member’s Second Capital Contribution;

- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;
- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that 50% of the construction been completed in accordance with the Plans and Specifications;
- (E) Title Policy. The Title Company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require; and
- (F) Other Documentation. Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on **Exhibit K** attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

Amounts disbursed pursuant to Sections 5.01(d)(i) and (ii), and to the extent necessary to pay for the costs of construction or rehabilitation, any amount under Section 5.01(d)(iii) and (iv), shall be disbursed through an escrow agreement in form and substance satisfactory to the Investor Member, and providing for, among other things, a *pari passu* disbursement of the Investor Member's capital contributions with the Project Loans. All investment earnings on the Investor Member's Capital Contributions disbursed through an escrow shall inure to the benefit and belong to the Investor Member.

(iv) Fourth Capital Contribution. The amount of the Fourth Capital Contribution shall be up to Three Hundred Thousand and No/100 Dollars (\$300,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fourth Capital

Contribution in the amount requested by the Managing Member in the manner set forth below, to pay for the cost of rehabilitation of the Project or to repay the Construction Loan.

- (A) Third Capital Contribution Paid. The occurrence of the Investor Member's Third Capital Contribution;
- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;
- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that 75% of the construction been completed in accordance with the Plans and Specifications;
- (E) Title Policy. The Title Company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require; and
- (F) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on Exhibit K attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.
  - (v) Fifth Capital Contribution. The amount of the Fifth Capital Contribution shall be Five Hundred Twenty Thousand and No/100 Dollars (\$520,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fifth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to fund the Lease-Up Reserve, to repay the Construction Loan and to pay for approved costs of the Development of the Project, including payment of a portion of the Development Fee in the amount of \$16,190.

- (A) Fourth Capital Contribution Paid. The occurrence of the Investor Member's Fourth Capital Contribution;
- (B) Final Closing. Simultaneously with Final Closing, provided that the Investor Member has received fifteen (15) days' prior written notice of the date of Final Closing, and has received copies of any loan documents (including loan riders) executed in connection with the permanent financing that have not been previously delivered to the Investor Member;
- (C) Survey. The Investor Member shall have received and approved an updated and recertified as-built survey satisfactory to the Investor Member dated no more than thirty (30) days prior to the date of funding;
- (D) As Built Plans and Specifications. The Managing Member shall have submitted to the Investor Member a written document executed by the Managing Member, the architect and the Contractor certifying no material change to the "for-construction" Plans and Specifications previously approved by the Project Lenders and Investor Member;
- (E) Permits, Licenses and Certificates of Occupancy. The Investor Member shall have received a copy of any permits and licenses which are required for the operation and use of the Project and a copy of the final and unconditional certificate or certificates of occupancy, or the equivalent, issued by the appropriate governmental authorities for the Project in its entirety;
- (F) Draft Cost Certification. Receipt and approval of a draft cost certification of Eligible Basis (as defined in Code Section 42(d)) for the Project prepared by the Accountants;
- (G) Managing Member Certificate. Receipt of a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 continue to be true and accurate through the date of the proposed Third Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or the Project at such time;
- (H) Legal Opinion. The Investor Member shall have received an update of the legal opinion previously delivered to the Investor Member in connection with its making the Initial Capital Contribution;
- (I) Evidence of Applicable Fraction. The Investor Member shall have received satisfactory evidence that the Applicable Fraction (as defined in Code Section 42(c)(1)(B)) for the Project equals or exceeds forty percent (40%) determined as of the date of the proposed Third Capital Contribution;



- (J) Architect's Certificate. The Managing Member shall have delivered to the Investor Member an architect's certificate of substantial completion in the form requested by the Investor Member;
- (K) Payment of Taxes. The Investor Member shall have received satisfactory evidence (which may be included in the title policy described below) that all real property taxes and assessments for the Project due and payable through the date of funding have been timely and fully paid;
- (L) Title Policy. The Title Company shall have issued a final date down endorsement to the title policy extending the date of the title policy through the date of final funding of the Project Loans and the Third Capital Contribution and showing no exceptions to title other than those exceptions reflected on the title policy as of Initial Closing and other exceptions as may be acceptable to the Investor Member;
- (M) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on Exhibit K attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV; and
- (N) Managing Member Elections. The Managing Member will provide evidence that it has made the election to be taxable under Code Section 168(h)(6)(F)(ii) and that such election was effective prior to placement in service of the Project. The Managing Member will also provide evidence that it has filed Form 8832 with the IRS electing to be taxed as a corporation and that such election was effective prior to placement in service of the Project.

(vi) Sixth Capital Contribution. The amount of the Sixth Capital Contribution shall be One Hundred Thousand and No/100 Dollars (\$100,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Sixth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to pay a portion of the Development Fee. Notwithstanding the foregoing, if the Project achieves full qualified occupancy and Breakeven Operations with physical and economic of at least 95% for at least three consecutive months and the other conditions are met as set forth below, the Investor Member shall consent to the release of all but \$10,000 of the Sixth Capital Contribution amount. The remaining \$10,000 would be released following the achievement of the consecutive six-month period in which Breakeven Operations has been achieved.

- (A) Fifth Capital Contribution Paid. The occurrence of the Investor Member's Fifth Capital Contribution;

- (B) Qualified Occupancy. Achievement of occupancy of one hundred percent (100%) of the residential units in the Project by Qualified Tenants, and the Managing Member, if requested by the Investor Member, shall demonstrate such occupancy by submitting to the Investor Member certified rent rolls and tenant qualification forms that confirm that such tenants qualify under Section 42 of the Code;
- (C) Breakeven Operations. The last day of the month following the month in which Breakeven Operations occurs (with the Project having achieved at least 93% physical and economic occupancy for the three-month period in which Breakeven Operations has been achieved, including a Debt Service Coverage Ratio of at least 1.15);
- (D) Environmental Matters. The Managing Member shall have provided the Investor Member evidence that the construction of the Project did not result in the filling or disturbance of any wetlands and that any actions recommended to be taken which were contained in any environmental assessment reports prepared in conjunction with the development of the Project have been appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining to environmental matters;
- (E) Extended Use Agreement. Receipt by the Investor Member of a copy of an as-recorded Extended Use Agreement;
- (F) Managing Member Certificate. The Investor Member shall have received a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Fourth Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or Project at such time;
- (G) Cost Certification. Receipt of an audited cost certification of Eligible Basis (as defined in Code Section 42(d)) for the Project prepared by the Accountants;
- (H) 8609's. Receipt of the Form(s) 8609 for the entire Project executed by the Agency;
- (I) Company Tax Return. The Investor Member shall have received a complete copy of the Company's 2015 tax return; and
- (J) Other Documentation The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on Exhibit K

attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(vii) Seventh Capital Contribution. The amount of the Seventh Capital Contribution shall be One Hundred Thirty-Five Thousand and No/100 Dollars (\$135,000). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Seventh Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to fund the Operating Reserve and the Replacement Reserve. Notwithstanding the foregoing, the Investor Member may fund this \$135,000 any time within 24 months of the date of the release of the remaining portion of the Sixth Capital Contribution and any amount not deposited immediately will accrue interest at 1.5% per annum to be paid by the Investor Member; however, if the Operating Reserve or Replacement Reserve are needed within this 24-month period, the Investor Member shall fund it accordingly.

- (A) Sixth Capital Contribution Paid. The occurrence of the Investor Member's Sixth Capital Contribution;
- (B) Managing Member Certificate. The Investor Member shall have received a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Fourth Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or Project at such time; and
- (C) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy, including, without limitation, (i) the Post Closing Obligations, if any, as set forth on Exhibit K attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(viii) Investor Member's Special Additional Capital Contributions. If, in any fiscal year of the Company, the Investor Member's Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a Special Additional Capital Contribution to the Company, in an amount reasonably required to avoid the reduction of the Investor Member's Capital Account balance to or below zero. If the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Investor Member shall receive a guaranteed payment pursuant to Section 5.06 for the use of its Special Additional Capital Contribution. Whenever the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Managing Member shall have the option, in its sole and absolute discretion, to make Special Additional Capital Contributions to the Company, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Member at that time.

(e) Adjustment to Capital Contributions of Investor Member. Following determination of Certified Credits, the Accountants shall make a determination as to whether there is a Downward Capital Adjustment. If events subsequent to such determination result in a decrease in the Capital Contributions of the Investor Member due to a Late Delivery Capital Adjustment, then the Accountants shall recalculate the Downward Capital Adjustment to take into account such Late Delivery Capital Adjustment. Following the determination of a Downward Capital Adjustment and/or a Late Delivery Capital Adjustment, the Managing Member or the Company, as appropriate, shall make payments as required under Section 5.01(e)(ii).

(i) The following definitions shall apply for purposes of determining adjustments to Capital Contributions:

- A. "Certified Credit Capital Adjustment" shall equal the product of (A) Certified Credits for the Credit Period (excluding any LIHTC resulting from an increase in qualified basis under Code Section 42(f)(3)), minus \$213,000, times (B) \$0.9178 and (C) times ten (10). The Certified Credit Capital Adjustment may be a positive or negative number.
- B. "Certified Credit Capital Decrease" means a negative Certified Credit Capital Adjustment.
- C. "Certified Credit Capital Increase" means a positive Certified Credit Capital Adjustment.
- D. "Downward Capital Adjustment" shall mean the following: (A) if either there is a Certified Credit Capital Decrease or if the Certified Credit Capital Adjustment is zero, then the Certified Credit Capital Decrease plus the Late Delivery Capital Adjustment; or (B) if there is a Certified Credit Capital Increase, the positive

amount, if any, by which the Late Delivery Capital Adjustment exceeds the Certified Credit Capital Increase.

- E. “Late Delivery Capital Adjustment” shall mean for calendar year 2015 and 2016 the amount, if any, by which \$61,739 and \$210,685, respectively, exceeds Actual Credits for such year.
- F. “Early Delivery Capital Adjustment” shall mean the product of (a) \$0.50 and (b) the amount, if any, by which Actual Credits for calendar year 2015 exceeds \$61,739 and for calendar year 2016 exceeds \$210,685 (but in no event shall the total Early Delivery Capital Adjustment exceed \$10,000); provided, however, that if the Project does not achieve 100% Qualified Occupancy by July 1, 2015, then the Investor Member shall not be obligated to make an Early Delivery Capital Adjustment despite the delivery of Actual Credit as described herein.

(ii) If there is a Downward Capital Adjustment, then the Capital Contributions of the Investor Member shall be immediately reduced by the Downward Capital Adjustment. The Downward Capital Adjustment shall first reduce the Fifth Capital Contribution (if it has not previously been funded), and then to the extent necessary, the Sixth Capital Contribution, and then to the extent necessary, each remaining Capital Contribution. If the Downward Capital Adjustment exceeds the total of all unfunded Capital Contributions (prior to the reduction under this provision), then the Managing Member shall make a payment immediately to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the Investor Member as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. In the event that the Managing Member fails to make such payment in full and the Investor Member, in its sole discretion, elects not to exercise its remedies under Sections 5.05 or 6.05, as applicable, any amount not so paid by the Managing Member as required shall be payable out of Net Cash Flow and proceeds of Capital Transactions, as provided under Sections 11.03 and 11.04. Any payment required to be paid to the Investor Member pursuant to the preceding sentence out of Net Cash Flow and the proceeds of Capital Transactions shall be referred to as a “LIHTC Reduction Guaranty Payment”.

(f) Payment of Investor Member Due Diligence Costs. The Managing Member shall pay the costs and expenses incurred by the Investor Member in connection with the due diligence activities of the Investor Member and the closing of the transactions described herein , including Investor Member’s legal fees and expenses, such Investor Member Due Diligence Costs not to exceed \$28,000.

(g) Additional Investor Members. Without the Consent of all of the Members, no additional Persons may be admitted as additional Investor Members and Capital Contributions may be accepted only as and to the extent expressly provided for in this Article V.

(h) Deposit of Capital Contributions. Except as otherwise provided in Section 5.01(d) herein, the cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member's discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement.

(i) No Liability for Investor Member or Special Investor Member. Except as may otherwise be provided under applicable law, no Investor Member or Special Investor Member shall be bound by, or personally liable for, the expenses, liabilities or obligations of the Company.

(j) Payment of Environmental Assessment Consultant Fees. The Managing Member acknowledges that, on behalf of the Investor Member, the Investor Member or its Affiliate may retain an environmental consultant (the "Environmental Consultant") to review and give recommendations related to environmental reports that are provided to the Investor Member by the Managing Member (including, but not limited to, Phase I and Phase II environmental assessments, wetlands reports, lead and asbestos reports, abatement reports and other environmental reports required by the Environmental Consultant, to the reasonable satisfaction of the Environmental Consultant) for the Land, or the construction and rehabilitation of existing buildings, if the reports indicate the possible presence of hazardous materials on or near the Project or if such reports appear incomplete or inadequate for purposes of making such a determination. The Company shall be solely responsible for the payment of the fees of the Environmental Consultant.

5.02 Return of Capital Contribution. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of his Capital Contribution.

5.03 Withholding of Capital Contribution Upon Default.

(a) Conditions Giving Rise to Withholding. In the event that (a) the Managing Member, or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (b) any Project Lender shall have declared the Company to be in default under any Project Loan, or (c) foreclosure proceedings shall have been commenced against the Project, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its sole election, may cause the withholding of payment of any Capital Contribution otherwise payable to the Company (including while any cure period is in effect).

(b) Release to Company Following Cure. All amounts so withheld by the Investor Member under this Section 5.03 shall be promptly released to the Company only after the Managing Member or the Company have cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

5.04 Legal Opinions. As a condition precedent to the Investor Member's obligation to make its Capital Contributions hereunder, the Investor Member must receive the opinion of Kanady & Quinn, P.C., Counsel for the Company and the Managing Member, which opinion shall explicitly state that Applegate & Thorne-Thomsen, P.C. of Chicago, Illinois, counsel to the Investor Member, may explicitly rely upon it, that:

(a) the Company is a duly formed and validly existing company under the Act, and the Company has full power and authority to own and operate the Project and to conduct its business hereunder; the Company is duly qualified to transact its business in the Commonwealth of Virginia; the Investor Member has been validly admitted as an Investor Member of the Company entitled to all the benefits of an Investor Member under this Agreement, and the Interest of the Investor Member in the Company is the Interest of an investor member with no personal liability for the obligations of the Company, and the exercise of the rights and remedies of the Investor Member under this Agreement do not constitute participating in the control of the business of the Company;

(b) the Managing Member is duly and validly organized and is validly existing in good standing as a limited liability company under the laws of the Commonwealth of Virginia, with full power and authority to enter into and perform its obligations hereunder and under the Managing Member Pledge; the Managing Member is duly qualified to transact its business in the Commonwealth of Virginia;

(c) unless otherwise permitted under this Agreement, there is and shall be no direct or indirect personal liability of the Company or of any of the Members or their Affiliates for the repayment of the principal of and payment of interest on any Project Loan, and the sole recourse of the Project Lender, with respect to the principal thereof and interest thereon, shall be to the assets of the Company securing such indebtedness;

(d) execution of this Agreement and the Managing Member Pledge by the Managing Member has been duly and validly authorized by or on behalf of such Managing Member and, having been executed and delivered in accordance with its terms, this Agreement and the Managing Member Pledge constitute the valid and binding agreement of the Managing Member, enforceable in accordance with their respective terms, and execution hereof and thereof by the Managing Member is not in violation of any contract, agreement, charter, bylaw, resolution, judgment, order, decree, law or regulation to which the Managing Member is bound or as to which it is subject;

(e) the Company owns fee simple title to the Project, subject only to the Project Loans, the Mortgages, and such other liens, charges, easements, restrictions and encumbrances as are set forth in the title insurance policy issued to the Company. Such opinion may be based on a review of the title insurance policy issued in accordance with Section 4.01 herein, provided Counsel has no actual knowledge to the contrary;

(f) to the best of its knowledge after due inquiry, there are no defaults existing with respect to any of the Project Documents;

(g) to the best of its knowledge after due inquiry, no event of Bankruptcy has occurred with respect to the Company or the Managing Member; and

(h) the Affiliate Guaranty has been duly executed by the Affiliate Guarantor and constitutes the valid and binding obligation of the Affiliate Guarantor, enforceable in accordance with its terms; and

(i) the Company has received a carryforward allocation of LIHTC for the Projected Credits from the Agency, which is the appropriate state of local authority for the jurisdiction in which the Project is located.

In addition, the Investor Member shall have received from counsel to Investor Member an overall tax opinion, addressing all material tax issues and indicating that the financial projections and tax credit calculation contained in the Development Budget appear reasonable and complete.

#### 5.05 Repurchase Obligation.

(a) Conditions for Repurchase. If (i) Final Closing has not occurred by December 31, 2015 (or such later date as may be Consented to by the Investor Member); (ii) the Company has not received State Designation in 2013 or the IRS Form(s) 8609 are not issued by the Agency by December 31, 2015, so as to allow the Credit Period to commence as of 2015; (iii) the Company fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (iv) the Company's basis in the Project for federal income tax purposes, as finally determined by the Accountants or pursuant to an audit by the IRS, as of December 31, 2014, shall have been less than ten percent (10%) of the Company's reasonably expected basis in the Project, as required pursuant to Section 42(h)(1)(E) of the Code; (v) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period; (vi) the Project has not generated at least 95% of the Projected LIHTC for the year 2015 and 2016, then the Managing Member shall, within fifteen (15) days of the occurrence thereof, send to the Investor Member Notice of such event and of its obligation to purchase the Interest of the Investor Member hereunder and return to the Investor Member its Capital Contributions in the event the Investor Member, in its sole discretion, requires in a Notice to the Managing Member such purchase of the Interest of the Investor Member. Thereafter, the Managing Member, within thirty (30) days of the mailing date of Notice by the



Investor Member of such election, shall acquire the entire Interest of the Investor Member in the Company by making payment to the Investor Member, in cash, of an amount equal to the sum of its Capital Contributions, plus interest on such amount at the rate of fourteen percent (14%) per annum, but in no event higher than the highest rate permitted by applicable law.

(b) Upon receipt by the Investor Member of any such payment of its Capital Contributions, the Interest of the Investor Member and all further obligations of the Investor Member hereunder shall terminate, and, to the extent that the Investor Member has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the Investor Member from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the Investor Member (as a result of its respective participation hereunder) may be subject.

5.06 Guaranteed Payments. No later than ninety (90) days after the end of the Company's fiscal year, any Member who has made a Special Additional Capital Contribution hereunder shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Additional Capital Contributions. The Company shall invest any amounts contributed as a Special Additional Capital Contribution as reasonably directed by the contributing Member. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest as set forth above.

5.07 MM Loans.

(a) MM Loans. The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Excess Development Costs under its Construction Completion Guaranty under Section 8.11(a) or Operating Deficit under its Operating Deficit Guaranty under Section 8.11(b) hereof, to make "MM Loans" pursuant to this Section 5.07(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company, provided, however, that the Managing Member shall not enter into any such MM Loan with the Company if such MM Loan would cause a reallocation of LIHTC or tax benefits among the Members. MM Loans shall be on the following terms: (i) interest shall accrue on the MM Loans at an annual interest rate of eight percent (8%), compounded annually; and (ii) MM Loans shall be repayable solely as set forth in Sections 11.03 and 11.04 of this Agreement.

(b) Documentation of MM Loans. At the request of a Member, which request may be made quarterly, any MM Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such MM Loans made during the preceding calendar quarter. MM Loans shall be unsecured loans. MM Loans shall not be considered Capital Contributions and shall not increase such Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a MM Loan, in no event shall interest accrue on any MM Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

## ARTICLE VI CHANGES IN MANAGING MEMBERS

### 6.01 Withdrawal of the Managing Member.

(a) The Managing Member may withdraw from the Company or sell, transfer or assign its Interest as Managing Member only with the prior Consent of the Investor Member, and of the Agency and the Project Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by the Agency and the Project Lenders, if required, of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member.

(b) In the event that a Managing Member withdraws from the Company or sells, transfers or assigns its entire Interest pursuant to Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

6.02 Admission of a Successor or Additional Managing Member. A Person shall be admitted as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member and the Investor Member, and consented to by the Agency and the Project Lenders, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement by executing a counterpart thereof, (ii) all the terms and provisions of the Loan Agreement and the Project Documents by executing counterparts thereof or an assumption agreement, if requested by the Project Lenders, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member, and a certificate of amendment to the certificate of organization evidencing the admission of such Person as a Managing Member shall have been filed, and all other actions required by Section 1.07 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Company with evidence satisfactory to counsel for the Company of its authority to become a Managing Member, to do business in the Commonwealth of Virginia and to be bound by the terms and provisions of this Agreement; and

(d) Counsel for the Company shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Company or will cause it to be classified other than as a limited liability company for federal income tax purposes.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Members hereby acknowledge and consent to (A) the granting of a security interest in the rights, title and interest in and to the obligations of the Investor Member to make Capital Contributions to the Company pursuant to and in accordance with this Agreement (the “**CC Collateral**”), to and/or in favor of Community Capital Bank of Virginia (“**CCBV**”) to secure the obligations of the Company to CCBV under the loan documents evidencing, securing and otherwise governing the Construction Loan (collectively, as amended from time to time, the “**Construction Loan Documents**”), (B) the filing of financing statements by or on behalf of CCBV, the execution and delivery of one or more pledge and/or security agreements in favor of CCBV, and the taking of any and all such other actions as may be required by CCBV to perfect its security interest in the CC Collateral, and (C) the exercise by CCBV of all of its rights and remedies relating to its perfected security interest in the CC Collateral, whether under the Construction Loan Documents or at law or in equity. The Members hereby further acknowledge and agree that the consummation of the transactions described above in this section shall not constitute a breach or default by any Member under this Agreement and/or the Loan Documents, and shall not result in the acceleration or enforcement of any rights the Members may otherwise have in connection therewith.

Notwithstanding the foregoing, the Members hereby consent to (A) the pledge of, and the granting of a security interest in, the Managing Member’s Interest and all of the other interests of the Managing Member in the Company (collectively, the “**MM Pledged Collateral**”), to and/or in favor of CCBV in connection with the construction loan described on **Exhibit F** hereto (the “**MM Pledgee**”) to secure the obligations of the Company to CCBV under the loan documents evidencing, securing and otherwise governing such construction loan (collectively, as amended from time to time, the “**CCBV Construction Loan Documents**”), and (B) the exercise by the MM Pledgee of all of its rights and remedies relating to such pledge and security interest, whether under the CCBV Construction Loan Documents or at law or in equity (subject to the provisions of the last sentence of this subsection (e)). The Investor Member agrees that such pledge of the MM Pledged Collateral will be senior to the pledge to the Investor Member under the Managing Member Pledge. Upon the occurrence of an event of default under the CCBV Construction Loan Documents (and the expiration of any applicable notice and cure period), and upon any exercise by the MM Pledgee of its rights and remedies as a pledgee and secured creditor resulting in a transfer of title to all or any portion of the MM Pledged Collateral to the

MM Pledgee, the MM Pledgee's nominee and/or any Person to whom the MM Pledgee may transfer such MM Pledged Collateral in a secured creditor's sale (each such Person being referred to herein as a "Subsequent Transferee"), the admission of such Subsequent Transferee as a substitute Managing Member shall require the Consent of the Investor Member; provided, that Investor Member agrees that such Consent shall not be unreasonably withheld, and will be based on the Investor Member's determination (which may be based on advice of its counsel) that (i) the admission of such Subsequent Transferee will not cause any adverse tax consequences to the Investor Member or the Company, (ii) the Subsequent Transferee has obtained the required consent of the Agency and any Project Lender for such admission, (iii) the Subsequent Transferee has the experience, current competence and financial resources (including the ability to have an affiliate provide a guaranty of its obligations hereunder), in the reasonable determination of the Investor Member, to construct and operate the Project and maintain the Tax Credits, and (iv) the conditions set forth in subsections (b)-(d) above have been met. Notwithstanding anything to the contrary contained in this Agreement, the Members agree and covenant that (x) all Members' Interests in the Company, whether now or hereafter issued and outstanding, shall be uncertificated and no election has or will be made to have the Interests governed by Article 8 of the Uniform Commercial Code adopted by the Commonwealth of Virginia without the prior written consent of CCBV, and (y) the provisions set forth in this Section 6.02(e) may not be amended or restated without the prior written consent of CCBV, and any attempt to do so in violation of the foregoing shall be null and void, provided, however, this Section 6.02(e) shall terminate when all the obligations under the CCBV Construction Loan Documents have been paid in full.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) In the event of the Bankruptcy of a Managing Member or the withdrawal, death or dissolution of a Managing Member, or an adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity) the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 6.01(a) of this Agreement, then the Company shall be terminated, unless within ninety (90) days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence or breach of Section 6.01(a), the Investor Member elects to designate the Special Investor Member or such other entity as the Investor Member may desire as a successor Managing Member and continue the Company upon the conversion of such Special Investor Member to the Managing Member of the Company. Consequences of the removal of the Managing Member shall be determined under Section 6.05 hereof.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member or breach of Section 6.01(a), such Managing Member shall immediately cease to be a Managing Member and its Interest shall without further action be converted to an

Investor Member Interest; provided, however, that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, such Managing Member shall cease to be a Managing Member only upon the expiration of ninety (90) days after Notice to the Investor Member of the Bankruptcy, death, dissolution, declaration of incompetence or default of such Managing Member; and provided further that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, the converted Company Interest of such replaced Managing Member shall be ratably reduced to the extent necessary to insure that the substitute Managing Member(s) holds a .009% Percentage Interest (as set forth in Section 5.01).

(c) Except as set forth above, such conversion of a Managing Member Interest to an Investor Member Interest shall not affect any rights, obligations or liabilities (including, without limitation, any of the Managing Member's obligations under Section 8.11 herein) of the Bankrupt, deceased, dissolved, removed, incompetent or defaulted Managing Member existing prior to the Bankruptcy, death, dissolution, removal, incompetence or default of such person as a Managing Member (whether or not such rights, obligations or liabilities were known or had matured).

(d) If, at the time of the withdrawal, Bankruptcy, death, dissolution, adjudication of incompetence or default under Section 6.01(a) of a Managing Member, the Bankrupt, withdrawn, deceased, dissolved, incompetent or defaulted Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Members of such Bankruptcy, death, dissolution, adjudication of incompetence or default, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved, incompetent or defaulted Managing Member and his having ceased to be a Managing Member. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 6.03.

6.04 Restrictions on Transfer of Managing Member's Interests. This is an agreement under which applicable law excuses the Investor Member from accepting performance from (i) any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., (ii) a trustee of any such debtor, (iii) and/or the assignee of any such debtor or trustee. The Investor Member has entered into this Agreement with the Managing Member in reliance upon the unique knowledge, experience and expertise of the Managing Member, and its officers in the planning and implementation of the acquisition of the Project and in the area of affordable housing and development in general. The foregoing restriction on transfer is based in part on the above factors. The Managing Member expressly agrees that the Investor Member shall not be required to accept performance under this Agreement from any person other than the Managing Member, including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee.

6.05 Removal of the Managing Member.

(a) Conditions for Removal. The Investor Member shall have the right to remove the Managing Member:

(i) for (A) any fraud, gross negligence or intentional misconduct, or (B) failure to exercise reasonable care with respect to any material matter in the discharge of its duties and obligations as Managing Member (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Project or assets of the Company), or

(ii) upon the occurrence of any of the following:

(A) the Managing Member or the Company shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or the Loan Agreement, or any material provisions of any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Project, which violation has not been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable;

(B) the Managing Member or the Company shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(e), 5.05 and/or 8.11, (ii) violated any material provision of applicable law, or (iii) the representation and warranty contained in Section 4.01(u) are and/or becomes false or inaccurate;

(C) the Managing Member or the Company shall have caused any Project Loan to go into default, which default remains uncured after the expiration of any applicable cure period;

(D) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

(1) cause the termination of the Company for federal income tax purposes;

(2) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation;

(3) in the reasonable opinion of the Investor Member, cause a recapture or reduction in Certified Credits;

(4) violate any federal or state securities laws;

(5) cause the Investor Member to be liable for Company obligations in excess of its Capital Contributions; or

(E) the amount of Actual Credits for any year are, or are projected by the Accountants to be, less than ninety percent (90%) of the Projected Credits for that year; or less than ninety percent (90%) of Certified Credits if Certified Credits have been determined and adjustments to the capital contribution of the Investor Member have been made as may be required under Section 5.01(e);

(F) the Managing Member fails to timely and promptly discharge the Management Agent if at any time cause for such removal exists;

(G) Bankruptcy or similar creditor's action is filed by or against the Company, the Managing Member or any Affiliate Guarantor; or

(H) any default by the Affiliate Guarantor under the Affiliate Guaranty;

(I) failure of the Affiliate Guarantor to maintain a minimum net worth of \$150,000;

(J) failure of the Company to achieve Breakeven Operations within six (6) months of the Company's achievement of 93% occupancy; or

(K) any act or omission by the Managing Member that would substantially reduce tax benefits, or substantially increase tax liabilities, of the Investor Member.

(b) Procedure for Removal. The Investor Member shall give Notice to all Members and to the Project Lenders of its determination that the Managing Member shall be removed. The Managing Member shall have ten (10) days after receipt of such Notice to cure any default or other reason for such removal, in which event it shall remain as Managing Member. If, at the end of ten (10) days, the Managing Member has not cured any default or other reason for such removal, it shall cease to be Managing Member and the powers and authorities conferred on it as Managing Member under this Agreement shall cease and the Interests of such Managing Member shall be transferred to the Special Investor Member or its designee which, without further action, shall become the Managing Member; in such event, upon

becoming the Managing Member, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents.

(c) Managing Member Obligations and Liability Following Removal.

(i) In the event that the Managing Member is removed as aforesaid prior to the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Section 8.11 of this Agreement; provided however, that if amounts otherwise payable to the Managing Member as fees are applied to meet the obligations of the Managing Member as stated in Sections 5.01, 5.05 and 8.11 of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duties as Managing Member of the Company. If the Managing Member is removed as Member of the Company prior to the Final Closing as aforesaid, the Managing Member shall not be entitled to payment of any further installments of the Incentive Management Fee, or other fees which otherwise would have been due and payable under or pursuant to various Sections of this Article VI or Article VII.

(ii) In the event that the Managing Member is removed as aforesaid after the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the Managing Member's obligations and liabilities under Section 8.11(b) of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member or Affiliates thereof as fees are applied by the Company to pay Operating Deficits, such application shall serve to reduce any such liabilities after the Final Closing, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duty as Managing Member of the Company. If the Managing Member is removed as Member of the Company at any time after the Final Closing, the Developer or its successor(s) shall continue to be paid subsequent to such removal, in accordance with the terms and conditions of this Agreement, any installments of the Development Fee which would have otherwise been due and payable to it pursuant to Section 8.12 and which are not otherwise being withheld; provided, however, upon any such removal of the Managing Member after the Final Closing, no further installments of the Incentive Management Fee shall be paid which are attributable to any period after such removal.

(d) Power of Attorney. The Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 6.05. The election by the Investor Member to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy which the Investor Member or any other Member might have with respect to the



Managing Member in connection with its undertakings and responsibilities under this Agreement.

ARTICLE VII  
ASSIGNMENT TO THE COMPANY

The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Project, including the following:

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

ARTICLE VIII  
RIGHTS, OBLIGATIONS AND POWERS  
OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member, Special Investor Member and of the Company. The Managing Member shall devote such time as is necessary to the affairs of the Company.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Project Lender and/or Agency rules and regulations and the provisions of the Loan Agreement, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this

Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute and deliver, on behalf of the Company, the Loan Agreements, the Regulatory Agreement, the Extended Use Agreement, the Notes, the Mortgages, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto provided the Investor Member shall be provided with the opportunity to review and Consent to any such documents prior to their execution by the Managing Member, as shall be required in connection with the Project Loans, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith; provided, however, that copies of all applications for advances of proceeds of the Project Loans shall be provided to the Investor Member prior to the disbursement of any funds pursuant thereto and shall be subject to the Consent of the Investor Member; and provided further that any such applications which provide for the disbursement of funds of the Company in lieu of or in addition to the proceeds of the Project Loans shall be subject to the Consent of the Investor Member. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

#### 8.02 Limitations Upon the Authority of the Managing Member.

- (a) The Managing Member shall not have any authority to:
- (i) perform any act in violation of any applicable law or regulation thereunder;
  - (ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, the Loan Agreements, or any other Project Documents;
  - (iii) do any act required to be approved or ratified in writing by the Investor Members under the Act unless the right to do so is expressly otherwise given in this Agreement;
  - (iv) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;
  - (v) borrow from the Company or commingle Company funds with funds of any other Person; or

(vi) execute or deliver any general assignment for the benefit of creditors or file a petition or acquiesce in the filing of a petition for Bankruptcy.

(b) The Managing Member shall not, without the Consent of the Investor Member (which Consent shall not be unreasonably withheld, with the parties hereto agreeing and acknowledging that withholding such Consent would be reasonable if the action would likely be inconsistent with preserving the Project as a low-income housing project), have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) amend the terms of any Project Loan to be other than those set forth on **Exhibit F** attached hereto;

(iii) borrow in excess of \$10,000.00 in the aggregate at any one time outstanding on the general credit of the Company, except MM Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 8.20;

(iv) following Final Closing, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or which are at a cost in excess of \$10,000.00 in a single Company fiscal year, or rebuild the Project with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 13.03;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) following Final Closing, refinance any Project Loan;

(vii) confess a judgment against the Company in excess of \$5,000;

(viii) admit any person as a Managing Member or an Investor Member, or withdraw as Managing Member, except as otherwise set forth in this Agreement;

(ix) do any act in contravention of this Agreement or any other agreement to which Company is a party;

(x) execute or deliver any assignment for the benefit of the creditors of the Company;

(xi) transfer or hypothecate the Managing Member's interest as a Managing Member in the Company, including its interest in Company allocations or distributions, except as otherwise provided in this Agreement;

(xii) dissolve the Company or take any action which would result in dissolution;

(xiii) refinance, prepay or materially modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Project, or borrow funds or participate in a merger or consolidation with any other entity;

(xiv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;

(xv) materially change any accounting method or practice of the Company;

(xvi) file a voluntary petition for bankruptcy of the Company;

(xvii) make any expenditure or incur any liability on behalf of the Company in excess of \$10,000.00 which is not identified in the budget provided by the Managing Member to the Investor Member;

(xviii) borrow funds from the Company;

(xix) enter into or materially modify the Construction Contract (or any other construction contract), or agree to any change order under the Construction Contract (or any other construction contract) if any such change order is for \$10,000 or more, or is proposed when the amount of previous change orders plus the proposed change order would exceed \$20,000 (over the life of the Company);

(xx) commingle Company funds or assets with the funds or assets of the Managing Member or any Company or other entity owned or operated by the Managing Member to the Investor Member;

(xxi) possess Company property or assign rights in specific property for other than a business purpose of the Company;

(xxii) take any action which would cause the termination of the Company for federal income tax purposes under Code Section 708;

(xxiii) make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or Regulations, including, without limitation, any election under Section 42 (including an election to treat any year other than 2015 as the first year of the Credit Period (as defined in Code Section 42) for the Project) or Section 754 of the Code or any other tax election affecting the amount, timing, availability or allocation of any LIHTC;

(xxiv) enter into any agreement or take any action without the prior consent of the Investor Member with respect to any matters for which the prior consent of the Investor Member is a prerequisite therefore;

(xxv) approve any increase in fees to the Managing Member or any affiliate of the Managing Member;

(xxvi) change in ownership, control or management of the Managing Member;

(xxvii) allow this Agreement to be amended; or

(xxviii) invest assets of the Company in (A) investments specifically not contemplated by this Agreement, or (B) in investments other than U.S. Treasury Bills, Notes or Bonds, or bank accounts, money market accounts or certificates of deposit in institutions insured by the Federal Deposit Insurance Corporation. However, investment of such assets may be expanded upon approval by the Investor Member.

### 8.03 Sale of Project.

(a) Investor Member Request for Sale. Notwithstanding the foregoing Section 8.02, and subject to all Agency regulations then in effect and the receipt of all required approvals and consents of the Project Lenders, and subject further to the extended use requirements applicable pursuant to Section 42(h)(6) of the Code, at any time after the fourteenth (14th) anniversary of the first day of the first taxable year of the applicable LIHTC compliance period the Investor Member may request that the Company do one of the following: (i) sell the Project subject to the Extended Use Agreement (a “Continued Compliance Sale”); or (ii) request that the Agency arrange for the sale of the Project after receipt of a Qualified Contract (a “Compliance Termination Sale”).

(b) Continued Compliance Sale. After receipt of a request for a Continued Compliance Sale, the Managing Member shall use its best efforts to find a third party purchaser for the Project and to cause the Company to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Member. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within four (4) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such

purchaser. If such right of first refusal is not exercised by the Managing Member within thirty (30) days, then the Managing Member shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member. If the Investor Member requests that the Compliance Termination Sale be conducted in a manner that would result in the conversion of the Project to a condominium regime of ownership and the sale of individual condominium units, the Managing Member shall use diligent efforts to accomplish such conversion on such terms which are reasonably satisfactory to the Investor Member.

(c) Compliance Termination Sale. After receipt of a request for a Compliance Termination Sale, the Managing Member shall make a request to the Agency to obtain a buyer who is willing to operate the low-income units of the Project as a qualified low-income building and who will submit a Qualified Contract for the Project, and if no Qualified Contract is submitted within one year of the date of the Managing Member's request to the Agency, the Managing Member shall use its best efforts to find a third party purchaser and to cause the Company to consummate a sale of the Project to such purchaser on terms Consented to by the Investor Member and free of the restrictions imposed by the Extended Use Agreement. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within six (6) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within thirty (30) days, then the Managing Member shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member. If the Investor Member requests that the Compliance Termination Sale be conducted in a manner that would result in the conversion of the Project to a condominium regime of ownership and the sale of individual condominium units, the Managing Member shall use diligent efforts to accomplish such conversion on such terms which are reasonably satisfactory to the Investor Member.

(d) Managing Member Option. The Managing Member, if it is a qualified non-profit under the terms of Section 42(i)(7) of the Code, shall have the right of first refusal to purchase the Project at the end of the low-income housing tax credit compliance period, in accordance with said Section 42(i) (7) of the Code, for an amount equal to at least the sum of (i) \$1.00, plus (ii) all outstanding debt of the Company, including debt encumbering the Project, plus (iii) the aggregate federal, state and local (if any) income tax liabilities which would be incurred by the members of the Investor Member as a consequence of such purchase, on the terms set forth in Exhibit L attached hereto.

8.04 Management Purposes. In conducting the business of the Company, the Managing Member shall be bound by the Company's purposes set forth in Article III.

8.05 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal

with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve.

8.06 Managing Member or Affiliates Dealing with Company. The Managing Member or any Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, (d) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the Managing Member or any Affiliate shall be compensated by the Company for his services. Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to all Investor Members in the reports required under Section 13.02. Neither the Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.06.

8.07 Other Activities. Except as limited in Section 8.06, Affiliates of the Managing Member may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as general partner of other limited partnerships or the managing member of limited liability companies which own, either directly or through interests in other companies or partnerships, government assisted housing developments similar to the Project. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.08 Liability for Acts and Omissions. No Managing Member or Affiliate thereof shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, provided that the protection afforded the Managing Member pursuant to this Section 8.08 shall not apply in the case of negligence, misconduct, fraud or any breach of fiduciary duty as Managing Member with respect to such acts or omissions. Any loss or damage incurred by any Managing Member or Affiliate thereof by reason of any act or omission performed or omitted by it or any of them in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by the Managing Member or Affiliate thereof by reason of negligence, misconduct or fraud of the Managing Member or Affiliate thereof, or any breach of fiduciary duty as Managing Member, with respect to such acts or omissions) shall be paid from Company assets (except for reserves) to the extent available (but the Investor Members shall not have any

personal liability to the Managing Member or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Managing Member or Affiliate(s) thereof or on account of the payment thereof).

8.09 Indemnification of Investor Member and the Company. The Managing Member and the Company shall, jointly and severally, indemnify, defend, and save harmless the Investor Member and Special Investor Member from and against any claim, loss, expense, action or damage, including without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel) asserted against the Investor Member or Special Investor Member based on any act, omission, malfeasance or nonfeasance of the Company or the Managing Member, including without limitation any claim that the Investor Member or Special Investor Member is liable for any indebtedness of the Company and excluding only liability directly caused by the Investor Member or Special Investor Member's gross negligence or bad faith conduct. In addition, the Managing Member and the Company shall, jointly and severally, indemnify, defend, save and hold harmless the Investor Member and Special Investor Member, and their representatives, from and against any and all costs, losses, liabilities, damages, lawsuits, proceedings (whether formal or informal), investigations, judgments, orders, settlements, recoveries, obligations, deficiencies, claims and expenses (whether or not arising out of third party claims), including, without limitation, interest, penalties, attorneys' fees and all amounts paid in investigation, or settlement of any of the foregoing, incurred in connection with or arising out of or resulting from the operations of the Managing Member, the Company or the Project prior to the date of this Agreement.

8.10 Net Worth of Managing Member. The Managing Member shall maintain a minimum net worth in an amount as may be necessary to assure that the Company will be taxed as a partnership, and not as an association taxable as a corporation, for federal income tax purposes.

8.11 Construction of the Project, Construction Cost Overruns, Operating Deficits; Other Managing Member Guarantees.

(a) Construction Completion Guaranty.

(i) The Company has entered into the Construction Contract. The Managing Member shall be responsible for:

(A) achieving completion of construction of the Project on a timely basis in accordance with the Plans and Specifications for the Project, the terms of this Agreement, the Project Documents and all legal requirements;

(B) meeting all requirements for obtaining all necessary unconditional certificate(s) of occupancy for all the apartment units in the Project;



(C) fulfilling all actions required of the Company to assure that the Project satisfies the Minimum Set-Aside Test and the Rent Restriction Test;

(D) causing the making of the Project Loans by the respective Project Lenders; and

(E) achieving Final Closing.

(ii) The Managing Member hereby is obligated to pay all Excess Development Costs; the Company shall have no obligation to pay any Excess Development Costs. Any amounts paid by the Managing Member pursuant to this subsection (a) shall be in the form of a loan to the Company (a "Completion Loan"). Any Completion Loan will be in the following terms: (A) it shall be unsecured; (B) it shall not bear interest; (C) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (D) a Completion Loan shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members.

(iii) In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.11(a), an amount not in excess of the total of any remaining unpaid installments of the Development Fee due pursuant to Section 8.12 shall be suspended by the Company until such obligations are met by the Managing Member.

(b) Operating Deficit Guaranty. In the event that, at any time during the period commencing on the end of the Construction Completion Guaranty period set forth in subsection (a) above, and ending on the fifteenth anniversary of such date (the "Initial Period"), an Operating Deficit shall exist, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s) after available funds in the Operating Reserve have been exhausted. Funds provided under this subsection (b) shall be in the form of a loan to the Company (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (iv) Operating Deficit Loans shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members. In the event that the Managing Member shall fail to make any such Operating Deficit Loan as aforesaid, the Company shall utilize amounts otherwise payable as installments of the Development Fee pursuant to Section 8.12 of this Agreement to meet the obligations of the Managing Member pursuant to this Section 8.11(b). Amounts so utilized shall also constitute payment and satisfaction of installments of the Development Fee payable under the aforesaid Section of this Agreement, and the obligation of the Company to make such installment payments pursuant to such Sections, as well as the Investor Member's obligation to make future Capital Contributions,

shall be reduced correspondingly. For the purpose of this Section 8.11(b), all expenses shall be paid on a sixty (60) day current basis. Notwithstanding the foregoing, this Operating Deficit Guaranty will be limited until (i) the longer of five (5) years after commencement of such guaranty or (ii) two (2) consecutive years of operations with distributable cash from the achievement of Breakeven Operations and thereafter, this Operating Deficit will be limited to an amount equal to six (6) months of the current operating expenses and debt service.

(c) LIHTC Compliance Guaranty. (i) If with respect to any fiscal year of the Company there is a LIHTC Shortfall, the Managing Member shall, within forty-five (45) days following the close of such fiscal year, pay the Investor Member an amount equal to (A) the amount of the LIHTC Shortfall for the fiscal year immediately preceding the payment due date, (B) all penalties and interest imposed by the Code and assessed against the Investor Member by the IRS with respect to any LIHTC Shortfall, and (C) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B) and this clause (C) of this Section 8.11(c)(i) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rates imposed on corporate tax payers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member), together with interest on such amounts at the Prime Rate accruing from such payment due date.

(ii) The Managing Member irrevocably and unconditionally guarantees payments specified in this Section 8.11(c)(ii) to the Investor Member if there is a LIHTC Recapture Event. The payments required by this Section 8.11(c)(ii) shall be the sum of the following amounts: (A) the amount of LIHTC previously allocated to the Investor Member and subsequently disallowed because of such LIHTC Recapture Event; (B) the “credit recapture amount” (as defined in Code Section 42(j)(2)) allocated to the Investor Member because of such LIHTC Recapture Event; (C) all penalties and interest imposed by the Code and assessed against the Investor Member by the IRS with respect to such LIHTC Recapture Event; (D) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B), (C) and this clause (D) of this Section 8.11(c)(ii) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rate imposed on corporate taxpayers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member), together with interest on such amounts at the Prime Rate accruing from the date the Investor Member remits funds to a taxing authority with respect to a LIHTC Recapture Event; and (E) if the cause of the LIHTC Recapture Event will, in determination of the Investor Member, decrease the maximum amount of LIHTC that will be available to the Company and allocated to the Investor Member during the remainder of the compliance period under Section 42 of the Code, assuming full compliance with Section 42 of the Code, then an amount equal to the total amount of such decrease. The Managing Member shall make such payment to the Investor Member within forty-five (45) days of the LIHTC Recapture Event.

(iii) The LIHTC Compliance Guaranty set forth herein shall not apply to amounts due solely to the transfer by the Investor Member of all or a portion of its Interest in

the Company, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required by this Agreement), sale approved by the Investor Member, or to changes in the tax law after the date hereof with which the Managing Member is unable to comply despite the exercise of its good faith and reasonable efforts.

(iv) Notwithstanding anything to the contrary herein, the maximum aggregate liability of the Managing Member under this LIHTC Compliance Guaranty after the occurrence of the Investor Member's Seventh Capital Contribution shall not exceed the amount of any fees owed to the Managing Member, including the Development Fee, Construction Management Incentive Fee and Incentive Management Fee. If any amounts are owed under this Section 8.11(c) prior to the time that the Investor Member has made all of its Capital Contributions, any future Capital Contributions shall be reduced by an amount to be paid hereunder.

(v) Funds provided by the Affiliate Guarantor with respect to the Managing Member's obligations under subparagraphs (i) or (ii) above shall be in the form of a loan to the Company (the "Guarantor LIHTC Compliance Loan"). Any Guarantor LIHTC Compliance Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall bear no interest; and (iii) it shall be repayable solely from proceeds of a Capital Transaction or liquidation at the time and in the amounts set forth in Sections 11.04 and 12.02(a) of this Agreement. Notwithstanding the foregoing, the Investor Member shall have the authority to treat any guarantee payment made on behalf of the Company by its Managing Member or the Affiliate Guarantor as (i) a capital contribution to the capital of the Company by the Managing Member in the amount of such guarantee payment that is matched with a corresponding upward adjustment to such Managing Member's capital account in the Company or (ii) as a loan (as described above) by the Managing Member in the amount of such guarantee payment, so as to minimize any possible unintended increase in the amount of depreciation and tax credits allocated to the Managing Member; provided that any losses or other deductions, other than depreciation, relating to such capital contribution or loan, shall be allocated to the Managing Member making such guarantee payment.

(d) Project Loan Funding Guaranty. The Managing Member irrevocably and unconditionally guarantees and covenants that the Company shall receive full funding of the Project Loans on or before December 31, 2015, on the terms set forth on **Exhibit F** attached hereto. The Managing Member represents and warrants that the source of funds for the Project Loans do not include, in whole or in part, "federal subsidies" within the meaning of Code Section 42(i) (i.e. the source of funds for the Project Loans does not include, in whole or in part, a "tax-exempt obligation," an obligation the interest on which is exempt from tax under Code Section 103). The Project Loan documents shall contain such other terms as may be Consented to by the Investor Member.

#### 8.12 Development Fee.

(a) The Company has entered into a Development Agreement (materially in the form of **Exhibit A** attached hereto) of even date herewith with the Developer for its services in connection with the development and construction of the Project. In consideration for such services, a Development Fee in a total amount equal to \$350,000 shall be payable by the Company, in accordance with the terms of the Development Agreement and Article XI of this Agreement. In no event shall full payment of the Development Fee be later than the thirteenth anniversary of placement in service. It is anticipated that \$208,810 of the Development Fee will be deferred and paid pursuant to Article XI.

(b) The Company has entered into a Construction Incentive Management Fee Agreement of even date herewith with the Managing Member in the form attached hereto as **Exhibit M** for its services in connection with value engineering of the construction of the Project. Payment of any fee due under such Agreement shall be subject to the requirements of the Project Lenders and consent of the Investor Member.

8.13 Incentive Management Fee. The Company has entered into an Incentive Management Fee Agreement in the form attached hereto as **Exhibit B**, with the Managing Member of even date herewith for its services in managing the business of the Company for the period from the date hereof throughout the term of the Company. In no event shall the Incentive Management Fee be cumulative. Payment of such fee shall be in accordance with any applicable requirements of the Project Lenders.

8.14 Withholding of Fee Payments.

(a) Conditions for Withholding. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement, after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (ii) any Project Lender shall have declared the Company to be in default under any Project Loan, or (iii) foreclosure proceedings shall have been commenced against the Project, then (A) the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any installment of fees and/or allowance payable pursuant to Sections 4.02(s), 8.12 and/or 8.13 and (B) the Managing Member shall be liable for the Company's payment of any and all installments of the Development Fee payable pursuant to Section 8.12.

(b) Release of Fees. All amounts so withheld by the Company under this Section 8.14 shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

8.15 Selection of Management Agent; Terms of Management Agreement. The Company shall engage such person, firm or company as the Managing Member may select, and as the Investor Member may approve, which approval shall not be unreasonably withheld

(hereinafter referred to as “Management Agent”) to manage the operation of the Project during the rent up period and following Final Closing. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Special Investor Member, but in no event will the annual management fee be greater than seven percent (7%) of the annual gross revenues of the Project. The contract between the Company and the Management Agent and the management plan for the Project shall be in the form set forth in **Exhibit G**, with such changes acceptable to the Agency and/or the Project Lenders, if required, and reasonably acceptable to the Special Investor Member. Such contract shall provide, among other things, that it shall be cancelable upon thirty (30) days’ prior notice from the Company, and that the Management Agent will accrue the management fee to the extent necessary at any time to prevent a default under any Project Loan. Whenever the management agent for the Project is the Managing Member or an Affiliate of the Managing Member, the management agreement shall provide that it is immediately terminable at the election of the Investor Member or Special Investor Member in the event of (a) the removal or withdrawal of the Managing Member, or (b) any material breach of or noncompliance with any provision of this Agreement by the Managing Member or any Affiliate of the Managing Member. Any other agreement entered into by the Company and any Managing Member or any Affiliate thereof shall specifically provide that such agreement shall be immediately terminable at the election of the Investor Member or Special Investor Member if the Managing Member is removed or withdraws. Southside Outreach Group, Inc. is approved by the parties hereto as the initial Management Agent.

8.16 Removal of the Management Agent. The Managing Member:

(a) may, upon receiving any required approval of the Project Lenders and the Investor Member, dismiss the Management Agent as the entity responsible for the Project under the terms of the contract between the Company and the Management Agent, and

(b) shall, at the request of the Investor Member, remove the Management Agent if the Special Investor Member determines that the same is necessary to protect the interest of the Company or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Company and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Project, or the Project Lenders-approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of LIHTC.

8.17 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which is not an Affiliate of the Managing Member shall be named by the Managing Member, subject to the approval of the Project Lenders, if required, and the approval of the Investor Member.

8.18 Loans to the Company The Company is authorized to receive Operating Deficit Loans and MM Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received an Operating Deficit Loan, or MM Loan to pay such amounts, then the Company may borrow such funds as are needed from a Person or organization, other than a Member or an Affiliate of a Member, in accordance with the terms of this Section 8.18, for such period of time and on such terms as the Managing Member and the Investor Member may agree; provided, however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Company without the prior approval of the Investor Member except that such approvals shall not be required in the case of the hypothecation of personal property purchased by the Company and not included in the security agreements executed by the Company at the time of Initial Closing. Nothing in this Section 8.18 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

8.19 Affiliate Guaranty. Concurrently with the execution of this Agreement, the Managing Member shall deliver to the Investor Member (a) the Affiliate Guaranty fully executed by each Affiliate Guarantor, (b) a pledge and security agreement executed by the Managing Member in the form of **Exhibit E** attached hereto (the “Managing Member Pledge”), wherein the Managing Member pledges and grants a security interest in its Managing Member interest in the Company to secure its obligation under this Agreement, and (c) an opinion of counsel to the Affiliate Guarantors in form satisfactory to the Investor Member regarding the Affiliate Guaranty and the Managing Member Pledge.

8.20 Intentionally Deleted.

8.21 Accounting Fee. An accounting fee shall be paid to Virginia Housing Capital Corporation under the Agreement to Provide Accounting and Reporting Services, the form of which is attached hereto as **Exhibit J**

8.22 Public Relations. The Managing Member shall provide written and timely notice of any groundbreaking, ribbon-cutting or other public relations ceremonies for the Project to the

Investor Member and recognize the Investor Member and the Investor Member's members at such public relations ceremonies.

ARTICLE IX  
TRANSFERS AND RESTRICTIONS ON TRANSFERS  
OF INTERESTS OF INVESTOR MEMBERS

9.01 Restrictions on Transfer of Investor Members' Interests.

(a) Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Investor Member Interest be permitted unless the Managing Member, in its sole discretion, shall have Consented thereto, and the Project Lenders, if required, also shall have Consented thereto, provided however, that the Managing Member shall not unreasonably withhold its Consent to the pledge by the Investor Member of its Investor Member Interest or a transfer of its right to receive distributions hereunder, so long as no pledgee or transferee shall have any right to become a Substitute Investor Member in the Company or exercise any voting rights of the Investor Member.

(b) The Investor Member whose interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer.

(c) Nothing in this Section 9.01 shall limit the authority of the Investor Member to sell, transfer and/or assign interests within the Investor Member or to transfer Interests of the Investor Member to (i) any Affiliate of the Investor Member or Special Investor Member, in the sole discretion of the Investor Member, at any time and from time to time, or (ii) to any other Person once during the term of this Agreement upon Notice to the Managing Member(s).

9.02 Admission of Substitute Investor Members.

(a) Subject to the other provisions of this Article IX, an assignee of the Interest of an Investor Member (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company only upon the satisfactory completion of the following:

(i) Consent of the Managing Member (which may be withheld in its sole discretion), and the consent of the Project Lenders, if required, shall have been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amended Agreement and/or certificate evidencing the admission of such Person as an Investor Member pursuant to the requirements of the Act, provided, however, that no Consent shall be required for any sale, transfer or assignment pursuant to Section 9.01 (c);

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may require in order to effect the admission of such Person as an Investor Member;

(iii) an amended Agreement and/or certificate evidencing the admission of such Person as an Investor Member shall have been filed for recording pursuant to the requirements of the Act;

(iv) if the assignee is a corporation, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel for the Company of its authority to become an Investor Member under the terms and provisions of this Agreement; and

(v) the assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment.

(b) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member upon his signing of an amendment to this Agreement agreeing to be bound hereby.

(c) If the Managing Member has determined it will Consent to the admission, the Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section and making all official filings and publications. In such event, the Company shall take all such action, including the filing, if required, of any amended Agreement and/or certificate evidencing the admission of any Person as an Investor Member, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article IX to the admission of such Person as an Investor Member of the Company. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Investor Member.

#### 9.03 Rights of Assignee of Company Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member's Interest, but does not become a Substitute Investor Member, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.



ARTICLE X  
RIGHTS AND OBLIGATIONS OF INVESTOR MEMBERS

10.01 Management of the Company. No Investor Member shall take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, no Investor Member shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Investor Member shall have any power or authority with respect to the Company except insofar as the consent of any Investor Member shall be expressly required and except as otherwise expressly provided in this Agreement.

10.02 Limitation on Liability of Investor Members. The liability of each Investor Member is limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Member shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall any Investor Member be personally liable for any obligations of the Company, except as and to the extent provided in the Act. No Investor Member shall be obligated to make loans to the Company.

10.03 Other Activities. Any Investor Member may engage in or possess interests in other ventures of every kind and description for its own account, including without limitation, serving as general partner or managing member of other limited partnerships or limited liability companies which own, either directly or through interests in other limited liability companies or limited partnerships, government-assisted housing projects similar to the Project. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

ARTICLE XI  
PROFITS, LOSSES AND DISTRIBUTIONS

11.01 Allocation of Profits and Losses Other Than From Capital Transactions.

(a) Manner of Determination. Profits, Losses and credits for all purposes of this Agreement shall be determined in accordance with the definition of the same under Article II of the Agreement (as applicable) and in accordance with the accrual accounting method and in accordance with applicable Code sections and Treasury Regulations governing same.

(b) Allocations. All Profits and Losses, except those items in Sections 11.02, 11.05 and 11.07 below, shall be allocated to the Members in accordance with their Percentage Interests. Every item of income, gain, loss, deduction, or tax preference entering into the computation of such Profits and Losses, or applicable to the period during which such Profits and

Losses were realized, shall be considered allocated to each Member in the same proportion as Profits and Losses are allocated to such Member.

(c) Qualified Allocations. Notwithstanding any provision in this Agreement to the contrary, in no event shall any Managing Member, who is exempt or whose sole member is exempt from federal income taxation pursuant to Section 501(c) of the Code, be allocated more than its Percentage Interest, determined as of the date hereof, of any item of Company income, gain, loss, deduction, credit or basis.

(d) Special Investor Member Allocation. Notwithstanding any provisions in the Agreement to the contrary, in no event shall the Special Investor Member be allocated more than its Percentage Interest, determined as of the date hereof, of any item of Company income, gain, loss, deduction, credit or basis.

11.02 Allocation of Profits and Losses from Capital Transactions. Except to the extent provided in Sections 11.07, Profits and Losses recognized by the Company upon a Capital Transaction shall be allocated in the following manner:

(a) Profits shall be allocated (i) first, to the Members with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Capital Accounts in the Company; provided that no gain shall be allocated under this Section 11.02(a)(i) to a Member once such Member's Capital Account is brought to zero and (ii) second, gains in excess of the amount allocated under (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members' respective Capital Accounts so that the proceeds distributed under Section 11.04(e) and (g) will be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Members' Capital Accounts, and (ii) second, any remaining loss to the Members in accordance with the manner in which they bear the economic risk of loss associated with such loss or, if none, to the Members in accordance with their Company Interests.

(c) Any portion of the Profits treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Recapture Amount had been previously allocated.

### 11.03 Distributions: Net Cash Flow.

(a) Determination of Net Cash Flow. Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative. Wherever there is a reference to the distribution of Net Cash Flow pursuant to the provisions of this Agreement, Net Cash Flow shall be deemed to be limited to Surplus Cash available for distribution. Income received by the Company from the period commencing with the date of receipt of the initial certificate of occupancy with respect to the Project and ending on the date of the Final Closing shall not be distributed during such period and shall be treated as Net Cash Flow with respect to the first Payment Date following Final Closing.

(b) Manner of Distribution. Subject to the approval of the Project Lenders, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) first, to the Investor Member until the aggregate amount of distributions made to the Investor Member under this Section 11.03(b)(i) for the current and all prior years equals the Assumed Investor Member Tax Liability for the current and all prior years;

(ii) second, to the Investor Member in an amount equal to any LIHTC Reduction Guaranty Payment or Unpaid LIHTC Shortfall;

(iii) third, to the Managing Member until the aggregate amount of distributions made to the Managing Member under this Section 11.03(b)(iii) for the current and all prior years equals the Assumed Managing Member Tax Liability for the current and all prior years;

(iv) fourth, to the Developer until all amounts due under the Development Agreement have been paid in full;

(v) fifth, following the full payment of amounts due under the Development Agreement, to the replenishment of the Operating Reserve up to a balance of \$125,000 or to provide additional capital to the Operating Reserves or other reserves, as may be mutually agreed upon the Managing Member and Investor Member;

(vi) sixth, to the payments due under the Sponsor Loan;

(vii) seventh, to the pro rata payment of any outstanding Operating Deficit Loans and MM Loans, based upon the respective outstanding balances of each;

(viii) eighth, ninety percent (90%) to the payment of the Incentive Management Fee not to exceed 10% of gross collections for such year; and

(ix) thereafter, to the Members in accordance with their Percentage Interests.

Notwithstanding anything to the contrary contained herein, if the amount of the distribution to the Investor Member under Section 11.03(b) is less than 10% of the Net Cash Flow of the Project, then the Investor Member shall receive a priority distribution before any distributions under Section 11.03(b)(vi) and (vii) in an amount such that, when added to the sum distributable to the Investor Member under Section 11.03(b), shall equal 10% of the Cash Flow.

(c) Distributions to be Subject to Regulatory Restrictions. Notwithstanding the foregoing, during such time as regulations of the Project Lenders are applicable to the Project, the total amount of Net Cash Flow which may be so distributed to the Members with respect to any fiscal year shall not exceed such amounts as such regulations permit to be distributed.

11.04 Distributions: Capital Transactions and Liquidation of Company. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to any Project Loan and all expenses of the Company incident to any such sale or refinancing), excluding (1) debts and liabilities of the Company to Members or any Affiliates, and (2) all unpaid fees owing to the Managing Member under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) one percent (1%) of the gross proceeds of the Capital Transaction to the Special Member, or its assignee as a Capital Transaction Administrative Fee;

(d) to the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Member, an amount equal to any outstanding LIHTC Reduction Guaranty Payment, or any Unpaid LIHTC Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal); (ii) to the Investor Member, an amount equal to any Special Additional Capital Contribution; (iii) to the payment of any outstanding MM Loans and loans made by the Managing Member pursuant to Section 8.11(a)(i) and/or 8.11(a)(ii) pro rata based on their respective outstanding balances, if applicable; (iv) amounts due under the Development Agreement; (v) amounts due with respect to Operating Deficit Loans, if any; and (vi) any other such debts and liabilities;

(e) to the Managing Member and Investor Members in proportion to the relative amounts of Net Projected Tax Liabilities of the Managing Member and the Investor Member's members or partners and their respective members or partners until they each have received, cumulatively, an amount equal to their respective Net Projected Tax Liabilities;

(f) to payment of the Guarantor LIHTC Compliance Loan (or, if funds provided are a capital contribution under Section 8.11(c)(v), as a return of such capital); and

(g) the balance, to the Members in accordance with their Percentage Interests.

Written determination of the proposed distributions of proceeds of Capital Transactions, showing all relevant calculations and assumptions, shall be delivered to the Investor Member and Special Investor Member not later than twenty (20) days prior to the Company entering into any agreement for a Capital Transaction, and written confirmation or any revision thereof shall be delivered to the Investor Member and Special Investor Member not later than twenty (20) days prior to the making of any such distribution. Distributions hereunder shall be made within five (5) days of the Company's receipt of such proceeds.

#### 11.05 Distributions and Allocations: General Provisions.

(a) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all profits and losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee ratably on the basis of the number of monthly periods in such year before, and the number of monthly periods on and after, the first day of the month during which such Person is admitted as a substitute Member.

(b) The Company shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Project Lenders, distribute Net Cash Flow not less frequently than annually in the manner provided in Section 11.03(b).

(c) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(d) In the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the IRS with respect to a taxable year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Operating Deficit Loans pursuant to Section 8.11(b), any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) Any income attributable to the Capital Contribution of the Managing Member will be allocated to the Managing Member.

(i) Any income attributable to the modification of any of the Project Loan(s) shall be allocated 100% to the Managing Member.

#### 11.06 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the income and gain for tax purposes of the Company, including income or gain exempt from tax; and there shall be charged against each Member's Capital Account the amount of all cash flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any sale or refinancing of the Project distributed to such Member, and such Member's distributive share of the losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts

maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. § 1.704-1(b)(2)(iv).

(b) Deficit Capital Accounts; Regulatory Liquidation. In the event that the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall make Capital Contributions in the amount of such deficit in compliance with Treas. Reg. § 1.704-1(b)(2)(ii)(b)(3). In the event that the Investor Member's Capital Account should have a deficit balance at such time, it shall have no obligation to fund or otherwise contribute capital to the Company in connection with such deficit. Notwithstanding the foregoing, in the event the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g) but no event has occurred under Section 12.01 to dissolve the Company, the Company assets shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have contributed all of its assets and liabilities to a new limited liability company in exchange for an interest in the new limited liability company. Immediately thereafter, the terminated Company shall be deemed to have distributed interests in the new limited liability company to the Members of the terminated Company in proportion to their respective interests in the terminated Company in liquidation of the terminated Company.

11.07 Special Allocations. Notwithstanding anything to the contrary contained in Section 11.01(a) or (b), the following special allocations in all events apply in determining the allocation of Profits and Losses among the Members and are made prior to the allocations required under Sections 11.01(a) and (b):

(a) Depreciation and LIHTC.

(i) Depreciation (cost recovery) deductions and LIHTC are allocated to the Members in accordance with their Percentage Interests.

(ii) Any recapture of LIHTC is allocated to the Members that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction and LIHTC associated therewith.

(b) Limitation on Allocations of Losses.

(i) To the extent the allocation of any Losses to a Member would cause that Member to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Company, then those Losses will not be allocated to that Member, but rather will be specially allocated to the remaining Members in proportion with their relative interests in the Company.

(ii) In the event some but not all of the Members would have Adjusted Capital Account Deficits due to an allocation of Losses, the limitation set forth in this Section 11.07(b) shall be applied on a Member-by-Member basis so as to allocate the maximum

permissible Losses to each Member who is not a Managing Member under Treas. Reg. §1.704-1(b)(2)(ii)(d). All Losses in excess of the limitation set forth in this Section 11.07(b) shall be allocated to the Managing Member.

(c) Profit Chargeback. To the extent any Losses are specially allocated to a Member in accordance with Section 11.07(b), then Profits will thereafter first be specially allocated to such Member in proportion to and in an amount (1) up to but not exceeding the amount of any such special allocation of Losses away from such Member under such subparagraph (b) but (2) not to the extent that Losses or depreciation deductions would be allocated to the remaining Members in excess of the amount permitted by 11.07(b).

(d) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their Percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member or Members that bear the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(b)(4) and Treas. Reg. §1.704-2(i).

(f) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Member shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(g)(2). In the event that such net decrease in the Company's Minimum Gain occurs in connection with the disposition of all or any portion of the Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(f) shall be determined in accordance with and only to the extent required by Treas. Reg. §1.704-2(f) and (j)(2)(i).

(g) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's Minimum Gain during any taxable year with respect to a Member Nonrecourse Debt, the Member bearing the Economic Risk of Loss with respect to such Member Nonrecourse Debt shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(i)(4). In the event that such net decrease in the Member's Minimum Gain occurs in connection with the disposition of all or any portion of Project, then any items of Company income or gain allocated in accordance



with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(g) shall be determined in accordance with and only to the extent required by the provisions of Treas. Reg. §1.704-2(i) and (j)(2)(ii).

(h) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Company income or gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Member as quickly as possible. The special allocations required pursuant to this subparagraph (h) are made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 11 have been tentatively made as if this subparagraph (h) were not in the Agreement. This subparagraph (h) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

(i) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Member must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 11.07(i) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article XI have been tentatively made as if this Section 11.07(i) and Section 11.07(h) hereof were not in the Agreement.

(j) §754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company Property undertaken pursuant to §734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Members under Treas. Reg. §1.704-1(b)(2)(iv)(m), then the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the regulations.

(k) Intentionally Omitted.

(l) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treas. Reg. §1.752-3(a)(3), the Members' respective interests in Company Profits shall equal their Percentage Interests (determined without regard to Section 11.07(a)-(k)).

(m) Authority to Vary Allocations to Preserve and Protect Members' Intent

(i) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article XI, the Managing Member, shall upon the direction in writing of the Special Investor Member, allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI as necessary to (i) ensure that all allocations to the Managing Member constitute "qualified allocations" under Section 168(h)(6)(B) of the Code if the failure of any such allocations to constitute qualified allocations would prevent the Investor Member from being allocated the deductions and credits shown as being allocated to the Investor Member in the financial projections approved by the Investor Member, and (ii) ensure that all allocations of income, gain, loss, deduction or credit (or item thereof) to the Members are permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.07 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or approval of any Member shall be required.

(ii) In making any allocation (the "new allocation") under Section 11.07(m)(i), the Managing Member is authorized to act only upon the direction in writing of the Special Investor Member or the Investor Member.

(iii) If the Managing Member receives a recommendation from the Accountants to make any new allocation in a manner less favorable to the Investor Member than is otherwise provided for in this Article XI, then the Managing Member shall do so only with the Investor Member's or the Special Investor Member's Consent and only after having given the Investor Member and the Special Investor Member the opportunity to discuss such allocation with the Accountants, and only after the Managing Member has been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Members as nearly as possible to the allocations thereof otherwise contemplated by this Article XI.

(n) Grant Income. Any income recognized as a result of any receipt of grants by the Company shall be allocated one hundred percent (100%) to the Managing Member. However, if the Managing Member is exempt from federal income taxation under Code Section 501(c)(3) or any other Code provision, then the allocations to the Managing Member under this Section 11.07(n) shall be limited to the highest percentage of the Company's property treated as tax-exempt use property, as reflected in the Projections.

(o) Intentionally Omitted.

11.08 Designation of Tax Matters Partner. The Managing Member hereby is designated as Tax Matters Partner of the Company, and shall engage in such undertakings as are required of

the Tax Matters Partner of the Company, as provided in regulations pursuant to Section 6231 of the Code. Each Member, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent. Notwithstanding the foregoing, the Investor Member has the right to approve and disapprove all substantial actions that may be taken by the Managing Member in its capacity as Tax Matters Partner. Notwithstanding any other provision of this Agreement, the Special Investor Member hereby is granted authority at any time to be admitted as a Managing Member by converting all or portion of its Investor Member Interest to a Managing Member Interest for the purpose of acting as the Tax Matters Partner with all the authority and powers given to the Managing Member as Tax Matters Partner of the Company under the Code and under this Agreement. The Special Investor Member may exercise its right to assume the Tax Matters Partner responsibilities for the Company, as provided herewith, upon ten (10) days notice to the then existing Tax Matters Partner and Managing Member and may continue as Tax Matters Partner indefinitely. In the event that the Special Investor Member exercises its right to become a Managing Member and to assume duties of the Tax Matters Partner, the pre-existing Tax Matters Partner will resign in accordance with Treas. Reg. § 301.6231(a)(7)-1(i) and will redesignate the new Managing Member as Tax Matters Partner in accordance with Treas. Reg. § 301.6231(a)(7)-1(e). Each Member, by its execution of this Agreement Consents to such admission and designation and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent. The Special Investor Member shall, upon such admission, replace the Managing Member as Tax Matters Partner and shall have thereafter all the authority and powers given to the Managing Member as Tax Matters Partner of the Company under the Code and under this Agreement. Unless otherwise specifically provided or agreed, the new Tax Matters Partner in these circumstances will not be responsible for or have the right to conduct any operational or managerial functions of the Company besides those required to discharge its responsibilities as Tax Matters Partner.

#### 11.09 Authority of Tax Matters Partner.

(a) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Member to the IRS; and

(ii) Within five calendar days after the receipt by the Managing Member or an Affiliate thereof or the Company of any correspondence or communication relating to the Company or a Member or an Affiliate of a Member from the IRS, the Tax Matters Partner shall forward to each Member a photocopy of all such correspondence or communication(s). The Tax Matters Partner shall, within five calendar days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(b) The Tax Matters Partner shall, upon request by the Investor Member, permit the Investor Member to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative Appeals process.

(c) The Tax Matters Partner shall not without the Consent of the Special Investor Member:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount or character of any Company tax items);

(ii) Engage an accounting firm or counsel to represent the Company before the IRS;

(iii) Settle any audit with the IRS concerning the adjustment or readjustment of any Company item(s) (within the meaning of Section 6231(a)(3) of the Code);

(iv) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request or select the forum for judicial review of any IRS determination;

(v) Initiate or settle any judicial review or action concerning the amount or character of any Company tax item(s) (within the meaning of Section 6231(a)(3) of the Code);

(vi) Intervene in any action brought by any other Member for judicial review of a final Company administrative adjustment; or

(vii) Take any other action not expressly permitted by this Section 11.09 on behalf of the Members of the Company in connection with any administrative or judicial tax proceeding.

(d) In the event of any Company-level proceeding instituted by the IRS pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Partner shall consult with the Special Investor Member regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding. The Tax Matters Partner also shall consult with the Special Investor Member regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Company or otherwise).

11.10 Expenses of Tax Matters Partner. The Company shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made

before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the Managing Member. The Managing Member shall have the obligation to provide funds for such purpose to the extent that Company funds are not otherwise available therefor. The taking of any action and the incurring of any expense by the Tax Matters Partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Tax Matters Partner and the provisions on limitations of liability of the Managing Member and indemnification set forth in Section 8.08 of this Agreement shall be fully applicable to the Tax Matters Partner in its capacity as such.

## ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 6.03, unless a majority in interest of the other Members, within ninety (90) days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company, subject to the provisions of Section 6.03;

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the Commonwealth of Virginia.

### 12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a Certificate of Cancellation shall be filed in such offices within the Commonwealth of Virginia as may be required or appropriate and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective positive Capital Account balances and in accordance with Treas. Reg. §1.704-1(b)(2)(ii)(b)(2). The Members believe that distributions under Section 11.04 will

effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02, 11.03 and 11.05, allocate the Company's gains, profits and losses in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances. If the Company's gains, profits and losses are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE XIII  
BOOKS AND RECORDS, ACCOUNTING,  
TAX ELECTIONS, ETC.

13.01 Books of Account. The Managing Member shall keep proper and complete books of account for the Company. Such books of account shall be kept at the principal office of the Company and shall be open at all times for examination and copying by the Investor Member or its authorized representatives. The Managing Member shall retain such books of account for six years after the later of the termination of the Company or the end of all applicable compliance periods under the Regulations. All decisions as to the fiscal year and accounting methods to be used by the Company shall be made only with the prior written consent of the Investor Member.

In addition, the Managing Member shall comply with all record keeping and record retention requirements applicable to low-income housing projects under the Code and Regulations, and shall provide such information to the Members for their compliance.

### 13.02 Financial Reports.

(a) Agreement with VHCC. The Company shall enter into an agreement with Virginia Housing Capital Corporation (“VHCC”), essentially in the form attached hereto as **Exhibit J**, pursuant to which VHCC will provide certain accounting and reporting services to the Company.

(b) Monthly Reports. Within ten days after the end of each month, the Managing Member shall deliver to the Members with respect to such month a cash flow statement for the Company, with a detailed itemization of all Company receipts and expenses, and with such additional information as shall be reasonably requested by the Members (the foregoing, collectively, the “Cash Flow Report”). Notwithstanding the foregoing, if the Investor Member believes that the Project is experiencing or may experience adverse operating results or any other material adverse condition, the Investor Member, by notice to the Managing Member, may require the delivery of Cash Flow Reports within five days after the end of each month, until such time as the Investor Member believes that the adverse condition affecting the Project is no longer present or threatened. At Investor Member’s request, copies of all proposed leases and tenant income certification information for the initial occupant of each dwelling unit shall be delivered concurrently with such Cash Flow Report prior to execution thereof by the Company.

(c) Governmental and Lender Reports. The Managing Member shall also deliver to the Investor Member any financial or performance report required to be provided by the Company to any federal, state or local governmental agency or to any Company lender. Any such report shall be delivered to the Investor Member within five days after such report is filed with any such governmental agency or Company lender.

13.03 Budgets and General Disclosure. The Managing Member shall prepare and deliver to the Investor Member no later than the 60 days prior to the beginning of each fiscal year of the Company a detailed annual operating and capital improvements budget for the operation of the Project during such fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the Managing Member or its Affiliates. Such a budget shall be deemed “approved” for purposes of this Agreement only when such budget has been approved by the Investor Member. The Managing Member shall keep the Investor Member informed concerning the general state of the business and financial condition of the Company and shall, upon the reasonable request of the Investor Member, furnish to the Investor Member full information, accounts and documentation concerning the state of the business and financial condition of the Company. The Managing Member shall also provide the following statements or disclosures to the Investor Members:

(a) Semiannual Reports. Semiannually, within 45 days after the end of the second and fourth fiscal quarters of the Company, until the later to occur of the following events: (i) all Capital Contribution installments of the Investor Member have been made, or (ii) the Project is placed in service, a report on the status of the Company. Such report will include the following, and will contain updated and revised information if there has been any change in facts previously reported.

(i) a description of the Project, including the status of construction or rehabilitation to be performed in connection with the Project (which information shall be provided on the Project until construction or rehabilitation is complete);

(ii) a description of the financing for the Project, including mortgage financing, any state or local government loans, any operating deficit guaranty, the Investor Member's Capital Contributions to the Company and any other contributions or loans to the Company;

(iii) a description of any applicable rental subsidy for the Project;

(iv) the terms of any performance bonds, development cost guarantees, operating deficit guarantees and other credit enhancements provided in connection with the Project;

(v) the fees, and other financial incentives provided to the Managing Member and its Affiliates; and

(vi) any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(b) Annual Reports. Within 100 days after the end of each fiscal year of the Company, a statement prepared by the Managing Member, which statement shall include the following:

(i) a report summarizing the fees, commissions, compensation and other remuneration and reimbursed expenses paid by the Company for such fiscal year to the Managing Member or any Affiliates of the Managing Member and the services performed;

(ii) a report of the activities and investments of the Company during the period covered by the report; and

(iii) a comparison of actual and projected tax benefits for the year.



The statement will be accompanied by audited financial statements of any Affiliate Guarantor.

(c) Demands for Payment. Within three business days of the exercise thereof, any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(d) Notices of Default. Immediately upon notice of such a default, any default by the Company in any loan, including any state or local government loan or other financial obligation, of the Company or its Managing Member.

(e) Notices of IRS Proceedings. Immediately upon receipt of such notice, any notice of any IRS proceeding or any other audit, review or inspection by an federal, state or local governmental agency or Project Lender involving the Company.

13.04 Tax Information. The Managing Member shall file all necessary tax forms related to the formation of the Company, including, if required, Form 8264 (related to the registration of a tax shelter). VHCC shall also provide such federal tax information as required under its agreement with the Company as set forth on Exhibit J.

13.05 Selection of Accountants. The Investor Member shall be entitled to select a firm of certified public accountants that are experienced in LIHTC and that will prepare the Company's year-end financial statements and the Company's annual tax returns. The fee of such accountants shall be paid by the Investor Member out of the accounting fee payable to it pursuant to Section 8.21 of this Agreement.

13.06 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member, the Company may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election.

13.07 Fiscal Year and Accounting Method. The fiscal year of the Company shall be the fiscal year of the Investor Member, which ends at December 31; provided, however, that upon request from the Investor Member, the fiscal year of the Company shall become the calendar year. All Company accounts shall be determined on an accrual basis.

13.08 Late Report Penalties. (i) In the event that the reports of information provided for in Sections 13.02(b) or 13.03 above are, at any time, not provided within the time frames set forth therein, the Managing Member shall be obligated to pay to the Investor Member the sum of \$200.00 per day, as liquidated damages, for each day from the date upon which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided in form acceptable to the Investor Member.

In the event that the reporting requirements set forth in any of the above provisions of this Article XIII are not met, the Investor Member, in its reasonable discretion, may direct the Managing Member to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Investor Member; provided, however, that if the Managing Member and the Investor Member cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Member in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Managing Member.

#### ARTICLE XIV AMENDMENTS

14.01 Proposal and Adoption of Amendments. This Agreement may be amended by the Managing Member with the Consent of the Investor Member; provided that such Consent shall not be unreasonably withheld as to any proposed amendment which does not affect the obligations of the Managing Member or the rights of any of the Members under this Agreement; and further provided that, if the Investor Member proposes an amendment to this Agreement which either (a) increases or imposes upon the Investor Member the obligation to restore a deficit balance in its Capital Account, or (b) prospectively decreases the obligation of the Investor Member to restore a deficit balance in its Capital Account in a subsequent Fiscal Year of the Company, the Managing Member shall effectuate the adoption of such amendment; provided, however, that the Managing Member shall not be liable to the Investor Member for any adverse tax consequences that may result from any such increase or decrease.

#### ARTICLE XV CONSENTS, VOTING AND MEETINGS

15.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited.

15.02 Submissions to Investor Members. The Managing Member shall give the Investor Member Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the Investor Members. Such Notice shall include any information required by the relevant provision or by law.

15.03 Meetings: Submission of Matter for Voting. A majority in Interest of the Investor Members shall have the authority to convene meetings of the Company and to submit matters to a vote of the Members.

#### ARTICLE XVI GENERAL PROVISIONS

16.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

16.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16.04 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06 Liability of the Investor Member. Notwithstanding anything to the contrary contained herein, neither the Investor Member nor any of its members shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member under this Agreement, except that the Investor Member shall be personally obligated to fund its Capital Contributions when, as and if required by this Agreement and subject to any defenses and offsets it may have with respect to the funding of such Capital Contributions. In the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member, shall be either against the Interest of the Investor Member and the capital contributions of the members of the Investor Member (either directly or through another Investor Member) allocated to, and remaining for investment in, the Company; provided, however, that under no circumstances shall the liability of the Investor Member for any such default be in excess of the amount of Capital Contribution payable by the Investor Member to the Company, under the terms of this Agreement, at the time of such default, less the value of the Interest of the Investor Member, if such Interest is claimed as compensation for damages.

16.07 Environmental Protection.

(a) The Managing Member warrants and represents that to the best of the Managing Member's knowledge, after diligent inquiry, there presently are not, in, on, or under the Project nor will there be, in, on, or under the Project, upon completion of the construction: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601, et seq., as amended ("CERCLA"), or any other hazardous or toxic substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to, petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous Substances"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the Project under any federal, state, or local law, rule, regulation, or ordinance.

(b) The Managing Member further represents and warrants that (i) neither it nor, to the best of its knowledge, any other party has been, is or will be involved in operations at or, pursuant to the Managing Member's best knowledge, near the Land, which operations could lead to (A) a determination of liability under the Hazardous Waste Laws as to the Company or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will use best efforts not to permit, any tenant or occupant of the Project to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Project.

(c) The Managing Member further warrants and represents to the best of the Managing Member's knowledge that the Project is in compliance with all applicable Hazardous Waste Laws, and the Managing Member has not received notice of any violations of the Hazardous Waste Laws. The Managing Member covenants and agrees to take all necessary action within its control to ensure that the Project is in compliance with the Hazardous Waste Laws at all times and that the Project remains free from the presence of any Hazardous Substances in, on or under the Project. The Managing Member will promptly deliver any notice it may receive of any violation of the Hazardous Waste Laws to the Investor Member and the Special Investor Member.

(d) The Managing Member agrees to indemnify and hold harmless the Company, the Investor Member, the Special Investor Member, and any member of the Investor Member (the "Indemnified Parties") from and against all claims, actions, causes of action, liability, and expense (including, without limitation, attorneys' fees, court costs, and remedial and response costs) incurred or suffered by, or asserted by any person, entity, or governmental agency against the Indemnified Parties due to breach of the Managing Member of the Company's representations, warranties, or covenants, or a violation of the Hazardous Waste Laws, or the presence of Hazardous Substances in, on, or under the Project. The foregoing

indemnification shall be a recourse obligation of the Managing Member and shall (to the full extent permitted by law) survive the dissolution of the Company and the death, dissolution, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the Managing Member.

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

16.08 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express (or another nationally recognized overnight delivery service) for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

(a) To the Investor Member:

Housing Equity Fund of Virginia XVIII, L.L.C.  
c/o Virginia Housing Capital Corporation  
1840 West Broad Street, Suite 200  
Richmond, Virginia 23220-2151  
Attention: Arild O. Trent  
with a copy to:

Applegate & Thorne-Thomsen, P.C.  
626 W. Jackson Blvd.  
Suite 400

Chicago, Illinois 60661  
Attention: Thomas Thorne-Thomsen

(b) To the Managing Member:

SSOG Management Miller Homes, LLC  
P.O. Box 375  
South Boston, VA 24592  
Attention: Earl Howerton

With a copy to:

Kanady & Quinn, P.C.  
9200 Forest Hill Avenue, #C2  
Richmond, VA 23235  
Attention: Johnson Kanady

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express (or another nationally recognized overnight delivery service) or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

16.09 Headings. All section headings are for convenience only and shall not be taken into consideration in interpreting or otherwise construing this Agreement.

16.10. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

16.11. VHDA Mortgage Requirements. Notwithstanding any other provision of this Agreement, this limited liability company and the Members shall be subject to regulation and supervision by the Virginia Housing Development Authority ("VHDA") in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of VHDA, and the

Regulatory Agreement executed or to be executed by the Company for the benefit of VHDA and shall be further subject to the exercise by VHDA of the rights and powers conferred on VHDA thereby. Notwithstanding any other provision of this Agreement, VHDA may rely upon the continuing effect of this provision which shall not be amended, altered, waived, supplemented or otherwise changed without the prior written consent of VHDA.


IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Second Amended and Restated Operating Agreement of SSOG Miller Homes, LLC as of the date first written above.

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MANAGING MEMBER:

SSOG Management Miller Homes, LLC  
a Virginia limited liability company

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By:   
Earl Howerton  
Executive Director



INVESTOR MEMBER:

Housing Equity Fund of Virginia XVIII, L.L.C., a  
Virginia limited liability company

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By: Virginia Housing Capital Corporation, its  
managing member

By: Arild O. Trent  
Arild O. Trent, Vice President

SPECIAL INVESTOR MEMBER:

VAHM, LLC, a Virginia limited liability company

By: Arild O. Trent  
Arild O. Trent, Vice President

## **EXECUTION COPY**

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**EXHIBIT A  
TO OPERATING AGREEMENT**

**DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (this “Agreement”) made as of December 12, 2014 by and between SSOG Miller Homes LLC, a Virginia limited liability company (the “Company”) and Southside Outreach Group, Inc., a Virginia nonstick corporation (the “Developer”).

**Recitals**

WHEREAS, the Company was formed to acquire, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project located in South Boston, Virginia, known as Miller Homes at Poplar Creek (the “Project”).

WHEREAS, the Project, following the completion of construction, is expected to constitute a “qualified low-income housing project” (as defined in Section 42(g)(1) of the 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 Company 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 Second Amended and Restated Operating Agreement of the Company of even date herewith (the “Operating 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 construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in 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 Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the Managing Member unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;

(iii) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements

with any lending institutions providing funds for the benefit of the Company for the design or construction of any improvements;

(F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for the maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company 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 Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Company's expense, filing on behalf of and as the attorney-in-fact for the Company any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Project.

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such

construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or construction 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 construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate;

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the Management Agent, and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(viii) Comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services. Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance

coverage for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) 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 Company 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;

(x) Coordinate and administer the design and construction of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company;

(xii) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and

(xiii) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein.

Section 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 (i) any matter not related to the construction or construction financing of the Project, including but not limited to the acquisition of the Project, the organization of the Company, obtaining permanent financing, obtaining an investor for the Company or leasing up the Project, such matters to be performed or



supervised by the Managing Member and (ii) any of the following matters unless and until the same has been approved by the Company:

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

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, 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 Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$5,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

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

### Section 3. Accounts and Records.

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

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the 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 Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Operating Agreement.

Section 4. Obligation To Complete Construction and to Pay Development Costs.

The Developer shall complete the construction 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. The Developer also shall cause the achievement of Final Closing in accordance with the terms of the Operating Agreement. If the Specified Proceeds as available from time to time are insufficient to cover all Development Costs and achieve Final Closing, the Developer shall advance or cause to be advanced to the Company from time to time as needed all such funds as are required to pay such deficiencies. Any such advances ("Development Advances") shall, to the extent permitted under the Project Documents and any applicable regulations or requirements of any Project Lender or Agency, be reimbursed at or prior to Final Closing only out of Specified Proceeds available from time to time after payment of all Development Costs. Any balance of the amount of each Development Advance not reimbursed through Final Closing shall not be reimbursable, shall not be credited to the Capital Account of any Member, or otherwise change the interest of any Person in the Company, but shall be borne by the Developer under the terms of this Agreement.

Section 5. Development Amount.

Any Development Advances made by the Developer shall be reimbursed from Specified Proceeds as set forth in Section 4. As reimbursement for any additional Development Advances and as a fee for its services in connection with the development of the Project and the supervision of the rehabilitation of the Project, the Developer shall be paid an amount (the "Development Amount") equal to the lesser of (a) Three Hundred Fifty Thousand and No/100 Dollars (\$350,000); or (b) the maximum amount which conforms to the developer fee standards imposed by the Virginia Housing Development Authority. The Development Amount shall be deemed to have been earned as follows:

- (i) Twenty percent (20%) on the date hereof; and
- (ii) Eighty percent (80%) upon Substantial Completion of the Project.

The Development Amount shall be paid from and only to the extent of Specified Proceeds as provided in the Operating Agreement, in installments as follows:

- (i) \$25,000 on Initial Closing;
- (ii) \$16,190 upon the making of the Fifth Capital Contribution; and
- (iii) \$100,000 upon the making of the Sixth Capital Contribution.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available Net Cash Flow in the priority set forth in Section 11.03(b) of the Operating Agreement; provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events on the thirteenth anniversary of placement in service.

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 Commonwealth of Virginia.

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as the Developer is not in default under this Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company.

Section 8. 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 9. 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.

For purposes of this Agreement, the following terms have the following meanings:

“Development Costs” means any and all costs and expenses necessary to (i) cause the construction of the Project to be completed, in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens, in accordance with the Plans and Specifications, (ii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property (including, without limitation, refrigerators and ranges), (iii) obtain all required certificates of occupancy for the apartment units and other space in the Project, (iv) finance the construction of the Project and achieve Final Closing in accordance with the provisions of the

Project Documents, (v) discharge all Company liabilities and obligations arising out of any casualty occurring prior to Final Closing generating insurance proceeds for the Company, (vi) fund any Company reserves required hereunder or under any of the Project Documents at or prior to Final Closing, (vii) repay and discharge the construction loan from Community Capital Bank of Virginia and (viii) pay any other costs or expenses necessary to achieve the Completion Date and Final Closing.

“Specified Proceeds” means (i) the proceeds of all Project Loans, (ii) the net rental income, if any, generated by the Project prior to Final Closing which is permitted by the Project Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions of the Investor Member, (iv) the Capital Contributions of the Managing Member in the amounts set forth in Section 5.01(a) of the Operating Agreement as of the Initial Closing, and (v) any insurance proceeds arising out of casualties occurring prior to Final Closing.

Section 10. Benefit of Agreement.

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

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

COMPANY:

SSOG Miller Homes, LLC,  
a Virginia limited liability company

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By: SSOG Management Miller Homes, LLC,  
its Managing Member

By: Southside Outreach Group, Inc.,  
its sole member

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

DEVELOPER:

Southside Outreach Group, Inc.,  
a Virginia nonstock corporation

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

**EXHIBIT B  
TO OPERATING AGREEMENT**

**INCENTIVE MANAGEMENT FEE AGREEMENT**

**THIS INCENTIVE MANAGEMENT FEE AGREEMENT** (this “Agreement”) made as of December 12, 2014, by and between SSOG Miller Homes LLC, a Virginia limited liability company (the “Company”) and SSOG Management Miller Homes, LLC, a Virginia limited liability company, as the Managing Member (the “Managing Member”).

**Recitals**

WHEREAS, Managing Member and Housing Equity Fund of Virginia XVIII, L.L.C. (the “Investor Member”), as the Investor Member have formed or, simultaneously herewith are forming, the Company pursuant to the Limited Liability Company Act of the Commonwealth of Virginia (the “Act”); and

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate an 46-unit multifamily apartment complex containing an office and a community space intended for rental to low income individuals and families, to be known as Miller Homes at Poplar Creek, and to be located in South Boston, Virginia (the “Project”); and

WHEREAS, the Company is governed by its Second Amended and Restated Operating Agreement of even date herewith (the “Operating Agreement”); and

WHEREAS, the Company desires that the Managing Member provide certain management services with respect to the business of the Company for the period commencing as of the date hereof and continuing throughout the term of the Company.

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

1. **Appointment.** The Company hereby appoints the Managing Member to render services in managing and administering the Company during the term of the Company and for as long as the Managing Member is the managing member of the Company as herein contemplated. The appointment of the Managing Member hereunder shall terminate on the earlier of (i) the date the Managing Member withdraws as the managing member of the Company, including, without limitation, its removal as Managing Member, or (ii) the expiration of the term of the Company.

2. **Authority.** In conformity with the provisions of the Operating Agreement, throughout the term of the Company, the Managing Member shall have the authority and the

obligation, which authority and obligation may, subject to the provisions of the Operating Agreement, be exercised by the Managing Member to:

(i) administer, manage and direct the business of the Company, and take such further action as it may deem necessary or desirable to further the interest of the Company in accordance with the provisions of the Operating Agreement;

(ii) monitor the day-to-day operations of the Project and make recommendations with respect thereto;

(iii) investigate and make recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants and other similar advisors, attorneys, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents and banks) and persons acting in any other capacity in connection with the ;

(iv) maintain appropriate books and records of the Company in accordance with sound federal income tax accounting principles and in conformity with the requirements of the Project Lenders, including information relating to the sale by the Managing Member or any Affiliate of goods or services to the Company;

(v) be responsible for the safekeeping and use of all funds and assets of the Company, including the maintenance of bank accounts in accordance with Section 4.02(o) of the Operating Agreement;

(vi) provide reports to Members required pursuant to Sections 13.02 and 13.03 of the Operating Agreement;

(vii) furnish or cause to be furnished to the Members copies of any and all financial reports that may be requested by any party(ies) to any of the Project Documents or any governmental agencies having jurisdiction, including copies of any financial statements required by the Project Lenders;

(viii) furnish or cause to be furnished to the Members and/or any party(ies) to any of the Project Documents all such information as they may reasonably request from time to time with respect to the financial and administrative conditions of the Project and the Company; and

(ix) provide office space, support staff and administrative services as required by the Company.

3. Fees. For services to be performed under this Incentive Management Fee Agreement, from and after Breakeven Operations and achievement of 100% Qualified Occupancy, the Company shall pay the Managing Member solely from the Net Cash Flow of the Company specifically designated for payment of the Incentive Management Fee pursuant to Section 8.13 and 11.03(b) of the Operating Agreement, an annual, noncumulative Incentive Management Fee of up to ninety percent (90%) of the Net Cash Flow remaining after payment of the items described in Section 11.03(b)(i) through (vii) under the Operating Agreement not to exceed ten percent (10%) of gross collections for such year.

4. Withholding of Fee Payments. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement and the Operating Agreement, or (ii) the Managing Member shall have withdrawn or been removed pursuant to Article VI of the Operating Agreement, then such Managing Member shall be in default of this Agreement and the Company shall withhold payment of all or any installment of fees payable to such Managing Member pursuant to Section 3 of this Agreement and Section 8.13 of the Operating Agreement.

All amounts so withheld by the Company under this Section 4 shall be promptly released to the Managing Member, only after the Managing Member has cured the default justifying the withholding, unless the Managing Member shall have been removed pursuant to the Operating Agreement, in which event this Agreement shall terminate in accordance with Section 5 below and all further obligations of the Company hereunder shall cease as of the date of such removal of the Managing Member.

5. Successors and Assigns; Termination. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. If the Company Interests of a Managing Member, as Managing Member, are transferred pursuant to Section 6.02 of the Operating Agreement, further payment of the Incentive Management Fee from the Company to such Managing Member pursuant to Section 3 above shall be governed by such Section 8.13, provided that such successor has assumed the obligations of the Managing Member hereunder pursuant to an assumption agreement in form acceptable to the Investor Member. The parties hereto may terminate this Agreement upon mutual consent to do so.

6. Defined Terms. Capitalized terms used in this Agreement and not specifically defined herein shall have the same meanings assigned to them as in the Operating Agreement.

7. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one



agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

9. No Continuing Waiver. The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

10. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

11. Third Party Beneficiary. Investor Member is a third party beneficiary of this Agreement, and the Company and Managing Member hereby expressly agree that any amendment to this Agreement shall not be effective unless and until same is consented to by Investor Member.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Incentive Management Fee Agreement to be duly executed as of the date as first written above.

COMPANY:

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SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes, LLC  
its Managing Member

By: Southside Outreach Group, Inc.,  
its sole member

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

MANAGING MEMBER:

SSOG Management Miller Homes, LLC,  
a Virginia limited liability company

By: Southside Outreach Group, Inc.,  
its sole member

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

**EXHIBIT C  
TO OPERATING AGREEMENT**

**DESCRIPTION OF LAND**

ALL that certain tract or parcel of land, with improvements thereon and appurtenances thereunto, situated in the Town of South Boston, County of Halifax (formerly the City of South Boston), Virginia, containing 163,490 square feet (erroneously reflected as 163,539 s.f. in the prior deed), and being composed of all of Lots 33 through 48, inclusive, in Block L of the Mrs. E. B. Jeffress Subdivision, together with Lots 33 through 38, inclusive, of Colonial Heights Subdivision, all of said lots being shown on a Plat of Survey dated December 9, 1969, prepared by J. Walter Jones, Jr., C.L.S., and recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia, in Deed Book 356 at page 134.

**ALSO DESCRIBED BY SURVEY AS FOLLOWS:**

Point of Beginning being an iron pin set, said iron pin being on the western right-of-way of Watkins Avenue having a 50' right-of-way and the northern right-of-way of Poplar Creek Street having a 50' right-of-way and being the southeast corner of 3.75 acre lot; thence along the northern right-of-way of said Poplar Creek Street S 77 degrees 31' 39" W 39.75 feet to a railroad spike found; thence continuing along the northern right-of-way of said Poplar Creek Street S 78 degrees 12' 50" W 842.13 feet to an existing pipe found; thence leaving said Poplar Creek Street and along the eastern property line of a lot with unknown owners N 26 degrees 59' 52" W 169.72 feet to an existing pipe found; thence along the northern property line of 3.75 acre lot and the southern property line of various owners N 75 degrees 53' 16" E 907.22 feet to an iron pin set on the western right-of-way of said Watkins Avenue and the southeast corner of property now or formerly owned by Investments 97, LLC per deed recorded in Book 1021, page 394; thence along the western right-of-way of said Watkins Avenue S 17 degrees 28' 39" E 201.11 feet to the Point of Beginning and containing 3.75 Acres, as shown on the ALTA/ACSM Land Title Survey of The Fairmont Apartments made by B&B Consultants, Inc./Jones & Associates, dated June 11, 2014, last revised December 11, 2014 and recorded \_\_\_\_\_, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia, in Plat Book \_\_\_\_\_, page \_\_\_\_\_.

**EXHIBIT D  
TO OPERATING AGREEMENT**

**AFFILIATE GUARANTY**

**THIS GUARANTY AGREEMENT** (this “Guaranty Agreement”), made as of December 12, 2014, is by Southside Outreach Group, Inc., a Virginia nonstock corporation (“Developer” and “Guarantor”) for the benefit of Housing Equity Fund of Virginia XVIII, L.L.C. a Virginia limited liability company (“HEF”).

**Recitals**

WHEREAS, SSOG Management Miller Homes, LLC (the “Managing Member”) is the Managing Member of SSOG Miller Homes, LLC, a Virginia limited liability company (the “Company”);

WHEREAS, the Company is governed by its Second Amended and Restated Operating Agreement dated as of December 12, 2014 (the “Operating Agreement”);

WHEREAS, the Guarantor and the Company have entered into that certain Development Agreement dated as of the date hereof (the “Development Agreement”);

WHEREAS, HEF has been requested to enter into the Operating Agreement and the Company with the Managing Member;

WHEREAS, the Guarantor is an affiliate of the Managing Member, and believes it shall substantially benefit, directly or indirectly, from HEF’s entering into the Operating Agreement and the Company with the Managing Member; and

WHEREAS, as a condition to entering into the Operating Agreement and the Company, HEF has required the Guarantor to guarantee to HEF the obligations of the Managing Member under the Operating Agreement and certain other items as herein set forth;

**NOW, THEREFORE**, in order to induce HEF to enter into the Operating Agreement and the Company in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Guarantor hereby covenants and agrees as follows:

1. The Guarantor irrevocably and unconditionally fully guarantees the due, prompt and complete performance of each and every one of the following obligations: (a) the payment and performance by the Managing Member of each and every obligation of the Managing Member due under the Operating Agreement, and (b) the payment and performance by the Developer of each and every obligation of the Developer under the Development Agreement;

and (c) the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by HEF in collection of the enforcement of this Guaranty Agreement against the Guarantors (the obligations described in this Paragraph 1 are hereinafter collectively referred to as the "Indebtedness"). Notwithstanding the foregoing, certain obligations of the Developer under this Guaranty Agreement are limited as follows: (i) with respect to the obligation to fund Operating Deficits under Section 8.11(b) of the Operating Agreement, from and after the fifth anniversary of the achievement of Breakeven Operations, the obligation of the Developer shall not exceed six months of Operating Expenses (defined below) of the Project (the obligation to fund Operating Deficits prior to the fifth anniversary of the achievement of Breakeven Operations shall remain unlimited); (ii) with respect to the obligation to repay to HEF excess Capital Contributions (as a result of a Downward Capital Adjustment) under Section 5.01(e)(ii) of the Operating Agreement, the obligation of the Developer shall not exceed the sum of the Development Fee (in the amount of \$350,000, including any deferred portion), the Incentive Management Fee, the Construction Management Incentive Fee and any other fee paid or to be paid to the Developer, or the Managing Member with respect to the Project; (iii) with respect to the obligation to pay to HEF the amounts provided under Section 8.11(c) of the Operating Agreement, the obligation of the Developer shall not exceed the sum of the Development Fee (in the amount of \$350,000 including any deferred portion), the Incentive Management Fee, the Construction Incentive Management Fee and any other fee paid or to be paid to the Developer or the Managing Member with respect to the Project; and (iv) with respect to the obligation to repurchase the Interest of HEF in the Company pursuant to Section 5.05(a) of the Operating Agreement, the Developer shall not be required to pay interest on the sum of the Capital Contributions. As used herein, the term "Operating Expenses" shall mean the sum of (A) operating expenses of the Project, maintenance expenses, required deposits into the Reserve Fund for Replacements or any other reserves required under a Loan Agreement or the Operating Agreement and all other Company obligations or expenditures (excluding debt service and other fees and payments set forth in clause (B) below), for the most recent six months prior to the time that this Guaranty Agreement is enforced by HEF, and (B) the current amount of all debt service on Project Loans, as well as any fees then owed to the Project Lenders and/or any applicable mortgage insurance premium payments, to be paid in the six month period beginning at the time that this Guaranty Agreement is enforced by HEF.

2. The Guarantor hereby grants to HEF, in the uncontrolled discretion of HEF, and without notice to the Guarantor, the power and authority to deal in any lawful manner with the Indebtedness and the other obligations guaranteed hereby, and without limiting the generality of the foregoing, further power and authority, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of or to otherwise change the terms of the Indebtedness;

(b) to modify or to waive any of the terms of the Operating Agreement, the Development Agreement and/or any other obligations guaranteed hereby;

(c) to take and hold security for the payment of the Indebtedness and/or performance of the other obligations guaranteed hereby and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security as HEF, in its discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Indebtedness or any of the other obligations guaranteed hereby;

(f) to release or waive rights against any one or more Guarantors without releasing or waiving any rights against any other Guarantor; and/or

(g) to agree to any valuation by HEF of any collateral securing payment of any of the Indebtedness in any proceedings under the United States Bankruptcy Code concerning HEF or the Guarantor.

The liability of the Guarantor hereunder shall not be affected, impaired or reduced in any way by any action taken by HEF under the foregoing provisions or any other provision hereof, or by any delay, failure or refusal of HEF to exercise any right or remedy it may have against the Managing Member or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the Indebtedness or any of the other obligations guaranteed hereby.

3. The Guarantor agrees that if any of the Indebtedness is not fully and timely paid or performed according to the tenor thereof, whether by acceleration or otherwise, the Guarantor shall immediately upon receipt of written demand therefor from HEF pay all of the Indebtedness hereby guaranteed in like manner as if the Indebtedness constituted the direct and primary obligation of the Guarantor. The Guarantor shall not have any right of subrogation as a result of any payment hereunder or any other payment made by the Guarantor on account of the Indebtedness, and the Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim for unjust enrichment or any other theory that would entitle the Guarantor to a claim against the Managing Member based on any payment made hereunder or otherwise on account of the Indebtedness.

4. This Guaranty Agreement and the obligations of the Guarantor hereunder shall be continuing and irrevocable until the Indebtedness has been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by HEF from a Guarantor under or with respect to this Guaranty Agreement is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by HEF, and Guarantor's

obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to HEF had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty Agreement, and shall remain a valid and binding obligation of the Guarantor until satisfied.

5. The Guarantor hereby waives notice of acceptance of this Guaranty Agreement by HEF and this Guaranty Agreement shall immediately be binding upon the Guarantor. The Guarantor who executes this Agreement shall be fully bound hereby regardless of whether or not any other Guarantor subsequently executes this Guaranty Agreement.

6. The Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Managing Member to proceed against any other person or to proceed against or exhaust any security held by the Managing Member at any time or to pursue any other remedy in the Managing Member's power before proceeding against the Guarantor hereunder;

(b) any right to require HEF to proceed against the Managing Member or any other person or to proceed against or exhaust any security held by HEF at any time or to pursue any other remedy in HEF's power before proceeding against the Guarantor hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Indebtedness or the performance of any other obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of HEF to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of HEF or any endorser or creditor of HEF or the Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by HEF or in connection with the Indebtedness;

(f) any defense based upon an election of remedies by HEF, the right of the Guarantor to proceed against HEF for reimbursement, or both, or if contrary to the express agreement of the parties, Virginia law is deemed not to apply to this Guaranty, any rights or benefits under the bankruptcy or insolvency laws of the Commonwealth of Virginia, or under Sections 364 and 1111 of the U.S. Bankruptcy Code as same may be amended or replaced from time to time;

(g) any election by HEF to exercise any right or remedy it may have against the Company or any security held by HEF, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of the Guarantor hereunder, except to the extent the indebtedness has been paid, and the Guarantor waives any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the Guarantor against the Company or any such security whether resulting from such election by HEF or otherwise. The Guarantor understands that if all or any part of the liability of the Company to HEF for the Indebtedness is secured by real property the Guarantor shall be liable for the full amount of their liability hereunder, notwithstanding foreclosure on such real property by trustee sale or any other reason impairing any Guarantor's right to proceed against the Company; and

(h) all duty or obligation on the part of HEF to perfect, protect, not impair, retain or enforce any security for the payment of the Indebtedness or performance of any of the other obligations guaranteed hereby.

7. All existing and future indebtedness of the Managing Member to the Guarantor or to any person controlled or owned in whole or in part by the Guarantor and, the right of the Guarantor to withdraw or to cause or permit any person controlled or owned in whole or in part by the Guarantor to withdraw any capital invested by the Guarantor or such person in the Managing Member, is hereby subordinated to the Indebtedness at any time after a default exists under the Indebtedness. Furthermore, without the prior written consent of HEF, such subordinated indebtedness shall not be paid and such capital shall not be withdrawn in whole or in part nor shall the Guarantor accept or cause or permit any person controlled or owned in whole or in part by the Guarantor to accept any payment of or on account of any such subordinated indebtedness or as a withdrawal of capital at any time after a default exists under the Indebtedness. Any payment received by the Guarantor in violation of this Guaranty Agreement shall be received by the person to whom paid in trust for HEF, and such Guarantor shall cause the same to be paid to HEF immediately on account of the Indebtedness. No such payment shall reduce or affect in any manner the liability of the Guarantor under this Guaranty Agreement.

8. The amount of the Guarantor's liability and all rights, powers and remedies of HEF hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to HEF under the Operating Agreement, any document or agreement relating in any way to the terms and provisions thereof or otherwise by law. With respect to the Guarantor, this Guaranty Agreement is in addition to and exclusive of the guaranty of any other Guarantor executing this Guaranty Agreement or any other person or entity which guarantees the Indebtedness and/or the other obligations guaranteed hereby.

9. The liability of the Guarantor under this Guaranty Agreement shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability. The obligations of the Guarantor hereunder are independent of the obligations of the Managing



Member or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against the Guarantor, whether or not the Managing Member is joined therein or a separate action or actions are brought against the Managing Member. HEF may maintain successive actions for other defaults. HEF's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Indebtedness has been paid in full.

10. HEF, in its sole discretion, may at any time enter into agreements with the Managing Member or with any other person to amend, modify or change the Operating Agreement or any document or agreement relating in any way to the terms and provisions thereof, or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as HEF may deem proper or desirable, without any notice or further assent from the Guarantor and without in any manner impairing or affecting this Guaranty Agreement or any of the rights of HEF or the Guarantor's obligations hereunder.

11. The Guarantor hereby agrees to pay to HEF, upon demand, reasonable attorneys' fees and all costs and other expenses which HEF expends or incurs in collecting or compromising the Indebtedness or in enforcing this Guaranty Agreement against the Guarantor whether or not suit is filed, including, without limitation, all costs, attorneys' fees and expenses incurred by HEF in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving a Guarantor which in any way affect the exercise by HEF of its rights and remedies hereunder. Any and all such costs, attorneys' fees and expenses not so paid shall bear interest at an annual interest rate equal to the lesser of (i) 18%, or (ii) the highest rate permitted by applicable law, from the date incurred by HEF until paid by the Guarantor.

12. Should any one or more provisions of this Guaranty Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

13. No provision of this Guaranty Agreement or right of HEF hereunder can be waived nor can the Guarantor be released from its obligations hereunder except by a writing duly executed by HEF. This Guaranty Agreement may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by HEF.

14. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, partnership, firm, association, limited liability company, corporation, trust or other legal entity of any kind whatsoever.

15. If any or all of the Indebtedness is assigned by HEF, this Guaranty Agreement shall automatically be assigned therewith in whole or in part, as applicable, without the need of any express assignment and when so assigned, Guarantor shall be bound as set forth herein to the assignee(s) without in any manner affecting Guarantor's liability hereunder for any part of the Indebtedness retained by such HEF.

16. Intentionally Deleted.

17. This Guaranty Agreement shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of HEF and the Guarantor.

18. This Guaranty Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. In any action brought under or arising out of this Guaranty Agreement, the Guarantor hereby consents to the jurisdiction of any competent court within the Commonwealth of Virginia and consents to service of process by any means authorized by the laws of such state. Except as provided in any other written agreement now or at any time hereafter in force between HEF and the Guarantor, this Guaranty Agreement shall constitute the entire agreement of the Guarantor with HEF with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon HEF or the Guarantor unless expressed herein.

19. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

HEF: Housing Equity Fund of Virginia XVIII, L.L.C.  
c/o Housing Capital Corporation of Virginia  
1840 West Broad Street, Suite 200  
Richmond, Virginia 23220

with a copy to:

Applegate & Thorne-Thomsen, P.C.  
626 West Jackson Blvd., Suite 400  
Chicago, Illinois 60661  
Attention: Diane K. Corbett

Guarantor: Southside Outreach Group, Inc.  
P.O. Box 375  
South Boston, VA 24592

Attention: Earl Howerton

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

20. The Guarantor hereby agrees that this Guaranty Agreement, the Indebtedness and all other obligations guaranteed hereby, shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against, HEF, the Guarantor, and/or any member of HEF in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by HEF pursuant to any Chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

21. Any married person who signs this Guaranty hereby agrees that recourse may be had against his or her separate property for all of his or her obligations.

22. Capitalized terms not defined herein shall have the meaning set forth in the Operating Agreement.

23. This Guaranty Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty Agreement may be detached from any counterpart of this Guaranty Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty Agreement identical in form hereto but having attached to it one or more additional signature pages.

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IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty Agreement as of the day and year first above written.

GUARANTOR:

Southside Outreach Group, Inc.,  
a Virginia nonstock corporation

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

COMMONWEALTH OF VIRGINIA)  
CITY/COUNTY OF Richmond ) ss.

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of December, 2014, by Earl Howerton.

Steven E. Bleile  
Notary Public

My commission expires:  
5-31-2015

Registration Number:  
337174



**EXHIBIT E  
TO OPERATING AGREEMENT**

**PLEDGE AND SECURITY AGREEMENT**

**THIS PLEDGE AND SECURITY AGREEMENT** (this “Agreement”) made as of December 12, 2014, by SSOG Management Miller Homes, LLC, a Virginia limited liability company (“Pledgor”), having an office at 547 N. Main St., South Boston, Virginia 24592, for the benefit of Housing Equity Fund of Virginia XVIII, L.L.C., a Virginia limited liability company (“Pledgee”), having an office at 1840 West Broad Street, Suite 200, Richmond, Virginia 23220.

**Recitals**

WHEREAS, Pledgor is the Managing Member in SSOG Miller Homes, LLC (the “Company”), and the Company is governed by its Second Amended and Restated Operating Agreement dated as of December 12, 2014 (the “Operating Agreement”) (capitalized terms not otherwise defined herein shall have the definitions given them in the Operating Agreement).

WHEREAS, Pledgee is an Investor Member of the Company; and

WHEREAS, in order to secure the full payment and performance by Pledgor of all of Pledgor’s obligations, duties, expenses and liabilities under or in connection with the Operating Agreement as such Operating Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities under and in connection with the Operating Agreement and all other sums of any kind which may or shall become due thereunder together with all actual fees and costs of collection including attorney’s fees incurred in bankruptcy are collectively referred to herein as the “Obligations”), Pledgor is entering into this Agreement for the benefit of Pledgee.

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

1. **Definitions.**

(a) “Collateral” shall mean:

- (i) All of Pledgor’s right, title and interest in the Company, whether now owned or hereafter acquired, including, without limitation, its Managing Member interest in the Company and any voting rights and right to receive distributions, allocations and payments under the Operating Agreement, as such

Operating Agreement may be modified from time to time with the consent of the Pledgee;

(ii) All fees and charges to be paid by the Company to the Pledgor, whether now owned or hereafter acquired, whether arising under the Operating Agreement or otherwise, including, without limitation, the Incentive Management Fee;

(iii) All indebtedness of the Company to Pledgor of any kind or description, including without limitation, Pledgor's right to receive payment of Operating Deficit Loans or other loans to the Company;

(iv) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

(b) "Event of Default" shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest Pledgor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Pledgee, its successors and assigns, as security for Pledgor's complete and timely payment and performance of the Obligations, a continuing second priority security interest under the Uniform Commercial Code of the Commonwealth of Virginia in the Collateral (to convert to a first priority lien once the CCBV Loan, as defined in the Partnership Agreement, is repaid). Pledgor hereby further grants to the Pledgee all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the Commonwealth of Virginia (being the principal place of business of Pledgor and the location of Pledgor's chief executive office) and, concurrently herewith, authorizes Pledgee to file appropriate UCC- 1 Financing Statements in the Commonwealth of Virginia with respect to the Collateral and agrees, upon request, to deliver any other documents which Pledgee may reasonably request with respect thereto.

3. Delivery to Pledgee.

(a) Pledgor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effect the conveyance, transfer, and grant to Pledgee of each and all of Pledgor's right, title and interest in and to the Collateral as security for the Obligations.

(b) Pledgor covenants to execute, if required by Pledgee, an amendment to the Operating Agreement in such form as Pledgee may require to reflect the substitution of the Pledgee in place of Pledgor as a Managing Member in the Company. Pledgor further agrees to execute and to cause the other members

of the Company to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Pledgee of all of Pledgor's right, title and interest in and to the Collateral and to evidence the substitution of the Pledgee in place of Pledgor as a Managing Member in the Company.

4. Proceeds and Products of the Collateral.

(a) Unless and until there occurs an Event of Default, Pledgee agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Pledgor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Pledgor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Pledgor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

(b) Pledgor acknowledges and agrees with the Pledgee, that unless Pledgee otherwise consents, in Pledgee's sole discretion, Pledgor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default, and (ii) after delivery of notice from the Pledgee instructing Pledgor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Pledgor shall exercise any such right it may have under the Operating Agreement with respect to the business affairs of the Company as is reasonably necessary to protect and preserve the Collateral.

(c) Upon or at any time after the occurrence of an Event of Default, Pledgee, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Pledgee. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by the Pledgee, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Pledgor. Pledgor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, upon receipt of written notice from Pledgee of an Event of Default by Pledgor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Pledgee, at such address as Pledgee may direct, at

such time and in such manner as the Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Pledgor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Pledgee and shall have no liability to Pledgor for any loss or damage Pledgor may incur by reason of said reliance.

5. No Assumption. Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Pledgee elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Pledgee of any of Pledgor's right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Pledgor from any obligor of the Collateral, nor Pledgee's foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Pledgee to assume any of Pledgor's obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the "Pledgor's Liabilities"), unless Pledgee otherwise agrees to assume any or all of Pledgor's Liabilities in writing. In the event of foreclosure by Pledgee of its security interest in the Collateral, Pledgor shall remain bound and obligated to perform its Pledgor's Liabilities and Pledgee shall not be deemed to have assumed any of Pledgor's Liabilities, except as provided in the preceding sentence. In the event the entity or person acquiring the Collateral at a foreclosure sale elects to assume Pledgor's Liabilities, such assignee shall agree in writing to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Pledgor hereby agrees to indemnify, defend and hold Pledgee, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys' fees) and any other liabilities whatsoever that Pledgee or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Pledgor's right, title and interest in and to any or all of the Collateral.

7. Representations, Warranties and Covenants. In addition to the representations made by Pledgor in the Operating Agreement, Pledgor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Pledgee, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Except as provided for in the CCBV Loan Documents, as defined in the Partnership Agreement, Pledgor owns the Collateral free and clear of any claim, lien or encumbrance.

(b) Pledgor has delivered to Pledgee true and complete copies of the Operating Agreement, the Incentive Management Fee Agreement and any other



agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Pledgee in writing.

(c) Pledgor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Pledgor shall not, without the prior written consent of Pledgee, which consent may be granted or denied in Pledgee's sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Pledgor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Pledgee and persons claiming through Pledgee), and (ii) maintain and preserve the Collateral and such security interests.

(d) Pledgor's Employer Identification Number is 46-2221276, and its principal place of business is located at P.O. Box 375, South Boston, Virginia 24592.

(e) Pledgor agrees that it shall not, without at least thirty (30) days' prior written notification to Pledgee, move or otherwise change its principal place of business.

(f) Pledgor shall not exercise any voting rights, or give any approvals, consents, waivers or other ratifications in respect to the Collateral which would result in liquidation of the Company or affect the value of the Collateral or violate or contravene, or which would cause or otherwise authorize Pledgor to violate or contravene, any provision of this Agreement.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:

(a) An event of default shall have occurred under the Operating Agreement or the Incentive Management Fee Agreement, and such default shall not have been cured within any applicable grace period provided therein; or

(b) Any warranty, representation or statement of the Pledgor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of

attachment or garnishment is not dismissed and removed within fifteen (15) days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein shall have occurred, which is not cured within ten (10) days after notice has been given to Pledgor by Pledgee.

Any Event of Default under this Agreement shall be an event of default by Pledgor under the Operating Agreement.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Pledgee may by giving notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and

(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to the Pledgor; and

(iii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Pledgor and all others claiming under Pledgor, and thereafter exercise all rights and powers of Pledgor with respect to the Collateral or any part thereof. In the event Pledgee demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Pledgor promises and agrees to promptly turn over and deliver complete possession thereof to Pledgee; and

(iv) Without notice to or demand upon Pledgor, make such payments and do such acts as Pledgee may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Pledgor to take all actions necessary to deliver such Collateral to Pledgee, or an agent or representative designated by it. Pledgee, and

its agents and representatives, shall have the right to enter upon any or all of Pledgor's premises and property to exercise Pledgee's rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Pledgee by the Operating Agreement, or in any other document executed by Pledgor in connection with the Obligations secured hereby, either concurrently or in such order as Pledgee may determine; and sell or cause to be sold in such order as Pledgee may determine, as a whole or in such parcels as Pledgee may determine, the Collateral, without affecting in any way the rights or remedies to which Pledgee may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Pledgee may determine. Pledgee may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the Commonwealth of Virginia or any other applicable law; and

(ix) Exercise any remedies available to Pledgee under the Operating Agreement, including, but not limited to, the removal of the Pledgor as a Managing Member of the Company and exercise of any rights of offset in favor of the Pledgee as a Managing Member of the Company; and

(x) Notwithstanding anything to the contrary contained in this Agreement at any time after an Event of Default, the Pledgee may, by delivering written notice to the Company and to the Pledgor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to Company matters) as a Managing Member of the Company in respect of the Collateral. The Pledgor hereby irrevocably authorizes and directs the Company on receipt of any such notice (a) to deem and treat the Pledgee or such nominee or designee in all respects as a Managing Member (and not merely an assignee of a Managing Member) of the Company, entitled to exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Company matters pursuant to the Operating Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Pledgor would have been entitled had the Collateral not been transferred to the Pledgee or such nominee or designee), and (b) to file an amended articles of organization, if required, admitting the Pledgee or such nominee or designee as Managing Member of the Company in place of Pledgor; and

(xi) The rights granted to the Pledgee under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Pledgor of any of Pledgor's covenants, agreements or obligations under this Agreement will cause the Pledgee irreparable injury and damage. In the event of any such breach, the Pledgee shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Pledgor. The Pledgee is absolutely and irrevocably authorized and empowered by Pledgor to demand specific performance of each of the covenants and agreements of Pledgor in this Agreement. Pledgor hereby irrevocably waives any defense based on the adequacy of any remedy at law that might otherwise be asserted by Pledgor as a bar to the remedy of specific performance in any action brought by the Pledgee against Pledgor to enforce any of the covenants or agreements of Pledgor in this Agreement.

(b) Pledgee shall give Pledgor at least ten (10) days' prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Pledgor at the address set forth in paragraph 7(c) of this Agreement, unless Pledgor shall notify Pledgee in writing of its change of its principal place of business and provide Pledgee with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(vi) and (vii) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys' fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Pledgor in a lump sum, without recourse to Pledgee, or as a court or competent jurisdiction may direct.

(d) Pledgee shall have the right to enforce one or more remedies hereunder under this Agreement and under the Operating Agreement, successively or concurrently, and such action shall not operate to estop or prevent Pledgee from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Pledgor until full payment of any deficiency has been made in cash.

(e) PLEDGOR ACKNOWLEDGES THAT PLEDGEE MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALY REASONABLE MANNER AND THAT PLEDGEE HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. PLEDGOR AGREES THAT PLEDGEE SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS PLEDGEE DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALY REASONABLE. IN ADDITION, PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS PLEDGEE MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF PLEDGOR SET FORTH IN THIS PARAGRAPH.

10. Attorneys Fees. Pledgor agrees to pay to Pledgee, without demand, reasonable attorneys' fees and all costs and other expenses which Pledgee expends or incurs in collecting any amounts payable by Pledgor hereunder or in enforcing this Agreement against Pledgor whether or not suit is filed.

11. Further Documentation. Pledgor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing

statements, and pay the cost of filing or recording the same in the public records specified by Pledgee.

12. Waiver and Estoppel. Pledgor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the lack of authority of Pledgor or the failure to file or enforce a claim against Pledgor's estate (in administration, bankruptcy or any other proceeding; (c) any defense based upon an election of remedies by Pledgee which destroys or otherwise impairs any or all of the Collateral; (d) the right of Pledgor to proceed against Pledgee or any other person, for reimbursement; and (e) all duty or obligation of the Pledgee to perfect, protect, retain or enforce any security for the payment of amounts payable by Pledgor hereunder.

**TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.**

No delay or failure on the part of Pledgee in the exercise of any right or remedy against Pledgor or any other party against whom Pledgee may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Pledgee of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Operating Agreement. No waiver of the rights of Pledgee hereunder or in connection herewith and no release of Pledgor shall be effective unless in writing executed by Pledgee. No actions of Pledgee permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. Independent Obligations. The obligations of Pledgor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Pledgee against Pledgor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Pledgee is involved in any proceedings and whether or not the Pledgee or the Pledgor or other person is joined in any action or proceedings.

14. No Offset Rights of Pledgor. No lawful act of commission or omission of any kind or at any time upon the part of Pledgor shall in any way affect or impair the rights of the Pledgee to enforce any right, power or benefit under this Agreement, and no set-off, recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or

nature which Pledgor has or may have against Pledgee or against any other party shall be available against Pledgee in any suit or action brought by Pledgee to enforce any right, power or benefit under this Agreement.

15. Power of Attorney. Pledgor hereby appoints Pledgee as its attorney-in-fact to execute and file, effective upon the occurrence of an Event of Default, on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Pledgee of its rights under this Paragraph 15 will not be deemed a satisfaction of any amounts owed Pledgee unless Pledgee so elects.

16. **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. SUCH PARTIES FURTHER AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE COMMONWEALTH OF VIRGINIA AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURTS REGARDLESS OF THEIR RESIDENCE OR WHERE THIS AGREEMENT MAY BE EXECUTED.**

17. Successors and Assigns. All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

18. Notices. Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by telegram to the parties at the addresses shown throughout this Agreement or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Pledgee, a copy of such notice shall also be given to Thomas Thorne-Thomsen, Applegate & Thorne-Thomsen, P.C. 626 W. Jackson Blvd., Suite 400, Chicago, Illinois 60661. If notice is sent to Pledgor, a copy of such notice shall also be given to Johnson Kanady, III, Kanady & Quinn, P.C., 9200 Forest Hill Avenue #C2, Richmond, Virginia 23235.

Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective two days after their deposit in the mail.

19. Consent of Pledgor. Pledgor consents to the exercise by Pledgee of any rights of Pledgor in accordance with the provisions of this Agreement.

20. Severability. Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. Amendment. This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. Termination. This Agreement shall terminate, and shall be of no further force or effect, upon the earlier to occur of the repayment in full of the Obligations of the Pledgor or upon the mutual consent of Pledgor and the Pledgee.

23. Expenses. Pledgor shall pay all reasonable out-of-pocket fees and charges incurred by Pledgee in connection with this Agreement and the transaction contemplated by this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys' fees incurred by Pledgee.

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IN WITNESS WHEREOF, the parties hereto have executed this Pledge and Security Agreement as of the date first above written.

PLEDGOR:

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SSOG Management Miller Homes, LLC,  
a Virginia limited liability company

By: Southside Outreach Group, Inc.,  
its sole member

By: Earl Howerton  
Name: Earl Howerton  
Title: Executive Director

**EXHIBIT F  
TO OPERATING AGREEMENT**

**SUMMARY OF PROJECT LOAN TERMS**

Construction Loan

Lender: Community Capital Bank of Virginia  
Amount: \$2,300,000  
Interest Rate: 5%  
Source: conventional  
Term/Repayment Terms: monthly interest until maturity in 18 months, as may be extended  
Recourse: yes

Senior Permanent Loan

Lender: Virginia Housing Development Authority  
Amount: \$850,000  
Interest Rate: 1.5% compounding  
Source: SPARC  
Term/Repayment Terms: monthly principal and interest until maturity in 30 years  
Recourse: No

Junior Permanent Loan

Lender: Virginia Department of Housing and Community Development  
Amount: \$600,000  
Interest Rate: .5% compounding  
Source: HOME  
Term/Repayment Terms: monthly interest payments with principal deferred until maturity in 20  
years  
Recourse: No

Junior Permanent Loan

Lender: Sponsor  
Amount: \$50,000  
Interest Rate: 0%  
Source: Town of South Boston  
Term/Repayment Terms: cash flow only until maturity in 20 years  
Recourse: Yes

**EXHIBIT G  
TO OPERATING AGREEMENT**

**PROPERTY MANAGEMENT AGREEMENT**

## PROPERTY MANAGEMENT AGREEMENT

This Agreement is made as of the 2<sup>nd</sup> day of December, 2014, between SSOG Miller Homes, LLC, a Virginia limited liability company ("Owner"), having its principal office at PO Box 375, South Boston, VA 24592 and the Southside Outreach Group, Inc. ("Agent"), having its principal office at 547 N. Main Street, South Boston, VA 24592.

### WITNESSETH:

In consideration of the terms, conditions, and covenants hereinafter set forth, Owner and Agent hereby mutually agree as follows:

1. Definitions. As used in this Agreement:
  - (a) "Building" shall mean, collectively, the real property commonly known as Fairmont Apartments and all improvements, appurtenances, and equipment located thereon, including forty-eight (46) dwelling units.
  - (b) "Fiscal Year" shall mean calendar year unless specifically provided to the contrary herein.
  - (c) "Gross Collections" shall mean all amounts actually collected by Agent, as rents or other payments, but excluding (i) income derived from interest or investments, (ii) discounts and dividends on insurance, and (iii) security deposits.
  - (d) "Gross Rents" shall mean revenues collected from Tenants plus any federal assistance paid to Owner with respect to the Building.
  - (e) "Lease" shall mean any Lease in which Owner has agreed to let and Tenant has agreed to accept the dwelling unit of the Building identified in the Lease in accordance with the terms of the Lease.
  - (f) "Mortgages" shall mean, collectively, all mortgages from time to time encumbering the Building and all promissory notes secured thereby.
  - (g) "Operating Account" shall mean an account in Agent's name and designated of record in an account name approved by Owner in writing, at such financial institution as Owner may specify from time to time in writing.
  - (h) "Rent" shall mean that monthly amount which Tenant is obligated to pay Owner pursuant to the terms of a Lease.
  - (i) "Tenant" shall mean a person or family occupying a dwelling unit in the Building pursuant to a Lease.

2. Appointment and Acceptance. Owner appoints Agent as exclusive agent for the management of the Building, and Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement. Agent represents that it is experienced in professional management of property of the character and occupancy of the Building, and Agent agrees to manage the Building in accordance with the highest professional standards for such property. Except to the extent this Agreement specifies higher standards and requirements, Agent shall manage the Building at least in accordance with such guidelines and standards promulgated by the Institute of Real Estate Management as are applicable to buildings similar to the Building.

3. Management Plan. Attached hereto as Exhibit A and by this reference made a part hereof, if applicable, is a copy of the Management Plan for the Building (the "Plan"), prepared and approved by Owner. The Plan, if applicable, contains a comprehensive and detailed description of the policies and procedures to be followed by Agent in the management of the Building, including but not limited to the collection of delinquent rents and charges; and the provisions of this Agreement are to be read in conjunction with and not as a limitation upon the specific obligations of Agent as set forth in the Plan. Agent agrees to comply with all applicable provisions of the Plan, regardless whether specific reference is made thereto in any particular provision of this Agreement.

4. Meeting with Owner. Agent agrees to cause a representative of Agent to confer with Owner and to attend meetings with Owner at any reasonable time or times requested by Owner.

5. Basic Information. As soon as practicable, but not later than final completion of rehabilitation or construction of the Building or any phase thereof, Owner shall furnish Agent with a complete set of general plans and specifications for the Building and copies of all guarantees and warranties pertinent to construction and fixtures and equipment of the Building. With the aid of this information and inspection by competent personnel, Agent shall thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Building, and especially the electrical, heating, plumbing, and ventilating system, and all other mechanical equipment in the Building.

6. Development Phase. Agent shall facilitate the work of Owner's general contractor in an effort to minimize disturbance of the Tenants and promote timely completion of rehabilitation or construction of the Building. Any disputes between the Agent and the general contractor shall be immediately referred to Owner by Agent. Further, Agent shall do the following during rehabilitation:

- (a) Post notices around the construction area warning Tenants and others that area is under construction and trespass may be hazardous;
- (b) Respond to Tenant complaints regarding the construction activity and notify Owner thereof; and
- (c) Notify Owner of any dangerous condition that emanates from construction.

7. Marketing. Agent shall carry out the marketing activities prescribed in the Plan or approved by Owner in writing. Subject to the prior written approval of Owner, advertising expenses incurred by Agent on behalf of Owner shall be paid out of the Operating Account as expenses of the Building.

8. Leasing. Agent shall offer for rent and shall rent the dwelling units in the Building, upon completion of rehabilitation of each such unit and from time to time thereafter, in accordance with a rent schedule approved in writing by Owner and the leasing guidelines and form of lease referred to hereinbelow. Incident thereto, the following provisions shall apply:

(a) Agent shall show dwelling units for rent in the Building to all prospective Tenants.

(b) Agent shall take and process applications for rentals, including prospective Tenant interviews and credit checks. If an application is rejected, the applicant shall be advised of the reason for rejection.

(c) Agent shall comply with the special low-income housing tax credit requirements concerning leasing and related matters as set forth in Paragraph 9 hereof.

(d) Agent shall be responsible for or shall assist Owner in the certification and recertification of tenants covered by any Housing Assistance Payments Contract that may be applicable to the Building with respect to federal Section 8 rent subsidies, following procedures required by the U.S. Department of Housing and Urban Development ("HUD"). After the first year of certification and recertification of Tenants, the certification and recertification process shall be the sole responsibility of Agent.

(e) Agent shall, subject to prior written approval by Owner of any deviation from Owner's approved rent schedule, Lease form, and leasing guidelines, execute all Leases in Agent's name, identified thereon as agent for Owner.

(f) Agent shall negotiate any commercial leases and concession agreements called for in the Plan or approved in writing by Owner and, subject to prior written approval by Owner of all terms and conditions, shall execute the same in its name, identified thereon as Agent for Owner.

(g) Agent shall collect, deposit, and disburse security deposits, if required, in accordance with the terms of each Lease. The amount of each security deposit shall be as specified in the Plan or as approved by Owner in writing. Security deposits shall be held by Agent as agent for Owner in a trust account, separate from all other accounts and funds. Such account shall be in the name of the Agent and designated of record as "Security Deposit Account." Interest on security deposits shall be paid according to law.

(h) Agent shall maintain a current list of acceptable prospective Tenants and undertake all arrangements necessary and incidental to the acceptance of rental applications and the execution of Leases. Agent shall exercise its best efforts (including, but not limited to, placement of advertising, interview of prospective Tenants, assistance in completion of rental applications and execution of Leases, processing of documents and credit and employment verifications, and explanation of the program and operations of Owner), to effect the leasing of dwelling units, renewal of Leases, and, in accordance with the terms of the Lease, subleasing of dwelling units in the Building.

(i) Agent shall perform such other acts and deeds requested by Owner as are reasonable, necessary, and proper in the discharge of Agent's rental duties under this Agreement.

(j) Agent shall prorate the first month's rent collected from a Tenant should the Lease term commence on any other day than the first day of the month. If the Lease term occurs after the twentieth (20th) day of the month, the prorated amount, plus the next month's rent, shall be collected on or before the first day of the Lease term.

(k) Agent shall participate in the inspection of the dwelling unit identified in the Lease together with the Tenant prior to move-in and upon move-out, and shall record in writing any previous damage to the unit and any damage occurring during the Tenant's occupancy.

(l) Agent shall, unless otherwise agreed by Owner and Agent in writing, (i) comply with the leasing guidelines attached hereto as Exhibit B(1) and by this reference made a part hereof, and (ii) use for each Lease the form of lease agreement attached hereto as Exhibit B(2) and by this reference made a part hereof, together with the form of Low-Income Lease Rider attached hereto as Exhibit B(3) and by this reference made a part hereof, if required by Paragraph 9 hereof, without any material changes unless and except as required thereunder.

9. Tax Credit Requirements. Agent acknowledges that Owner is required under its operating agreement to use best efforts to lease one hundred percent (100%) of the apartment space in the Building (based on number of apartments or floor area, whichever is less) (the "Credit Units") to tenants whose income and rent levels qualify such apartments for inclusion in determining federal low-income housing tax credits (the "Credits") for the Building, and that the Credits will have substantial economic value to Owner and its members. Owner shall furnish Agent with written descriptions of such requirements as they relate to Agent's leasing and management duties hereunder. Incident thereto, the following provisions shall apply for all Credit Units:

(a) Agent shall require each prospective tenant to complete, execute, and deliver the forms of Low-Income Lease Rider and Tenant Income Certification, and shall obtain from each prospective tenant's employer the completed and executed form of Employer Verification, all attached hereto as Exhibit B(3), subject to updating and revision of maximum allowable household income amounts as described hereinbelow, in order to provide necessary certification and verification of the amount of such tenant's annual family income, family size, and any other information reasonably requested by Owner in writing in connection with the Credits. Agent shall require tenants to certify in writing as to such matters on an annual basis, prior to such time as the information is required for reporting purposes. Owner shall give Agent advance written notice of such requirements. Prior to executing each Lease of any of the Credit Units, Agent shall deliver copies of the applicable Lease, rider, certification, and verification for each such Credit Unit to Owner and to Owner's Limited Partner described in Paragraph 28 hereof, and Agent shall not execute any Lease with respect to any of the Credit Units without having received the prior written consent of Owner with respect to each such Lease, rider, certificate, and verification.

(b) Owner shall from time to time furnish Agent with an updated and revised schedule of maximum allowable household income to qualify for the Credits, and Agent shall update and revise the form of Low-Income Lease Rider attached hereto as Exhibit B(3) accordingly, as and when changes in such income levels are announced.

(c) Owner shall from time to time furnish Agent with a written schedule of maximum allowable rents for the apartments to qualify for the Credits, depending on family size, as and when changes in such rent levels are announced. Without Owner's express prior written consent, Agent shall not enter into any lease on behalf of Owner at a rental amount exceeding the applicable maximum.

(d) Agent shall maintain and preserve all written records of tenant family income and size, and any other information reasonably requested by Owner in writing in connection with the Credits, throughout the term of the Agreement, and shall turn all such records over to Owner upon the termination or expiration of the Agreement.

(e) If requested by Owner in writing, Agent shall prepare reports of low-income leasing and occupancy in form suitable for submission in connection with the Credits.

(f) Agent shall cause the Project to be maintained in compliance with all local health, safety, and building codes to the extent of available funds, and shall promptly give written notice to Owner and to Owner's investor member, as identified in Paragraph 28 hereof, if Agent receives notice of any such code violation relating to the Building.

10. Collection of Rents, Etc. Agent shall collect when due, directly or through an on-site manager, all rents, charges, and other amounts receivable on Owner's account in connection with the management and operation of the Building. Such receipts shall be held in the Operating Account, separate from all other accounts and funds.

11. Enforcement of Leases. Agent shall secure full compliance by each Tenant with the terms of such Tenant's Lease. Voluntary compliance shall be emphasized, and Agent shall counsel Tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by Agent, all to the end that involuntary termination of tenancies shall be avoided to the maximum extent, consistent with sound management of the Building. Nevertheless, and subject to any applicable procedures prescribed in the Plan, Agent may, and shall if requested by Owner, lawfully terminate any tenancy when sufficient cause for such termination occurs under the terms of the Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Agent is authorized to consult with legal counsel to be designated by Owner and bring actions for eviction and execute notices to vacate and judicial pleadings incident to such actions; provided, however, that Agent shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions, as determined by Owner, shall be paid out of the Operating Account. Agent shall properly assess and collect from each Tenant or the security deposit the cost of repairing any damages to the dwelling unit arising during the Tenant's occupancy.

12. Maintenance and Repairs. Agent shall cause the Building to be maintained in a decent, safe, and sanitary condition and in a rentable and tenantable state of repair, all in accordance with the Plan



and local codes, and Agent otherwise shall maintain the Building at all times in a condition acceptable to Owner, including, but not limited to, performance of cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary. Incident thereto, the following provisions shall apply:

(a) Special attention shall be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance personnel shall be used.

(b) Subject to Owner's prior written approval, Agent shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems, and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. Agent shall obtain prior to commencement of any work appropriate written evidence of such contractor's liability and worker's compensation insurance.

(c) Agent shall systematically and promptly receive and investigate all service requests from Tenants, take such action thereon as may be justified, and keep records of the same. Emergency requests shall be received and serviced on a 24-hour basis. Complaints of a serious nature shall be reported to Owner after investigation. Owner shall have the right to receive copies of all service requests and the reports of action taken thereon.

(d) Agent shall use best efforts to take such action as may be necessary to comply with any and all orders or requirements of federal, state, county, or municipal authorities having jurisdiction over the Building and orders of any board of fire underwriters, insurance companies, and other similar bodies.

(e) Subject to the provisions of paragraph 19 hereof, Agent is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance or repair of the Building.

(f) Notwithstanding any of the foregoing provisions, the prior approval of Owner shall be required for any expenditure exceeding \$500.00 in any one instance for labor, materials, or otherwise, in connection with the maintenance and repair of the Building, except for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Building. In the event of emergency repairs, Agent shall notify Owner of the fact promptly, and in no event later than 72 hours from the occurrence of the event.

13. Utilities and Services. In accordance with any applicable provisions of the Plan, Agent shall make arrangements for water, electricity, gas, sewage, and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service in connection with the Building.

14. Personnel. All on-site personnel shall be contracted service providers or employees of Agent and shall be paid from the Operating Account as an expense of the Building, subject to Paragraph 16 hereof. Agent shall at all times have sufficient personnel physically present at the Building for the full and efficient performance of its duties under this Agreement, including physical presence of responsible persons at such times as reasonably may be requested by Owner.

15. Operating Account. Disbursements from the Operating Account shall be governed by the following:

(a) From the funds collected and held by Agent in the Operating Account pursuant to paragraph 10 hereof, and subject to Owner's approved operating budget, Agent shall make the following disbursements promptly when payable, in the following order of priority: (i) salaries and any other compensation due and payable to the employees referred to in paragraph 14 hereof; (ii) taxes and assessments, and fire and other hazard insurance premiums, (including any required monthly escrow payments therefor), utilities, interest on the Mortgages, amortization of the principal of the Mortgages, fees, and establishment and maintenance of all reserve funds; (iii) other payments due and payable by Owner as operating expenses incurred pursuant to Owner's approved operating budget and in accordance with this Agreement, including Agent's compensation; and (iv) distributions to or at the direction of Owner, including distributions to Owner's members in accordance with Owner's operating agreement.

(b) In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under subparagraph 15(a) hereof, Agent shall promptly inform Owner of the fact and Owner may then remit to Agent sufficient funds to cover the deficiency. In no event shall Agent be required to use its own funds to pay such disbursements.

16. Operating Budget. Agent shall prepare a recommended annual operating budget for the Building for each fiscal year during the term of this Agreement, and, except for the current year, shall submit the same to Owner at least ninety (90) days before the beginning of such fiscal year. As for the remainder of the current fiscal year, Agent shall have submitted a proposed operating budget to Owner prior to the execution and delivery of this Agreement, and this Agreement shall not become effective and may be terminated by either party at any time until Owner has specifically approved in writing the proposed budget, notwithstanding execution and delivery of this Agreement or anything herein to the contrary. The annual operating budget shall include a schedule of recommended rents to be charged for each dwelling unit, including recommended rent increases with respect to Lease renewals and new Leases. In preparing each proposed annual operating budget, Agent shall use its best efforts to take account of anticipated increases in real estate taxes, utility charges, and other operating costs. To the extent feasible, Agent shall support anticipated increases in real estate taxes and utility charges with written evidence or documentation. Proposed annual operating budgets for the Building shall be subject to approval by Owner. Owner shall promptly inform Agent of any changes incorporated in the approved operating budget, and Agent shall make no expenditures in excess of the amounts set forth in such approved operating budget, for each line item of operation expense itemized, without the prior written approval of Owner, except as permitted pursuant to subparagraph 12(f) hereof for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any services to the Building.

17. Records and Reports. In addition to any requirements specified in the Plan or other provisions of this Management Agreement, Agent shall have the following responsibilities with respect to records and reports:

(a) Upon execution of this Agreement, Agent immediately shall ascertain the general condition of the Building, including, but not limited to, the taking of an inventory of all

furniture, equipment, tools, and supplies, and shall prepare a report on the physical and financial status of the Building. Within thirty (30) days after the execution of this Agreement, Agent shall provide Owner with a copy of the reports and inventories so prepared.

(b) Agent shall establish and maintain a comprehensive system of records, books, and accounts, including computerized systems, in accordance with the Plan and in a manner satisfactory to Owner. All records, books, and accounts shall be subject to examination at reasonable hours by any authorized representative of Owner, or of Owner's investor member as identified in paragraph 28 hereof ("Owner's Investor Member").

(c) Agent shall prepare a monthly report, in accordance with any applicable provisions of the Plan and in form satisfactory to Owner, containing and including at least the following: (i) a statement of income and expenses and accounts receivable and payable for the preceding month, including an itemized list of all delinquent rents as of the tenth (10th) day of the current month, as well as a report on action taken thereon by Agent; (ii) a rent roll/cash receipts form for the previous month; (iii) a disbursements summary for the previous month; (iv) current bank statements with reconciliation of the Operating and Security Deposit Accounts; (v) copies of paid bills and invoices for the previous month; and (vi) a narrative of any unusual actions taken or emergencies responded to, and a full report of any accidents, claims, and potential claims, for the previous month. Agent shall submit each such report to Owner on or before the fifteenth (15th) day of each month, and shall concurrently mail a copy of the entire report to Owner's Investor Member.

(d) Agent shall prepare a quarterly, semi-annual and annual report containing and including at least the following: (i) a statement of income and expenses and accounts receivable and payable for the preceding period, (ii) a narrative of any unusual actions taken or emergencies responded to, and a full report of any accidents, claims, and potential claims, for the previous period. Agent shall submit each such report to Owner on or before the fifteenth (15th) day of each period, and shall concurrently mail a copy of the entire report to Owner's Investor Member.

(e) Agent shall promptly furnish such additional information (including monthly occupancy reports) as may be requested from time to time by Owner or Owner's Limited Partner with respect to the renting and financial, physical, or operational condition of the Building.

(f) Agent shall prepare, execute, and file all forms, reports, and returns required by law in connection with the employment of personnel, unemployment insurance, workman's compensation insurance, disability benefits, Social Security, and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

(g) Agent shall establish tenant files containing copies of leases, certification forms, notices, and other documentation required by HUD, if and to the extent applicable.

(h) Except as may otherwise be expressly provided in this Agreement, all bookkeeping, data processing services, and management overhead expenses shall be borne

by Agent out of its funds and shall not be treated as Building expenses.

18. Fidelity Bond. Agent shall furnish and maintain, at the expense of the Building, for the duration of this Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof, a commercial blanket bond in favor of Owner, in an amount not less than the sum of (a) two (2) months' potential maximum Gross Rents for the Building plus (b) aggregate Tenant security deposits held from time to time, both in amounts as determined by Owner, and in a form and with a company acceptable to Owner, which commercial blanket bond shall cover Agent and all employees hired by Agent in connection with this Agreement. Such fidelity bond shall cover losses discovered by Owner within two (2) years after the occurrence of such losses. Such fidelity bond shall be attached to this Agreement, and such fidelity bond shall contain a written provision that Owner shall be given at least ten (10) days' prior written notice of cancellation.

19. Bids, Discounts, and Rebates. Agent shall obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Building, and shall solicit formal bids on all contracts or purchases exceeding \$1,000.00 for those items which can be obtained from more than one source. Agent shall secure and credit to Owner all discounts, rebates, or commissions obtainable with respect to purchase, service contracts, and all other transactions on Owner's behalf.

20. Liability of Agent. Except as expressly provided to the contrary herein, the obligations and duties of Agent under this Agreement shall be performed as agent of Owner, but Agent, personally, shall be liable for its breaches of this Agreement. All expenses incurred by Agent in accordance with its obligations and duties under this Agreement and consistent with Owner's approved operating budget, except those due to its breaches of this Agreement and those expressly specified as Agent's expenses herein, shall be for the account of and on behalf of Owner.

21. Indemnification. To the extent permitted by law, Owner agrees to defend, indemnify, and save harmless Agent from all claims and suits in connection with the Building provided that such claims and suits are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, and such claims and suits arise, or are alleged to arise, in whole or in part out of any negligent act or omission of Owner, its officers, employees, or agents. Owner agrees to include Agent as an insured in Owner's public liability policy, but only while Agent is acting as real estate manager for Owner under this Agreement. Owner shall provide Agent with a certificate of insurance evidencing such liability insurance and providing not less than ten (10) days' notice to Agent prior to cancellation.

To the extent permitted by law, Agent agrees to defend, indemnify, and save harmless Owner and its members from all claims, investigations, and suits, or from actions or failures to act of Agent, with respect to any alleged or actual violation of state or federal labor or other laws pertaining to employees, it being expressly agreed and understood that as between Owner and Agent, all persons employed in connection with the premises are employees of Agent, not Owner. Agent shall at all times keep its employees and contractors insured for statutory workers' compensation and other employee benefits required by all applicable laws, and Agent shall maintain employer's liability insurance for an amount not less than \$1,000,000.00 covering claims and suits by or on behalf of employees and others, not otherwise covered by statutory workers' compensation insurance. Owner and its members shall be protected in all such insurance by specific inclusion of Owner under an additional insured or alternate employer rider. Agent shall provide Owner with a certificate of insurance evidencing that workers' compensation and employer's liability insurance is in force and providing not less than ten (10) days' notice to Owner prior to

cancellation.

22. Insurance. When specifically directed by Owner in writing, Agent shall cause insurance coverage required under the Mortgages, and such additional forms and amounts of insurance as Owner may require, to be placed and kept in effect at all times with insurance companies satisfactory to Owner. Agent shall be designated as an insured while acting as real estate manager for Owner under public liability insurance for a limit of liability acceptable to Agent and Owner. Agent shall investigate and promptly furnish to Owner full written reports of all accidents, claims, and potential claims for damages relating to the Building, and shall cooperate fully with Owner's insurers, regardless of whether the insurance was arranged by Agent or others.

23. Reserve and Escrow Payments. From the funds collected and deposited by Agent in the Operating Account, Agent shall make any reserve and escrow payments required under Owner's operating agreement or under the Mortgages, for the purpose of funding the replacement reserve as specified in Owner's operating agreement, any operating reserve that may be required by such agreement or otherwise advisable, and insurance, tax, and such other reserve or escrow accounts for the Building as Owner may require under its operating agreement or pursuant to the Mortgages. Agent shall establish a separate bank account for the replacement reserve and for each other different reserve that may be required. Agent promptly shall present tax bills and insurance premium notices to the escrow agent for payment and shall furnish Owner with evidence of timely payment of such taxes and insurance premiums.

24. Agent's Compensation. As compensation for all of Agent's ongoing property leasing, management, and related services under this Agreement, beginning in the month following the month of funding of the permanent first mortgage loan for the Building, Agent shall receive a monthly fee in an amount equal to seven hundredths percent (7%) of the Gross Rents received in that month (the "Management Fee"), to be paid out of the Operating Account and treated as a Building expense. Such fee shall be payable on the tenth (10th) day of the month following the month in which the services were rendered, subject to the provisions of Paragraph 25 hereof.

25. Subordination Agreement. Agent agrees to the following conditions governing amount and timing of payment of Agent's compensation under this Agreement:

(a) The monthly Management Fee shall be deemed earned in its entirety and accrued as an expense to the Building, but fifty percent (50%) of the amount payable in any month shall be reduced by the amount of any Operating Deficits (as defined below) for such month, and any unpaid amount shall be paid in the next succeeding month or months to the extent there is a surplus of Operating Income after all other Operating Expenses and Replacement Reserve Deposits (as such terms are defined below) and before any distributions to Owner's member's. In addition, the management fee will accrue to the extent necessary at any time to prevent a default under any Project Loan.

(b) "Operating Deficits" means any excess of Operating Expenses and Replacement Reserve Deposits (as defined below) over Operating Income, after application of any reserves for lease-up and operating deficits (but only to the extent permitted under Owner's operating agreement).

(c) "Operating Expenses" means all cash expended, set aside for any reserve (except

the replacement reserve), or required for debts or expenses (including all fees and expenses of Agent's affiliates, provided that any fee based on a percentage of net operating cash flow shall be calculated prior to reduction of net operating cash flow by the amount of such fee), interest, and principal payments on indebtedness, capital expenditures, replacements, expansion, or other reasonable requirements of Owner's business (excluding cash expended from capital contributions or for capital transactions) related to the Building.

(d) "Operating Income" means all cash received from operations of Owner in the ordinary course of business (excluding capital contributions and net proceeds of capital transactions) related to the Building, including funds required under Owner's operating agreement to be deposited into an operating reserve for the Building, and all cash funded out of any lease-up reserve for the Building.

(e) "Replacement Reserve Deposits" means all funds required under Owner's operating agreement to be deposited into a replacement reserve for the Building in order to achieve or restore the minimum reserve level specified for the applicable time period in the projections contained in the project investment proposal described in such operating agreement.

26. Compliance with Laws. In the performance of its obligations under this Agreement, Agent shall comply with applicable local, state, and federal laws and regulations.

27. Term of Agreement. This Agreement shall be in effect for the period commencing as of the date hereof and ending one (1) year thereafter, subject to the following conditions:

(a) Owner may elect to extend this Agreement for one or more successive one (1) year periods, up to fifteen (15) years beyond the initial one (1) year term hereof, by notifying Agent at least thirty (30) calendar days in advance of the last day of the initial period hereunder or any annual extension period thereafter. No extension shall be for more than a one (1) year period.

(b) This Agreement may be terminated by mutual written consent of Owner and Agent.

(c) In the event Agent fails to submit an acceptable proposed operating budget or makes expenditures in excess of amounts permitted under Paragraph 16 hereof, Owner shall have the right to terminate this Agreement if an acceptable budget is not submitted or excess expenditures are not reimbursed by Agent within ten (10) days after written notice by Owner to Agent.

(d) In the event there are Operating Deficits (as defined in Paragraph 25(b) hereof) each month during any period of three (3) or more successive months, Owner or Agent may elect to terminate this Agreement upon not less than thirty (30) days' prior written notice given at any time during such period.

(e) In the event Agent fails to perform any of its duties hereunder or to comply with any of the provisions hereof, other than as described in any other provision of this

Paragraph 27, Owner shall notify Agent in writing and Agent shall have ten (10) days thereafter within which to cure such default to the reasonable satisfaction of Owner, and if such default cannot be cured within such ten (10) day period, Agent shall have such additional time as may be necessary to cure the same provided that Agent demonstrates to the continuing satisfaction of Owner that it is diligently pursuing all necessary actions to cure such default and that the same will be cured within a reasonable time without damage or expense to Owner.

(f) In the event a petition in bankruptcy is filed by or against Owner or Agent, or in the event Owner or Agent makes an assignment for the benefit of creditors or takes advantage of any insolvency act, Owner or Agent may terminate this Agreement without notice to the other.

(g) Within five (5) days after the termination of this Agreement, Agent shall close all accounts and pay the balances or assign all certificates of deposit regarding the Building to Owner. Within ten (10) days after the termination of this Agreement, Agent shall deliver to Owner all plans and surveys of the Building in its possession and all books and records concerning the Building. Within thirty (30) days after the termination of this Agreement, Agent shall submit to Owner all reports required under paragraph 17 hereof to the date of such termination, and Agent and Owner shall account to each other with respect to all matters outstanding as of the date of termination.

(h) This agreement shall be cancelable upon thirty (30) days' prior notice from the Owner.

(i) If the Agent for the Project is the Managing Member or an Affiliate of the Managing Member, this agreement shall be immediately terminable at the election of the Investor Member or Special Investor Member in the event of (a) the removal or withdrawal of the Managing Member, or (b) any material breach of or noncompliance with any provision of this Agreement by the Managing Member or any Affiliate of the Managing Member (as those terms are defined in the Owner's operating agreement).

28. Notices. All notices or other communications required or desired to be given under this Agreement shall be in writing and shall be delivered either personally or by U.S. certified mail, return receipt requested, which shall be deemed delivered upon personal delivery or two (2) business days after mailing, to the parties at the following addresses:

(a) Agent: Southside Outreach Group, Inc.  
547 N. Main Street  
South Boston, VA 24592

(b) Owner: SSOG Miller Homes, LLC  
PO Box 375  
South Boston, VA 24592

with a copy to Owner's Investor member:

Housing Equity Fund of Virginia XVIII, L.L.C.  
c/o Housing Capital Corporation of Virginia  
1840 W. Broad Street, Suite 200  
Richmond, Virginia 23220  
Attention: Tera Lockley

In the event of a change in the mailing addresses stated above, any addressee whose address changes hereby agrees to give notice of a new or forwarding address within seven (7) days of the effective date of said change to the other addressee, whereupon subsequent notices shall be addressed to such new or forwarding address.

29. Amendment. This Agreement constitutes the entire agreement between Owner and Agent, and no amendment or modification thereof shall be valid or enforceable except by supplemental agreement in writing, executed by the parties hereto or the party to be bound thereby. In addition, no such amendment or modification shall be valid or enforceable without the prior written consent of Owner's investor member.

30. Enforceability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof. Owner's remedies under this Agreement are cumulative, and the exercise of one remedy shall not be deemed an election of remedies nor foreclose the exercise of Owner's other remedies. No waiver by Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach. Owner or Agent may apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, or for such other relief as may be appropriate, since the injury arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

31. Governing Law. The law of the State of Virginia shall cover the interpretation and enforcement of this Agreement.

32. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or the intent of this Agreement.

33. Execution of Counterparts. For the convenience of the parties, this Agreement may be executed in multiple counterparts, each of which shall constitute a complete original of this Agreement, which may be introduced in evidence or used for any other purpose without the production of any other counterparts.

34. Successors and Assigns. This Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Agent and their respective successors and assigns; provided, however, that Agent shall not assign this Agreement, or any of its duties hereunder, without the prior written consent of Owner. In the event Owner's current managing member or any successor managing member of Owner is removed as managing member in accordance with Owner's operating agreement, any successor managing member selected in accordance with such operating agreement shall have authority to act hereunder on behalf of Owner, and until such successor is selected Owner's Investor Member shall have temporary



In Witness Whereof, the parties have executed this Agreement as of the date first written hereinabove.

Owner:

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes, LLC  
a Virginia limited liability company,  
managing member

By: Earl Howerton  
Title: Earl Howerton, Executive Director of  
Southside Outreach Group, Inc., sole member

Attest:

[Signature]  
Title:

[SEAL]

Agent:

Southside Outreach Group, Inc.  
A Virginia corporation

By: Earl Howerton  
Title: Earl Howerton, Executive Director

Attest:

[Signature]  
Title:

[SEAL]

EXHIBITS TO  
PROPERTY MANAGEMENT AGREEMENT

- Exhibit A: Management Plan  
(as attached by Owner and Agent)
- Exhibit B(1): Leasing Guidelines  
(as attached to this form Agreement)
- Exhibit B(2): Form of Lease  
(as attached by Owner and Agent)
- Exhibit B(3): Form of Low-Income Lease Rider  
(as attached to this form Agreement),with attachments:

**Exhibit A:**  
**MANAGEMENT PLAN**

THIS MANAGEMENT PLAN shall describe the responsibilities and duties of **SSOG Miller Homes, LLC** ("Owner") and **Southside Outreach Group, Inc.** ("Agent") for the management of **Miller Homes at Poplar Creek** pursuant to the Management Agreement between the two parties dated December 2, 2014 (collectively referred to as the "Management Agreement").

1. **DEFINITIONS.**

"Affiliate" means any person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the Managing Member, or with another designated Person, as the context may require.

"Building" means, collectively, the real property commonly known as Fairmont Apartments, 130 Poplar Creek Street, South Boston, Virginia, 24592, and all improvements, appurtenances, and equipment located thereon, consisting of six (6) buildings containing a total of forty-eight (48) dwelling units.

"Company Operating Agreement" shall mean the Second Amended and Restated Operating Agreement for SSOG Miller Homes, LLC of even date herewith.

"Gross Operating Revenues" means the actual monthly cash collections from the customary operations of the Building consisting of rental receipts, forfeited or applied deposits, late charges, rent claim settlements net of any collection fees, lease termination or modification payments, tenant damages and other operating receipts, (excluding applicable sales tax and refundable deposits); Gross Operating Revenues shall not include any revenues from condemnation or casualty proceeds, any cash advances from Owner, loss of rental insurance; refunds or rebates from suppliers or vendors, revenue from the sale of any personal or real property of Owner or from any source other than the customary operations of the Building.

"Net Operating Income" shall mean Gross Operating Revenues less required payments pursuant to the terms of the financing for the Building (including but not limited to payments for debt service, Reserve Fund for Replacement, operating reserve (if applicable) and escrows for taxes and insurance), minus Operating Expenses.

"Person" means any individual, partnership, corporation, trust, limited liability company or other entity.

"Project Lenders" shall mean any Person in its capacity as a holder of a loan on the Building.

"Project Loans" shall mean the loans and indebtedness of the Owner to the Project Lenders.

"Regulatory and Operating Agreement" shall mean the Regulatory and Operating Agreement between Owner and the Hampton Redevelopment and Housing Authority of even date herewith.

"Reserve Fund for Replacements" means the cash funded reserve for replacements required by the Project Lenders.

"State" means the Commonwealth of Virginia.

2. **AUTHORITY AND RESPONSIBILITIES OF MANAGER.**

a. Standard of Care. Agent shall perform its duties and obligations in a professional, competent, businesslike and efficient manner as would a property manager of apartment projects similar to the Building.

b. Budgets. Agent shall prepare and present to Owner annual operating budgets for the following calendar year for the Building as set forth in the Management Agreement (the "Budget").

c. Leasing, Collection of Rents, etc.

Agent shall use its best efforts consistent with the standard of care set forth herein to lease apartments units, retain residents, maximize Gross Operating Revenues and to:

(1) Cause the apartment leases to be signed on behalf of Owner as Agent of the Owner hereunder. The form of lease shall be approved by Owner. Agent shall not enter into any lease which has a term greater than 12 months.

(2) Collect rents, security deposits and other charges payable by tenants in accordance with the tenant leases, and shall collect income due Owner with respect to the Building from all other sources, and shall deposit all such income received immediately upon receipt in the Operating Account.

(3) Pay all operating expenses of the Building, pursuant to the limitations of this Agreement, from the Operating Account including monthly bills, insurance and mortgage payments as set forth in the Budget.

(4) Rent is due and payable on the first day of the month and considered delinquent on the 5th day of the month. Rent payments will be recorded as of date received by the Office. A late charge will be assessed after the 5th day in accordance with provisions of the resident lease.

(5) On the tenth (10th) of the month, the Agent will generate a delinquency report and send individual letters notifying delinquent residents of the need to achieve a zero balance within three days from receipt of letter.

(6) Suit will be filed for rent and possession on the 15th calendar day from the first day of the month in which the delinquency began.

d. Marketing. Marketing and admissions shall be conducted in accordance with the Affirmative Fair Housing Marketing Plan attached as Exhibit A and for public housing units the Admissions and Continued Occupancy Policy.

Owner has applied for financing requiring the following income and rent restrictions based on the requirements listed below. The marketing efforts will be directed to those applicants who meet the criteria.

Low-income housing tax credit

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The Project will be advertised in South Boston News & Record and Mecklenburg Sun and The Gazette-Virginian, two newspapers that have a wide circulation in the area. This wide range of advertising should enable us to reach the widest range of economic levels. The location of the site should also allow for a wide range in economic levels and a varied racial mix.

3. **PROJECT ACCOUNTS.**

a. Operating Accounts.

(1) Depository Accounts. All rents and other revenue from the Apartment Complex shall be deposited by Agent into a deposit account designated by Owner and shall be insured by the Federal Deposit Insurance Corporation (the "Operating Account"). All Depository Accounts shall be the sole and exclusive property of Owner, and Agent shall retain no interest therein. Excess cash held in this account may be combined with other Project funds described below in temporary (immediate call) interest-bearing accounts when separate bookkeeping records are maintained for individual Project accounts. Checks may be drawn upon such Operating Accounts only by persons authorized by Agent in writing to sign checks. The Operating Account shall be established in the name of the Owner, with Agent as an authorized signatory.

(a) Deposits.

All income and revenue from the housing Project shall, upon receipt, immediately be deposited in the Operating Account. This will include rent receipts, laundry revenue, or any other project income. The Agent may also, at their discretion, at any time, deposit therein other funds that are also to be used for purposes authorized by this section, including transfers from Reserve Accounts. All funds in the Operating Account will be used only as authorized in this section.

(b) Disbursements.

Out of the Operating Account, the Agent shall pay the actual, reasonable and necessary monthly project expenses. Current expenses may include: installments of debt service; salaries and other compensation, including Agent's compensation and payroll taxes; real estate tax and insurance escrow; reserves; and distribution of any net cash flow to Owner when and as requested by Owner.

b. Tenant Security Deposit Trust Account.

Upon receipt, all tenant security deposit funds collected shall be deposited in a separate interest bearing account at a federally insured financial institution, and shall be handled according to any State or local laws governing tenant security deposits. All tenant security deposit funds collected shall be recorded in a bookkeeping account that is separate from the Project bookkeeping accounts. Funds in the Security Deposit Trust Account shall only be used for authorized purposes as intended and represented by the Project management. They shall be held by the Agent in trust for the respective tenants until so used. Any amount in the Security Deposit Trust Account which is retained by the Agent as a result of lease violations shall be transferred to the Operating Account and treated as income of the housing. Any interest earned will accrue to the Project's Operating Account.

c. Replacement Reserve Account

A reserve account(s) shall be maintained to the extent required by the Regulatory and Operating Agreement.

d. Operating Reserve Account

An Operating Reserve Account shall be maintained to the extent required by the Regulatory and Operating Agreement.

4. **REPAIR, MAINTENANCE AND SERVICE.**

a. Agent shall use its best efforts to maintain the Building in good repair and condition, consistent with the standard of care set forth herein.

b. In the name of Owner and subject to the other terms and conditions of this Agreement, the Agent in its capacity hereunder shall execute contracts for water, electricity, gas, telephone, television, vermin or pest extermination and any other services which are necessary to properly maintain the Building. Agent shall in Owner's name and at Owner's expense, out of available cash flow, hire and discharge independent contractors for the repair and maintenance of the Building. The property manager and Director of Maintenance will be authorized to purchase maintenance equipment, parts and supplies in accordance with Agent Procurement and Purchasing policies. The property manager and maintenance personnel will conduct inventories of such equipment, parts and supplies as required by Agent policies. Work Orders will be submitted for maintenance in accordance with longstanding Agent procedures.

Other than tenant leases, which Agent is authorized to execute hereunder, Agent shall not, without the prior written consent of the Owner, enter into any contract in name of Owner which may not be terminated with 30 days notice or less. Agent shall act at arms length with all contractors and shall employ no Affiliates without Owner's and the Investment Partnership's prior written consent.

5. **EMPLOYEES.**

a. The personnel to be regularly employed in the management of the Building will be supervised and discharged solely by the Agent. Agent shall prepare, execute and file all forms, reports and returns required by applicable laws. All such on-site personnel will be employees of the Owner and will be hired, paid, supervised and discharged through the Agent, subject to the following conditions:

(1) The On-Site Manager will be directly responsible for the conduct of the on-site operation of the Building, including other on-site staff and will report directly to the Agent's Property Manager or other officer of the Agent.

(2) The Leasing Agent, if required, will have the duties of the type usually associated with his or her position and will report directly to the Agent's Property Manager or other officer of the Agent.

(3) The Owner will reimburse the Agent for compensation (including

fringe benefits) payable to the employees and contractors of the Agent providing services for the Building and for all local, state and Federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and worker's compensation insurance) incident to the employment of such personnel. Such reimbursement will be paid out of the operating account for the Building and shall be treated as an operating expense.

(4) The Agent shall notify the Owner of any changes in on-site personnel and the Owner's prior approval of any salary increases shall be required unless within previous budgetary constraints.

b. Agent staff will comply with normal operating hours in regards to the Building (8:00 a.m. to 4:30 p.m.) Monday through Friday. After hours and on holidays the contracted answering service will handle all calls and a list of contacts will be provided for all management and maintenance issues. Agent currently employs three property managers and three assistance property managers who will fill in during illness and vacation related absences. Agent staff will operate within Agent's existing procurement guidelines. Agent also employs a fulltime retired Hampton police officer to serve as an advisor on property security issues and as a liaison between the Police department and Agent.

#### **6. MAINTENANCE OF RECORDS.**

a. Agent agrees to keep and maintain at all times all necessary books and records relating to the leasing, management and operation of the Building. Agent further agrees to prepare and render to Owner in connection with its leasing, operation, and management the reports described in the Management Agreement. Agent currently employs a fulltime accounting and data processing staff which operates a fully integrated automated accounting system. A general ledger is fully integrated with the operating modules consisting of tenant accounting, accounts payable, fixed assets, purchasing, Section 8, inventory, payroll and housing eligibility/tenant selection. Operating data is normally available between the 10<sup>th</sup> and the 15<sup>th</sup> days of the month. An annual report shall be prepared at Owner's expense, out of available cash flow, showing a balance sheet and an income and expense statement, all in reasonable detail and certified by an independent Certified Public Accountant.

b. All books, correspondence and data pertaining to the leasing, management and operation of the Building shall, at all times, be safely preserved. Such books, correspondence and data shall be available to Owner in their entirety. Agent shall maintain files of all original documents relating to reporting requirements leases, vendors and all other business of the Building in an orderly fashion at the Building, which files shall be the property of Owner and shall at all times be open to Owner's inspection. Notwithstanding anything to the contrary, Agent shall copy all tenant files during the "initial leasing" of the units and provide Owner with said copies. Manager shall maintain these original "initial leasing" files on-site. The costs of copying these "initial leasing" files shall be an operating expense of the Building and Owner shall maintain said files at its own expense.

#### **7. OPERATING EXPENSES.**

Agent shall use reasonable efforts to minimize operating expenses by obtaining competitive pricing on all services and obtaining at least three bids on major expenditures. Agent shall use reasonable efforts to comply with the limitations on expenditures set forth in the Budget. Agent shall obtain Owner's prior written consent before incurring on behalf of Owner any single

expenditure in excess of five hundred dollars (\$500) excluding utility bills and other normal and recurring expenses included in the Budget, except in an emergency in which case Agent may incur expenses reasonably necessary to protect life and property. Agent shall notify Owner of any such emergency expenses as soon as practicable after they are incurred. Under no circumstances shall Agent request payment of any invoices, whether to itself or a third party, marked-up above cost.

**8. LEGAL PROCEEDINGS AND COMPLIANCE WITH APPLICABLE LAWS.**

a. Agent shall promptly notify Owner in writing of the service of any demand, notice or legal process upon Agent (although Agent is not authorized to accept service of process on behalf of the Owner), or the occurrence of any casualty loss, injury or damage on or about the Building;

b. Agent shall use its best efforts to fully comply and cause its employees to fully comply, with all applicable laws in connection with this Agreement and the performance of its obligations hereunder, including all federal, state and local laws, ordinances and regulations relative to the leasing, use, operation, repair and maintenance of the Building and the operations of Manager, including without limitation, laws prohibiting discrimination in housing, employment laws, unfair labor practices, laws regarding tenant security deposits and laws regarding the storage, release and disposal of hazardous materials, and toxic substances, including without limitation, asbestos, petroleum and petroleum products.

c. Agent agrees that it shall not, and shall instruct its employees to not, cause any hazardous materials or toxic substances, to be stored, released or disposed of on or in the Building except as may be incidental to the operation of any apartment project (e.g., cleaning supplies, fertilizers, paint, pool supplies and chemicals). If (i) there is a violation of applicable laws regarding the storage, release and disposal of such hazardous materials, or toxic substances, or (ii) Agent reasonably believes that the storage, release or disposal of any hazardous material, petroleum product, or toxic substances, or (iii) Agent reasonably believes that the storage, release or disposal of any hazardous material, petroleum product, or toxic substances, could cause liability to the Owner, including any releases caused by Tenants, third parties or employees, on the Building, Agent shall notify Owner immediately.

d. Subject to the requirements of various loan sources, the Agent agrees that the Building shall be offered to all prospective tenants on a nondiscriminatory basis without regard to race, color, religion, sex, family status, handicap or national origin in accordance with applicable law.

e. Agent shall demonstrate full compliance with the Virginia Landlord/Tenant Act and for public housing residents will adhere to the grievance procedure of Hampton Redevelopment and Housing Authority.

**9. COMPUTERS.**

All site computer hardware, hardware upgrades and hardware maintenance in connection therewith and available to residents shall be licensed in the name of the Owner and at Owner's Expense.

**10. PETS.**

Pets are allowed under conditions set forth in the attached Owner's Pet



Policy attached as Exhibit B.

11. **INDEPENDENT CONTRACTOR.**

In the performance of its duties hereunder, the Agent shall be and act as an independent contractor, with the sole duty to supervise, manage, operate, control and direct performance of the details of its duties incident to the specified duties and obligations hereunder, subject to the rights of the Owner, as described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

## EXHIBIT B(1)

### LEASING GUIDELINES

#### A. Screening Process

1. Application. Each prospective Tenant must complete and sign a written application for lease, containing detailed personal information, previous residences and landlords for several years, information on employment, income, assets, and credit, proposed occupants (including ages) and pets, and references, and containing such other information and statements as will enable Agent to screen the prospective Tenant or as is otherwise proper and advisable for the management of the Building in accordance with professional standards. In conjunction with the lease application, each prospective Tenant must complete and sign a Tenant Income Certification in the form attached herewith as part of Exhibit B(3), where required under Paragraph 9 of the foregoing Agreement.

2. Interview. Agent shall interview each proposed adult occupant of the dwelling unit to be leased in order to help determine the character of such persons.

3. Employment. Agent shall verify the employment and income information given by the prospective Tenant, using the form of Employer Verification attached herewith as part of Exhibit B(3), where required under Paragraph 9 of the foregoing Agreement.

4. Credit. Agent shall have conducted a responsible credit agency check of the prospective Tenant, and shall personally check with one or more of the Tenant's previous landlords with respect to past rent payment history.

5. Housekeeping. Agent shall check with one or more previous landlords of the proposed Tenant and other occupants with respect to their ability to maintain an apartment in good condition and to abide by building rules. If verbal information is vague or questionable, Agent shall visit the proposed occupants' present residence(s).

6. Other. If advisable, Agent shall check other references and perform other screening of the proposed Tenant.

7. Approval. Agent shall approve the proposed Tenant's lease application only if, in Agent's best professional judgment, the proposed Tenant is qualified to pay rent when due and all proposed occupants are likely to maintain properly the dwelling unit, abide by reasonable rules, and otherwise be suitable occupants of the Building. Also, without Owner's prior written consent, Agent shall not approve any lease application unless the Tenant and other proposed occupants constitute a low-income household as defined for purposes of obtaining and maintaining a low-income housing tax credit for the Building under Section 42 of the Internal Revenue Code of 1986, to the full extent required under Paragraph 9 of the foregoing Agreement.

#### B. Lease

1. Application. Prior to leasing any dwelling unit, Agent shall have screened the prospective Tenant and all other proposed occupants in accordance with Section A hereof, and shall have approved the lease application as described above.

2. Lease Form. In leasing dwelling units, Agent shall use only the form of lease approved in writing by Owner from time to time, and the form of Low-Income Lease Rider attached hereto as Exhibit B(3), where required under Paragraph 9 of the foregoing Agreement, without material changes unless approved in writing by Owner.

3. Approved Rent. Agent shall not lease any dwelling unit for a rental amount other than as specified in the rent schedule included as part of Owner's approved operating budget or otherwise approved by Owner in writing.

4. Security Deposit. Agent shall require not less than one (1) month's security deposit, and shall require two (2) months' security deposit if circumstances warrant. Agent shall also, if advisable, collect a key deposit.

5. Named Tenant; Occupants, Pets. Each adult occupant of the dwelling unit shall be named as Tenant in the Lease, and shall be jointly and severally liable for rental payments. The Lease shall specify all other permitted occupants and pets, and it shall be a default if any non-permitted occupant resides in the dwelling units.

6. Term. Each Lease shall be for a term of one (1) year.

7. Substitution of Unit. In the event rehabilitation or other plans for the Building will require that the dwelling unit to be leased to the Tenant be vacated or made available to another Tenant during any portion of the Lease term, the Lease shall contain a provision for substitution of another dwelling unit and relocation of the Tenant.

8. Certain Lease Provisions. The form of lease to be approved by Owner shall contain detailed provisions in plain language concerning the following matters of practical importance, among others:

a. Condition of Unit. Acknowledgment of the condition of the dwelling unit as described in a unit inspection report;

b. Default Charges. Tenant's liability for the following default charges: late rent payment charges; returned check charges; lost keys; damage to the dwelling unit or the Building not caused by ordinary wear and tear; missing property, fixtures, or equipment; and costs of rent collection and eviction.

c. Security Deposit. Procedures concerning deductions from and return of security deposit, with interest to the extent required by law, and any key deposit.

d. Utilities and Other Charges. Tenant's responsibilities concerning utility services to the dwelling unit, other services to the dwelling unit, other services provided by Owner or Agent, and any parking or other charges.

e. Maintenance. Maintenance duties of Tenant and of Owner, respectively, separately listed.

- f. Alterations. Requirement of Owner's or Agent's consent to alterations of the dwelling unit, listing examples, and to charges of keys and locks.
  - g. Use Restrictions. Restrictions on Tenant's use of the dwelling units, including hazards, noise, nuisance, etc.
  - h. Changes. Tenant's obligation to report changes in Tenant's household or employment status.
  - i. Rules. Tenant's and all other occupants' obligation to comply with any rules and regulations issued by Owner or Agent. A copy of any such rules shall be attached to the Lease.
  - j. Other. Other provisions customarily included in apartment leases or advisable for the Building.
  - k. Attachments. Acknowledgment by Tenant of any attachments to the Lease.
9. Execution. Agent shall execute each Lease as agent for Owner.

EXHIBIT B(2)  
Form of Lease

**EXHIBIT B(3)**

**LOW-INCOME LEASE RIDER**

**THIS RIDER, AN INCOME CERTIFICATION, AND AN EMPLOYER VERIFICATION MUST BE OBTAINED FROM ALL TENANTS OF APARTMENTS FOR WHICH LOW-INCOME HOUSING TAX CREDITS ARE REQUIRED. PARAGRAPH 4 OF THIS RIDER MUST BE UPDATED AND REVISED FROM TIME TO TIME IN ACCORDANCE WITH SECTION A, PARAGRAPH 3 OF THE ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT.**

Tenant: \_\_\_\_\_

(If there is more than one adult occupant, each one must complete and sign a rider and attachments.)

Lease Date: \_\_\_\_\_

Apartment: \_\_\_\_\_

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

The undersigned tenant hereby certifies and agrees as follows:

1. **Income Certification.** My attached income certification is true, correct, and complete. I agree to provide a similar certification annually upon request during the term of my occupancy.
2. **Employer Verification.** The landlord or property manager has my permission to verify my income from my employer, using the attached form, now and on an annual basis.
3. **False or Missing Statements.** If my income certification and/or any lease application submitted by me is false, or if I fail to provide annual certifications or if any of them is false, the landlord or property manager will have the right to terminate my lease and take possession of my apartment immediately.
4. **Maximum Household Income.** If the current COMBINED TOTAL INCOME FOR ALL HOUSEHOLD MEMBERS, as stated on the attached income certification or as otherwise verified, exceeds the maximum allowable household income for my household size as set forth in the table below, the landlord or property manager will have the right to terminate my lease and take possession of my apartment immediately.

<u>Household Size</u>	<u>Maximum Allowable Household Income</u>	
	40%	60%
1 Person	\$ _____	\$ _____

2 Persons	\$ _____	\$ _____
3 Persons	\$ _____	\$ _____
4 Persons	\$ _____	\$ _____
5 Persons	\$ _____	\$ _____
6 Persons	\$ _____	\$ _____
7 Persons	\$ _____	\$ _____
8 Persons	\$ _____	\$ _____

I understand that the landlord and property manager are relying on my income certification in accepting me as a tenant, and that the landlord will be seriously harmed if my income does not qualify the apartment for low-income housing tax credits. This rider shall be considered part of my lease.

Date: \_\_\_\_\_, 19\_\_

**Tenant:**

\_\_\_\_\_  
(Signature)

**To Be Attached:**

- A. Tenant Income Certification
- B. Employer Verification Form

**EXHIBIT H  
TO OPERATING AGREEMENT**

**DEVELOPMENT BUDGET**



Miller Homes at Poplar Creek

**PROJECT ASSUMPTIONS**

<b>Project Sponsor</b>	Southside Outreach Group
<b>Community</b>	South Boston, Virginia

**OPERATING ASSUMPTIONS**

PROJECT TIMING		
Closing		12-Dec-14
Construction Start		10-Jan-15
Construction Completion		31-Dec-15
Full Qualified Occupancy		28-Feb-16
Closing Month of the Year		12
Operating Months Year		1
Ave. Qual. Occupancy Mo. Year		3.48

Credit Allocation	213,000
(Insert - 0 - if prior to allocation)	
Credit Calculated	255,618
Credit Used	213,000

**PROJECT OPERATING ASSUMPTIONS**

GENERAL			
Management Fee	7.00%	Replacement Reserve \$/Unit	300
Vacancy Rate	7.00%		
Inflation Income	2.00%	Operating Cost/Unit	4090
Inflation Expenses	3.00%		
Initial Partnership Admin. Fee	\$5,250	Included in operating budget	
Year 1 Building Expenses	\$155,750	(W/O REP.RES.,MGMT.)	

PROJECT INCOME ASSUMPTIONS			
Unit Type	# Units	Net \$/Mo.	Gross Pot Ann Inc.
1 BR (40%)	5	260.00	15,600
1 BR (50%)	3	355.00	12,780
2 BR (50%)	30	420.00	151,200
3 BR (50%)	8	480.00	46,080
			0
			0
			0
Other Income (Submetering)		2768.00	33,216
Total Apartment Units	46		258,876

PROPERTY / RENTAL INCOME ANALYSIS									
Unit Type	Tenant Pd Utilities	Sq. Ft.	Net \$/Mo.	Utility Allow	Adjusted Rent	Program Maximum	Dollars Below	FMR 10/1/12	Dollars Below
1 BR (40%)	All but trash	700	260.00	124.00	384.00	393.00	9.00	488.00	104.00
1 BR (50%)	All but trash	700	355.00	124.00	479.00	491.00	12.00	488.00	9.00
2 BR (50%)	All but trash	850	420.00	155.00	575.00	588.00	13.00	626.00	51.00
3 BR (50%)	All but trash	970	480.00	189.00	669.00	680.00	11.00	799.00	130.00
0			0.00						
0			0.00						
0			0.00						
Other Income (Submetering)			2768.00						

225,660

**Miller Homes at Poplar Creek**

**OPERATING EXPENSES**

		Annual Expense	\$/Unit
<b>ADMINISTRATIVE</b>			
Advertising/Marketing		3,000	65
Office Salaries		0	0
Office Supplies		2,400	52
Office/Model Apartment		0	0
Management Fee	7.00% EGI 16853	17,000	370
Manager Salaries		20,000	435
Staff units		0	0
Legal		1,200	26
Audit		0	0
Bookkeeping/Accounting		2,400	52
Telephone		0	0
VHDA Monitoring		1,610	35
Other Administrative		2,250	49
<b>TOTAL ADMINISTRATIVE</b>		49,860	1,084
<b>UTILITIES</b>			
Fuel Oil		0	0
Electricity		8,000	174
Water	includes submetering	17,000	370
Sewer	includes submetering	19,000	413
Gas		0	0
<b>TOTAL UTILITIES</b>		44,000	957
<b>OPERATING / MAINTENANCE</b>			
Janitor/Cleaning Payroll		0	0
Janitor/Cleaning Supplies		0	0
Janitor/Cleaning/Cleaning Contract		0	0
Exterminating		2,000	43
Trash Removal		4,000	87
Security/Payroll		0	0
Grounds Payroll		0	0
Grounds Supplies		2,500	54
Grounds Contract		7,500	163
Maintenance/Repairs Payroll		20,000	435
Repairs Material		10,000	217
Repair Contract		0	0
Heating Cooling Repairs and Maintenance		4,800	104
Pool Maintenance		0	0
Snow Removal		750	16
Decorating/Payroll/Contract		1,500	33
Decorating Supplies		0	0
Miscellaneous		1,500	33
<b>TOTAL OPERATING / MAINTENANCE</b>		54,550	1,186

<b>EXPENSE ANALYSIS</b>		
	Annual Expense	\$/Unit
Administrative W/O Mgmt, Audit, VHDA	31,250	679
Utilities	44,000	957
Maintenance	54,550	1,186
Real Estate Taxes	12,800	278
Insurance	11,400	248
Other Taxes / Insurance	1,750	38
<b>TOTAL Building Expense</b>	155,750	3,386
Replacement Res. Management	13,800	300
VHDA Monitoring	17,000	370
	1,610	35
<b>Total Operating Expense</b>	188,160	4,090
Partnership Management/Audit	5,250	114
<b>Total Annual Expenses</b>	193,410	4,205

231,612    19,301  
115,806    0.518

<b>TAXES AND INSURANCE</b>		
	Annual Expense	\$/Unit
Real Estate Taxes	12,800	278
Payroll Taxes	0	0
Miscellaneous Taxes / Licenses / Permits	0	0
Property and Liability Insurance	11,400	248
Fidelity Bond	750	16
Workman's Compensation	0	0
Health Insurance and Employee Benefits	0	0
Other Insurance	1,000	22
<b>TOTAL TAXES AND INSURANCE</b>	25,950	564
Replacement Reserves	300 \$/Unit/Yr	13,800
<b>TOTAL OPERATING EXPENSES</b>	188,160	4,090



**Miller Homes at Poplar Creek**

*Operating and Replacement Reserve Account Analysis*

OPERATING RESERVE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Balance	135,000	135,084	136,101	137,126	138,158	139,198	140,246	141,302	142,366	143,438	144,517	145,605	146,702	147,806	148,919	151,407	153,761
Reserve Interest	84	1,017	1,025	1,032	1,040	1,048	1,056	1,064	1,072	1,080	1,088	1,096	1,104	1,113	1,126	1,144	1,161
Distributable Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,810	6,050	5,216
Less: Incentive Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,448	-4,840	-4,173
Deferred To Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ENDING BALANCE</b>	<b>135,084</b>	<b>136,101</b>	<b>137,126</b>	<b>138,158</b>	<b>139,198</b>	<b>140,246</b>	<b>141,302</b>	<b>142,366</b>	<b>143,438</b>	<b>144,517</b>	<b>145,605</b>	<b>146,702</b>	<b>147,806</b>	<b>148,919</b>	<b>151,407</b>	<b>153,761</b>	<b>155,966</b>
Deferred Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>REPLACEMENT RESERVE</b>																	
Beginning Balance	10,000	10,006	23,934	37,966	52,103	66,348	20,761	34,770	48,883	18,943	32,937	47,037	18,750	32,744	46,842	18,730	32,723
Interest Income	6	127	232	338	444	327	208	314	254	195	300	247	193	298	246	193	298
Reserve Deposits	0	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800
Capital Expenditures						59,713			43,995			42,333			42,158		
<b>ENDING BALANCE</b>	<b>10,006</b>	<b>23,934</b>	<b>37,966</b>	<b>52,103</b>	<b>66,348</b>	<b>20,761</b>	<b>34,770</b>	<b>48,883</b>	<b>18,943</b>	<b>32,937</b>	<b>47,037</b>	<b>18,750</b>	<b>32,744</b>	<b>46,842</b>	<b>18,730</b>	<b>32,723</b>	<b>46,821</b>
Use of Replacement Reserves	1 1=yes		90.00%														

## Miller Homes at Poplar Creek

## USES OF FUNDS

USES OF FUNDS	Total	Sub Tot	% OF Tot.	Sub Tot	\$/unit	Sub Tot	COMMENTS
Purchase of land	149,600		4.08%		3,252		Per GIS land is \$149,600
Purchase Building	570,400	720,000	15.57%	19.65%	12,400	15,652	
Off-Site Improvements	0		0.00%		0		
Site Improvements	75,000		2.05%		1,630		
Unit Structures (New)	0		0.00%		0		
Unit Structures (Rehab)	1,470,000		40.12%		31,957		
Demolition	100,000		2.73%		2,174		
General Conditions, Overhead, Profit	190,000		5.19%		4,130		
Bonding Fee	25,000		0.68%		543		
Fixtures and Equipment	65,000	1,925,000	1.77%	52.54%	1,413	41,848	
Building Permit and County Bond	10,000		0.27%		217		
A&E Fees (Design and Supervision)	115,000		3.14%		2,500		
Tap Fees	0		0.00%		0		
Soil Borings / Site Plan Revision	0		0.00%		0		
Construction Loan Fee	12,500		0.34%		272		
Construction Interest	71,000		1.94%		1,543		
Bridge Interest During Const.	0.5	0	0.00%	0	0		
Taxes During Construction	15,000		0.41%		326		
Insurance During construction	15,000		0.41%		326		
Cost Certification	7,500		0.20%		163		
Legal Fees Permanent	18,000		0.49%		391		
Legal Fees Construction	30,000		0.82%		652		
Legal Fees Partnership	18,000		0.49%		391		
Legal Fees Syndication	10,000		0.27%		217		
Survey / Title	25,000		0.68%		543		
Permanent Loan Fees	4,250		0.12%		92		
Surveying	0		0.00%		0		
Environmental Study	4,000		0.11%		87		
EarthCraft	15,000		0.41%		326		
Appraisal Fee	4,000		0.11%		87		
Market Study	4,000		0.11%		87		
Tax Credit Fee	15,660		0.43%		340		
Contingency	90,000		2.46%		1,957		
Replacement Reserve	10,000		0.27%		217		
Lease Up	10,000		0.27%		217		
Operating Reserve	125,000	628,910	3.41%	17.16%	2,717	13,672	
Developer's Fees	350,000		9.55%		7,609		
Relocation	40,000		1.09%		870		
<b>PROJECT TOTAL</b>	<b>3,663,910</b>		<b>100.00%</b>		<b>79,650</b>		
	<b>3,663,910</b>						

**Miller Homes at Poplar Creek**

**SOURCES OF FUNDS**

PROJECT SOURCES OF FUNDS	Amount	% of Tot.	Rate	Term	Ann. D/S	D/S Cover
<b>Financing</b>						
VHDA SPARC	850,000	23.20%	1.50%	30	35202	1.56
	0	0.00%	0.00%	30	0	1.56
DHCD HOME	600,000	16.38%	0.50%	20	3000	1.44
Town of South Boston	50,000	1.36%	0.00%	20	Only from available cash flow	
Sponsor Loan (SSOG)	0	0.00%	0.00%	30	Only from available cash flow	
	0	0.00%			0	
GP Deferred Developer Fee	208,810	5.70%	0.00%	30	Only from available cash flow	
<b>TOTAL FINANCING</b>	<b>1,708,810</b>	<b>46.64%</b>				
Bridge Interest During Construction	0					
GP Contribution	100	0.00%				
Grants						
Project Investment	1,955,000	53.36%				
Construction-Period Cash Flow		0.00%				
<b>TOTAL FINANCING</b>	<b>3,663,910</b>	<b>100.00%</b>				
<b>PROJECT GAP</b>	<b>0</b>	<b>0.00%</b>				
<b>TOTAL PROJECT COST</b>	<b>3,663,910</b>	<b>100.00%</b>				

91.78%  
75.51%

#NUM!	EQUAL PAYMENT FORMULA
0	INTEREST ONLY FORMULA

State Tax Credit	Historic	Housing
State Tax Credit	0	0
State Benefit	0	0
Est. State Credit Equity		0



**Miller Homes at Poplar Creek**

**Depreciation and Amortization Schedules**

ANNUAL AMORTIZATION		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Expense Category</b>	<b>Total</b>																	
Permanent Legal	18,000	50	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Legal Partnership	13,000	72	867	867	867	867	867	867	867	867	867	867	867	867	867	794		
Permanent loan Fee	4,250	12	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142
Cost Certification	7,500	42	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	458
Tax Credit Fee	15,660	87	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	957
Other																		
Other																		0
<b>Total</b>	<b>58,410</b>	<b>263</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,080</b>	<b>2,286</b>	<b>2,157</b>
Tot. From Sched.	58410																	
ANNUAL DEPRECIATION		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Housing Building	27.5	9,553	114,633	114,633	114,633	114,633	116,804	116,804	116,804	118,404	118,404	118,404	119,943	119,943	119,943	121,476	121,476	121,476
Commercial Building	40	292	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
FF&E		13,000	20,800	12,480	7,488	7,488	5,798											
Site Work		3,750	7,125	6,413	5,775	5,198	4,673	4,425	4,425	4,433	4,425	4,433	4,425	4,433	4,425	4,433	2,213	0
<b>Total</b>		<b>26,594</b>	<b>146,058</b>	<b>137,025</b>	<b>131,396</b>	<b>130,818</b>	<b>130,775</b>	<b>124,729</b>	<b>124,729</b>	<b>126,336</b>	<b>126,329</b>	<b>126,336</b>	<b>127,868</b>	<b>127,876</b>	<b>127,868</b>	<b>129,409</b>	<b>127,189</b>	<b>124,976</b>

Depreciable Basis Calculation	
4% Acquisition	570,400
9% Basis	2,582,000
No Credit Depreciable	140,000
<b>Total Housing Building</b>	<b>3,292,400</b>
Site Work	75,000
FF&E	65,000
Commercial	140,000
Housing Historic	0
Commercial Historic	0
Commercial Dep. Basis	140,000
Housing Building	3,152,400
15 year property	75,000

1959600

TAX CREDIT ASSUMPTIONS	
Tax Credit Rates:	
4%	3.15%
9%	9.00%
Annual Tax Credit	213,000
Credit Allocated to Project	213,000
Credit Calculated for Project	255,618
Credit Calc Net of Exchange	255,618
Applicable Percentage	100.00%
Qualified Census Tracts	1980900

HISTORIC TAX CREDITS			
Historic Credit Basis	0	Housing Percent	100.00%
Federal Historic Credit	0	Housing Portion	0
State Historic Credit	0	25.00%	
State historic benefit	0		

Credit calculation			
Basis (from Page 7)	2,582,000	Acquisition Basis	0
Applicable Percentage	100%	Applicable %	100%
Adjustments	0		
Basis Boost	258,200	Basis Boost	
Credit Basis	2,840,200	Credit Basis	0
Credit Rate	9.00%	Credit Rate	3.15%
Calculated Rehab Credit	255,618	Calc. Aquisit Credit	0
<b>Total</b>		<b>255618</b>	

Project is eligible for 10% basis boost from VHDA

Basis Adjustments	
Historic Credit	0
Grants	0
Federal Financing	0
Other	0
<b>TOTAL</b>	<b>0</b>



Miller Homes at Poplar Creek

PROJECT FINANCING

VHDA SPARC		0		DHCD HOME	
Principal Balance	850,000	Principal Balance	0	Principal Balance	600,000
Interest Rate	1.50%	Interest Rate	0.00%	Interest Rate	0.50%
Term	30	Term	30	Term	20
Annual Debt Serv.	35202	Annual Debt Serv.	0	Annual Debt Serv.	3000

MORTGAGE AMORTIZATION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>VHDA SPARC</b>																	
Payment	0	26,402	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202	35,202
Interest	0	9,467	12,324	11,979	11,628	11,271	10,910	10,543	10,170	9,792	9,407	9,018	8,622	8,220	7,812	7,398	6,978
Principal	0	16,934	22,878	23,224	23,575	23,931	24,293	24,660	25,032	25,411	25,795	26,185	26,580	26,982	27,390	27,804	28,224
Year End Bal.	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328	451,104
<b>0</b>																	
Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year End Bal.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>DHCD HOME</b>																	
Payment	0	2,250	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Interest	0	2,250	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year End Bal.	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

Town of South Boston	
Principal Balance	50000
Interest Rate	0.00%
Term	20
Annual Debt Service	0 Only from available cash flow

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year End Bal.	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000

Sponsor Loan (SOG)	
Principal Balance	0
Interest Rate	0.00%
Term	30
Annual Debt Service	0 Only from available cash flow

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year End Bal.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

0	
Principal Balance	0
Interest Rate	0.00%
Term	0
Annual Debt Service	0

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Year End Bal.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GP Deferred Developer Fee	
Principal Balance	208810
Interest Rate	0.00%
Term	30
Annual Debt Service	0 Only from available cash flow

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Payment	3,369	20,081	11,242	11,148	11,012	10,831	10,604	10,327	9,999	9,617	9,179	8,682	8,123	74,597	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	3,369	20,081	11,242	11,148	11,012	10,831	10,604	10,327	9,999	9,617	9,179	8,682	8,123	74,597	0	0	0
Year End Bal.	205,441	185,361	174,119	162,971	151,959	141,127	130,524	120,197	110,198	100,581	91,402	82,720	74,597	0	0	0	0

**Miller Homes at Poplar Creek**

**Equity Investment Page**

Installment Number	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Total</u>			
Projected Date	12-Dec-14	01-Apr-15	01-Aug-15	01-Dec-15	15-Mar-16	01-Sep-16	01-Sep-18			
			Spc. Ltd.					Budget	Difference	
<b>Gross Contribution</b>	300000	300000	300000	300000	520000	100000	135000	1,955,000	1,955,000	0
<b>Distribution</b>										
Other	0	0	0	0	0	0	0	0		
Project Development	275,000	300,000	300,000	300,000	493,810	0	0	1,668,810		
Developers' Fee (cash)	25,000	0	0	0	16,190	100,000	0	141,190	141,190	0
Operating Reserve	0	0	0	0	0	0	125,000	125,000	125,000	0
Lease Up Reserve	0	0	0	0	10,000	0	0	10,000	10,000	0
Replacement Reserve	0	0	0	0	0	0	10,000	10,000	10,000	0
	0	0	0	0	0	0	0			
<b>TOTAL</b>	300,000	300,000	300,000	300,000	520,000	100,000		1,955,000		
		25%	50%	75%						



# Miller Homes at Poplar Creek

**Seller's Exit Tax Liability and Net Benefit**

EXIT TAX LIABILITY		
Outstanding Loans		
VHDA SPARC	451,104	
0	0	
DHCD HOME	600,000	
Town of South Boston	50,000	
Sponsor Loan (SSOG)	0	
GP Deferred Developer Fee	0	
<b>TOTAL OUTSTANDING LOANS</b>	<b>1,101,104</b>	
Construction Period Cash Flow	0	
GP Capital Account	74,697	
Exit tax Liability	0	
Cash on Hand	-202,787	
<b>GROSS SALE PROCEEDS</b>	<b>973,013</b>	
Total Development Costs	3,663,910	
Capital Improvements from Replacement Res	188,199	
Less:		
Historic Credit	0	
Total Depreciation	2,096,312	
Total Amortization	48,766	
Expensed	0	
Initial Replacement Reserve	10,000	
Initial Lease Up Reserve	10,000	
Initial Operating Reserve	125,000	
<b>REMAINING BASIS</b>	<b>1,562,031</b>	
Capital Gain From Sale	-589,018	
Tax on gain	35.00%	-206,156

NET BENEFIT (LIABILITY) ON SALE	
Unallocated Cash on Hand	0
Payment for Exit Tax Liability	0
Less: Tax on Gain	-206,156
<b>Potential Net Benefit</b>	<b>206,156</b>

Capital Account Check	
Original Capital Contributions	1,955,000
Exchange	0
Total Passive Losses	1,365,982
Historic Rehab Credit	0
Cash Distribution of Incentive Fee	0
Cash Distribution at Sale (Exit Tax)	0
Unamortized Bridge Interest	0
Estimated Reserves Expended During Operation	0
Development Financing (Surplus) Deficit	0
Capital Account Balance	589,018
Gain/(Loss) On sale	-589,018
Variance	0

cap	dif
589154	-137

Cash On Hand	
Operating Reserve Account	155,966
Replacement Reserve Account	46,821
<b>TOTAL CASH ON HAND</b>	<b>202,787</b>

## Construction Completion & Lease-Up Schedule

	2015 Units Completed	Units Leased	Unit Months
Previous Year	0	0	0
January	0	0	0
February	0	0	0
March	0	0	0
April	8	0	0
May	0	8	64
June	8	0	0
July	0	8	48
August	8	0	0
September	0	8	32
October	8	0	0
November	0	8	16
December	14	0	0
	46	32	160

2015	
Total Units in Project	46
Percent of Unit Months Occupied	28.99%
Unit Months Occupied	3.48
First Year Credits (Yes/No)?	Yes
Annual Credits	61739

	2016 Units Completed	Units Leased	Unit Months
January	0	8	480
February	0	6	66
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	14	546
Previous Yr Total	46	32	
Grand Total	46	46	

2016	
Total Units in Project	46
Percent of Unit Months Occupied	98.91%
Unit Months Occupied	11.8696
First Year Credits (Yes/No)?	No
Annual Credits	210685

**Miller Homes at Poplar Creek**

<b>CAPITAL ACCOUNT ANALYSIS</b>																		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project Investment	1955000	0	0	0	0	0	0	0	0	0	0							
Dev Advisory Fee	0																	
Exchange	0																	
Capital Investment	1955000	0	0	0	0	0	0	0	0	0	0							
Project Profits	0	-23395	-97241	-90992	-84998	-84091	-83982	-77913	-77709	-79323	-79371	-79319	-81003	-81219	-88819	-88556	-85315	-82598
Historic Tax Credits		0	0	0														
Annual Capital Change	1955000	-23395	-97241	-90992	-84998	-84091	-83982	-77913	-77709	-79323	-79371	-79319	-81003	-81219	-88819	-88556	-85315	-82598
Capital Acc. Balance	1955000	1931605	1834364	1743371	1658374	1574283	1490301	1412388	1334678	1255355	1175984	1096664	1015661	934442	845623	757067	671752	589154

<b>Minimum Gain</b>																	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project Basis																	
Begin Bal (inc. land) + Rep Res Imp	3,442,000	3,415,406	3,269,348	3,132,323	3,000,927	2,929,822	2,799,047	2,674,318	2,593,584	2,467,247	2,340,918	2,256,915	2,129,047	2,001,171	1,915,461	1,786,052	1,658,863
Depreciation	26,594	146,058	137,025	131,396	130,818	130,775	124,729	124,729	126,336	126,329	126,336	127,868	127,876	127,868	129,409	127,189	124,976
Ending Balance	3,415,406	3,269,348	3,132,323	3,000,927	2,870,109	2,799,047	2,674,318	2,549,589	2,467,247	2,340,918	2,214,582	2,129,047	2,001,171	1,873,303	1,786,052	1,658,863	1,533,887
Nonrecourse Debt																	
VHDA SPARC	0	0	833,066	810,188	786,964	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328	451,104
DHCD HOME	0	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Town of South Boston	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sponsor Loan (SSOG)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Basis	3,415,406	3,269,348	3,132,323	3,000,927	2,870,109	2,799,047	2,674,318	2,549,589	2,467,247	2,340,918	2,214,582	2,129,047	2,001,171	1,873,303	1,786,052	1,658,863	1,533,887
Reserves Pledged																	
Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum Gain	-3,415,406	-1,836,282	-1,722,135	-1,613,963	-1,506,719	-1,459,588	-1,359,152	-1,259,082	-1,201,773	-1,100,855	-1,000,314	-940,963	-839,668	-738,782	-678,920	-579,535	-482,783

**Miller Homes at Poplar Creek**

CAPITAL ACCOUNT RECONCILIATION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserves (Cash)	135,084	136,101	137,126	138,158	139,198	140,246	141,302	142,366	143,438	144,517	145,605	146,702	147,806	148,919	151,407	153,761	155,966
Project Costs	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910
Dev Adv. Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sum Depreciation	26,594	172,652	309,677	441,073	571,891	702,666	827,395	952,124	1,078,461	1,204,789	1,331,126	1,458,994	1,586,870	1,714,738	1,844,147	1,971,336	2,096,312
Sum Amortization	263	3,415	6,567	9,720	12,872	16,024	19,177	22,329	25,481	28,634	31,786	34,938	38,091	41,243	44,323	46,609	48,766
Cumulative Operating Capital Expenditures	0	0	0	0	0	59,713	59,713	59,713	103,708	103,708	103,708	146,041	146,041	146,041	188,199	188,199	188,199
Replacement Reserve	10,006	23,934	37,966	52,103	66,348	20,761	34,770	48,883	18,943	32,937	47,037	18,750	32,744	46,842	18,730	32,723	46,821
Assets	3,637,144	3,502,878	3,377,757	3,258,379	3,139,693	3,020,940	2,908,123	2,795,419	2,681,056	2,566,649	2,452,348	2,336,471	2,220,540	2,104,731	1,988,776	1,875,648	1,764,818
VHDA SPARC	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328	451,104
DHCD HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Town of South Boston	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sponsor Loan (SSOG)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Deferred Developer Fee	205,441	185,361	174,119	162,971	151,959	141,127	130,524	120,197	110,198	100,581	91,402	82,720	74,597	0	0	0	0
Equity	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	2,029,597	2,029,597	2,029,597	2,029,597
General Partner Equity	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
ADV Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridge Interest During Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings	-23,398	-120,648	-211,650	-296,656	-380,756	-464,746	-542,667	-620,384	-699,715	-779,094	-858,422	-939,433	-1,020,660	-1,109,488	-1,198,052	-1,283,376	-1,365,982
Liab and NW	2,187,144	3,502,878	3,377,757	3,258,379	3,139,693	3,020,940	2,908,123	2,795,419	2,681,056	2,566,649	2,452,348	2,336,471	2,220,540	2,104,731	1,988,776	1,875,648	1,764,818
Excess assets	1,450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Variance		-1,450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
												GP Capital Contribution	74,597				

**Miller Homes at Poplar Creek**

<b>30 Year Analysis</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
VHDA SPARC	0	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328
DHCD HOME	0	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Town of South Boston		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
GP Deferred Developer Fee		205,441	185,361	174,119	162,971	151,959	141,127	130,524	120,197	110,198	100,581	91,402	82,720	74,597	0	0	0
Total Debt		255,441	1,668,426	1,634,307	1,599,935	1,565,348	1,530,586	1,495,690	1,460,703	1,425,672	1,390,644	1,355,670	1,320,804	1,286,100	1,184,521	1,157,131	1,129,328
Value	0.02	1,670,000	1,670,000	1,703,400	1,737,468	1,772,217	1,807,662	1,843,815	1,880,691	1,918,305	1,956,671	1,995,805	2,035,721	2,076,435	2,117,964	2,160,323	2,203,530
	0.03		1,670,000	1,720,100	1,771,703	1,824,854	1,879,600	1,935,988	1,994,067	2,053,889	2,115,506	2,178,971	2,244,340	2,311,671	2,381,021	2,452,451	2,526,025
	0.04		1,670,000	1,736,800	1,806,272	1,878,523	1,953,664	2,031,810	2,113,083	2,197,606	2,285,510	2,376,931	2,472,008	2,570,888	2,673,724	2,780,673	2,891,900
	0.05		1,670,000	1,753,500	1,841,175	1,933,234	2,029,895	2,131,390	2,237,960	2,349,858	2,467,351	2,590,718	2,720,254	2,856,267	2,999,080	3,149,034	3,306,486
		<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
VHDA SPARC	0	451,315	422,883	394,024	364,732	335,000	304,823	274,193	243,104	211,548	179,519	147,010	114,013	80,521	46,526	12,022	0
DHCD HOME	0	600,000	600,000	600,000	600,000	600,000	612,780	625,560	638,340	651,120	663,900	676,680	689,460	702,240	715,020	727,800	740,580
Town of South Boston		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
GP Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt		1,101,315	1,072,883	1,044,024	1,014,732	985,000	967,603	949,753	931,444	912,668	893,419	873,690	853,473	832,761	811,546	789,822	790,580
Value	0.02	2,292,552	2,338,403	2,385,171	2,432,875	2,481,532	2,531,163	2,581,786	2,633,422	2,686,090	2,739,812	2,794,608	2,850,500	2,907,510	2,965,661	3,024,974	3,085,473
	0.03	2,679,860	2,760,256	2,843,063	2,928,355	3,016,206	3,106,692	3,199,893	3,295,889	3,394,766	3,496,609	3,601,507	3,709,553	3,820,839	3,935,464	4,053,528	4,175,134
	0.04	3,127,879	3,252,994	3,383,114	3,518,438	3,659,176	3,805,543	3,957,764	4,116,075	4,280,718	4,451,947	4,630,025	4,815,226	5,007,835	5,208,148	5,416,474	5,633,133
	0.05	3,645,401	3,827,671	4,019,054	4,220,007	4,431,007	4,652,558	4,885,185	5,129,445	5,385,917	5,655,213	5,937,973	6,234,872	6,546,616	6,873,946	7,217,644	7,578,526





Miller Homes at Poplar Creek

**PROJECT ASSUMPTIONS**

<b>Project Sponsor</b>	Southside Outreach Group
<b>Community</b>	South Boston, Virginia

**OPERATING ASSUMPTIONS**

PROJECT TIMING		
Closing		12-Dec-14
Construction Start		10-Jan-15
Construction Completion		31-Dec-15
Full Qualified Occupancy		28-Feb-16
Closing Month of the Year		12
Operating Months Year		1
Ave. Qual. Occupancy Mo. Year		3.48

Credit Allocation	213,000
(Insert - 0 - if prior to allocation)	
Credit Calculated	255,618
Credit Used	213,000

**PROJECT OPERATING ASSUMPTIONS**

GENERAL			
Management Fee	7.00%	Replacement Reserve \$/Unit	300
Vacancy Rate	5.00%		
Inflation Income	3.00%	Operating Cost/Unit	4090
Inflation Expenses	3.00%		
Initial Partnership Admin. Fee	\$5,250	Included in operating budget	
Year 1 Building Expenses	\$155,750	(W/O REP.RES.,MGMT.)	

PROJECT INCOME ASSUMPTIONS			
Unit Type	# Units	Net \$/Mo.	Gross Pot Ann Inc.
1 BR (40%)	5	260.00	15,600
1 BR (50%)	3	355.00	12,780
2 BR (50%)	30	420.00	151,200
3 BR (50%)	8	480.00	46,080
			0
			0
			0
Other Income (Submetering)		2768.00	33,216
Total Apartment Units	46		258,876

PROPERTY / RENTAL INCOME ANALYSIS										
Unit Type	Tenant Pd Utilities	Sq. Ft.	Net \$/Mo.	Utility Allow	Adjusted Rent	Program Maximum	Dollars Below	FMR 10/1/12	Dollars Below	
1 BR (40%)	All but trash	700	260.00	124.00	384.00	393.00	9.00	488.00	104.00	
1 BR (50%)	All but trash	700	355.00	124.00	479.00	491.00	12.00	488.00	9.00	
2 BR (50%)	All but trash	850	420.00	155.00	575.00	588.00	13.00	626.00	51.00	
3 BR (50%)	All but trash	970	480.00	189.00	669.00	680.00	11.00	799.00	130.00	
0			0.00							
0			0.00							
0			0.00							
Other Income (Submetering)			2768.00							

225,660

**Miller Homes at Poplar Creek**

**OPERATING EXPENSES**

	Annual Expense	\$/Unit	
<b>ADMINISTRATIVE</b>			
Advertising/Marketing	3,000	65	
Office Salaries	0	0	
Office Supplies	2,400	52	
Office/Model Apartment	0	0	
Management Fee	17,215	17,000	370
Manager Salaries	20,000	435	
Staff units	0	0	
Legal	1,200	26	
Audit	0	0	
Bookkeeping/Accounting	2,400	52	
Telephone	0	0	
VHDA Monitoring	1,610	35	
Other Administrative	2,250	49	
<b>TOTAL ADMINISTRATIVE</b>	<b>49,860</b>		<b>1,084</b>
<b>UTILITIES</b>			
Fuel Oil	0	0	
Electricity	8,000	174	
Water	17,000	370	includes submetering
Sewer	19,000	413	includes submetering
Gas	0	0	
<b>TOTAL UTILITIES</b>	<b>44,000</b>		<b>957</b>
<b>OPERATING / MAINTENANCE</b>			
Janitor/Cleaning Payroll	0	0	
Janitor/Cleaning Supplies	0	0	
Janitor/Cleaning/Cleaning Contract	0	0	
Exterminating	2,000	43	
Trash Removal	4,000	87	
Security/Payroll	0	0	
Grounds Payroll	0	0	
Grounds Supplies	2,500	54	
Grounds Contract	7,500	163	
Maintenance/Repairs Payroll	20,000	435	
Repairs Material	10,000	217	
Repair Contract	0	0	
Heating Cooling Repairs and Maintenance	4,800	104	
Pool Maintenance	0	0	
Snow Removal	750	16	
Decorating/Payroll/Contract	1,500	33	
Decorating Supplies	0	0	
Miscellaneous	1,500	33	
<b>TOTAL OPERATING / MAINTENANCE</b>	<b>54,550</b>		<b>1,186</b>

	Annual Expense	\$/Unit
Administrative W/O Mgmt, Audit, VHDA	31,250	679
Utilities	44,000	957
Maintenance	54,550	1,186
Real Estate Taxes	12,800	278
Insurance	11,400	248
Other Taxes / Insurance	1,750	38
<b>TOTAL Building Expense</b>	<b>155,750</b>	<b>3,386</b>
Replacement Res. Management	13,800	300
VHDA Monitoring	17,000	370
	1,610	35
<b>Total Operating Expense</b>	<b>188,160</b>	<b>4,090</b>
Partnership Management/Audit	5,250	114
<b>Total Annual Expenses</b>	<b>193,410</b>	<b>4,205</b>

231,612    19,301

115,806    0.518

	Annual Expense	\$/Unit
<b>TAXES AND INSURANCE</b>		
Real Estate Taxes	12,800	278
Payroll Taxes	0	0
Miscellaneous Taxes / Licenses / Permits	0	0
Property and Liability Insurance	11,400	248
Fidelity Bond	750	16
Workman's Compensation	0	0
Health Insurance and Employee Benefits	0	0
Other Insurance	1,000	22
<b>TOTAL TAXES AND INSURANCE</b>	<b>25,950</b>	<b>564</b>
Replacement Reserves	300 \$/Unit/Yr	13,800
<b>TOTAL OPERATING EXPENSES</b>	<b>188,160</b>	<b>4,090</b>



**Miller Homes at Poplar Creek**

*Operating and Replacement Reserve Account Analysis*

OPERATING RESERVE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Balance	135,000	135,084	136,101	137,126	138,158	139,198	140,246	141,302	142,366	143,438	149,331	157,695	166,652	176,223	186,429	197,291	208,831
Reserve interest	84	1,017	1,025	1,032	1,040	1,048	1,056	1,064	1,072	1,098	1,151	1,216	1,286	1,360	1,439	1,523	1,612
Distributable Cash Flow	0	0	0	0	0	0	0	0	0	23,980	36,062	38,704	41,425	44,228	47,115	50,088	53,151
Less: Incentive Fee	0	0	0	0	0	0	0	0	0	-19,184	-28,850	-30,963	-33,140	-35,382	-37,692	-40,071	-42,521
Deferred To Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>ENDING BALANCE</b>	<b>135,084</b>	<b>136,101</b>	<b>137,126</b>	<b>138,158</b>	<b>139,198</b>	<b>140,246</b>	<b>141,302</b>	<b>142,366</b>	<b>143,438</b>	<b>149,331</b>	<b>157,695</b>	<b>166,652</b>	<b>176,223</b>	<b>186,429</b>	<b>197,291</b>	<b>208,831</b>	<b>221,074</b>
Deferred Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>REPLACEMENT RESERVE</b>																	
Beginning Balance	10,000	10,006	23,934	37,966	52,103	66,348	20,761	34,770	48,883	18,943	32,937	47,037	18,750	32,744	46,842	18,730	32,723
Interest Income	6	127	232	338	444	327	208	314	254	195	300	247	193	298	246	193	298
Reserve Deposits	0	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800	13,800
Capital Expenditures						59,713			43,995			42,333			42,158		
<b>ENDING BALANCE</b>	<b>10,006</b>	<b>23,934</b>	<b>37,966</b>	<b>52,103</b>	<b>66,348</b>	<b>20,761</b>	<b>34,770</b>	<b>48,883</b>	<b>18,943</b>	<b>32,937</b>	<b>47,037</b>	<b>18,750</b>	<b>32,744</b>	<b>46,842</b>	<b>18,730</b>	<b>32,723</b>	<b>46,821</b>
Use of Replacement Reserves	1 1=yes		90.00%														

## Miller Homes at Poplar Creek

## USES OF FUNDS

USES OF FUNDS	Total	Sub Tot	% OF Tot.	Sub Tot	\$/unit	Sub Tot	COMMENTS
Purchase of land	149,600		4.08%		3,252		Per GIS land is \$149,600
Purchase Building	570,400	720,000	15.57%	19.65%	12,400	15,652	
Off-Site Improvements	0		0.00%		0		
Site Improvements	75,000		2.05%		1,630		
Unit Structures (New)	0		0.00%		0		
Unit Structures (Rehab)	1,470,000		40.12%		31,957		
Demolition	100,000		2.73%		2,174		
General Conditions, Overhead, Profit	190,000		5.19%		4,130		
Bonding Fee	25,000		0.68%		543		
Fixtures and Equipment	65,000	1,925,000	1.77%	52.54%	1,413	41,848	
Building Permit and County Bond	10,000		0.27%		217		
A&E Fees (Design and Supervision)	115,000		3.14%		2,500		
Tap Fees	0		0.00%		0		
Soil Borings / Site Plan Revision	0		0.00%		0		
Construction Loan Fee	12,500		0.34%		272		
Construction Interest	71,000		1.94%		1,543		
Bridge Interest During Const.	0.5	0	0.00%	0	0		
Taxes During Construction	15,000		0.41%		326		
Insurance During construction	15,000		0.41%		326		
Cost Certification	7,500		0.20%		163		
Legal Fees Permanent	18,000		0.49%		391		
Legal Fees Construction	30,000		0.82%		652		
Legal Fees Partnership	18,000		0.49%		391		
Legal Fees Syndication	10,000		0.27%		217		
Survey / Title	25,000		0.68%		543		
Permanent Loan Fees	4,250		0.12%		92		
Surveying	0		0.00%		0		
Environmental Study	4,000		0.11%		87		
EarthCraft	15,000		0.41%		326		
Appraisal Fee	4,000		0.11%		87		
Market Study	4,000		0.11%		87		
Tax Credit Fee	15,660		0.43%		340		
Contingency	90,000		2.46%		1,957		
Replacement Reserve	10,000		0.27%		217		
Lease Up	10,000		0.27%		217		
Operating Reserve	125,000	628,910	3.41%	17.16%	2,717	13,672	
Developer's Fees	350,000		9.55%		7,609		
Relocation	40,000		1.09%		870		
<b>PROJECT TOTAL</b>	<b>3,663,910</b>		<b>100.00%</b>		<b>79,650</b>		
	<b>3,663,910</b>						

**Miller Homes at Poplar Creek**

**SOURCES OF FUNDS**

PROJECT SOURCES OF FUNDS	Amount	% of Tot.	Rate	Term	Ann. D/S	D/S Cover
<b>Financing</b>						
VHDA SPARC	850,000	23.20%	1.50%	30	35202	1.74
	0	0.00%	0.00%	30	0	1.74
DHCD HOME	600,000	16.38%	0.50%	20	3000	1.60
Town of South Boston	50,000	1.36%	0.00%	20	Only from available cash flow	
Sponsor Loan (SSOG)	0	0.00%	0.00%	30	Only from available cash flow	
	0	0.00%			0	
GP Deferred Developer Fee	208,810	5.70%	0.00%	30	Only from available cash flow	
<b>TOTAL FINANCING</b>	<b>1,708,810</b>	<b>46.64%</b>				
Bridge Interest During Construction	0					
GP Contribution	100	0.00%				
Grants						
Project Investment	1,955,000	53.36%				
Construction-Period Cash Flow		0.00%				
<b>TOTAL FINANCING</b>	<b>3,663,910</b>	<b>100.00%</b>				
<b>PROJECT GAP</b>	<b>0</b>	<b>0.00%</b>				
<b>TOTAL PROJECT COST</b>	<b>3,663,910</b>	<b>100.00%</b>				

91.78%  
75.51%

#NUM!	EQUAL PAYMENT FORMULA
0	INTEREST ONLY FORMULA

State Tax Credit	Historic	Housing
State Tax Credit	0	0
State Benefit	0	0
Est. State Credit Equity		0





**Miller Homes at Poplar Creek**

**Depreciation and Amortization Schedules**

ANNUAL AMORTIZATION		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Expense Category</b>	<b>Total</b>																	
Permanent Legal	18,000	50	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Legal Partnership	13,000	72	867	867	867	867	867	867	867	867	867	867	867	867	867	794		
Permanent loan Fee	4,250	12	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142	142
Cost Certification	7,500	42	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	458
Tax Credit Fee	15,660	87	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	957
Other																		
Other																		0
<b>Total</b>	<b>58,410</b>	<b>263</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,152</b>	<b>3,080</b>	<b>2,286</b>	<b>2,157</b>
Tot. From Sched.	58410																	
ANNUAL DEPRECIATION		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Housing Building	27.5	9,553	114,633	114,633	114,633	114,633	116,804	116,804	116,804	118,404	118,404	118,404	119,943	119,943	119,943	121,476	121,476	121,476
Commercial Building	40	292	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
FF&E		13,000	20,800	12,480	7,488	7,488	5,798											
Site Work		3,750	7,125	6,413	5,775	5,198	4,673	4,425	4,425	4,433	4,425	4,433	4,425	4,433	4,425	4,433	2,213	0
<b>Total</b>		<b>26,594</b>	<b>146,058</b>	<b>137,025</b>	<b>131,396</b>	<b>130,818</b>	<b>130,775</b>	<b>124,729</b>	<b>124,729</b>	<b>126,336</b>	<b>126,329</b>	<b>126,336</b>	<b>127,868</b>	<b>127,876</b>	<b>127,868</b>	<b>129,409</b>	<b>127,189</b>	<b>124,976</b>

Depreciable Basis Calculation	
4% Acquisition	570,400
9% Basis	2,582,000
No Credit Depreciable	140,000
<b>Total Housing Building</b>	<b>3,292,400</b>
Site Work	75,000
FF&E	65,000
Commercial	140,000
Housing Historic	0
Commercial Historic	0
Commercial Dep. Basis	140,000
Housing Building	3,152,400
15 year property	75,000

1959600

TAX CREDIT ASSUMPTIONS	
Tax Credit Rates:	
4%	3.15%
9%	9.00%
Annual Tax Credit	213,000
Credit Allocated to Project	213,000
Credit Calculated for Project	255,618
Credit Calc Net of Exchange	255,618
Applicable Percentage	100.00%
Qualified Census Tracts	1980900

HISTORIC TAX CREDITS			
Historic Credit Basis	0	Housing Percent	100.00%
Federal Historic Credit	0	Housing Portion	0
State Historic Credit	0	25.00%	
State historic benefit	0		

Credit calculation		
Basis (from Page 7)	2,582,000	Acquisition Basis
Applicable Percentage	100%	Applicable %
Adjustments	0	
Basis Boost	258,200	Basis Boost
Credit Basis	2,840,200	Credit Basis
Credit Rate	9.00%	Credit Rate
Calculated Rehab Credit	255,618	Calc. Aquisit Credit
<b>Total</b>	<b>255,618</b>	

Project is eligible for 10% basis boost from VHDA

Basis Adjustments	
Historic Credit	0
Grants	0
Federal Financing	0
Other	0
<b>TOTAL</b>	<b>0</b>



**Miller Homes at Poplar Creek**

**Equity Investment Page**

Installment Number	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Total</u>			
Projected Date	12-Dec-14	01-Apr-15	01-Aug-15	01-Dec-15	15-Mar-16	01-Sep-16	01-Sep-18			
			Spc. Ltd.					Budget	Difference	
<b>Gross Contribution</b>	300000	300000	300000	300000	520000	100000	135000	1,955,000	1,955,000	0
<b>Distribution</b>										
Other	0	0	0	0	0	0	0	0		
Project Development	275,000	300,000	300,000	300,000	493,810	0	0	1,668,810		
Developers' Fee (cash)	25,000	0	0	0	16,190	100,000	0	141,190	141,190	0
Operating Reserve	0	0	0	0	0	0	125,000	125,000	125,000	0
Lease Up Reserve	0	0	0	0	10,000	0	0	10,000	10,000	0
Replacement Reserve	0	0	0	0	0	0	10,000	10,000	10,000	0
	0	0	0	0	0	0	0			
<b>TOTAL</b>	300,000	300,000	300,000	300,000	520,000	100,000		1,955,000		
		25%	50%	75%						



## Miller Homes at Poplar Creek

### Seller's Exit Tax Liability and Net Benefit

EXIT TAX LIABILITY		
Outstanding Loans		
VHDA SPARC	451,104	
0	0	
DHCD HOME	600,000	
Town of South Boston	50,000	
Sponsor Loan (SSOG)	0	
GP Deferred Developer Fee	0	
TOTAL OUTSTANDING LOANS	1,101,104	
Construction Period Cash Flow	0	
GP Capital Account	100	
Exit tax Liability	0	
Cash on Hand	-267,895	
GROSS SALE PROCEEDS	833,309	
Total Development Costs	3,663,910	
Capital Improvements from Replacement Res	188,199	
Less:		
Historic Credit	0	
Total Depreciation	2,096,312	
Total Amortization	48,766	
Expensed	0	
Initial Replacement Reserve	10,000	
Initial Lease Up Reserve	10,000	
Initial Operating Reserve	125,000	
REMAINING BASIS	1,562,031	
Capital Gain From Sale	-728,722	
Tax on gain	35.00%	-255,053

NET BENEFIT (LIABILITY) ON SALE	
Unallocated Cash on Hand	0
Payment for Exit Tax Liability	0
Less: Tax on Gain	-255,053
Potential Net Benefit	255,053

Capital Account Check	
Original Capital Contributions	1,955,000
Exchange	0
Total Passive Losses	1,226,278
Historic Rehab Credit	0
Cash Distribution of Incentive Fee	0
Cash Distribution at Sale (Exit Tax)	0
Unamortized Bridge Interest	0
Estimated Reserves Expended During Operation	0
Development Financing (Surplus) Deficit	0
Capital Account Balance	728,722
Gain/(Loss) On sale	-728,722
Variance	0

cap	dif
728845	-123

Cash On Hand	
Operating Reserve Account	221,074
Replacement Reserve Account	46,821
TOTAL CASH ON HAND	267,895

## Construction Completion & Lease-Up Schedule

	2015 Units Completed	Units Leased	Unit Months
Previous Year	0	0	0
January	0	0	0
February	0	0	0
March	0	0	0
April	8	0	0
May	0	8	64
June	8	0	0
July	0	8	48
August	8	0	0
September	0	8	32
October	8	0	0
November	0	8	16
December	14	0	0
	46	32	160

2015	
Total Units in Project	46
Percent of Unit Months Occupied	28.99%
Unit Months Occupied	3.48
First Year Credits (Yes/No)?	Yes
Annual Credits	61739

	2016 Units Completed	Units Leased	Unit Months
January	0	8	480
February	0	6	66
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	14	546
Previous Yr Total	46	32	
Grand Total	46	46	

2016	
Total Units in Project	46
Percent of Unit Months Occupied	98.91%
Unit Months Occupied	11.8696
First Year Credits (Yes/No)?	No
Annual Credits	210685

**Miller Homes at Poplar Creek**

<b>CAPITAL ACCOUNT ANALYSIS</b>																		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Project Investment	1955000	0	0	0	0	0	0	0	0	0	0							
Dev Advisory Fee	0																	
Exchange	0																	
Capital Investment	1955000	0	0	0	0	0	0	0	0	0	0							
Project Profits	0	-20374	-93090	-84718	-76545	-73354	-70852	-62277	-59449	-58318	-74658	-81222	-81824	-80876	-79727	-80183	-76129	-72561
Historic Tax Credits	0	0	0	0														
Annual Capital Change	1955000	-20374	-93090	-84718	-76545	-73354	-70852	-62277	-59449	-58318	-74658	-81222	-81824	-80876	-79727	-80183	-76129	-72561
Capital Acc. Balance	1955000	1934626	1841537	1756819	1680274	1606920	1536068	1473792	1414342	1356025	1281367	1200145	1118321	1037445	957719	877535	801406	728845

<b>Minimum Gain</b>																		
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Project Basis																		
Begin Bal (inc. land) + Rep Res Imp	3,442,000	3,415,406	3,269,348	3,132,323	3,000,927	2,929,822	2,799,047	2,674,318	2,593,584	2,467,247	2,340,918	2,256,915	2,129,047	2,001,171	1,915,461	1,786,052	1,658,863	
Depreciation	26,594	146,058	137,025	131,396	130,818	130,775	124,729	124,729	126,336	126,329	126,336	127,868	127,876	127,868	129,409	127,189	124,976	
Ending Balance	3,415,406	3,269,348	3,132,323	3,000,927	2,870,109	2,799,047	2,674,318	2,549,589	2,467,247	2,340,918	2,214,582	2,129,047	2,001,171	1,873,303	1,786,052	1,658,863	1,533,887	
Nonrecourse Debt																		
VHDA SPARC	0	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328	451,104
DHCD HOME	0	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Town of South Boston	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sponsor Loan (SSOG)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Basis	3,415,406	3,269,348	3,132,323	3,000,927	2,870,109	2,799,047	2,674,318	2,549,589	2,467,247	2,340,918	2,214,582	2,129,047	2,001,171	1,873,303	1,786,052	1,658,863	1,533,887	
Reserves Pledged																		
Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum Gain	-3,415,406	-1,836,282	-1,722,135	-1,613,963	-1,506,719	-1,459,588	-1,359,152	-1,259,082	-1,201,773	-1,100,855	-1,000,314	-940,963	-839,668	-738,782	-678,920	-579,535	-482,783	

**Miller Homes at Poplar Creek**

CAPITAL ACCOUNT RECONCILIATION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserves (Cash)	135,084	136,101	137,126	138,158	139,198	140,246	141,302	142,366	143,438	149,331	157,695	166,652	176,223	186,429	197,291	208,831	221,074
Project Costs	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910	3,518,910
Dev Adv. Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sum Depreciation	26,594	172,652	309,677	441,073	571,891	702,666	827,395	952,124	1,078,461	1,204,789	1,331,126	1,458,994	1,586,870	1,714,738	1,844,147	1,971,336	2,096,312
Sum Amortization	263	3,415	6,567	9,720	12,872	16,024	19,177	22,329	25,481	28,634	31,786	34,938	38,091	41,243	44,323	46,609	48,766
Cumulative Operating Capital Expenditures	0	0	0	0	0	59,713	59,713	59,713	103,708	103,708	103,708	146,041	146,041	146,041	188,199	188,199	188,199
Replacement Reserve	10,006	23,934	37,966	52,103	66,348	20,761	34,770	48,883	18,943	32,937	47,037	18,750	32,744	46,842	18,730	32,723	46,821
Assets	3,637,144	3,502,878	3,377,757	3,258,379	3,139,693	3,020,940	2,908,123	2,795,419	2,681,056	2,571,463	2,464,438	2,356,422	2,248,957	2,142,241	2,034,660	1,930,719	1,829,926
VHDA SPARC	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328	451,104
DHCD HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Town of South Boston	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sponsor Loan (SSOG)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Deferred Developer Fee	202,419	178,187	160,670	141,068	119,318	95,355	69,113	40,524	9,517	0	0	0	0	0	0	0	0
Equity	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000	1,955,000
General Partner Equity	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
ADV Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridge Interest During Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings	-20,376	-113,475	-198,201	-274,753	-348,115	-418,973	-481,257	-540,712	-599,035	-673,700	-754,930	-836,763	-917,647	-997,381	-1,077,572	-1,153,709	-1,226,278
Liab and NW	2,187,144	3,502,878	3,377,757	3,258,379	3,139,693	3,020,940	2,908,123	2,795,419	2,681,056	2,571,463	2,464,438	2,356,422	2,248,957	2,142,241	2,034,660	1,930,719	1,829,926
Excess assets	1,450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Variance		-1,450,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
												GP Capital Contribution	0	0	0	0	0



**Miller Homes at Poplar Creek**

<b>30 Year Analysis</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
VHDA SPARC	0	0	833,066	810,188	786,964	763,389	739,459	715,166	690,506	665,474	640,063	614,268	588,084	561,503	534,521	507,131	479,328
DHCD HOME	0	0	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Town of South Boston		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
GP Deferred Developer Fee		202,419	178,187	160,670	141,068	119,318	95,355	69,113	40,524	9,517	0	0	0	0	0	0	0
Total Debt		252,419	1,661,252	1,620,858	1,578,032	1,532,707	1,484,814	1,434,279	1,381,031	1,324,991	1,290,064	1,264,269	1,238,084	1,211,504	1,184,521	1,157,131	1,129,328
Value	0.02	1,670,000	1,703,400	1,737,468	1,772,217	1,807,662	1,843,815	1,880,691	1,918,305	1,956,671	1,995,805	2,035,721	2,076,435	2,117,964	2,160,323	2,203,530	2,247,600
	0.03	1,670,000	1,720,100	1,771,703	1,824,854	1,879,600	1,935,988	1,994,067	2,053,889	2,115,506	2,178,971	2,244,340	2,311,671	2,381,021	2,452,451	2,526,025	2,601,806
	0.04	1,670,000	1,736,800	1,806,272	1,878,523	1,953,664	2,031,810	2,113,083	2,197,606	2,285,510	2,376,931	2,472,008	2,570,888	2,673,724	2,780,673	2,891,900	3,007,576
	0.05	1,670,000	1,753,500	1,841,175	1,933,234	2,029,895	2,131,390	2,237,960	2,349,858	2,467,351	2,590,718	2,720,254	2,856,267	2,999,080	3,149,034	3,306,486	3,471,810
		<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
VHDA SPARC	0	451,315	422,883	394,024	364,732	335,000	304,823	274,193	243,104	211,548	179,519	147,010	114,013	80,521	46,526	12,022	0
DHCD HOME	0	600,000	600,000	600,000	600,000	600,000	612,780	625,560	638,340	651,120	663,900	676,680	689,460	702,240	715,020	727,800	740,580
Town of South Boston		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
GP Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt		1,101,315	1,072,883	1,044,024	1,014,732	985,000	967,603	949,753	931,444	912,668	893,419	873,690	853,473	832,761	811,546	789,822	790,580
Value	0.02	2,292,552	2,338,403	2,385,171	2,432,875	2,481,532	2,531,163	2,581,786	2,633,422	2,686,090	2,739,812	2,794,608	2,850,500	2,907,510	2,965,661	3,024,974	3,085,473
	0.03	2,679,860	2,760,256	2,843,063	2,928,355	3,016,206	3,106,692	3,199,893	3,295,889	3,394,766	3,496,609	3,601,507	3,709,553	3,820,839	3,935,464	4,053,528	4,175,134
	0.04	3,127,879	3,252,994	3,383,114	3,518,438	3,659,176	3,805,543	3,957,764	4,116,075	4,280,718	4,451,947	4,630,025	4,815,226	5,007,835	5,208,148	5,416,474	5,633,133
	0.05	3,645,401	3,827,671	4,019,054	4,220,007	4,431,007	4,652,558	4,885,185	5,129,445	5,385,917	5,655,213	5,937,973	6,234,872	6,546,616	6,873,946	7,217,644	7,578,526



**EXHIBIT I**  
**TO OPERATING AGREEMENT**  
**INSURANCE REQUIREMENTS**

I. Immediately upon, or prior to, the admission of the Limited Partner (or Investor Member), and throughout the term of this Agreement, General Partner (or Managing Member) shall obtain, and maintain in full force and effect, the following policies of insurance:

- Commercial General Liability insurance, insuring for legal liability of the Partnership (or LLC), and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership or management of the Project and including the costs to defend such actions brought against the Partnership (or LLC). The policy shall include endorsements adding the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) as additional insureds and certificate holders, and shall be primary coverage for the additional insureds and certificate holders, without contribution from other valid insurance policies which may be carried directly by the additional insureds and certificate holders. The policy shall also include a Notice of Cancellation endorsement. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the aggregate. The Limited Partner (or Investor Member) prefers to have a separate policy for each project however, if the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a “per project basis.” After construction Commercial General Liability shall include products and completed operations insurance. The policy may not contain exclusions for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms in connection with another covered peril (e.g. mold in connection with water damage caused by storm or fire, unless the Limited Partner (or Investor Member) determines that such insurance is unavailable and that the potential risk for loss or damage is minimal. The following coverages are required as endorsements to the policy:
  - Automobile Liability insurance, insuring for legal liability of the Partnership (or LLC), and caused by bodily injury, property damage, or personal injury arising out of the ownership or use of motor vehicles, including vehicles not owned by the Partnership or (LLC), including uninsured motorist liability, and including the costs to defend such actions brought against the Partnership or (LLC). The policy shall include endorsements adding the Limited Partner (Investor Member) and Special Limited Partner (or Special Member) as additional insureds, and shall be primary coverage for the additional insureds, without contribution from other valid insurance policies which may be carried directly by the additional insureds. Limits of the policy shall be at least \$1 million combined single limits per accident.

- In the event that the Partnership (or LLC) has an employee(s), Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Partnership's (or LLC's) full liability for statutory compensation to any person or persons who perform work for the Partnership (or LLC) or perform duties on the site of the Project, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1 million per occurrence.

II. Prior to the commencement of any construction of the Project, General Partner or Managing Member shall obtain and keep in force until the Final Closing:

- Builder's Risk insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Limited Partner (or Investor Member) or Special Limited Partner (or Special Member)) to the real property comprising or intended to comprise the Project construction, and personal property of the Partnership (or LLC) used to maintain or service the Project construction, whether located at the site or elsewhere, including while in-transit. Coverage and limits shall be extended to include the loss of anticipated rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss. The Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation and for any additional architectural or engineering fees incurred as a result of an insured loss and any other soft costs (see attached worksheet); loss payment shall be to the Partnership. Limits of policy will be at least the estimated replacement value of the completed Project. The policy shall have a deductible of no greater than \$10,000 per occurrence. The Limited Partner (or Investor Member) will consider higher deductibles based on the financial standing of the Guarantor. The policy shall carry no coinsurance provisions. The policy shall include an endorsement naming the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) as Loss Payees and Certificate Holders, as their interests may appear, and as additional insureds, and shall allow the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) to be associated in the adjustment of any claim. The policy shall also include a Notice of Cancellation endorsement.
- Other forms or types of insurance which the Limited Partner (or Investor Member) or Special Limited Partner (or Special Member) may now or hereafter require, including without limitation, earthquake, flood, windstorm, pollution, sinkhole/mine subsidence, ordinance and law coverage and other special hazards.

III. Prior to the commencement of any construction of the Project, General Partner (or Managing Member) shall cause to be obtained by the General Contractor and keep in force until the Final Closing:

- Evidence from the Contractor of Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project construction, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability Limits shall be at least \$1 million per occurrence.
- Comprehensive General Liability and Property Damage Insurance (including limited contractual liability and completed operations) in the amount of not less than \$1 million per occurrence and \$2 million in the aggregate covering personal injury, bodily injury and property damage, and covering products and completed operations for a minimum of three years following completion of construction. The policy shall include an endorsement naming the Partnership (or LLC), Limited Partner (or Investor Member), and Special Limited Partner (or Special Member) as additional insureds and certificate holders, and shall also include a Notice of Cancellation endorsement..
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than \$1 million covering personal injury, bodily injury and property damage.

IV. General Partner (or Managing Member) shall cause to be provided by the architect for the renovation/construction of the Project, and keep in force until Final Closing:

- Architect's professional liability insurance in the amount of not less than \$1 million (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Agreement or the commencement of the Architects' services in relation to the Project) covering personal injury, bodily injury and property damages. The policy shall include an endorsement naming the Partnership (or LLC), Limited Partner (or Investor Member), and Special Limited Partner (or Special Member) as Certificate Holders, and shall also include a Notice of Cancellation endorsement..
- Comprehensive General Liability Insurance (including limited contractual liability and completed operations) in the amount of not less than \$1 million covering personal injury, bodily injury and property damage. The policy shall include an endorsement naming the Partnership (or LLC), Limited Partner (or Investor Member), and Special Limited Partner

(or Special member) as additional insureds and Certificate Holders, and shall also include a Notice of Cancellation endorsement..

V. Management Agent shall furnish and maintain, at the expense of the Property, for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof:

- Commercial blanket bond in favor of Partnership (or LLC), in an amount not less than the sum of (a) six (6) months, potential maximum gross rents for the Property plus (b) aggregate tenant security deposits held from time to time, both in amounts as determined by Partnership (or LLC), and in a form and with a company acceptable to Partnership (or LLC), which commercial blanket bond shall cover Agent and all employees hired by Agent in connection with the Agreement. Such fidelity bond shall cover losses discovered by Partnership within two (2) years after the occurrence of such losses. Such fidelity bond shall contain a written provision that Partnership (or LLC) shall be given at least ten (10) days, prior written notice of cancellation.
- Statutory workers compensation and other employee benefits required by all applicable laws, and shall maintain employer's liability insurance for an amount not less than \$1 million covering claims and suits by or on behalf of employees and others, not otherwise covered by statutory workers' compensation insurance. Partnership (or LLC), Limited Partner (or Investor Member), and Special Limited Partner (or Special Member) shall be protected in all such insurance by specific inclusion of Partnership (or LLC) under an additional insured or alternate employer rider. Agent shall provide Partnership (or LLC) with a certificate of insurance evidencing that workers, compensation and employer's liability insurance is in force and providing not less than ten (10) days notice to Partnership (or LLC) prior to cancellation.
- Comprehensive General Liability Insurance in the amount of not less than one million dollars (\$1,000,000.00) covering personal injury, bodily injury and property damage.

In some cases the Property Manager may also be asked to furnish and maintain, at the expense of the Property, for the duration of the Agreement and any extensions thereof, plus thirty (30) days after the expiration or termination thereof:

- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than \$1 million covering personal injury, bodily injury and property damage.

VI. Prior to any occupancy of the Project, General Partner (or Managing Member) shall obtain, on behalf of the Partnership (or LLC) and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

- Property Damage insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Limited Partner [or Investor Member]) to the real property comprising the Project, personal property of the Partnership (or LLC) used to maintain or service the Project, and new construction, additions, alterations and repairs to structures. The Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation; loss payment shall be to the Partnership (or LLC). Limits of policy will be at least the replacement value of the Project (excluding from the value of the Project, site utilities, foundations and architectural and engineering expenses). The policy shall have a deductible of no greater than \$10,000 per occurrence. The Limited Partner (or Investor Member) will consider higher deductibles based on the financial standing of the Guarantor. The policy shall carry no coinsurance provisions. Coverage and limits shall be extended to include the actual loss of rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss. Coverage shall be further extended to include debris removal, outdoor trees, shrubs, plants and lawns, and Ordinance or Law coverage for the increased costs of construction caused by the enforcement of building, zoning or Project use law. The policy shall include an endorsement naming the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) as Loss Payees and Certificate Holders, as their interests may appear, and as additional insureds, and shall allow the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) to be associated in the adjustment of any claim. The policy shall also include a Notice of Cancellation endorsement.

VII. In cases where the Partnership or LLC contracts directly with any contractor (other than as described in III), the General Partner (or Managing Member) shall obtain, on behalf of the Partnership (or LLC) and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

- Evidence of Worker's Compensation insurance from any contractor performing work for the Partnership (or LLC), insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1 million per occurrence.

- If applicable, boiler and machinery insurance written on a comprehensive form basis.
- [Rental Interruption insurance in amounts required by all lenders, but not less than the equivalent of actual loss sustained or twelve months' gross rental income].

VIII. All such policies (in I-VII) shall be underwritten by companies licensed to write such insurance in the state in which the Project is located, and shall be rated in the latest A.M. Best's Insurance Rating Guide with a rating of at least A, and be in a financial category of at least X. Each policy must be for a term of not less than one year. The General Partner (or Managing Member) shall furnish to the Limited Partner (Investor Member) and Special Limited Partner (or Special member) a complete copy of each such policy of insurance. If the policy is not available prior to the Final Closing, then certificates of insurance detailing the policy terms and conditions as noted above shall be provided, but the policies must then be provided within sixty days. All such policies shall include endorsements requiring at least 30 days prior written notice to the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) of any cancellation, termination or reduction of coverage therein. Notice of the renewal of any policy shall be made at least 10 days prior to the scheduled date of such renewal, and shall be in the form of endorsement to the policy. Notice to the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) of any replacement of any policy shall be made at least 10 days prior to such replacement, and shall be in the form of a copy of the replacement policy, or by certificate, as noted above.

The General Partner (or Managing Member) hereby releases and relieves the Limited Partner (or Investor Member) and Special Limited Partner (or Special Member) for any and all liability, and waives its entire right of recovery against them, with respect to any loss or damage of property or for property damage, bodily injury or personal injury to third-parties arising out of or incident to any loss or peril insured against under any for the foregoing policies, and any other perils for which the General Partner (or Managing Member) has arranged insurance.

ATTACHMENT



Builder's Risk Construction Period Insurance Coverage

Hard Costs

Building Shell	\$
Direct Construction Costs	\$
TOTAL	\$

Soft Costs

Construction Period Interest	\$
Taxes	\$
Insurance	\$
A&E	\$
Developer's Fees	\$
Financing Fees	\$
Lease Up	\$
Marketing	\$
Rent Loss	\$
Historic Credits	\$
TOTAL	\$

TOTAL \$ [builder's risk coverage amount]

## **EXHIBIT J**

### **FORM OF AGREEMENT TO PROVIDE ACCOUNTING AND REPORTING SERVICES**

**THIS AGREEMENT TO PROVIDE ACCOUNTING AND REPORTING SERVICES** (“Agreement”) made as of December 12, 2014 by and between SSOG Miller Homes, LLC, a Virginia limited liability company (the “Company”) and Virginia Housing Capital Corporation (“VHCC”).

#### **RECITALS**

1. The Company was formed to acquire, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project to be known as Miller Homes at Poplar Creek, located in South Boston, Virginia(the “Project”).

2. The Company is governed by the terms of that certain Second Amended and Restated Operating Agreement dated December 12, 2014 (“Operating Agreement”) by, among others, SSOG Management Miller Homes, LLC, as Managing Member and Housing Equity Fund of Virginia XVIII, L.L.C. as Investor Member.

3. 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).

4. The Company desires to engage the services of VHCC in connection with certain accounting and reporting matters of the Company, and VHCC desires to perform such services on the terms and conditions more fully set forth herein.

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

#### **Section 1. Definitions.**

Unless indicated to the contrary herein, capitalized terms used herein shall have the same meaning as set forth in the Operating Agreement.

#### **Section 2. Reports.**

(a) Within 120 days after the end of each fiscal year of the Company, VHCC shall cause to be delivered to the Members with respect to such fiscal year the following financial statements:

(i) Audited financial statements for the Company (consisting of a balance sheet, income statement and statement of cash flows) prepared in accordance with generally accepted accounting principles, consistently applied;

(ii) A statement and reconciliation of each Member's Capital Account;

(iii) A statement of the tax basis for the computation of the Tax Credits and depreciation deductions;

(iv) A cash flow statement for such year, which includes a detailed itemization of all Company receipts and expenses, including the amount of fees, expenses and other compensation paid by the Company to the Managing Member and its Affiliates; and

(v) A narrative report summarizing the status of the Company's operations.

(b) Within 45 days after the end of each fiscal year of the Company, VHCC shall deliver or cause to be delivered to the Members with respect to such fiscal year a statement showing all items of income, gain, loss, deduction and credit of the Company for federal income tax purposes and each Member's allocable share thereof. The Members shall have a period of 10 days after their receipt of the aforementioned tax statement to review the same and give any comments thereon to VHCC; it being the express understanding of the parties hereto that VHCC will in no event file or cause any tax returns or reports of the Company to be filed prior to the expiration of the aforementioned 10-day period. After the expiration of the aforementioned 10-day period (and any longer period of time which shall be necessary to respond to the changes thereto requested by a Member), but in no event later than the date prescribed by law therefor, VHCC shall cause all tax returns and reports required to be filed by the Company to be prepared and timely filed with the appropriate authorities and shall furnish to the Members such tax returns and reports, and all information necessary for the preparation by the Members, and their partners, members, and shareholders, of their federal, state and local, if any, income tax returns. The Managing Member shall retain such tax returns and reports for the Company for as long as is required by applicable law, but not less than five years.

(c) The obligations of VHCC hereunder are conditioned upon the Managing Member promptly providing to VHCC any information concerning Company affairs related to, or required for, the performance of such obligations.

### **Section 3. Accounting Services Fee**

As a fee for its services performed hereunder, VHCC shall be paid a fee equal to \$5,250 for each calendar year (or portion thereof), increasing annually at the rate of three percent (3%) per annum.

**Section 4. Applicable Law.**

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

**Section 5. Binding Agreement.**

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as VHCC is not in default under this Agreement, the obligation of the Company to pay the Accounting Services Fee (described in Section 3 hereof) shall not be affected by any change in the identity of the Managing Member of the Company.

**Section 6. 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 7. 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 8. Benefit of Agreement.**

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

**Section 9. Termination.**

VHCC shall have the right to terminate this Agreement upon providing ninety (90) days written notice to the Company, at the following address: 547 N. Main St., South Boston, Virginia 24592, Attention: Earl Howerton.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the date first written above.

**COMPANY:**

---

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes,  
LLC,  
a Virginia limited liability company,  
its Managing Member

By: Southside Outreach Group, Inc.,  
its sole member

By: Earl Howerton  
Earl Howerton, Executive Director

**VHCC:**

Virginia Housing Capital Corporation, a  
Virginia not-for-profit corporation

By: \_\_\_\_\_  
Arild O. Trent, Vice President

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the date first written above.

**COMPANY:**

---

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes,  
LLC,  
a Virginia limited liability company,  
its Managing Member

By: Southside Outreach Group, Inc.,  
its sole member

By: \_\_\_\_\_  
Earl Howerton, Executive Director

**VHCC:**

Virginia Housing Capital Corporation, a  
Virginia not-for-profit corporation

By: Arild O. Trent  
Arild O. Trent, Vice President

## **EXHIBIT K**

### **POST CLOSING OBLIGATIONS**

December 12, 2014

SSOG Management Miller Homes, LLC.  
P.O. Box 375  
South Boston, Virginia 24592  
Attention: Earl Howerton

Re: Due Diligence Post-Closing Letter for  
SSOG Miller Homes, LLC (the "Company")

Dear Mr. Howerton:

As a condition to the equity closing of the Second Amended and Restated Operating Agreement of SSOG Miller Homes, LLC (the "Operating Agreement") with Housing Equity Fund of Virginia XVIII, L.L.C. ("Investor Member"), SSOG Management Miller Homes, LLC (the "Managing Member") has agreed, on behalf of itself and the Company, to sign this post-closing letter which details certain due diligence items which were to have been delivered prior to closing, but which will now be delivered to Investor Member by the Managing Member at a later date. Investor Member has agreed to the later delivery of these items as an accommodation to the Managing Member in order to expedite the closing. The delivery of these items is a condition to the funding by Investor Member of any additional capital contributions by it under the Operating Agreement.

To that end, the Managing Member agrees to deliver (in form and substance reasonably satisfactory to Investor Member), the items set forth on the attached list, by the date indicated.

The Managing Member understands that its execution of this Post-Closing Letter was a material inducement to the Investor Member to enter into the Operating Agreement. The Managing Member also understands and agrees to cooperate with Investor Member in connection with any reasonable additional information requests that any investor of Investor Member may have in connection with this Project. If the above listed items are not delivered as required and Investor Member provides Managing Member written notice of same, and Managing Member fails to materially cure such default within ten (10) days of receipt of such notice, Investor Member may elect, at its sole option, by written notice to you, to declare a default under the Operating Agreement, or at its election, provide notice that it desires to terminate the Company, and the Managing Member agrees to immediately take such action as may be necessary to either terminate the Company or repurchase the interest of Investor Member, as provided in the Operating Agreement.

Except as expressly provided herein, the terms and conditions set forth in the Operating Agreement shall remain in full force and effect. All defined terms used herein, shall have the meaning set forth in the Operating Agreement.

Very truly yours,

---

HOUSING EQUITY FUND OF VIRGINIA  
XVIII, L.L.C., a Virginia limited liability company

By: Virginia Housing Capital Corporation, its  
managing member

By: Arild O. Trent  
Arild O. Trent, Vice President

Agreed to as of the day written above:

**COMPANY:**  
SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes, LLC,  
a Virginia limited liability company,  
its Managing Member

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By: \_\_\_\_\_  
Earl Howerton, Executive Director

The undersigned Affiliate Guarantor acknowledges the foregoing Post Closing requirements as of the day written above.

**AFFILIATE GUARANTOR:**

Southside Outreach Group, Inc.,  
a Virginia non stock corporation

By: \_\_\_\_\_  
Earl Howerton, Executive Director



Except as expressly provided herein, the terms and conditions set forth in the Operating Agreement shall remain in full force and effect. All defined terms used herein, shall have the meaning set forth in the Operating Agreement.

Very truly yours,

HOUSING EQUITY FUND OF VIRGINIA  
XVIII, L.L.C., a Virginia limited liability company

By: Virginia Housing Capital Corporation, its  
managing member

By: \_\_\_\_\_  
Arild O. Trent, Vice President

Agreed to as of the day written above:

**COMPANY:**

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSO Management Miller Homes, LLC,  
a Virginia limited liability company,  
its Managing Member

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By: Earl Howerton  
Earl Howerton, Executive Director

The undersigned Affiliate Guarantor acknowledges the foregoing Post Closing requirements as of the day written above.

**AFFILIATE GUARANTOR:**

Southside Outreach Group, Inc.,  
a Virginia non stock corporation

By: Earl Howerton  
Earl Howerton, Executive Director

## POST-CLOSING LIST

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As of December 12, 2014

To be provided and approved by VCDC as specifically provided below:

Item		Due Date
1.	Executed originals of Closing Items	December 19, 2014
2.	Revised Environmental Reliance Letter correcting Investor Member name	December 19, 2014
3.	Accountant's 10% Certification	December 19, 2014
4.	Final Owner's Title Policy, including copies of all documents recorded as of the closing date	January 9, 2014
5.	Copy of general liability insurance certificate for property manager	January 9, 2014
6.	Evidence of the 168(h) election	Upon the timely filing of its first tax return, expected in April 2014
7.	DHCD Loan Commitment	On or prior to the making of the Second Capital Contribution

## **EXHIBIT L**

### **AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AGREEMENT** **PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT**

This Amended and Restated Purchase Option and Right of First Refusal Agreement (“Purchase Agreement”) is made as of the 12th day of December, 2014, by and between SSOG Miller Homes, LLC, a Virginia limited liability company (the “Company”), Southside Outreach Group, Inc., a Virginia nonstock corporation (“Grantee”), and SSOG Management Miller Homes, LLC, a Virginia limited liability company (the “Managing Member”), and is consented to hereinbelow by Housing Equity Fund of Virginia XVIII, L.L.C., a Virginia limited liability company (the “Consenting Investor Member”).

Whereas, the Managing Member and one or more other parties, concurrently with the execution and delivery of this Purchase Agreement, are entering into a certain Second Amended and Restated Operating Agreement dated as of the date hereof (the “Agreement”) continuing the Company by amending and restating a prior operating agreement; and

Whereas, the Managing Member is wholly owned and controlled by Grantee; and

Whereas, Grantee has been instrumental in the development of the Project Property, as described in the Agreement, and will act as guarantor of the obligations of the Managing Member in the continuation of the Company for the further development of the Project Property; and

Whereas, the Project Property is or will be subject to one or more governmental agency regulatory agreements (collectively, the “Regulatory Agreement”) restricting its use to low-income housing and may become subject to a low-income use restriction (the “Special Covenant”) pursuant to the terms and conditions of this Agreement (such use restrictions under the Regulatory Agreement and any Special Covenant being referred to collectively herein as the “Use Restrictions”); and

Whereas, Grantee and the Managing Member desire to provide for the continuation of the Project Property as low-income housing upon termination of the Company by Grantee purchasing the Project Property at the applicable price determined under this Purchase Agreement and operating the Project Property in accordance with the Use Restrictions; and

Whereas, as a condition precedent to the formation or continuation of the Company pursuant to the Agreement, Grantee and the Managing Member have negotiated and required that the Company shall execute and deliver this Purchase Agreement in order to provide for such low-income housing, and the Consenting Investor Member has consented to this Agreement in order to induce the Managing Member to execute and deliver this Purchase Agreement and to induce Grantee to guarantee the Managing Member’s obligations thereunder;

Whereas, the Company and Grantee entered into a Purchase Option and Right of First Refusal Agreement dated as of March 13, 2013 regarding the Project Property and the parties hereto intend that this Purchase Agreement is an amendment and restatement of such 2013 Purchase Option and Right of First Refusal Agreement.

Now, Therefore, in consideration of the execution and delivery of the Agreement and the payment by the Grantee to the Company of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option.** The Company hereby grants to Grantee an option (the "Option") to purchase the real estate, fixtures, and personal property comprising the Project Property or associated with the physical operation thereof, owned by the Company at the time of purchase (the "Property"), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Project Property (the "Compliance Period") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Option specified herein. The Project Property real estate is legally described in Exhibit A attached hereto and made a part hereof. The Regulatory Agreement containing the Use Restrictions to which the Project Property real estate will remain subject under Section 9 hereof is described in Exhibit B attached hereto and made a part hereof.

2. **Grant of Refusal Right.** In the event that the Company receives a bona fide offer to purchase the Project Property, which offer the Company intends to accept, Grantee shall have a right of first refusal to purchase the Property (the "Refusal Right") after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Section 10 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h) (5) (C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Section 10 hereof meeting the requirements of Section 42(i)(7)(A) of the Code as determined in its judgment by tax counsel to the Consenting Investor Member. Prior to accepting any such bona fide offer to purchase the Property, the Company shall notify Grantee, the Managing Member, and the Consenting Investor Member of such offer and deliver to each of them a copy thereof. The Company shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Section 6 hereof.

3. **Purchase Price Under Option.** The purchase price for the Property pursuant to the Option shall be the greater of the following amounts, subject to the proviso set forth hereinbelow:

a. **Debt and Taxes.** An amount sufficient (i) to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, and (ii) to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and payments to the Investor Member of an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall or Investor Member Special Additional Capital Contribution, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Option, all as more fully stated in Sections of the Agreement, which is hereby incorporated herein by reference; or

b. **Fair Market Value.** The fair market value of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser, selected by the Company's regular certified public accountants, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project Property is located;

provided, however, that if prior to exercise of the Option the Internal Revenue Service (the "Service") has issued a revenue ruling or provided a private letter ruling to the Company, the applicability of which ruling shall be determined in its judgment by tax counsel to the Consenting Investor Member, or tax counsel to the Consenting Investor Member has issued an opinion letter concluding that property of the nature and use of the Property may be sold under circumstances described in this Agreement at the greater of the price determined under Section 42(i) (7) of the Code or the price determined under subsection 3a hereinabove without limiting tax credits or deductions that would otherwise be available to the Consenting Investor Member, then the Option price shall be such price.

4. **Purchase Price Under Refusal Right.** The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of (a) an amount sufficient to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right, and (b) an amount sufficient to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall or Investor Member Special Additional Capital Contribution, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Refusal Right, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference.

5. **Conditions Precedent.** Notwithstanding anything in this Agreement to the contrary, the Option and the Refusal Right granted hereunder shall be contingent on the following:

a. **Managing Member.** The Managing Member shall have remained in good standing as Managing Member of the Company without the occurrence of any event of default under the Agreement; and

c. **Regulatory Agreement.** Either (i) the Regulatory Agreement shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, as heretofore approved in writing by the Consenting Investor Member, shall have remained unmodified without its prior written consent, or (ii) if the Regulatory Agreement is no longer in effect due to reasons other than a default thereunder by the Company, such Use Restrictions, as so approved and unmodified, shall have remained in effect by other means and shall continue in effect by inclusion in the deed as required under Paragraph 10 hereof.

If any or all of such conditions precedent have not been met, the Option and the Refusal Right shall not be exercisable. Upon any of the events terminating the Managing Member as Managing Member of the Company under the Agreement or affecting the Regulatory Agreement as described in this Section 5, the Option and the Refusal Right shall be void and of no further force and effect.

6. **Exercise of Option or Refusal Right.** The Option and the Refusal Right may each be exercised by Grantee by (a) giving prior written notice of its intent to exercise the Option or the Refusal Right to the Company and each of its Members in the manner provided in the Agreement and in compliance with the requirements of this Section 6, and (b) complying with the contract and closing requirements of Section 8 hereof. Any such notice of intent to exercise the Option shall be given during the last twelve (12) months of the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within one hundred eighty (180) days after Grantee has received the Company's notice of a bona fide offer pursuant to Section 2 hereof, but in no event later than one hundred eighty (180) days immediately following the end of the Compliance Period, notwithstanding any subsequent receipt by the Company of any such offer. In either case, the notice of intent shall specify a closing date within one hundred eighty (180) days immediately following the end of the Compliance Period. If the foregoing requirements (including those of Section 9 hereof) are not met as and when provided herein, the Option or the Refusal Right, or both, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all rights under the other shall be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Property pursuant to such notice shall expire and be of no further force or effect, provided that in the event that the Option and the Refusal Right are hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment(s) or such parties by written agreement may

specify any other order of priority consistent with the other terms and conditions of this Agreement.

7. **Determination of Price.** Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Company and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property. Any such agreement shall be subject to the prior written consent of the Consenting Investor Member, which shall not be withheld as to any purchase price determined properly in accordance with this Agreement.

8. **Contract and Closing.** Upon determination of the purchase price, the Company and Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project Property is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise of the Option or the Refusal Right, as applicable, or thirty (30) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Option or the Refusal Right, as applicable. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer for the Project Property or another mutually acceptable title company.

9. **Use Restrictions.** In consideration of the Option and the Refusal Right granted hereunder at the price specified herein, Grantee hereby agrees that the deed of the Project Property to Grantee shall contain a covenant running with the land, restricting use of the Project Property to low-income housing to the extent required by those Use Restrictions contained in the Regulatory Agreement, as approved in writing by the Consenting Investor Member and unmodified without its prior written consent. Such deed covenant shall contain a reverter clause, enforceable by the Consenting Investor Member, its successors and assigns, in the event of material violation of such Use Restrictions. Such deed covenant shall include a provision requiring Grantee to pay any and all costs, including attorneys' fees, incurred by the Consenting Investor Member or any other holder of such reverter rights in enforcing or attempting to enforce the Use Restrictions or such reverter rights, and to pay any and all damages incurred by the Consenting Investor Member from any delay in or lack of enforceability of the same. All reverter provisions contained in such deed and in this Agreement shall be subject and subordinate to any third-party liens encumbering the Project Property.

If prior to exercise of the Option or the Refusal Right, as applicable, the Service has issued a revenue ruling or provided a private letter ruling to the Company holding that a covenant of the nature described hereinbelow may be utilized without limiting tax credits or deductions that would otherwise be available to the Consenting Investor Member, the applicability of which ruling shall be determined by counsel to the Consenting Investor Member in its sole judgment, then as a condition of the Option and the Refusal Right, the deed to Grantee shall include a Special Covenant specifically restricting continued use of the Project Property to low-income housing as determined in accordance with the same low-income and maximum rent

requirements (excluding any right under the Code to raise rents after notice to the applicable state or local housing credit agency if it is unable to find a buyer at the statutory price) as are currently specified in the Agreement with reference to the low-income housing tax credit (notwithstanding any future discontinuation of such credit or modification of federal requirements therefor), except insofar as more stringent use requirements are imposed by the Regulatory Agreement as approved by the Consenting Investor Member and unmodified without its prior written consent. The Special Covenant shall constitute part of the Use Restrictions. The Special Covenant may state that it is applicable and enforceable only to the extent such housing produces income sufficient to pay all operating expenses and debt service and fund customary reserves and there is a need for low-income housing in the geographic area in which the Project Property is located. The Special Covenant shall run with the land for a period of fifteen (15) years after closing of the purchase under the Option or the Refusal Right, as applicable, or, if longer, for the period measured by the then remaining period of Use Restrictions under the Regulatory Agreement, provided that the Special Covenant shall terminate at the option of any holder of the reverter rights described hereinabove, upon enforcement thereof.

In the event that neither the Option nor the Refusal Right is exercised, or the sale pursuant thereto is not consummated, then upon conveyance of the Project Property to anyone other than Grantee or its permitted assignee hereunder, the foregoing provisions shall terminate and have no further force or effect.

10. **Assignment.** Grantee may assign all or any of its rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h) (5) (C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project Property (each a “Permitted Assignee”) that demonstrates its ability and willingness to maintain the Project Property as low-income housing in accordance with the Use Restrictions, in any case subject to the prior written consent of the Consenting Investor Member, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the conditions precedent to the Refusal Right grant and the Option price set forth in Sections 2 and 3 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company, the Managing Member, and the Consenting Investor Member. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee’s rights hereunder shall be effective unless and until the permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee’s obligations under this Agreement and copies of such written agreement are delivered to the Company, the Managing Member, and the Consenting Investor Member. Except as specifically permitted herein, Grantee’s rights hereunder shall not be assignable.



11. **Miscellaneous.** This Agreement shall be governed by the laws of the Commonwealth of Virginia. This Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement.

12. **Supersede Prior Agreement.** This Agreement replaces and supersedes in its entirety the 2013 Purchase Option and Right of First Refusal Agreement.

(continued on next page)

In Witness Whereof, the parties have executed this document as of the date first set forth hereinabove.

**Company:**

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes, LLC,  
a Virginia limited liability company,  
its Managing Member

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By: Earl Howerton  
Earl Howerton, Executive Director

COMMONWEALTH OF VIRGINIA )  
CITY/COUNTY OF Richmond ) ss  
)

I, Steven E. Bleile, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, the Executive Director of Southside Outreach Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that s/he signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of the Company known as SSOG Miller Homes, LLC on behalf of which said corporation or limited liability company has executed the foregoing instrument as a Managing Member, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on December 10, 2014.

Steven E. Bleile  
Notary Public

My Commission Expires: 5-31-2015

[SEAL]

Registration Number: 337174



**Grantee:**

Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,

By: Earl Howerton  
Earl Howerton, Executive Director

COMMONWEALTH OF VIRGINIA )  
 ) ss  
CITY/COUNTY OF Richmond )

I, Steven E. Bleile, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, Executive Director of Southside Outreach Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that s/he signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of the corporation or limited liability company known as Southside Outreach Group, Inc., all for the uses and purposes set forth therein.

Given under my hand and notarial seal on December 10<sup>th</sup>, 2014.

Steven E. Bleile  
Notary Public

My Commission Expires: 5-31-2015 [SEAL]

Registration Number: 337174



**Managing Member:**

SSOG Management Miller Homes, LLC,  
a Virginia limited liability company

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By: Earl Howerton  
Earl Howerton, Executive Director

COMMONWEALTH OF VIRGINIA )  
) ss  
CITY/COUNTY OF Richmond )

I, Steven E. Bleile, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, Executive Director of Southside Outreach Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that s/he signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of the corporation or limited liability company known as SSOG Management Miller Homes, LLC, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on December 10, 2014.

Steven E. Bleile  
Notary Public

My Commission Expires: 5-31-2015

[SEAL]

Registration Number: 337174





## **EXHIBIT A**

### **LEGAL DESCRIPTION OF PROJECT REAL ESTATE**

ALL that certain tract or parcel of land, with improvements thereon and appurtenances thereunto, situated in the Town of South Boston, County of Halifax (formerly the City of South Boston), Virginia, containing 163,490 square feet (erroneously reflected as 163,539 s.f. in the prior deed), and being composed of all of Lots 33 through 48, inclusive, in Block L of the Mrs. E. B. Jeffress Subdivision, together with Lots 33 through 38, inclusive, of Colonial Heights Subdivision, all of said lots being shown on a Plat of Survey dated December 9, 1969, prepared by J. Walter Jones, Jr., C.L.S., and recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia, in Deed Book 356 at page 134.

#### **ALSO DESCRIBED BY SURVEY AS FOLLOWS:**

Point of Beginning being an iron pin set, said iron pin being on the western right-of-way of Watkins Avenue having a 50' right-of-way and the northern right-of-way of Poplar Creek Street having a 50' right-of-way and being the southeast corner of 3.75 acre lot; thence along the northern right-of-way of said Poplar Creek Street S 77 degrees 31' 39" W 39.75 feet to a railroad spike found; thence continuing along the northern right-of-way of said Poplar Creek Street S 78 degrees 12' 50" W 842.13 feet to an existing pipe found; thence leaving said Poplar Creek Street and along the eastern property line of a lot with unknown owners N 26 degrees 59' 52" W 169.72 feet to an existing pipe found; thence along the northern property line of 3.75 acre lot and the southern property line of various owners N 75 degrees 53' 16" E 907.22 feet to an iron pin set on the western right-of-way of said Watkins Avenue and the southeast corner of property now or formerly owned by Investments 97, LLC per deed recorded in Book 1021, page 394; thence along the western right-of-way of said Watkins Avenue S 17 degrees 28' 39" E 201.11 feet to the Point of Beginning and containing 3.75 Acres, as shown on the ALTA/ACSM Land Title Survey of The Fairmont Apartments made by B&B Consultants, Inc./Jones & Associates, dated June 11, 2014, last revised December 11, 2014 and recorded \_\_\_\_\_, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia, in Plat Book \_\_\_\_\_, page \_\_\_\_\_.

**EXHIBIT B**

**DESCRIPTION OF  
REGULATORY AGREEMENT**

Title:

Parties:

Date:

Recording Information (if known):

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

## EXHIBIT M

### CONSTRUCTION INCENTIVE MANAGEMENT FEE AGREEMENT

THIS AGREEMENT entered into as of December 12, 2014, by and between SSOG Miller Homes, LLC, a Virginia limited liability company (the “Company”), and SSOG Management Miller Homes, a Virginia limited liability company, as the Managing Member (the “Managing Member”).

WHEREAS, Managing Member and Housing Equity Fund of Virginia XVIII, L.L.C., a Virginia limited liability company (the “Investor Member”), as the Investor Member, have formed or, simultaneously herewith are forming, a limited liability company pursuant to Virginia Limited Liability Company Act (the “Act”), to be known as SSOG Miller Homes, LLC; and

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate a 46 -unit multifamily apartment complex intended for rental to low income families, to be known as Miller Homes at Poplar Creek, and to be located in South Boston, Virginia (the “Apartment Complex”); and

WHEREAS, the Company is governed by its Second Amended and Restated Operating Agreement of even date herewith (the “Operating Agreement”); and

WHEREAS, the Company desires that the Managing Member provide certain construction management services with respect to the business of the Company for the period commencing as of the date hereof and continuing throughout the final construction completion of the Project.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. Appointment. The Company hereby appoints the Managing Member to render services in managing and administering the construction of the Project during the construction of the Project and for as long as the Managing Member is the Managing Member of the Company as herein contemplated. The appointment of the Managing Member hereunder shall terminate on the earlier of (i) the date the Managing Member withdraws as the Managing Member of the Company, including, without limitation, its removal as Managing Member, or (ii) the final construction completion of Project.

2. Authority. In conformity with the provisions of the Operating Agreement, throughout the term of the construction of the Project, the Managing Member shall have the



authority and the obligation, which authority and obligation may, subject to the provisions of the Operating Agreement, be exercised by the Managing Member to:

(i) establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(C) the rendering of advice and recommendations as to the selection of subcontractors and suppliers in an effort to reduce the cost of construction while maintaining the aforesaid design and procedures; and

(D) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project.

3. Fees. For services to be performed under this Construction Incentive Management Fee Agreement, the Company shall pay the Managing Member an amount, if any, equal to the positive difference, if any (the “Cost Savings”) between (i) the aggregate amount of Project Loan, Project grants and Capital Contributions actually disbursed to the Company; and (ii) total acquisition and rehabilitation or construction hard and soft costs (including capitalized reserves, loan interest and developer fee) of the Project (the “Development Costs”). If any dispute as to the determination of Cost Savings or Development Costs arises, the terms of the Operating Agreement shall govern as to the amount includable therein. Such payment shall be subject to the requirements of the Project Loans, if any, and the approval of the Investor Member. Such payment will be made with the Sixth Capital Contribution of the Investor Member.

4. Withholding of Fee Payments. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement and the Operating Agreement, or (ii) the Managing Member shall have withdrawn or been removed pursuant to Article 6 of the Operating Agreement, then such Managing Member shall be in default of this Agreement and the Company shall withhold payment of fees payable to such Managing Member pursuant to Section 3 of this Agreement.

All amounts so withheld by the Company under this Section 4 shall be promptly released to the Managing Member, only after the Managing Member has cured the default justifying the withholding, unless the Managing Member shall have been removed pursuant to the Operating Agreement, in which event this Agreement shall terminate in accordance with Section 5 below and all further obligations of the Company hereunder shall cease as of the date of such removal of the Managing Member.

5. Successors and Assigns; Termination. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. If the Company Interests of a Managing Member, as Managing Member, are transferred pursuant to Article IX of the Operating Agreement, further payment of the Construction Incentive Management Fee from the Company to such Managing Member pursuant to Section 3 above shall be governed by such Article IX, provided that such successor has assumed the obligations of the Managing Member hereunder pursuant to an assumption agreement in form acceptable to the Investor Member. The parties hereto may terminate this Agreement upon mutual consent to do so.

6. Defined Terms. Capitalized terms used in this Agreement and not specifically defined herein shall have the same meanings assigned to them as in the Operating Agreement.

7. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

9. No Continuing Waiver. The waiver of any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

10. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

11. Third Party Beneficiary. Investor Member is a third party beneficiary of this Agreement, and the Company and Managing Member hereby expressly agree that any amendment to this Agreement shall not be effective unless and until same is consented to by Investor Member.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Construction Incentive Management Fee Agreement to be duly executed as of the date as first written above.

COMPANY:

SSOG Miller Homes, LLC,  
a Virginia limited liability company

By: SSOG Management Miller Homes, LLC,  
a Virginia limited liability company,  
its Managing Member


By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By:   
Earl Howerton, Executive Director

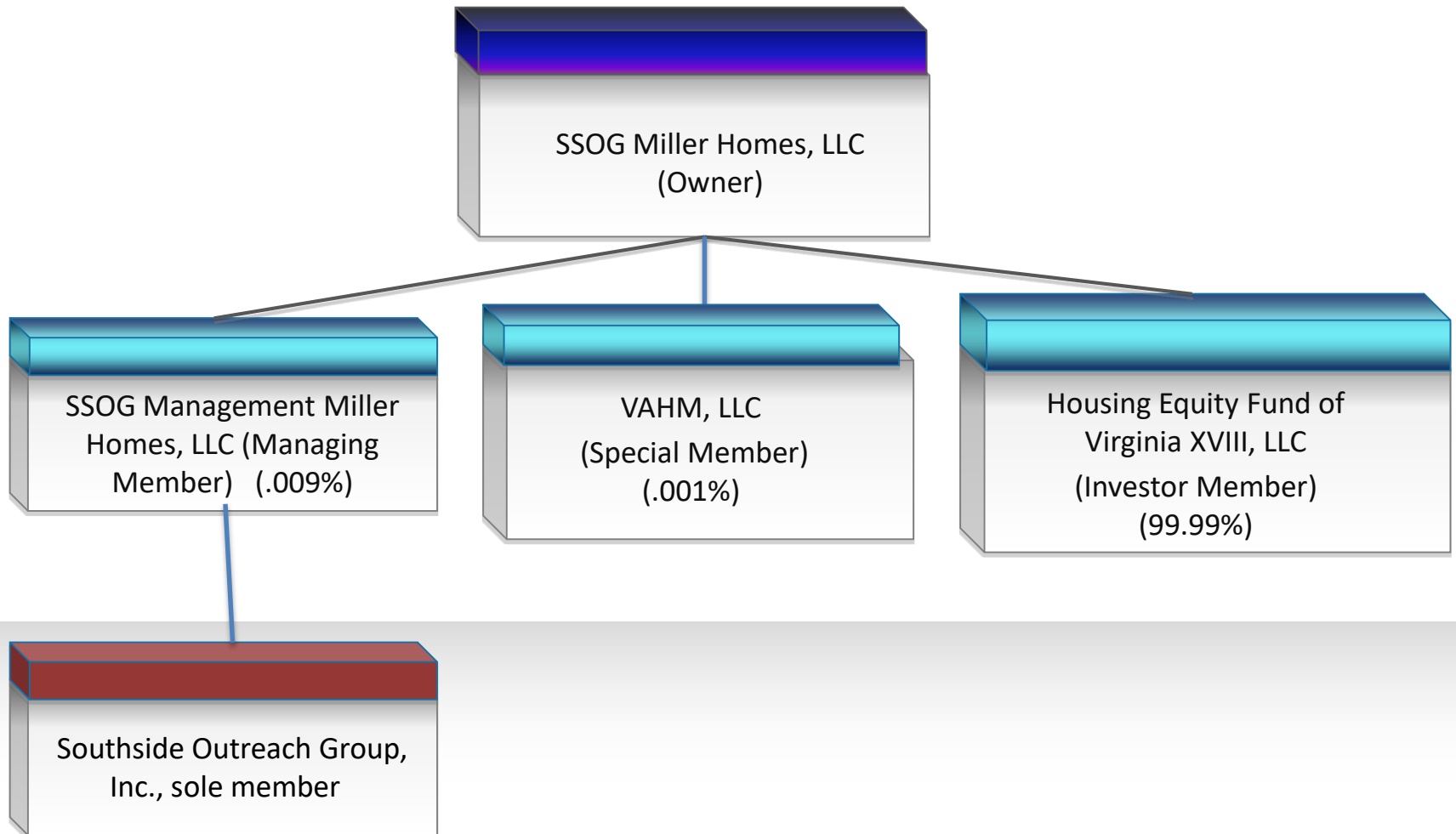
MANAGING MEMBER:

SSOG Management Miller Homes, LLC,  
a Virginia limited liability company,

By: Southside Outreach Group, Inc.,  
a Virginia nonstock corporation,  
its sole member

By:   
Earl Howerton, Executive Director

# MILLER HOMES AT POPLAR CREEK ORGANIZATIONAL CHART



**Poplar Creek Homes**

Developer Experience

Statement of Number of Units for Previous 8609

Project Name: Miller Homes at Poplar Creek

Developer/Sponsor – Southside Outreach Group, Inc.

Number of Units- 46 low-income units

Placement in Service – December 31, 2015

Q

Documentation of  
Rental Assistance, Tax  
Abatement and/or  
Existing HUD/RD

**N/A**

R

Documentation of  
Operating Budget  
and Utility Allowance



## **2021-C-56**

### **Poplar Creek Homes – Operating Budget**

Southside Outreach Group, Inc (SSOG) developed Miller Homes at Poplar Creek as a LIHTC property in 2015.

Miller Homes consists of 46 units configured in garden-style apartments and is located on the parcel on the other side of Poplar Creek Street from where Poplar Creek Homes will be constructed.

SSOG anticipates being the property management agent for Poplar Creek Homes and has met the criteria to be approved by VH. The expectation is SSOG will manage both Miller Homes and Poplar Creek Homes. Poplar Creek Homes will be served by the rental office located at Miller Homes.

While there may be some economies of scale from shared office space, the operating budget presented in the LIHTC Application is underwritten to show the project can stand alone.

However, as the closest parallel the operating history of Miller Homes has been used to formulate the budget for Poplar Creek Homes. Miller Homes has been an operating success since it was placed in service in 2015.

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$840
2. Office Salaries			\$0
3. Office Supplies			\$1,000
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$13,000
6.30% of EGI	\$406.25	Per Unit	
6. Manager Salaries			\$14,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$675
9. Auditing			\$3,750
10. Bookkeeping/Accounting Fees			
11. Telephone & Answering Service			\$3,000
12. Tax Credit Monitoring Fee			\$1,280
13. Miscellaneous Administrative			\$1,500
<b>Total Administrative</b>			<b>\$39,045</b>

**Utilities**

14. Fuel Oil			\$0
15. Electricity			\$2,500
16. Water			\$2,500
17. Gas			\$0
18. Sewer			\$2,500
<b>Total Utility</b>			<b>\$7,500</b>

**Operating:**

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$1,500
23. Trash Removal			\$2,000
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$8,500
28. Maintenance/Repairs Payroll			\$13,000
29. Repairs/Material			\$9,000
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$10,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$750
35. Decorating/Payroll/Contract			\$3,000
36. Decorating Supplies			\$3,000
37. Miscellaneous			\$1,500
<b>Totals Operating &amp; Maintenance</b>			<b>\$52,250</b>

**M. OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$16,000
39. Payroll Taxes	\$5,000
40. Miscellaneous Taxes/Licenses/Permits	\$3,600
41. Property & Liability Insurance	\$15,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$1,000
44. Health Insurance & Employee Benefits	\$4,000
45. Other Insurance	\$1,000
<b>Total Taxes &amp; Insurance</b>	<b>\$45,600</b>

<b>Total Operating Expense</b>	<b>\$144,395</b>
--------------------------------	------------------

<b>Total Operating Expenses Per Unit</b>	<b>\$4,512</b>	<b>C. Total Operating Expenses as % of EGI</b>	<b>69.95%</b>
--	----------------	--	---------------

<b>Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)</b>	<b>\$9,600</b>
---	----------------

<b>Total Expenses</b>	<b>\$153,995</b>
-----------------------	------------------

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



February 11, 2021

Earl Howerton  
Southside Outreach Group, Inc  
1425 Seymour Dr,  
South Boston, VA, 24592  
ehowerton@ssorg.org

RE: Preliminary Utility Allowance for Poplar Creek Homes

Dear Mr. Howerton,

Please see the following Preliminary Utility Allowance (UA) for Poplar Creek Homes located in South Boston, Virginia. Projections were generated with the applicable rates, fees, and taxes of following providers:

Electricity:	Dominion Energy	Gas:	N/A
Water:	Halifax County Service Authority	Trash:	N/A
Sewer:	Halifax County Service Authority		

The utility rates used to produce this UA are no older than the rates in place 60 days prior to the date of this letter. Below is a table depicting the highest monthly UA by each bedroom type. Should you have any questions do not hesitate to contact me.

EARTH CRAFT PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE				
Utilities	Utility Type	Paid by	Studio	1-bdr	2-bdr	3-bdr	4-bdr
Heating	Electric	Tenant	N/A	\$ 13.51	\$ 16.36	\$ 19.21	N/A
Air Conditioning	Electric	Tenant	N/A	\$ 6.30	\$ 7.63	\$ 8.96	N/A
Cooking	Electric	Tenant	N/A	\$ 5.40	\$ 6.54	\$ 7.68	N/A
Lighting	Electric	Tenant	N/A	\$ 21.61	\$ 26.17	\$ 30.73	N/A
Hot Water	Electric	Tenant	N/A	\$ 12.61	\$ 15.27	\$ 17.93	N/A
Water	-	Tenant	N/A	\$ 20.81	\$ 26.72	\$ 32.62	N/A
Sewer	-	Tenant	N/A	\$ 32.97	\$ 39.70	\$ 46.43	N/A
Trash	-	Owner	N/A	\$ -	\$ -	\$ -	N/A
<b>Total UA costs (Unrounded)</b>			\$ -	\$ 113.22	\$ 138.39	\$ 163.58	\$ -

*\*Allowances only for Poplar Creek Homes as an EarthCraft project. The water and sewer projections were produced using water fixtures with flow rates of 0.8 gpf toilets, 1.5 gpm showerheads, 1.5 gpm kitchen faucets, and 1.5 gpm lavatory faucets. Due to rounding, the amounts for the UA components may not add up to the Total UA amount.*

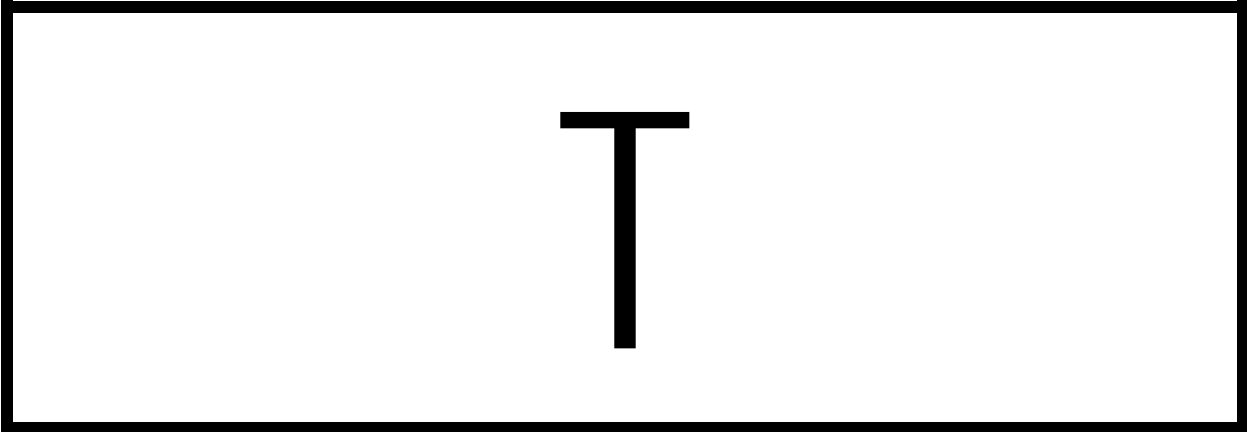
Sincerely,

Rob McRaney  
Business Relations Manager

S

Supportive Housing  
Certification

**N/A**



T

Funding Documentation

**Subsidized Funding**

	Source of Funds	Date of Commitment	Amount of Funds
1.	Donated Land	4/29/2020	\$73,600
2.	Town of South Boston - CDBG	7/7/2020	\$700,000
3.	DHCD AHTF	1/27/2020	\$700,000
4.	FHLB-A	10/31/2019	\$250,000
5.	SERCAP (2)	3/15/2021	\$200,000
Total Subsidized Funding			\$1,923,600



# Poplar Creek Homes

## Value of Parcels Donated from the Town of South Boston

Parcel	Value
2381	\$ 4,000.00
34435	\$ 4,000.00
34436	\$ 4,000.00
34437	\$ 4,000.00
34438	\$ 6,300.00
34441	\$ 4,000.00
34442	\$ 4,000.00
34443	\$ 4,000.00
34444	\$ 4,000.00
34445	\$ 4,000.00
34446	\$ 4,000.00
34447	\$ 4,000.00
34448	\$ 4,000.00
34449	\$ 4,000.00
34450	\$ 4,000.00
2365	\$ 800.00
2364	\$ 2,000.00
2363	\$ 2,000.00
2399	\$ 1,300.00
2398	\$ 1,300.00
2397	\$ 1,300.00
2395	\$ 1,300.00
2396	\$ 1,300.00
<b>TOTAL</b>	<b>\$ 73,600.00</b>

DEED NO. 200001157

Prepared By and  
 Approved as to Form:  
 Amanda M. Morgan (VSB#70210)  
 Gentry Locke  
 P. O. Box 6218  
 Lynchburg, VA 24505  
*Counsel for the Town of South Boston,  
 Virginia*

Return to/Grantee's Address:  
 Southside Outreach Group, Inc.  
 1425 Seymore Drive  
 South Boston, VA 24592

PRNs: 2290, 2291, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2381, 2395, 2396, 2397, 2398, 2399, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450

Consideration: \$0

Assessed Values: \$2,000 (PRN 2290); \$2,000 (PRN 2291); \$2,000 (PRN 2363); \$2,000 (PRN 2364); \$800 (PRN 2365); \$800 (PRN 2366); \$2,000 (PRN 2367); \$2,000 (PRN 2368); \$2,000 (PRN 2369); \$4,000 (PRN 2381); \$1,300 (PRN 2395); \$1,300 (PRN 2396); \$1,300 (PRN 2397); \$1,300 (PRN 2398); \$1,300 (PRN 2399); \$4,000 (PRN 34435); \$4,000 (PRN 34436); \$4,000 (PRN 34437); \$6,300 (PRN 34438); \$4,000 (PRN 34441); \$4,000 (PRN 34442); \$4,000 (PRN 34443); \$4,000 (PRN 34444); \$4,000 (PRN 34445); \$4,000 (PRN 34446); \$4,000 (PRN 34447); \$4,000 (PRN 34448); \$4,000 (PRN 34449); \$4,000 (PRN 34450)

Exempted from recordation tax under § 58.1-811(C)(4) & (D) of the Code of Virginia (1950), as amended ("Code"). Pursuant to § 17.1-279(E) of the Code, the Clerk's Office shall not assess the Technology Trust Fund Fee to this instrument.

This Deed was prepared without the benefit of a title exam and the preparer has no knowledge of title insurance.

**THIS DEED OF GIFT** ("Deed") is made this 28th day of April 2020, by and between the **TOWN OF SOUTH BOSTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Grantor"), and **SOUTHSIDE OUTREACH GROUP, INC.**, a Virginia corporation ("Grantee").

THAT FOR NO monetary consideration, Grantor hereby GRANTS and CONVEYS with Special Warranty of Title to Grantee, the following real property, with all improvements thereon and appurtenances thereto, located in the Town of South Boston, Halifax County, Virginia (the "Property"):

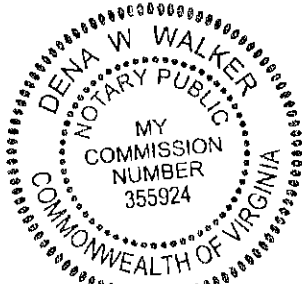
**SEE SCHEDULE A, ATTACHED HERETO AND INCORPORATED  
 HEREIN.**

This conveyance and the execution of this Deed were authorized by the Town Council for Grantor at meetings held on March 4, 2019, April 13, 2020, and April 27, 2020, after duly noticed public hearings.

The Property is conveyed AS IS, WHERE IS WITH ALL FAULTS and without any representations or warranties by Grantor, express or implied, regarding its physical condition.

This conveyance is made expressly subject to such recorded restrictions, conditions, easements and reservations of record to the extent they lawfully apply to the Property.

WITNESS the following signature and seal:



TOWN OF SOUTH BOSTON, VIRGINIA

*Thomas S. Raab*

By: THOMAS S. RAAB, Town Manager

COMMONWEALTH OF VIRGINIA,  
COUNTY OF HALIFAX, to-wit:

The foregoing instrument was acknowledged before me this 28th day of April, 2020, by THOMAS S. RAAB, in his capacity as Town Manager of the Town of South Boston, Virginia.

*Dena W. Walker*

Notary Public

My commission expires: April 30, 2024  
Registration number: 355924

SCHEDULE APRN 2290

All that certain tract or parcel of land, situated in the Town (formerly City) of South Boston, Halifax County, Virginia, being designated as Lot No. 7 in Block No. 64, as shown on a plat of the South Boston Improvement Company property, which plat is recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia (the "Clerk's Office") in Deed Book 81, at page 656 (the "Plat").

Being the same property conveyed to Grantor by deed dated October 26, 2018 from J. Carl Duffie and others and recorded in the Clerk's Office on December 19, 2018 as Deed No. 180003517.

PRN 2291

All that certain lot situated in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting 60 feet on the southeasterly side of Harrell Street and extending back between parallel lines 150 feet to a 20-foot ally and designated as Lot 8 in Block 64 on the Plat.

Being the same property conveyed to Grantor by deed dated October 25, 2018 from Barbara H. Cage and others and recorded in the Clerk's Office on December 19, 2018 as Deed No. 180003514.

PRNs 2364, 2367, 2369

Those certain lots situate in the Town (formerly City) of South Boston, Halifax County, Virginia, and designated on the Plat as Lots No. 8 and 10 in Block 77. Said Lot 8 in Block 77 fronts 60 feet on the southeasterly side of an unnamed street and extends back between parallel lines 150 feet to an alley. Said Lot 10 in Block 77 fronts 50 feet on the southeasterly side of said unnamed street and extends back between parallel lines 150 feet to an alley.

and

All of that certain lot or parcel of land lying on the south side of Harrell Street at the intersection of Owens Avenue in the Town (formerly City) of South Boston, Virginia, and being Lot 12 in Block 77 on the Plat.

Being the same property conveyed to Grantor by Deed dated December 20, 2018 from C.J. Bales as trustee in liquidation of Halifax County Fair Association, Incorporated and recorded in the Clerk's Office on February 26, 2019 as Deed No. 190000454.

PRN 2365

An undivided one-half (1/2) interest in that certain lot situate in the Town of South Boston, Halifax County, Virginia being designated as Lot 9 in Block 77 on the Plat.

Being the same property conveyed to Grantor by Deed dated February 11, 2019 from Robert Michael Harris and recorded in the Clerk's Office on February 26, 2019 as Deed No. 190000456.

PRN 2366

An undivided one-half (1/2) interest in that certain lot situate in the Town of South Boston, Halifax County, Virginia being designated as Lot 9 in Block 77 on the Plat.

Being the same property conveyed to Grantor by Deed dated January 16, 2020 from Dabney N. Lewis and others and recorded in the Clerk's Office on February 24, 2020 as Deed No. 200000505.

PRN 2368

All that certain lot or parcel of land, with improvements thereon, located in the Town (formerly City) of South Boston, Virginia, being designated as Lot 11, Block 77 on the Plat.

Being a portion of the property conveyed to Grantor by deed dated May 22, 1985 from Chandler A. Nelson, special commissioner, and recorded in the Clerk's Office on June 17, 1985 in Deed Book 489, page 121.

PRN 2395

All that certain lot or parcel of land, located in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting on Harrell Street, and shown as Lot No. 5 in Block 80 on the Plat.

Being the same property conveyed to Grantor by deed dated November 5, 2018 from Jimmy D. Hite and recorded in the Clerk's Office on December 19, 2018 as Deed No. 180003515.

PRNs 2396 & 2397

Those certain lots situate in the Town of South Boston, Halifax County, Virginia being Lots Six (6) and Eleven (11) in Block Eighty (80) as shown on the Plat, situate on lower Wilborn Avenue.

Being the same property conveyed to Grantor by deed dated November 19, 2018 from Thomas C. Arthur and Betty B. Arthur and recorded in the Clerk's Office on December 19, 2018 as Deed No. 180003516.

PRN 2398

That certain lot situate in the Town of South Boston, Halifax County, Virginia being Lot Seven (7) in Block Eighty (80) of the South Boston Improvement Company's property.

Being the same property conveyed to Grantor by deed dated December 19, 2018 from Robert Michael Harris and recorded in the Clerk's Office on February 26, 2019 as Deed No. 190000455.

PRN 2399

All that certain lot lying in the Town of South Boston, Halifax County, Virginia, known and designated as Lot Eight (8) in Block No. Eighty (80) on the Plat; said lot fronting 50 feet on the southeast side of Webster Street and extending back along the southwest side of Terry Street 150 feet.

Being the same property conveyed to Grantor by Deed dated February 27, 2019 from Lee P. Woody, Jr. and others and recorded in the Clerk's Office on April 26, 2019 as Deed No. 190001052.

PRNs: 2363, 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450

All those certain lots, tracts, or parcels of land, with improvements thereon and appurtenances thereunto belonging, situate in the Town of South Boston, Halifax County, Virginia, shown and described on the Plat as follows:

Lots 1, 2, 3, and 4 in Block 63;  
 Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 in Block 78;  
 Lots 1, 2, 3, 4, 5, 6, and 7 in Block 79; and  
 Lot 7 in Block 77.

Lots 1, 2, 3 and 4 in Block 63; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 in Block 78 and Lots 1, 2, 3, 4, 5, 6, and 7 in Block 79 are shown on a plat of subdivision made by B&B Consultants, Inc./Jones & Associates, dated October 4, 2012 entitled "Boundary Survey of the Poplar Creek Subdivision Totaling 4.29 Acres, Located in the Town of South Boston, Halifax County, Virginia", and recorded in the Clerk's Office in Plat Book 29, page 248 and were renumbered thereon to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17.

LESS AND EXCEPT from the above Lots 6 and 7 as shown on Plat Book 29, page 248 as were conveyed to Southside Outreach Group, Inc., a Virginia corporation, by deed from Grantor dated March 15, 2013, recorded in the Clerk's Office in Deed Book 1128, page 62.

Being a portion of the real estate conveyed to Grantor by deed from Jenny O. Wilkins dated October 20, 2010 recorded in the Clerk's Office as Instrument No. 110000188 and by deed from Jenny O. Wilkins and others dated October 20, 2010 recorded in the Clerk's Office as Instrument No. 110000187, Deed Book 1082, page 21.

Vacated Streets & Alley

TOGETHER WITH interconnecting streets and alleys as shown on a plat captioned "Recombination Survey of Multiple Lots & Vacating of an Alley and Streets for the Town of South Boston Totaling 8.17 Acres Located in the Town of South Boston, Halifax County, Virginia", dated February 24, 2020, prepared by B & B Consulting, Inc./Jones & Associates, a copy of which is attached hereto as Exhibit 1, and designated as "Terry Street to be Vacated", "Owens Avenue to be Vacated", "Harrell Street to be Vacated", and "20' Alley to be Vacated".

Being portions of the property formerly known as Terry Street, Owens Avenue, Harrell Street and a 20 foot alleyway, which were dedicated but unopened, and which were vacated by Ordinance of the Town Council of Grantor adopted on April 27, 2020, a duly certified copy of which is attached hereto as Exhibit 2.

VIRGINIA: CLERK'S OFFICE OF THE CIRCUIT COUNTY OF HALIFAX COUNTY

St. R. Tax	039	_____
Co. R. Tax	213	_____
Transfer	212	<u>1.00</u>
Clerk	301	<u>14.50</u>
Grantor Tax 038/220		_____
VSLF	145	<u>1.50</u>
Tech Fund	106	<u>5.00</u>
Add'l St Rec Tax 038		_____
Open sp pres 035		<u>1.00</u>
Total \$		<u>18.00</u>

The foregoing instrument with acknowledgement was admitted to record on April 29, 2020 at 3:43 P.M.

Teste: CATHY M. COSBY, CLERK

By: Amanda S. Long Deputy Clerk

Given/Mailed to: Southside Outreach  
1425 Seymore Drive  
South Boston VA 24592



Town of South Boston, Virginia  
455 Ferry Street, South Boston, VA 24592  
Jane P. Jones, Town Clerk

**AN ORDINANCE OF THE SOUTH BOSTON, VIRGINIA TOWN COUNCIL CLOSING AND VACATING CERTAIN UNOPENED STREETS AND AN ALLEYWAY WITHIN THE PROPOSED POPLAR CREEK HOMES PROJECT SITE: PORTIONS OF TERRY STREET, HARRELL STREET, OWENS AVENUE AND 20' ALLEY**

000026 APR 29 2020

**WHEREAS**, the Town of South Boston has posted notice as required by Title 15.2-2006 of the Code of Virginia, 1950 as amended, to abandon four dedicated public rights-of-way within the proposed Poplar Creek Homes project site: Terry Street, Harrell Street, Owens Avenue and an unopened 20' alleyway; and

**WHEREAS**, the Town has approved conveying all property on both sides of the public rights-of-way to Southside Outreach Group, Inc. to be used in connection with the construction of sixteen duplex units to provide housing for thirty-two low to moderate income families; and

**WHEREAS**, Title 15.2-2006 of the Code of Virginia, 1950, as amended, authorizes the governing body of any town to vacate streets and alleys within the Town; and

**WHEREAS**, the South Boston Town Council held a public hearing on April 13, 2020 to receive citizen comment on closing said public rights-of-way, and appointed a Board of Viewers to determine if there would be any inconvenience to the general public to close the public right-of-way.

**WHEREAS**, the Board of Viewers met on April 20, 2020 and, finding no inconvenience to the public, recommended the closure and vacation of the below listed public rights-of-way.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the Town of South Boston, in accordance with the provisions of Section 15.2-2006 of the Code of Virginia, 1950, as amended, and Section 90-3 of the South Boston Town Code, that the following dedicated public rights-of-way:

- *Terry Street, from its southern right-of-way of Poplar Creek Street going south +570'.*
- *Harrell Street, from N&S Railroad to the western right-of-way Watkins Street +928'*
- *Owens Ave., from its southern right-of-way of Poplar Creek Street going south ±385'.*
- *Unnamed alley, from the eastern right-of-way of N&S Railroad going east +815', said point being 120' east of Owens Avenue.*

within the Town of South Boston, Virginia, and designated as "Terry Street to be Vacated", Owens Avenue to be Vacated", "Harrell Street to be Vacated", and "20' Alley to be Vacated" on a plat captioned "Recombination Survey of Multiple Lots & Vacating of an Alley and Streets for the Town of South Boston Totaling 8.17 Acres Located in the Town of South Boston, Halifax County, Virginia", dated February 24, 2020, prepared by B & B Consulting, Inc./Jones & Associates. be and the same are hereby closed and abandoned, and that all rights of the public therein shall cease and terminate as shown on the plat, which is attached.

**BE IT FURTHER ORDAINED** by the Council of the Town of South Boston in accordance with Section 90-3 of the South Boston Town Code that said same rights-of-way as listed above are hereby conveyed at no fee to the Town of South Boston, being the owner of the adjacent parcels.

Town of South Boston, Virginia  
455 Ferry Street, South Boston, VA 24592  
Jane P. Jones, Town Clerk

**BE IT FURTHER ORDAINED** that the Town Manager is authorized to execute a deed conveying the foregoing to Southside Outreach Group, Inc. at no cost in furtherance of the Poplar Creek Homes Project.

**BE IT FURTHER ORDAINED** that the Clerk of Council is hereby authorized and directed to deliver a duly-certified copy of this ordinance to the Clerk of the Circuit Court for the County of Halifax, so that said certified copy of this ordinance may be recorded as deeds are recorded and indexed in the name of the Town of South Boston.

Adopted this 27<sup>th</sup> day of April 2020.

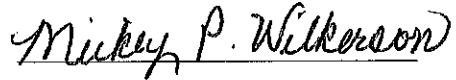
  
\_\_\_\_\_  
Mayor Edward Owens

ATTEST:   
\_\_\_\_\_  
Jane P. Jones, Town Clerk, CMC



STATE OF VIRGINIA  
County of Halifax

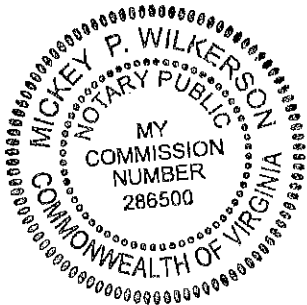
The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of April 2020 by Edward Owens, Mayor and Jane P. Jones, Clerk of Council, for the Town of South Boston, Virginia on behalf of the Town of South Boston. My Commission expires 10-31-2020.



Mickey Wilkerson, Notary Public

# 286500

(seal)



000027 APR 29 2020

000028 APR 29 2002

**OWNER'S STATEMENT**

The Subdivision as appears in this plan is shown with the lines, corners and boundaries of the lots and streets as they are shown on the original plat or record map of this tract, and the plat is a true and correct copy of the original plat or record map.

Town of South Boston, VA Case

STATE OF \_\_\_\_\_ COUNTY \_\_\_\_\_

I, \_\_\_\_\_ Mayor of the City of \_\_\_\_\_ do hereby certify that the foregoing is a true and correct copy of the original plat or record map of this tract, and the plat is a true and correct copy of the original plat or record map.

**NOTARY PUBLIC**

I hereby certify that the foregoing is a true and correct copy of the original plat or record map of this tract, and the plat is a true and correct copy of the original plat or record map.

Subdivision Agent \_\_\_\_\_ Title \_\_\_\_\_

All interior lots and right-of-ways shown hereon are to be vacated.

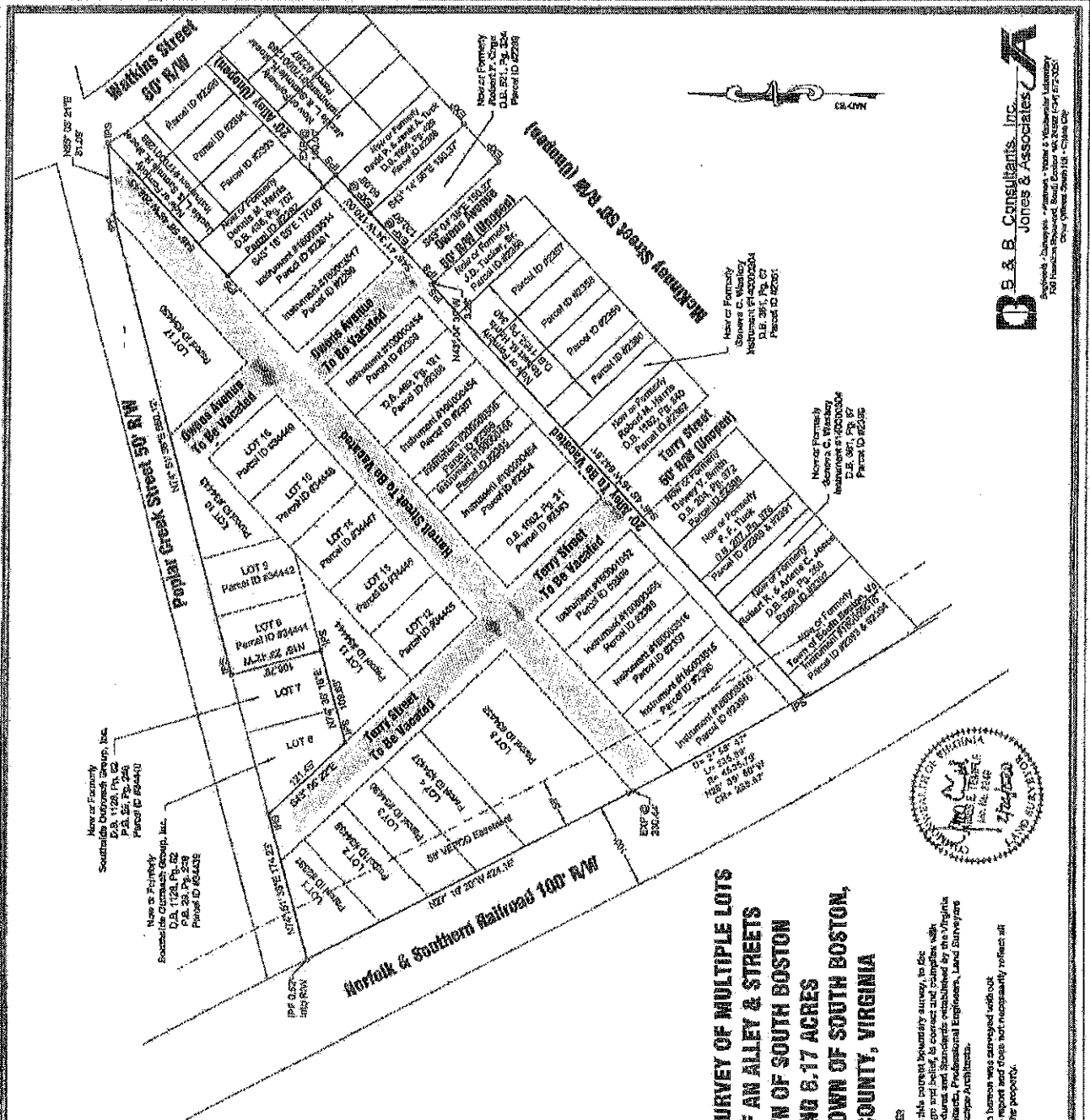
**LEGEND:**  
 BVA = Existing Pipe  
 BVA-LTR P/F = Four  
 D = Down  
 H = Horizontal  
 R = Right  
 T = Town

**RECOMBINATION SURVEY OF MULTIPLE LOTS  
 & VACATING OF AN ALLEY & STREETS  
 FOR THE TOWN OF SOUTH BOSTON  
 TOTALING 8.17 ACRES  
 Located in the TOWN OF SOUTH BOSTON,  
 HALIFAX COUNTY, VIRGINIA**

Surveyor's Certificate

I hereby certify that this is a true and correct survey, in the best of my knowledge and belief, to correct and comply with the minimum procedures and standards established by the Virginia State Board of Architects, Professional Engineers, Land Surveyors and Certified Landscape Architects.

The property shown hereon was surveyed without the benefit of a title report and does not necessarily reflect an encumbrance on the property.



**B & B Consultants, Inc.**  
**Jones & Associates**

Surveyors / Architects / Planners / Engineers & Mathematicians  
 100 Hawthorne Road, Suite 101, Reston, VA 20190  
 Phone: (703) 797-3000 Fax: (703) 797-3007  
 www.bjba.com

000029 APR 29 2026

VIRGINIA: CLERK'S OFFICE OF THE CIRCUIT COUNTY OF HALIFAX COUNTY

St. R. Tax	039	_____
Co. R. Tax	213	_____
Transfer	212	_____
Clerk	301	<u>14.50</u>
Grantor Tax 038/220		_____
VSLF	145	<u>1.50</u>
Tech Fund	106	<u>5.00</u>
Add'l St Rec Tax 036		_____
Open sp pres	035	<u>1.00</u>
Total \$		<u>17.00</u>

The foregoing instrument with acknowledgement was admitted to record on April 29, 2026 at 3:40 P.M.

Teste: CATHY M. COSBY, CLERK

By: Amanda S. Long Deputy Clerk

Given/Mailed to: Southside Outreach  
1425 Seymore Drive  
South Boston VA 24592



Ralph S. Northam  
Governor

R. Brian Ball  
Secretary of  
Commerce and Trade

# COMMONWEALTH of VIRGINIA

Erik C. Johnston  
Director

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

July 7, 2020

Mr. Thomas S. Raab  
Town Manager  
Town of South Boston  
455 Ferry Street  
South Boston, Virginia 24592

RE: Community Development Block Grant #19-19-06  
Poplar Creek Housing Production Project  
Contract Execution

Dear Mr. Raab:

The Virginia Department of Housing and Community Development (DHCD) congratulates you on completing all the activities required for the execution of the Town of South Boston's Community Development Block Grant (CDBG) agreement for the Poplar Creek Housing Production project.

Enclosed is the Town's CDBG agreement. Please sign on the signature page and at the end of the Assurances. You will observe a notary public must acknowledge your signature. **Return the signed agreement to me at the DHCD Richmond Office.** Upon receipt of the agreement, it will be signed by Mr. Jay Grant, DHCD's Deputy Director of Community Development. DHCD will then upload the executed contract into the Centralized Application and Management System (CAMS) and you can download a copy for your records. If you would like an original signature page, you can request it and DHCD will send you an original signature.

Thank you for your cooperation, and we look forward to working with you during implementation of this project.

Sincerely,

Amanda Healy  
Associate Director

Enclosures

c: Earlene Powell, SOG  
Elizabeth Boehringer, DHCD  
Joanne Peerman, DHCD

Partners for Better Communities



[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

**CONTRACT #19-19-06**  
**GRANTEE: South Boston, Virginia**  
**CFDA # - 14.228**

**AGREEMENT**

This AGREEMENT, entered into as of this **29<sup>th</sup> day of May, 2020**, by and between the Virginia Department of Housing and Community Development hereinafter referred to as "DHCD" and **Town of Chase City, Virginia** hereinafter referred to as "GRANTEE."

**WITNESSETH**

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer Community Development Block Grant (CDBG) funds pursuant to the Housing and Community Development Act of 1974, as amended, and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer CDBG funds in the form of Community Improvement Grants according to the CDBG Program Design, and

WHEREAS, the PROJECT as described in the Proposal as submitted by the GRANTEE has achieved a sufficiently high ranking through a competitive proposal selection system to qualify for CDBG funding on the basis of the CDBG Program Design,

Now THEREFORE, the above-mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE a COMMUNITY IMPROVEMENT GRANT in an amount of the total allowable, eligible costs in carrying out the ACTIVITIES included in Products herein described not to exceed seven hundred thousand dollars and zero cents (\$700,000.00).
2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its CDBG Grant.
3. The GRANTEE will commence, carry out and complete the following Products (more thoroughly described in the GRANTEE'S CDBG Proposal).

PROJECT TITLE: Poplar Creek Homes

OUTCOMES: To improve the living conditions of thirty-two (32) total households, all of which are low- to moderate income (LMI) households, through the provision of infrastructure improvements and rental production activities.

BENEFITS: 74 persons all of which are LMI  
32 households all of which are LMI

ACTIVITIES:

- A. Administration of this project in a timely and compliant manner (CDBG funds);
- B. Design, site clearance, construction and inspection of sewer improvements (non-CDBG funds);
- C. Design, site clearance, construction and inspection of water improvements (CDBG funds);
- D. Design, site clearance, construction and inspection of street improvements (CDBG funds);
- E. Design, site clearance, construction and inspection of storm sewer improvements (CDBG and non-CDBG funds); and
- F. Site clearance and construction of sixteen (16) apartment buildings comprised of thirty-two (32) affordable energy-efficient LMI rental units, of which five (5) will meet Section 504 standards (non-CDBG funds).

4. The aforementioned PROJECT shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The GRANTEE will use the lesser of (1) the amount specified above, or (2) if, at total PROJECT completion, there are cost underruns or project savings, these costs shall revert to DHCD and other funding sources committed to the PROJECT in the CIG proposal on a proportional basis, unless superseded by other federal program requirements. In no case will leveraged funds be returned beyond that amount which would have changed the PROJECT'S ability to be funded initially.
6. The GRANTEE will initiate the ACTIVITIES required by the CONTRACT DOCUMENTS beginning **May 29, 2020**, unless grant Special Conditions require additional action on specified PRODUCT(S) before proceeding with that PRODUCT(S). In such instances the GRANTEE will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.
7. The GRANTEE shall complete the work as described in the CONTRACT DOCUMENTS within **twenty-four (24)** months of the execution of this AGREEMENT, or more specifically on or before **May 28, 2022**. If the ACTIVITIES are not completed by that date all CIG funding and this AGREEMENT shall be terminated and the Grantee shall return all unexpended funds, unless an amendment to the CONTRACT DOCUMENT provides otherwise.
8. DHCD agrees to make payment to the GRANTEE upon receipt of a properly completed and signed invoice. Requests for Payment may be made, allowing approximately twenty-one days to receive the funds. Funds are to be immediately disbursed by the GRANTEE and shall not be deposited in an interest-bearing account.
9. The term CONTRACT DOCUMENTS means the following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full.
  - A. GRANTEE'S CDBG Proposal (including revisions);
  - B. CDBG AGREEMENT;
  - C. SPECIAL CONDITIONS;
  - D. GENERAL CONDITIONS;
  - E. ASSURANCES;
  - F. AMENDMENTS (none as of the date this Agreement was signed);
  - G. GRANT MANAGEMENT MANUAL (Those items specified as being required);
  - H. CONTRACT NEGOTIATION RECORD;
  - I. PROJECT MANAGEMENT PLAN;
  - J. PROGRAM INCOME PLAN; and
  - K. ANY PROJECT SPECIFIC PLAN AND/OR PROGRAM DESIGN.



In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: Jay Grant DATE: 9/3/2020  
Jay Grant, Deputy Director

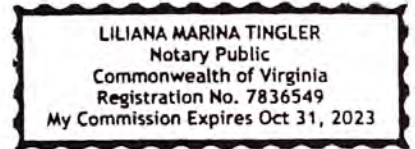
City of Richmond,  
Commonwealth of Virginia

I do certify that Jay Grant personally appeared before me and made oath that he is Deputy Director of the Department of Housing and Community Development and that he is duly authorized to execute the foregoing document.

My commission expires: Oct. 31, 2023.

Given under my hand this 3rd day of September 2020.

[Signature] 7836544  
Notary Public Registration Number



TOWN OF SOUTH BOSTON, VIRGINIA

BY: Thomas S. Raab DATE: 7/9/2020  
Thomas S. Raab, Town Manager

~~City/County~~/Town of South Boston,  
Commonwealth of Virginia

I do certify that Thomas S. Raab personally appeared before me and made oath that he is the Town Manager of the Town of South Boston, Virginia and that he is duly authorized to execute the foregoing document.

My commission expires: 2/28/2021.

Given under my hand this 9 day of July, 2020.

Jane P Jones 141446  
Notary Public Registration Number



## SPECIAL CONDITIONS

1. Notwithstanding the effective date of this contract, **May 29, 2020**, eligible administrative and construction-related expenses not to exceed **\$34,520.00** incurred prior to this date have been approved for reimbursement. The effective date of this authorization is **December 10, 2019**.
2. A total of \$5,189,571.00 in leverage funds is committed to this project by the GRANTEE. Sources of funds are as follows:

HOME	\$700,000.00
Virginia Housing Trust Fund	100,000.00
VHDA REACH	158,000.00
LIHTC	4,231,571.00
<b>TOTAL</b>	<b>\$5,189,571.00</b>

These funds shall be expended prior to or in proportion to CDBG Funds within the budget, per activity. If additional leverage funds are committed to the project beyond those outlined above, the required leverage will remain at the originally approved amount. Documentation of the expenditure of these funds shall be maintained by the Grantee and reported to DHCD at the time of compliance reviews and request for final payment.

3. DHCD expects remittance requests for *each* CDBG-funded budget activity to be submitted *at least quarterly*. Requests for partial payment of an administrative task will be denied. All remittance requests must be submitted via CAMS and shall be accompanied at least by a cover memorandum and copies of relevant invoices and checks. Remittances for administration expenses will be accepted and processed **only** on a pay-for-performance basis. The benchmarks to be used in determining eligibility for payment will be negotiated between the GRANTEE and the assigned Community Development Specialist. The benchmarks, compensation, and their schedule shall be considered as an ATTACHMENT to this CONTRACT. The GRANTEE must include a comparable compensation process for making payments to contractual service providers, and that process with benchmarks and a compensation schedule must be included in contracts with service providers.
4. The Town's procurement policy is under review. If any changes are required, they must be adopted and submitted to DHCD before the second remittance request may be submitted.
5. All grant-related work shall occur using a management team concept and representing all stakeholders, including but not limited to the Town Manager, Town Council, the grant manager, the financial administrator, the building official, the project developer; the Project Engineer/Architect, project area representatives, and others deemed appropriate.
6. The Project Management Team shall meet regularly (at least monthly) to properly monitor the Project's progress. The Team will review its Project Management Plan to determine if the project is being implemented according to the projected plan. The plan will be updated promptly in recognition of a deviation from projections and DHCD will be notified.

7. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved Project Management Plan.
8. Monthly progress reports must be submitted to DHCD via CAMS. These reports must document CDBG and non-CDBG funds expended and obligated to date and the actions taken on key benchmarks that support the successful completion of the project. Monthly progress reports submitted late may not be eligible for reimbursement. Monthly progress reports are not to be submitted in batches.
9. The adopted Marketing, Staffing and Operations Plan, the executed Program Management Plan, and the executed contracts for grant management services and professional engineering must be submitted before the second remittance request may be submitted.
10. DHCD reserves the right to receive additional documentation pertaining to construction, professional service, non-professional service or other contracts obligating CDBG funds prior to approving drawdown requests.
11. Throughout the life of the project, the GRANTEE will ensure that the appropriate staff attends all relevant DHCD training, including the 2020 Grant Management Workshop being held in Roanoke, Virginia. Depending upon the training being offered, the individuals who must attend may include the grant manager, the rehabilitation specialist, the federal labor standards contract compliance officer and/or the financial manager.
12. DHCD requires a project sign be installed within ninety (90) days of the execution of the CDBG Agreement. DHCD's logo must be prominently displayed on all promotional information.
13. DHCD requires that the thirty-two (32) rental units be constructed and apartments leased within twenty-four (24) months of the administrative close out of the CDBG project. If the rental production construction activities are still underway when the CDBG-funded activities are completed, monthly construction status reports must be submitted to DHCD until the rentals are all completed and leased. The rental housing production units must continue to provide affordable housing to LMI residents for a minimum of twenty (20) years. Provisions to fulfill this CDBG requirement must be incorporated into all initial documents for the ownership, financing and management of the facility.
14. As the Centralized Application and Management System (CAMS) is implemented, at a minimum, the following must be observed:
  - A. The original executed GRANT AGREEMENT must be mailed to DHCD, along with the original Certification of Signatures and Address. Upon receipt of the AGREEMENT, it will be signed by DHCD's Deputy Director of Community Development. DHCD will upload the executed AGREEMENT into CAMS. The GRANTEE must download a copy and place it into the official grant project files. **If the GRANTEE would like an original signature page, the GRANTEE should request it when it returns the AGREEMENT.**

- B. After the AGREEMENT has been executed, the GRANTEE must submit the project budget into CAMS.
- C. After it has been signed by all required signatories except for the Community Development Specialist, the Project Management Plan, including the timeline, must be mailed to DHCD. The Plan will be signed by the Community Development Specialist and uploaded into CAMS.
- D. All correspondence, including contract amendment and budget revision requests, must be uploaded into “Reports and Communication” in CAMS as *correspondence* documents.
- E. All ACTIVITIES required by this contract must be uploaded into “Reports and Communication” in CAMS as *contract* documents.
- F. All remittance requests must be submitted through “Remittance” in CAMS. If products are submitted in “Reports and Communication” at the same time as a remittance request, the explanation text box at the bottom of the Remittances screen must note this fact.
- G. The following pre-contract activity documents must be scanned in its entirety and as a single document and uploaded into “Reports and Communication” in CAMS as *contract* documents:
  - i. Published Combined Notice of FONSI & NOI-RROF advertisement;
  - ii. Executed Request for Release of Funds and Certification;
  - iii. Executed Fair Housing Certification;
  - iv. Executed Program Income Plan, including the list of appointed Oversight Board members, if appropriate;
  - v. Executed Program Design(s), including Oversight Board by-laws, if appropriate;
  - vi. Executed Industry Agreements, if appropriate; and
  - vii. Executed Certification of Signatures and Address.
- H. All annual financial audit reports as required by this AGREEMENT shall be submitted through CAMS.

## **GENERAL CONDITIONS**

1. DEFINITIONS - Whenever used in the CONTRACT DOCUMENTS the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:
  - A. AMENDMENT - A formal addition or modification to the CONTRACT DOCUMENTS which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the PROJECT, or which affects the manner in which the PROJECT is to be carried out.
  - B. APPLICANT - The entity which made the proposal for COMMUNITY IMPROVEMENT GRANT funding and accepted responsibility for assuring compliance and performance of all conditions.
  - C. ASSURANCES - The ASSURANCES which are attached to this document.
  - D. COMMUNITY IMPROVEMENT GRANT (CIG) - The funds, the PROJECT and PRODUCTS to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by DHCD to the GRANTEE from Community Development Block Grant funds allocated by the U.S. Department of Housing and Urban Development.
  - E. CONTRACT DOCUMENTS - The legal agreement between DHCD and the GRANTEE including the AGREEMENT and all documents referenced in paragraph 9 thereof.
  - F. GRANTEE – The entity which is the recipient of CIG funds and as such must comply with CONTRACT DOCUMENTS.
  - G. MANUAL - The Community Improvement Grant Management Manual, which contains required forms and instructions for the administration of CIG's and provides required and non-required procedures for project management.
  - H. PRODUCT – A PROJECT activity which constitutes a specific portion of the PROJECT, and as such is covered by its own budget.
  - I. PROJECT - The physical activities undertaken to meet the overall stated objective for which CIG funding is utilized.
  - J. PROJECT MANAGEMENT PLAN - A plan prepared by the Grantee, which identifies roles, responsibilities, method of contract administration and oversight, key dates for task implementation and completion, analysis of potential problems and management organization.
  - K. WORK - All labor, equipment and materials necessary to produce the construction of the PROJECT as required by the CONTRACT DOCUMENTS.

- L. WRITTEN NOTICE - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States mail.
- 2. ADMINISTRATIVE PROCEDURES - The GRANTEE shall perform all contracted WORK and administer all grant funds and activities in conformance with the general terms and special conditions set forth where required in DHCD's MANUAL, and any WRITTEN NOTICES from DHCD.
- 3. ACCOUNTING RECORDS - The GRANTEE shall establish and maintain separate accounts within its existing accounting system or set up accounts independently which are in conformity with the requirements of the Code of Federal Regulations (24 CFR Part 85), the DHCD MANUAL requirements and any WRITTEN NOTICES from DHCD. The GRANTEE shall record in its accounting system all Grant payments received by it pursuant to this Grant and all other funds provided for, accruing to, or otherwise received on account of the Grant.

All costs, including paid services contributed by the GRANTEE or others, charged to the Grant shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the GRANTEE locality.

- 4. COSTS INCURRED PRIOR TO GRANT AGREEMENT EXECUTION - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with Grant funds, unless such incurred costs are authorized in writing by DHCD.
- 5. PROGRAM BUDGET - The GRANTEE shall carry out activities and incur costs only in conformance with the latest approved budget for the Grant and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised through Administrative Procedures detailed in the MANUAL, but no such budget or revision shall be effective unless and until the Department shall have approved the same in writing or as indicated in item 16 of these General Conditions.
- 6. RECORDS - The GRANTEE shall maintain such records in such a manner as prescribed in the MANUAL. Records shall be readily accessible to DHCD, appropriate State and Federal agencies, and the general public during the course of the project and shall remain intact and accessible for five years from final closeout. Except if any litigation claim or audit is started before the expiration of the five year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a five year period following final disposition.

7. REPORTS - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of project activities and grant funds. Such reports shall be submitted in the form and manner as prescribed in the MANUAL and in WRITTEN NOTICES from DHCD.

All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. QUALITY CONTROL - The GRANTEE accepts the responsibility to assure that all grant funded PRODUCTS shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness. To this end the GRANTEE shall provide a system of quality control to include all aspects of grant administration and project implementation.

The GRANTEE shall obtain a certification of inspection and final completion signed by the project engineer or by the person responsible for quality control at the completion of each construction ACTIVITY.

9. COMMUNICATIONS - WRITTEN NOTICES shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. *Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions.* All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person, uploaded into CAMS or through the United States mail.

The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. ACCESS TO BENEFITS - No access or connection fees shall be charged to low- and moderate-income persons for access to improvements or benefits provided by grant funds. All low- and moderate-income persons identified in the proposal shall be assured access to and use of grant assisted improvements by regular user charges for the specified service.
11. BENEFITS - The PROJECT shall be implemented in such a manner so as to provide benefits to all persons identified in the project proposal. Affirmative steps shall be taken to assure direct benefit to low- and moderate-income persons in the number and extent identified in the proposal.
12. PROGRAM INCOME - Any income derived from activities financed with grant funds is program income and shall be utilized in the following manner:

- A. Program income earned during the life of the grant is considered Active Program Income. It must be tracked by contract year. A contract year begins with the effective date of the contract and concludes 364 days later. Grantees shall track all Program Income based on the date that it is earned and report said amounts to DHCD when requested. When Active Program Income exceeds \$35,000 in any given contract year, 100% of that income earned must be spent immediately for eligible project expenses in lieu of drawing down funds. The Grantee may be able to access the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement.

When Active Program Income is less than \$35,000 in a given contract year, it does not have to be expended immediately. It may be held in an interest bearing account. The Active Program Income and interest earned from it must be tracked by the Grantee. All Active Program Income earned in given program years in amounts of under \$35,000 per year can accumulate until the end of the project. The cumulative amount of these funds shall be used on eligible CDBG project activities at the end of the project. In these cases, the Grantee may use the program income in addition to the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement. Funds remaining at Administrative Closeout of the grant must be returned to DHCD.

- B. Miscellaneous revenue is proceeds received in a 12-month reporting period (July 1 – June 30) of less than \$35,000 from an administratively closed project funded with CDBG monies. No amount of miscellaneous revenue received in the reporting period may be expended until after the period has ended and that fiscal year's report has been submitted to and approved DHCD. Grantees must retain the funds until it is authorized by DHCD to expend the proceeds locally. It must be returned to DHCD, unless DHCD has approved a Program Income Plan. Program Income Plans must be revised when the Grantee wants to change the activities approved. The revised plan must be submitted to DHCD for review and approval.
- C. Inactive program income is all revenue received in a 12-month reporting period (July 1 – June 30) of  $\geq$ \$35,000 from an administratively closed project funded with CDBG monies. All inactive program income received in the 12-month reporting period will be held in reserve until after the reporting period has ended and that fiscal year's report has been submitted to and approved by DHCD.

At the time the report is submitted, a specific work plan and budget may be submitted, outlining the proposed use of inactive program income. A timeline to expend all funds within twelve (12) months must be included. Work plans will only be approved if the proposed activities are the same activities for which the proceeds were generated.



Inactive program income must be reported to DHCD along with the other required annual reports e.g.; Activity and Beneficiary, Section 3, and Contract and Subcontract Activity Reports at the end of the state fiscal year.

It must be reported for five years and then can be expended according to the approved Program Income Plan.

Projects assisted with tax credits or other equity investment type projects MUST return all of its inactive program income to DHCD. Contact Division of Community Development's Fiscal Analyst for instructions on how to do so.

- D. Any lump sum receipt of inactive program income of \$35,000 or more during a state fiscal year (July 1 – June 30) must be reported to DHCD at the time it is received and transmitted to DHCD within 60 days. Returned funds should be made payable to *Treasurer of Virginia*. The check's memo line should indicate the grant number and the type of funds being returned e.g.; CDBG inactive program income. A reference in the required audit is not sufficient.
  - E. Program income funds must be accounted for separately on the balance sheet. It must be tracked by the amounts due and received monthly by client's name, separated by active/inactive status and by contract number, project year and by amount expended annually. Copies of supporting documents must be placed in the grant project files.
13. CONTRACT SECURITY - The GRANTEE shall secure all materials and equipment, purchased or paid for with grant funds through insurance coverage of the full value of the same.
- All persons contracted, employed or otherwise utilized in the grant and having responsibility for the management, disposition, expenditure or use of Grant funds shall be bonded by a surety registered to do business in the Commonwealth of Virginia in an amount commensurate with their authority and potential liability.
14. METHOD AND TIMING OF PAYMENT - The GRANTEE shall utilize Request for Payment procedures as specified in the MANUAL. The GRANTEE shall request funds only for those amounts which have been obligated, encumbered or expended through other accounts and which can be expended upon receipt or soon thereafter. To this end, the GRANTEE shall develop a financial management system which provides for timely expenditure of requested grant funds.
15. DRAWDOWN AND PAYMENT OF GRANT FUNDS - Drawdowns and expenditure of CDBG funds must be made subsequent to or in proportion to other funds within the budget per activity, and in accord with an agreed-upon pay-for-performance schedule.
16. BUDGET REVISIONS/AMENDMENTS - The GRANTEE shall not obligate, encumber, spend or otherwise utilize CIG funds for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless the

GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.

17. CHANGE ORDERS - DHCD must approve all change orders on construction contracts. Any change order, regardless of cost, which results in a change of project scope, will be a disallowed cost.

18. TERMINATION, SUSPENSION, CONDITIONS -

A. FOR CAUSE - If through any cause, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by the GRANTEE or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied.

In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and project administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.

B. FOR CONVENIENCE - DHCD may terminate this AGREEMENT for convenience in the event that DHCD is no longer authorized as an agency to administer the CDBG program or if the federal funds allocated are no longer available.

The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i. The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and
- ii. The PRODUCTS which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S CIG Proposal, or will be completed by the GRANTEE through its own or other resources; and
- iii. The GRANTEE had honored or will honor all contractual obligations to third parties affected by the PROJECT; and
- iv. DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as a CIG recipient.

19. SUBSEQUENT CONTRACTS - The GRANTEE shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the PRODUCTS for which the Grant assistance is being provided to the GRANTEE.

Any GRANTEE or CONTRACTOR or SUBCONTRACTOR which is not the APPLICANT shall comply with all the lawful requirements of the APPLICANT necessary to ensure that the PROJECT for which this assistance is being provided under this AGREEMENT is carried out in accordance with the APPLICANT'S Assurances and Certifications.

Grantees shall obtain a financial disclosure report from all contractors, subcontractors, developers, and consultants which certifies the financial interest of all officers, directors, principal stockholders, or other persons who will have a \$50,000 or 10 percent or greater interest in the contract whichever is lower.

20. POLITICAL ACTIVITY PROHIBITED - None of the funds, materials, property or services contributed by the DHCD or the GRANTEE, under this AGREEMENT, shall be used in the performance of this AGREEMENT for any partisan political activity, or to further the election or defeat of any candidate for public office.
21. INTEREST OF MEMBER OF AGENCY AND OTHERS - No officer, member, or employee of the GRANTEE and no member of its governing body, and no other public official of the governing body of the locality or localities in which the PROJECT is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROJECT shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.
22. OFFICIALS NOT TO BENEFIT - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise therefrom.
23. CERTIFICATIONS - The GRANTEE certifies that it will comply with the following:
  - A. Freedom of Information Act;
  - B. Virginia Conflict of Interest Act; and
  - C. Virginia Fair Employment Contracting Act.

24. **BENEFICIARIES** - There are no third party beneficiaries of this AGREEMENT. The provisions contained in these CONTRACT DOCUMENTS represent the entire AGREEMENT between DHCD and the GRANTEE. The provisions are designed to assist in meeting the community needs of the GRANTEE identified in the GRANTEE'S CIG proposal, but are not designed to accrue to the specific benefit of any individual person or entity residing or located in the GRANTEE'S community or elsewhere. Consequently, the terms of these CONTRACT DOCUMENTS may be enforced by DHCD or the GRANTEE exclusively and not by any individual person or entity residing or located in the GRANTEE'S community or elsewhere as a third-party beneficiary of this contract.
25. **AUDITS** – All GRANTEES that receive funding during a program year and/or have projects in progress are required to submit financial statements to DHCD. Required statements are as follows: Financial Statement\*\*, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Financial Statements that have been audited by an independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

<b>Threshold Requirement</b>	<b>Document</b>
Total annual expenditures $\leq$ \$100,000 (Regardless of source)	Financial Statement(s) prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 (Regardless of source)	Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures $>$ \$300,000 (Regardless of source)	Financial Statement(s) that have been audited by an Independent CPA
Federal expenditures $\geq$ \$750,000	2 CFR 200 Subpart F Audit – Audited by an Independent CPA

\*\*Does not require preparation by a CPA

Required financial statements must be submitted yearly, within nine (9) months after the end of your fiscal year or 30 (thirty) days after it has been accepted (reviewed financial Statement(s), audited financial statement(s), and 2 CFR 200 Subpart F audit only) - whichever comes first.

Entities must electronically submit their financial statement(s), reviewed financial statement(s), audit financial statement(s), 2 CFR 200 Subpart F audit in DHCD's Centralized Application and Management System (CAMS,) which requires the

organization to register in CAMS at <https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>. Entities are required to have a DHCD reviewed and approved current audit or financial statement(s) in order to submit a remittance request.

Additional reporting requirement (for local governments and non-profit organizations)

In accordance with the Code of Federal Regulations, Title 2 CFR Part 200 Subpart F, non-Federal entities that expend \$750,000 or more in federal awards within the entity's fiscal year are required to complete a "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations" (see Appendix A for sample form), upload your audit to CAMS and submit a copy of your Audited Financial Statement to the Federal Audit Clearinghouse at <https://harvester.census.gov/facweb/files/2013%20Form%20SF-SAC.pdf>.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at: <https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-audit-policy.pdf>.

## ASSURANCES/CERTIFICATIONS

The GRANTEE hereby assures and certifies that:

1. It possesses legal authority to execute the PROJECT.
2. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the PROJECT application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the GRANTEE to act in connection with the PROJECT application and to provide such additional information as may be required.
3. Its chief executive officer or other officer of GRANTEE approved by the Virginia Department of Housing and Community Development:
  - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Grant;
  - b. Is authorized and consents on behalf of the GRANTEE and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
4. It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations 2 CFR 200, as amended or replaced from time to time, as they relate to the PROJECT, acceptance, and use of Federal funds under this Grant; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
5. It will comply with:
  - A. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
  - B. Section 906 of Public Law 100-625 (Cranston-Gonzalez National Affordable Housing Act) which prohibits discrimination on the basis of religion or religious affiliation. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.
  - C. Executive Order 11246, as amended (Contracts/subcontracts above \$10,000)

During the performance of this contract, the GRANTEE agrees as follows:

- (1) The GRANTEE will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The GRANTEE will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The GRANTEE agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The GRANTEE will, in all solicitations or advertisements for employees placed by or on behalf of the GRANTEE, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- (3) The GRANTEE will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the GRANTEE's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The GRANTEE will comply with all provisions of Executive Order 11246, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The GRANTEE will furnish all information and reports required by Executive Order 11246, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the GRANTEE's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the GRANTEE may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The GRANTEE will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every

subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, as amended, so that such provisions will be binding upon each subcontractor or vendor. The GRANTEE will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a GRANTEE becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the GRANTEE may request the United States to enter into such litigation to protect the interests of the United States.

#### D. Subcontracts

Each contractor or subcontractor shall include the equal opportunity clause in each of its subcontracts.

6. All parties to this contract hereby agree to comply with the provisions of Title VI of the *Civil Rights Act of 1964* (Public Law 88-352) which provides: that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance of any dollar amount – no minimum threshold.
7. All parties to this contract hereby agree to comply with the provisions of Section 109 of the *Housing and Community Development Act or 1974*, as amended which provides: No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the *Rehabilitation Act of 1973* shall also apply to any such program or activity of any dollar amount – no minimum threshold.
8. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
9. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
10. It will require buildings or facilities designed with funds provided under this Grant to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, in accordance with the Virginia Uniform Statewide Building Code. The Grantee will be responsible for conducting inspections to insure compliance with these specifications by the contractor.



11. It will comply with Section 3 of the *Housing and Urban Development Act of 1968*, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
12. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control, and abatement of water pollution.
13. It will comply with Section 104 (l) of the *Housing and Community Development Act of 1974*, as amended, in that: it has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is subject of such nonviolent civil rights demonstration within its jurisdiction.



Thomas S. Raab, Town Manager

7/9/2020  
Date

# MEMORANDUM OF UNDERSTANDING

**Southside Outreach Group Inc.  
and  
The Town of South Boston, VA**

This Memorandum of Understanding is hereby made and entered unto by and between Southside Outreach Group, Inc., a Certified Housing Development Organization (CHDO), and the Town of South Boston, VA.

## **A. Purpose**

The Southside Outreach Group, Inc. (SOG) will develop a marketing plan, provide property management, intake, project management services, construction management; inspections to development 16 duplexes consisting of 32 affordable rental units that will be rented to low- to-moderate income persons in accordance with the funders' requirements. The project will be located on Poplar Creek Street in South Boston, Virginia on property currently owned by the Town of South Boston. It is understood that the Town will donate the property by way of a deed in fee simple to Southside Outreach Group, Inc. for the above purpose.

## **B. Funding**

The Town will secure and administer, with the assistance of SOG, a Community Development Block Grant (CDBG) from the Department of Housing and Community Development (DHCD) to install required infrastructure to support the development of the 32 rental units.

Southside Outreach Group will apply for sufficient construction funding from HOME, low income tax credits, Federal Home Loan Bank and will apply for gap funding (loan) from Virginia Housing Development Authority (VHDA).

## **C. Infrastructure Construction**

As the CDBG grantee, the Town will be directly responsible for the construction of the streets and the installation of water lines, sewer lines and storm drainage infrastructure as part of the CDBG funded improvements. The Town will have control of the property during the infrastructure construction phase of the project. Once the streets are completed and the third home constructed is occupied, the road and associated right-of-way will be deeded to and maintained by the Virginia Department of Transportation. Control of the open space and lateral lines will revert back to SOC upon completion of the infrastructure construction phase of the project.

## **D. Project Completion**

Upon completion of the rental-production construction activities, SOG will identify and qualify 32 low-to-moderate income tenants to occupy the apartment units. Further, SOG will act as the property management company and take on the daily operation of leasing and maintenance of the property.

The rental housing production units must continue to provide affordable housing to LMI residents for a minimum of twenty (20) years.

DHCD requires that the thirty-two (32) rental units be constructed and apartments leased within twenty-four (24) months of the administrative close out of the CDBG project. Administrative close out will occur after all CDBG funds have been expended. If the rental-production construction activities are still underway when the CDBG grant is administratively closed out, SOG must submit monthly construction status reports to the Town and DHCD until the rentals are all completed and leased. In addition, SOG must assist the Town in preparing and submitting any quarterly final construction and leverage reports required by DHCD.

If SOG fails to produce and rent the 32 units by the above-referenced deadline, CDBG funds will have to be proportionally returned by DHCD for every unit not rented on time. With a grant amount of \$700,000, this comes to \$31,875 per unit.

**E. Termination**

Either party may terminate this MOU at any time, without cause, with a 30-day written notice to the other party. This agreement may be amended by mutual consent of the parties and DHCD. All amendments must be in writing and signed by both parties.

**F. Hold Harmless/Indemnity**


Each party to this MOU agrees to indemnify and hold harmless the other for and from any claims, causes of action, or any other proceeding of any type or kind that is made against the other where such claim, cause of action or other proceeding arises from the conduct, act, omission, or commission by the other party.

G. Federal Non-Construction Contract Language is hereby incorporated as "Attachment A" to this Memorandum of Understanding.

H. SOG, is a certified Community Based Organization (CBO) pursuant to 24 CFR 570.204, (a)/24 CFR 92.300 and a Community Housing Development Organization (CHDO) pursuant to 24 CFR 92.2 by Virginia Department of Housing and Community Development

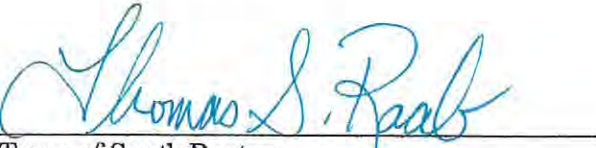
IN WITNESS THEREOF, the parties to this agreement have duly executed it on the day, month and year set forth below.

The parties whose signatures appear below are authorized to enter into this Memorandum of Understanding.

  
Southside Outreach Group, Inc.

4/28/2010  
Date

Title: Executive Director

  
Town of South Boston

4/28/20  
Date

Title: Town Manager



**AMENDMENT TO  
MEMORANDUM OF UNDERSTANDING**

**Southside Outreach Group Inc.  
and  
The Town of South Boston, VA**

This document amends the Memorandum of Understanding between Southside Outreach Group, Inc. and the Town of South Boston dated April 28, 2020 regarding the development of Poplar Creek Homes.

The following paragraph will be added to Section B – Funding:


The Town agrees to advance funds to cover the cost of infrastructure improvements that exceed the balance of the CDBG funds awarded for the project. The amount of Town funds provided to the project for infrastructure improvements beyond the CDBG award shall not exceed \$790,204. SOG agrees to seek additional project funding to reimburse the Town for funds expended for infrastructure costs that exceed the CDBG funding for the project up to \$790,204.

IN WITNESS THEREOF, the parties to this agreement have duly executed it on the day, month and year set forth below.

  
\_\_\_\_\_  
Southside Outreach Group, Inc.

8-10-2020  
Date

Title: Executive Director

  
\_\_\_\_\_  
Town of South Boston

8-10-2020  
Date

Title: Town Manager



Ralph S. Northam  
Governor

R. Brian Ball  
Secretary of  
Commerce and Trade

# COMMONWEALTH of VIRGINIA

Erik C. Johnston  
Director

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

January 27, 2020

Mr. Earl Howerton  
Southside Outreach Group  
1425 Seymour Drive  
South Boston, VA 24592

Re: Affordable and Special Needs Housing Funding  
Proposal

Dear Mr. Howerton

On behalf of the Department of Housing and Community Development (DHCD), it gives me great pleasure to inform you that Southside Outreach Group will receive a preliminary offer from the Fall 2019 funding pool Affordable and Special Needs Housing competitive loan pool in the amount of \$700,000 in state VHTF funds to support the Poplar Creek.

Please note that you will receive further communication regarding the need to execute a VHTF program agreement within the next few weeks. A VHTF program agreement must be fully executed within 12 months from the date of this letter in order for this preliminary offer to result in an allocation and reservation of state VHTF funds and a formal loan commitment.

An allocation of state VHTF funds requires a developer to designate a specific number of targeted units at 80% AMI. The specific number of VHTF-assisted units will be determined prior to the execution of the VHTF program agreement. No work activities on the proposed project can be initiated prior to fully executing the VHTF program agreement. A HUD required environmental review must be completed, and any adjustment to the capital budget, operating expense budget, pro forma numbers and other project parameters must be approved by DHCD before the program agreement can be executed.

A member of our Housing Finance Unit will be contacting you to begin the contract negotiation process. We are pleased to be of assistance to Southside Outreach Group in its affordable housing efforts.

Sincerely,

Pamela G. Kestner  
Deputy Director of Housing



Partners for Better Communities



[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)



**Arthur L. Fleming**  
Senior Vice President and Director  
Community Investment Services

November 1, 2019

Mr. Alan Biller  
AVP/Real Estate Underwriter  
VCC Bank  
7814 Carousel Lane, Suite 100  
Richmond, VA 23294

Re: Federal Home Loan Bank of Atlanta  
2019 AHP Competitive Awards  
Project # 19A04018, Poplar Creek Homes

Dear Mr. Biller:

I am pleased to inform you that on October 31, 2019, the Federal Home Loan Bank of Atlanta (FHLBank Atlanta) board of directors awarded \$250,000 to VCC Bank and its developer partner(s) to help fund Poplar Creek Homes, as part of our 2019 Affordable Housing Program (AHP). This project represents more than \$5.2 million in total housing development.

AHP funding is a direct outcome of FHLBank Atlanta's consistent financial performance and prudent risk management. The funding provided through AHP is an important component of the products and services that FHLBank Atlanta provides to facilitate our shareholders' business development and community reinvestment objectives. Since 1990, FHLBank Atlanta has awarded more than \$1.01 billion in funding for more than 158,000 affordable housing units. This investment leverages more than \$16.57 billion in affordable housing funding for low- and moderate-income families.

Attached you will find the AHP Agreement. **FHLBank Atlanta must receive a copy of this Agreement executed by an authorized signature from your organization, Project Sponsor(s) and Project Owner, as are defined in the AHP Agreement, by December 2, 2019. FHLBank Atlanta must also receive, with the signed Agreement, a certificate of existence of the owner entity on all projects in which the Project Sponsor and the Project Owner are not the same.**

The milestones and time limits for the project are as described in the AHP Implementation Plan. Those project milestones and time limits for your project are:

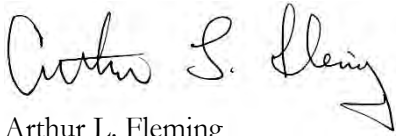
- Funding sources committed by October 31, 2020.
- VCC Bank must take down the entire AHP direct subsidy by April 30, 2021. The funds must be used for approved purposes, as specified in the AHP application, within 30 days of disbursement.
- The deadline for project completion is **January 31, 2023**.

The primary vehicle for managing projects and for business communications with FHLBank Atlanta will be FHLBAccess®, FHLBank Atlanta's online system. FHLBank Atlanta staff will communicate only with those parties designated in the AHP Agreement as Member and Project Sponsor(s). The Member and

primary Project Sponsor will use FHLBAccess to request funds, manage project activity, and provide monitoring reports. It is the responsibility of the Member and the Project Sponsor(s) to ensure that all AHP requirements are met and that AHP funds are used as specified in the application. It shall be the Project Sponsor's obligation to convey any project-related information to vendors or third parties engaged by such parties, including, but not limited to, consultants and developers who do not otherwise have an ownership interest in the Project Sponsor(s).

Should you wish to discuss FHLBank Atlanta's AHP or the awarded projects, please contact John Florio at 404-888-8341 or [jflorio@fhlbatl.com](mailto:jflorio@fhlbatl.com) at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Arthur L. Fleming". The signature is written in a cursive style with a large, sweeping initial "A".

Arthur L. Fleming

Enclosure: (1)

cc: Earl Howerton, Southside Outreach Group Inc  
Scott Brennan, First Vice President and Director of Sales  
Dan Brenton, Senior Relationship Manager I  
Jan Hadder, Associate Director of Community Investment Services  
John Florio, Production and Portfolio Analyst I





**Hope F. Cupit, CPA**  
President & CEO

**Swynice M. Hawkins**  
Board Chair

August 12, 2020

Earl Howerton, Executive Director  
Southeast Outreach Group  
P.O. Box 375  
South Boston, VA 24592

Dear Mr. Howerton,

Southeast Rural Community Assistance Project, Inc. has approved the grant allocation below for your project in Halifax County:

Project Allocation

Project Name	Poplar Creek Housing Project
Project Number	62667
Amount	\$100,000.00
Source of Funding	G/L 20506-\$47,164.00; G/L 20510-\$45,860.00; G/L 20511-\$6,977.00
Date of Meeting	8/12/2020
Type of Project	Water/Wastewater
Comments	Water & Wastewater service lines & laterals for 32 Unit LMI Housing
Project Period/Expiration Date:	8/31/2022

This grant is contingent upon the following:

- Quarterly project updates reported to SERCAP for the duration of the project, beginning no later than 1 week after receipt of this allocation letter

**Because our grant funds are limited, these grant funds must be spent within 24 months or they will be deobligated.** We are well aware that delays are often encountered during the course of a project and will provide whatever assistance we can in moving the project to completion.

**The Board of Directors requests that any materials produced and/or activities undertaken as part of this project must clearly acknowledge funding and/or assistance given by the Southeast Rural Community Assistance Project. To document the impact of this funding and/or assistance, copies of materials produced or notification of activities scheduled should be forwarded to Southeast Rural Community Assistance Project.**

Southeast Rural Community Assistance Project looks forward to working with you to achieve this important community facility.

Sincerely,

Hope Cupit  
President and CEO

cc: Andy Crocker, Virginia State Manager  
Russell Rice, Director of Planning & Development  
Bob Cole, Director of Finance

Governor Ralph Northam  
Delegate James E. Edmonds  
Senator Frank M. Ruff  
Congresswoman Denver Riggleman





347 Campbell Avenue, SW | Roanoke, Virginia 24016  
540 345-1184 (P) | 540 342-2932 (F) | [www.sercap.org](http://www.sercap.org)



**Hope F. Cupit, CPA**  
President & CEO

**Swynice M. Hawkins**  
Board Chair

March 15, 2021

Mr. Earl Howerton  
Executive Director  
Southside Outreach Group, Inc.  
P.O. Box 375  
South Boston, VA 24952

Dear Mr. Howerton,

RE: Poplar Creek Homes Project

Dear Mr. Howerton,

Provided that SERCAP's funding from the General Assembly is not reduced from current levels, SERCAP is committing \$100,000 in Facilities Development Grant Funds from grant appropriations during the next two state budget cycles (\$50,000 from Virginia FY22 and \$50,000 from Virginia FY23). These project funds will be allocated for use toward water and/or wastewater needs within the Poplar Creek Homes Project area.

SERCAP is committed to our mission of improving the quality of life for rural and low-income individuals and we look forward to working with you as you assist the residents of Halifax County.

Sincerely,

A handwritten signature in black ink that reads "Hope Cupit".

[Hope Cupit \(Mar 15, 2021 19:47 EDT\)](#)

Hope F. Cupit  
President and CEO  
SERCAP, Inc.

cc: Andy Crocker, Virginia State Manager

U

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

## **Poplar Creek Homes 2019-C-108**

### Tab U – Request for Exception to Penalty for Areas with Little or No Increase in Rent Burdened Population

**Poplar Creek Homes, LLC requests an Exception to the Penalty for building new construction in an area identified by VHDA as an area with little or no increase in rent-burdened population.**

Southside Outreach Group, Inc. (SSOG), a nonprofit community development organization based in South Boston, Virginia, is the developer and sponsor of the project. SSOG has a longstanding relationship with the Town of South Boston, collaborating to fulfill the housing needs of the community. Most recently local stakeholders, municipal staff, and SSOG have been meeting under a DHCD Planning Grant to identify a project that will meet the quality, affordable housing needs of low-income households within community.

As a result of this planning process the Town of South Boston has determined to donate land to SSOG for the creation of the Poplar Creek Homes project which will result in the creation of a new construction development featuring 32 one, two and three-bedroom units serving low income individuals and families in the Halifax County market area. Five of the units will be designed to meet Section 504 requirements for persons with disabilities, and five units will be meet Universal Design expectations. Viridiant will certify the project as meeting Earthcraft Gold requirements for green building. The Town of South Boston has provided a letter of support to iterate the importance of this project to the locality especially the provision of Section 504 accessible units.

SSOG has been active in the South Boston community providing housing solutions for low-income households. Early housing solutions focused on single-family housing development. However, SSOG found that homeownership was out of reach for many of its clients. To continue to serve its target households SSOG provides a variety of housing services including housing and credit counseling so that low-income households may move toward greater housing opportunity. SSOG serves a market segment that otherwise would go unserved in the region. SSOG is able to develop quality, affordable housing in the Town of South Boston and its environs to serve low-income households, but is also able to offer vertical services providing access to financial education and management skills that may allow these households upward mobility.

Several sources articulate the need for housing affordable to low-income households in the project's market area and support the request for an exception to areas with little/no increase to the rent burdened population:

- Existing affordable housing developments in the Town of South Boston maintain significant waiting lists. The properties include Rose Hill Apartments, Taylor Lofts, Westside Apartments, and Miller Homes with waiting lists of 43, 20, 39, and 48 households, respectively for a total of 150 households waiting for affordable rental housing.
- Pittsylvania County Community Action Agency administers the Section 8 program in the South Boston/ Halifax County area. Currently there are over 800 households on the waiting list for voucher assistance.

- As South Boston/Halifax County does not have a local housing authority, Danville Redevelopment and Housing Authority keeps several waiting lists of households eager for affordable rental housing in Southside Virginia. The Danville – Pittsylvania County waiting list is currently at 1,217 households while the Martinsville – Henry County waiting list is at 1,018 households. Combined there are 2,235 households awaiting affordable housing opportunity on Danville RHA's lists.
- Southside Outreach Group alone has a waiting list of 35 households eager for quality, affordable housing SSOG's service area. Over ¾ ths of these households meet the criteria of low-income.
- The 2017-2037 Comprehensive Plan for the County of Halifax details Income and Poverty levels being much below the State of Virginia and United States. The latest surveys reflect one out of every five people living under the poverty level in the county.
- The Market Study provided with the LIHTC Application confirms that over 24% of renter households in the market area are overburdened paying more than 35% of their income toward housing. Over 30% of renter households are overburdened at 30% of income.
- The Market Study also confirms close to 12% of renter housing units in the market area are substandard.
- The Market Study concludes that there is a net demand of 394 households for the 32 proposed units at Poplar Creek Homes.

In summary local and regional stakeholders iterate the need for quality, affordable housing for low-income households in the community. The waiting lists maintained by these local and regional stakeholders document a significant need for affordable housing in the region. Furthermore, data from the Halifax County Comprehensive Plan and the Market Study concur on the presence and needs of low-income households in this area of Virginia. By providing vertical housing services for low-income households, SSOG is meeting needs that would otherwise go un-met in the area. The data supports Poplar Creek Homes, LLC request for an Exception to the penalty for new construction in an area VHDA determines has little/no increase in the rent-burdened population.



## **2017 – 2037 COMPREHENSIVE PLAN**

The following are the top 20 employers in Halifax County as of 4th Quarter 2016

- |                                      |   |
|--------------------------------------|---|
| 1. Halifax County School Board       | 11. Dominion Virginia Power             |
| 2. Sentara Halifax Regional Hospital | 12. Faneuil, Inc.                       |
| 3. Dolgencorp, LLC                   | 13. VIR, Virginia International Raceway |
| 4. Presto Products Company           | 14. Huber Engineered Woods              |
| 5. ABB Service Company Division      | 15. Climate Control                     |
| 6. Wal-Mart                          | 16. Hardee's                            |
| 7. Annin and Company                 | 17. Food Lion                           |
| 8. Halifax County                    | 18. Sentara Halifax/Volens Family Phys. |
| 9. Lasco Bathware                    | 19. Care Advantage                      |
| 10. Sunshine Mills                   | 20. Lowes' Home Centers Inc.            |

### Travel and Tourism

Halifax County's proximity to historic and recreational sites brings thousands of visitors through the County each year. Some travelers stop in the County to hunt, fish, and visit sites such as the Staunton River State Park and the Staunton River Battlefield State Park. Many of these travelers find lodging in the County. The Virginia Tourism Corporation reports the following tourism-related statistics.

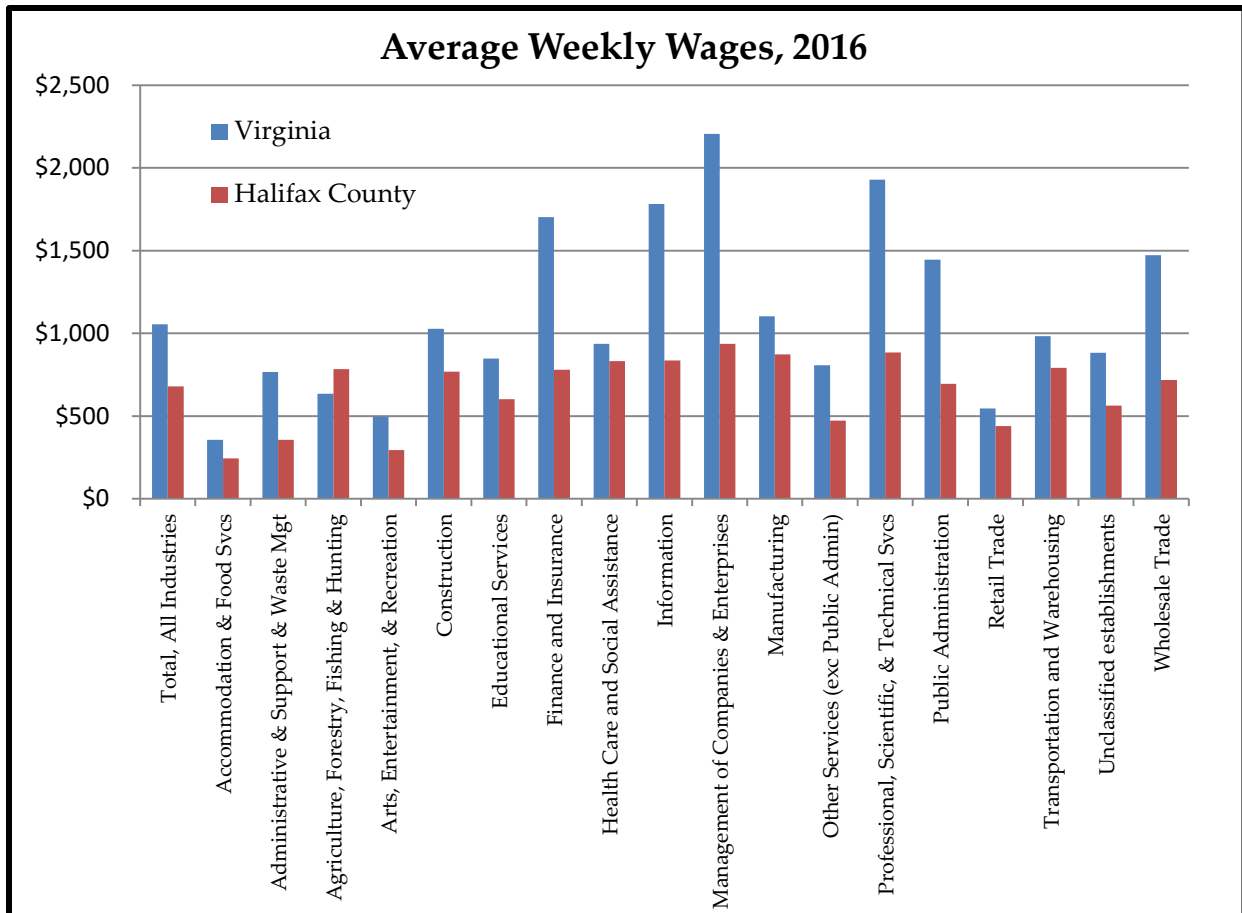
As can be seen, tourism is an ever growing industry in Halifax County:

Year	Expenditures	Payroll	Employed	State Tax Receipts	Local Tax Receipts	Lodging Excise Tax	Food Service Excise Tax
2015	\$46,190,611	\$10,036,590	552	\$1,758,580	\$862,443	\$401,227	\$1,594,295
2014	\$45,441,092	\$9,638,936	541	\$1,670,144	\$821,405	\$351,588	\$1,415,419
2013	\$43,020,865	\$9,205,856	525	\$1,608,292	\$791,965	\$345,260	\$1,398,043
2012	\$42,353,096	\$8,851,159	516	\$1,587,235	\$768,478	\$326,472	\$1,165,593

### Income & Poverty

Income levels in Halifax, like most of Southside Virginia, lag behind the state and US. In 2000, per capita income in Halifax County was \$16,353. The most recent American Community Survey 2010-2015 estimates it at \$19,782. Statewide, per capita income was \$23,975 and \$34,152 during the same periods. Nationally, the per capita income falls somewhere in between at \$21,587 and \$27,884. The story is much the same with median household income and mean household income. Both measurements have small increases from 2000 to 2010-2015, but are only between 50% and 60% of state levels.

To further prove that incomes are low, average weekly wages in 2016 were lower than the state in every industry except Agriculture, Forestry, Fishing & Hunting. In many industries, the wages statewide are twice what they are in Halifax County.



Poverty levels in Halifax County are more severe than statewide as well. In 2000, 15.7% of Halifax County’s population lived under the poverty level. That has increased to 19.2% in the latest American Community Survey 2010-2015. In the same two periods, the statewide and nationwide percentages also increased, but approximately half as much as Halifax County.

#### More Information

Appendix XX contains all of the data tables pertaining to the above paragraphs, as well as other data related to the comprehensive plan. In addition, all of the data is found in the 2017 edition of the Data Resource Book produced by Southside Planning District. That document and its related tables can be found at <http://www.southsidepdc.org/index.php/data-census/spdc-data-book>.

<b>Travel Expenditures by County (2009-2015)</b>							
	2009	2010	2011	2012	2013	2014	2015
Brunswick	\$33,526,388	\$34,061,597	\$35,666,895	\$36,530,983	\$36,388,445	\$37,004,619	\$37,629,128
Halifax	34,592,410	38,125,365	41,118,305	42,353,096	43,020,865	45,441,092	\$46,190,611
Mecklenburg	97,698,268	103,666,392	112,037,314	115,666,525	120,592,010	127,179,177	\$130,943,181
SPDC	165,817,066	175,853,354	188,822,514	194,550,604	200,001,320	209,624,888	214,762,920
Virginia	17,705,100,000	18,893,241,576	20,405,440,787	21,214,032,087	21,511,976,919	22,400,425,285	

Source: Virginia Tourism Corporation

### Income and Poverty (page 16)

<b>County</b>	<b>Pop. Below Poverty Level</b>	<b>Percent Below Poverty Level</b>
Halifax County	6,675	19.20%
under 18 years	1,904	25.50%
with related children <18 yrs	1,866	25.20%
18-64 years	3,677	18.30%
65 years & older	1,094	15.10%
Virginia	921,822	11.50%
under 18 years	280,144	15.20%
with related children <18 yrs	273,606	14.90%
18-64 years	560,471	11.00%
65 years & older	81,207	7.60%

Source: US Census Bureau, American Community Survey 2011-2015



March 13, 2019

Re: Poplar Creek Homes  
Locality Notification and Support

To whom it may concern,

On behalf of the Town of South Boston, we would like to firmly declare our support for Southside Outreach Group, Inc. and their proposed development Poplar Creek Homes. This affordable housing project seeks to fulfill the housing needs of our community, specifically in constructing 32 quality, affordable apartments. In addition, five of the units will serve persons the disabilities under Section 504 requirements. Our residents are greatly in need of housing that is constructed for persons with physical disabilities.

The Town of South Boston has a longstanding relationship with Southside Outreach Group, Inc., dating back to its inception in 1995 as a nonprofit organization seeking to serve specific housing needs in the area. Among a list of other collaborations in various capacities, Poplar Creek Homes will be the fourth collaboration in affordable housing between the Town and Southside Outreach Group, including 22 single-family homes constructed in 2005-2010, which received a Governor's award, and the Miller Homes at Poplar Creek project, involving the request to rehabilitate a deteriorating affordable housing development that was able to secure Low Income Housing Tax Credits as a financing source.

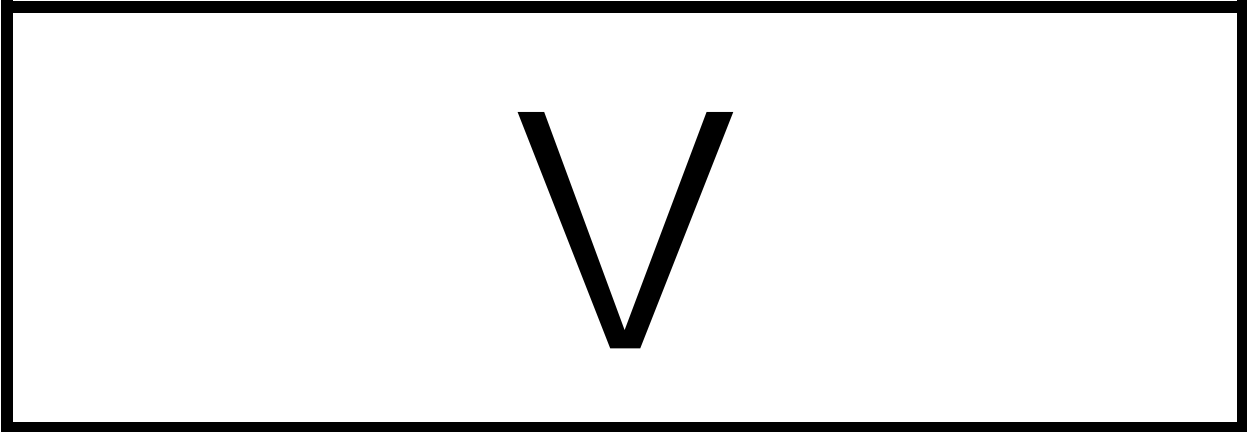
The Town, Southside Outreach Group and other stakeholders have been meeting monthly since early 2018 to determine the best housing need for the town, including receipt of a Planning Grant from the Department of Housing and Community Development to assist with the research. The result of which has concluded with the current 32 affordable housing unit project known as Poplar Creek Homes. The Town of South Boston has agreed to donate all parcels of land for this project, including an additional parcel very recently, which has allowed the project to construct six more affordable housing units, for a total of 32, than previously notified in the January 2019 locality notification, further demonstrating the level of partnership with Southside Outreach group and aspiration to serve the community's housing needs.

Thank you, we appreciate your consideration.

Sincerely,



Thomas S. Raab, Town Manager



V

Nonprofit or LHA Purchase  
Option or Right of First  
Refusal

Prepared by and  
After Recording Return to:  
Peter L. Henderer, VSB # 40994  
McCandlish Holton, PC  
P.O. Box 796  
Richmond, VA 23218-0796

Tax Parcel Nos.: PRN ##s 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 2396, 2395, 2397, 2398, 2399, 2363, 2364, 2365, and 34450

## **PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT**

This Purchase Option and Right of First Refusal Agreement (“Purchase Agreement”) is made as of the 13<sup>th</sup> day of March, 2019, by and between **POPLAR CREEK HOMES, LLC**, a Virginia limited liability company (the “Company” index as **GRANTOR**), **SOUTHSIDE OUTREACH GROUP, INC.**, a Virginia nonstock corporation (“Grantee” and index as **GRANTEE**), and SSOG Poplar Management, Inc., a Virginia corporation (the “Managing Member”), and is consented to hereinbelow by Housing Equity Fund of Virginia XVIII, L.L.C., a Virginia limited liability company (the “Consenting Investor Member”).

Whereas, the Managing Member and one or more other parties, concurrently with the execution and delivery of this Purchase Agreement, are entering into a certain Amended and Restated Operating Agreement dated as of the date hereof (the “Agreement”) continuing the Company by amending and restating a prior operating agreement; and

Whereas, the Managing Member is 100% owned and controlled by Grantee; and

Whereas, Grantee has been instrumental in the development of the Project Property (as defined below), as described in the Agreement, and will act as guarantor of the obligations of the Managing Member in the continuation of the Company for the further development of the Project Property; and

Whereas, the Project Property is or will be subject to one or more governmental agency regulatory agreements (collectively, the “Regulatory Agreement”) restricting its use to low-income housing and may become subject to a low-income use restriction (the “Special Covenant”) pursuant to the terms and conditions of this Agreement (such use restrictions under the Regulatory Agreement and any Special Covenant being referred to collectively herein as the “Use Restrictions”); and

Whereas, Grantee and the Managing Member desire to provide for the continuation of the Project Property as low-income housing upon termination of the Company by Grantee purchasing the Project Property at the applicable price determined under this Purchase Agreement and operating the Project Property in accordance with the Use Restrictions; and

Whereas, as a condition precedent to the formation or continuation of the Company pursuant to the Agreement, Grantee and the Managing Member have negotiated and required that the Company shall execute and deliver this Purchase Agreement in order to provide for such low-income housing, and the Consenting Investor Member has consented to this Agreement in order to induce the Managing Member to execute and deliver this Purchase Agreement and to induce Grantee to guarantee the Managing Member's obligations thereunder;

Now, Therefore, in consideration of the execution and delivery of the Agreement and the payment by the Grantee to the Company of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option.** The Company hereby grants to Grantee an option (the "Option") to purchase the real estate, fixtures, and personal property comprising the Project Property or associated with the physical operation thereof, owned by the Company at the time of purchase (the "Property"), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Project Property (the "Compliance Period") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Option specified herein. The Project Property real estate is legally described in Exhibit B attached hereto and made a part hereof (the "Project Property"). The Regulatory Agreement containing the Use Restrictions to which the Project Property real estate will remain subject under Section 9 hereof.

2. **Grant of Refusal Right.** In the event that the Company receives a bona fide offer to purchase the Project Property, which offer the Company intends to accept, Grantee shall have a right of first refusal to purchase the Property (the "Refusal Right") after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Section 10 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Section 10 hereof meeting the requirements of Section 42(i)(7)(A) of the Code as determined in its judgment by tax counsel to the Consenting Investor Member. Prior to accepting any such bona fide offer to purchase the Property, the Company shall notify Grantee, the Managing Member, and the Consenting Investor Member of such offer and deliver to each of them a copy thereof. The Company shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Section 6 hereof.

3. **Purchase Price Under Option.** The purchase price for the Property pursuant to the Option shall be the greater of the following amounts, subject to the proviso set forth hereinbelow:

a. **Debt and Taxes.** An amount sufficient (i) to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, and (ii) to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and payments to the Investor Member of an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall or Investor Member Special Additional Capital Contribution, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Option, all as more fully stated in Sections of the Agreement, which is hereby incorporated herein by reference; or

b. **Fair Market Value.** The fair market value of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser, selected by the Company's regular certified public accountants, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project Property is located;

provided, however, that if prior to exercise of the Option the Internal Revenue Service (the "Service") has issued a revenue ruling or provided a private letter ruling to the Company, the applicability of which ruling shall be determined in its judgment by tax counsel to the Consenting Investor Member, or tax counsel to the Consenting Investor Member has issued an opinion letter concluding that property of the nature and use of the Property may be sold under circumstances described in this Agreement at the greater of the price determined under Section 42(i)(7) of the Code or the price determined under subsection 3a hereinabove without limiting tax credits or deductions that would otherwise be available to the Consenting Investor Member, then the Option price shall be such price.

4. **Purchase Price Under Refusal Right.** The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of (a) an amount sufficient to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right, and (b) an amount sufficient to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall or Investor Member Special Additional Capital Contribution, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Refusal Right, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference.

5. **Conditions Precedent.** Notwithstanding anything in this Agreement to the contrary, the Option and the Refusal Right granted hereunder shall be contingent on the following:

a. **Managing Member.** The Managing Member shall have remained in good standing as Managing Member of the Company without the occurrence of any event of default under the Agreement; and

c. **Regulatory Agreement.** Either (i) the Regulatory Agreement shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, as heretofore approved in writing by the Consenting Investor Member, shall have remained unmodified without its prior written consent, or (ii) if the Regulatory Agreement is no longer in effect due to reasons other than a default thereunder by the Company, such Use Restrictions, as so approved and unmodified, shall have remained in effect by other means and shall continue in effect by inclusion in the deed as required under Paragraph 10 hereof.

If any or all of such conditions precedent have not been met, the Option and the Refusal Right shall not be exercisable. Upon any of the events terminating the Managing Member as Managing Member of the Company under the Agreement or affecting the Regulatory Agreement as described in this Section 5, the Option and the Refusal Right shall be void and of no further force and effect.

6. **Exercise of Option or Refusal Right.** The Option and the Refusal Right may each be exercised by Grantee by (a) giving prior written notice of its intent to exercise the Option or the Refusal Right to the Company and each of its Members in the manner provided in the Agreement and in compliance with the requirements of this Section 6, and (b) complying with the contract and closing requirements of Section 8 hereof. Any such notice of intent to exercise the Option shall be given during the last twelve (12) months of the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within one hundred eighty (180) days after Grantee has received the Company's notice of a bona fide offer pursuant to Section 2 hereof, but in no event later than one hundred eighty (180) days immediately following the end of the Compliance Period, notwithstanding any subsequent receipt by the Company of any such offer. In either case, the notice of intent shall specify a closing date within one hundred eighty (180) days immediately following the end of the Compliance Period. If the foregoing requirements (including those of Section 9 hereof) are not met as and when provided herein, the Option or the Refusal Right, or both, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all rights under the other shall be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Property pursuant to such notice shall expire and be of no further force or effect, provided that in the event that the Option and the Refusal Right are hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment(s) or such parties by written agreement may specify any other order of priority consistent with the other terms and conditions of this Agreement.

7. **Determination of Price.** Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Company and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property. Any such agreement shall be subject to the prior written consent of the Consenting Investor Member, which shall not be withheld as to any purchase price determined properly in accordance with this Agreement.

8. **Contract and Closing.** Upon determination of the purchase price, the Company and Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project Property is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise of the Option or the Refusal Right, as applicable, or thirty (30) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Option or the Refusal Right, as applicable. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer for the Project Property or another mutually acceptable title company.

9. **Use Restrictions.** In consideration of the Option and the Refusal Right granted hereunder at the price specified herein, Grantee hereby agrees that the deed of the Project Property to Grantee shall contain a covenant running with the land, restricting use of the Project Property to low-income housing to the extent required by those Use Restrictions contained in the Regulatory Agreement, as approved in writing by the Consenting Investor Member and unmodified without its prior written consent. Such deed covenant shall contain a reverter clause, enforceable by the Consenting Investor Member, its successors and assigns, in the event of material violation of such Use Restrictions. Such deed covenant shall include a provision requiring Grantee to pay any and all costs, including attorneys' fees, incurred by the Consenting Investor Member or any other holder of such reverter rights in enforcing or attempting to enforce the Use Restrictions or such reverter rights, and to pay any and all damages incurred by the Consenting Investor Member from any delay in or lack of enforceability of the same. All reverter provisions contained in such deed and in this Agreement shall be subject and subordinate to any third-party liens encumbering the Project Property.

If prior to exercise of the Option or the Refusal Right, as applicable, the Service has issued a revenue ruling or provided a private letter ruling to the Company holding that a covenant of the nature described hereinbelow may be utilized without limiting tax credits or deductions that would otherwise be available to the Consenting Investor Member, the applicability of which ruling shall be determined by counsel to the Consenting Investor Member in its sole judgment, then as a condition of the Option and the Refusal Right, the deed to Grantee shall include a Special Covenant specifically restricting continued use of the Project Property to low-income housing as determined in accordance with the same low-income and maximum rent requirements (excluding any right under the Code to raise rents after notice to the applicable state or local housing credit agency if it is unable to find a buyer at the statutory price) as are currently specified in the Agreement with reference to the low-income housing tax credit (notwithstanding any future discontinuation of such credit or modification of federal requirements therefor), except insofar as more stringent use



requirements are imposed by the Regulatory Agreement as approved by the Consenting Investor Member and unmodified without its prior written consent. The Special Covenant shall constitute part of the Use Restrictions. The Special Covenant may state that it is applicable and enforceable only to the extent such housing produces income sufficient to pay all operating expenses and debt service and fund customary reserves and there is a need for low-income housing in the geographic area in which the Project Property is located. The Special Covenant shall run with the land for a period of fifteen (15) years after closing of the purchase under the Option or the Refusal Right, as applicable, or, if longer, for the period measured by the then remaining period of Use Restrictions under the Regulatory Agreement, provided that the Special Covenant shall terminate at the option of any holder of the reverter rights described hereinabove, upon enforcement thereof.

In the event that neither the Option nor the Refusal Right is exercised, or the sale pursuant thereto is not consummated, then upon conveyance of the Project Property to anyone other than Grantee or its permitted assignee hereunder, the foregoing provisions shall terminate and have no further force or effect.

10. **Assignment.** Grantee may assign all or any of its rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project Property (each a "Permitted Assignee") that demonstrates its ability and willingness to maintain the Project Property as low-income housing in accordance with the Use Restrictions, in any case subject to the prior written consent of the Consenting Investor Member, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the conditions precedent to the Refusal Right grant and the Option price set forth in Sections 2 and 3 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company, the Managing Member, and the Consenting Investor Member. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company, the Managing Member, and the Consenting Investor Member. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

11. **Miscellaneous.** This Agreement shall be governed by the laws of the Commonwealth of Virginia. This Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement.

(continued on next page)



In Witness Whereof, the parties have executed this document as of the date first set forth hereinabove.

**Company:**

**Poplar Creek Homes, LLC**, a Virginia limited liability company

By: SSOG Poplar Management, Inc., a Virginia corporation, its Managing Member

By: Earl Howerton  
Earl Howerton

Title: Executive Director

COMMONWEALTH OF VIRGINIA )  
 ) ss  
CITY OF RICHMOND )

I, Earlene R Powell, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, the Executive Director of SSOG Poplar Management, Inc., a Virginia corporation, the Managing Member of Poplar Creek Homes, LLC, a Virginia limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the Company known as Poplar Creek Homes, LLC on behalf of which said corporation or limited liability company has executed the foregoing instrument as a Manager of the Managing Member, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 13, 2019.

Earlene R Powell  
Notary Public

My Commission Expires: March 31, 2020

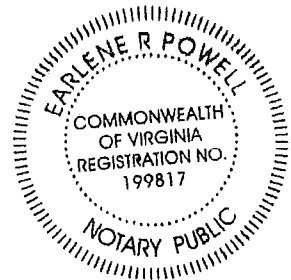
[SEAL]

Registration Number: 199817

**Grantee:**

Exhibit L - S - 1

Error! Unknown document property name.



Southside Outreach Group, Inc., a Virginia nonstock corporation

By: Earl Howerton  
Earl Howerton  
Title: Executive Director

COMMONWEALTH OF VIRGINIA     )  
  ) ss  
CITY OF RICHMOND                    )

I, Earlene R Powell, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, the Executive Director of Southside Outreach Group, Inc., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the corporation known as Southside Outreach Group, Inc., all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 13, 2019.

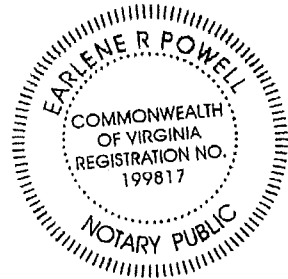
Earlene R Powell  
Notary Public

My Commission Expires: March 31, 2020

[SEAL]

Registration Number:

199817



**Managing Member:**

SSOG Poplar Management, Inc., a Virginia corporation

By: Earl Howerton  
Earl Howerton  
Title: Executive Director

COMMONWEALTH OF VIRGINIA )  
) ss  
CITY OF RICHMOND )

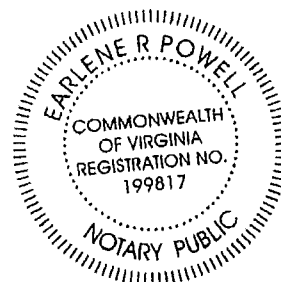
I, Earlene R Powell, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Earl Howerton, the Executive Director of SSOG Poplar Management, Inc., a Virginia corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the limited liability company known as SSOG Poplar Management, Inc., all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 13, 2019.

Earlene R Powell  
Notary Public

My Commission Expires: March 31, 2020 [SEAL]

Registration Number: 199817



The undersigned hereby consents to the foregoing Agreement as of the date first set forth hereinabove.

**Consenting Investor Member:**

HOUSING EQUITY FUND OF VIRGINIA XVIII, L.L.C., a Virginia limited liability company

By: Virginia Housing Capital Corporation, its managing member

By: Arild O. Trent  
Arild O. Trent, Vice President

COMMONWEALTH OF VIRGINIA )  
 ) ss  
CITY OF RICHMOND )

I, Steven E. Bleile, a Notary Public in and for said City in the Commonwealth aforesaid, do hereby certify that Arild O. Trent, Vice President of Virginia Housing Capital Corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the limited liability company known as Housing Equity Fund of Virginia XVIII, L.L.C. on behalf of which said corporation has executed the foregoing instrument as a managing member, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 13, 2019.

Steven E. Bleile  
Notary Public

My Commission Expires: 5-31-2019

[SEAL]

Registration Number: 337174

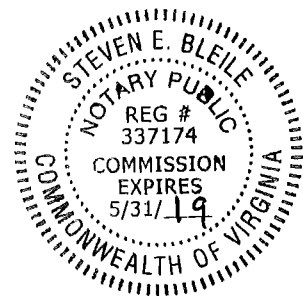


Exhibit L - S - 4

## SCHEDULE A

File No.: 00109-1243

TENTATIVE LEGAL DESCRIPTION. DESCRIPTION OF PROPERTY TO BE INSURED TO BE PROVIDED UPON RECEIPT OF SUBDIVISION PLAT OF THE PROPERTY:

LEGAL DESCRIPTIONS OF RECORD:

Tract I - Tax Parcel Nos. 2381, 34435, 34436, 34437, 34438, 34441, 34442, 34443, 34444, 34445, 34446, 34447, 34448, 34449, 34450 and 2363:

ALL of those certain lots, tracts, or parcels of land with improvements thereon and appurtenances thereunto belonging, situate in the Town of South Boston, Halifax County, Virginia, shown on a plat of the South Boston Improvement Company property, recorded in the back of Deed Book 81 (the "Plat") in the Clerk's Office of the Circuit Court of Halifax County, Virginia and more particularly described as follows:

Lots 1, 2, 3 and 4 in Block 63 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78 as shown on said plat.

Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 as shown on said plat.

Lot 7 in Block 77 as shown on said plat.

Further Lots 1, 2, 3 and 4 in Block 63; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 78; and, Lots 1, 2, 3, 4, 5, 6 and 7 in Block 78 are further shown on a plat of subdivision made by B & B Consultants, Inc./ Jones & Associates, dated October 4, 2012, entitled "BOUNDARY SURVEY OF THE POPLAR CREEK SUBDIVISION TOTALING 4.29 ACRES Located in The TOWN OF SOUTH BOSTON HALIFAX COUNTY, VIRGINIA", recorded in the Clerk's Office aforesaid in Plat Book 29, Page 248 and were renumbered thereon to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

LESS AND EXCEPT from the above Lots 6 and 7 as shown on Plat Book 29, Page 248 as were conveyed to Southside Outreach Group, Inc., a Virginia corporation, by deed from the Town of South Boston, Virginia, dated March 15, 2013, recorded in the Clerk's Office aforesaid in Deed Book 1128, Page 62.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins dated October 20, 2010, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 110000188. ALSO BEING the same real estate conveyed to the Town of South Boston, Virginia by deed from Jenny O. Wilkins, in her own right, and as Trustee under the Edward B. Wilkins Amended and Restated Trust Agreement dated November 15, 1988, Leslie W. Powell, as Trustee under the Edward B. Wilkins Amended and Restate Trust Agreement dated November 15, 1988, Jenny O. Wilkins, Paige Wilkins Powell, E. Bruce Wilkins and Sue Wilkins Bales, Beneficiaries, dated October 20, 2010, recorded in the Clerk's Office aforesaid as Instrument No. 110000187.

Tract II - Tax Parcel No. 2395:

ALL that certain lot or parcel of land, located in the Town (formerly City) of South Boston, Halifax County, Virginia, fronting on Harrell Street, and shown as Lot No. 5 in Block 80 on the plat of South Boston Improvement Company property recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81, Page 657.

BEING the same real estate conveyed to The Town of South Boston, Virginia by deed from Jimmy D. Hite, dated November 5, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003515.

Tract III - Tax Parcel Nos. 2396 and 2397:

ALL those certain lots situate in the Town of South Boston, Halifax County, Virginia, being Lot Six (6) and Lot Eleven (11) in Block 80 of the South Boston Improvements Company's property situate on lower Wilborn Avenue.

BEING a portion of the same real estate conveyed to the Town of South Boston, Virginia by deed from Thomas C. Arthur and Betty B. Arthur dated November 19, 2018, recorded December 19, 2018 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 180003516.

Tract IV - Tax Parcel No. 2398:

That certain lot or parcel of land situate in the Town of South Boston, Halifax County, Virginia, designated in Plan of South Boston Improvement Company recorded in Deed Book 81, Page 535 as Lot 7, Block 80.

BEING a part of the same real estate conveyed to J.S. Thomas by deed from J. M. Carrington and S.P. Carrington, his wife, owners of one-half undivided interest, and Eliza C. Lawson, John O. Lawson, Tyree C. Wright and Bessie L. Wright, his wife, R. B. Lawson, and Salle W. Lawson, his wife, Julian L. East and Janey L. East, his wife, A. Venable Lawson and Vivian M. Lawson, his wife, Mary H. Lawson, J. Stobbine Lawson, Katherine W. Lawson, and D.L. Traynham and Katie O. Traynham, his wife, owners of the other one-half undivided interest, dated May 7, 1920, recorded September 20, 1920 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 127, Page 117. J.S. Thomas died intestate on \_\_\_\_\_, survived by \_\_\_\_\_, his sole heirs at law.

Tract V - Tax Parcel No. 2399:

**A one-fourth undivided interest in Lee P. Woody and a one-fourth undivided interest in Judith R. Woody:** in that certain lot lying in the Town of South Boston, Halifax County, Virginia, known and designated as Lot Eight (8) in Block Eighty (80) as shown on the plat of South Boston Development Company, recorded in the Clerk's Office of the Circuit Court of Halifax County, Virginia in Deed Book 81 at Page 656; said lot fronting 50 feet on the southeast side of Webster Street and extending back along the southwest side of Terry Street 150 feet.

BEING a portion of the same real estate conveyed to Lee P. Woody, Jr., Trustee Under a Revocable Trust Dated October 30, 1997, by deed from Lee P. Moody, Jr. and Susan S. Moody, his wife, dated December 10, 1999, recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 685, Page 507.

ALSO BEING a portion of the same real estate conveyed to Lee P. Woody, Jr. and Judith R. Woody (collectively a one-half interest), by deed from Lee P. Woody, Jr. and Rosa R. Woody, Executors of the Estate of L. P. Woody, deceased, and Rosa R. Woody, widow, in her own right, dated June 9, 1978,

recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 426, Page 96.

ALSO the other one-half undivided interest in said Lot being vested in \_\_\_\_\_ by virtue of a Deed recorded in Deed Book \_\_\_\_\_, Page \_\_\_\_\_.

Tract VI - Tax Parcel No. 2364:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia, and designate on the map of the property of the South Boston Improvement Company, which is recorded in the back of Deed Book 81 in the Clerk's Office of Halifax County, Virginia as Lot 8, Block 77, and fronting 60 feet on the southeasterly side of an unnamed street and extending back between parallel lines 150 feet to an alley. See Plat Book 1, Page 11.

BEING a portion of the same real estate conveyed to Halifax County Fair Association, Incorporated, a Virginia corporation, dated February 1, 1968, recorded February 19, 1968 in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 336, Page 110.

Tract VII - Tax Parcel No. 2365:

ALL that certain lot of land situated in the Town of South Boston, Halifax County, Virginia and designated as a one-half undivided interest in one-half of Lot 9, Block 77, as shown on the plat of the South Boston Improvements Company property recorded in the Clerk's Office, Circuit Court, Halifax County, Virginia in Deed Book 81, Page 656.

BEING a portion of the same real estate conveyed to Robert Michael Harris ( a one-half undivided interest in the above lot) by deed of distribution from Robert Michael Harris, in his capacity as successor Trustees of Eva M. Harris Declaration of Trust dated August 31, 2006, dated September 4, 2014, recorded September 22, 2014 in the Clerk's Office, Circuit Court, Halifax County, Virginia as Instrument No. 140002654.

The other one-half undivided interest was not conveyed by Jane E. Blackwell to Robert L. Harris and Eva Jean Maddox, dated January 16, 1991, recorded in said Clerk's Office in Deed Book 559, Page 359 and is vested in the name of \_\_\_\_\_.

Tract VIII - Streets and Alleys

All right, title and interest of the Town of South Boston, Virginia, in and to the Streets and Alleys to be vacated by Ordinance of the Town of South Boston, Virginia dated \_\_\_\_\_, 2019, as follows:

Terry Street running from Poplar Creek Street to \_\_\_\_\_; Owen Street running from Poplar Creek Street to \_\_\_\_\_; Harrell Street running from Poplar Creek and the Norfolk and Southern Railroad; and the Alley running trough the center of Block 78, dividing Lots 1 through 6 from Lots 7 through 12.

Tax Map Number:

W

Internet Safety Plan and  
Resident Information  
Form



1. Internet Education Information for Residents
2. Internet Acceptable Use Policy:  
Resident Acknowledgement Form
3. Internet Security Plan



The Internet might seem intimidating at first - a vast global communications network with billions of webpages. But in this lesson, we simplify and explain the basics about the Internet using a conversational non-technical style to make it understandable, useful, and enjoyable. There's no reason to be left out!

# Basic Internet Skills

Microsoft Windows PCs

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[www.NetLiteracy.org](http://www.NetLiteracy.org)





## What the Internet is:

The Internet, the web, cyberspace, and the 'net are all terms that generally mean the same thing, in this case, we will call it the Internet. The Internet is a **NET**work of computers, all over the world, **INTER**connected to each other and available to any individual. The Internet is used for many different activities including shopping, communicating, learning, and distributing information.



Unfortunately, you cannot open a door to a house and walk outside to “go into the Internet.” Computers are a primary tool you’ll utilize to use the Internet. The Internet is somewhat difficult to describe because you cannot touch it (in a way similar to software). It seems invisible—only computers can see it – and you can see it through a computer. Sometimes the Internet is best described in comparison to a library. The Internet is made up of many individual components, just like a library is made up of many books. The Internet’s components have even more individual parts, just like a book has pages.

## Changing Constantly:

The Internet is a useful source of information about news, sports, and entertainment because it changes along with the minute-by-minute events that occur in the world brings. This might seem confusing. However, it is not

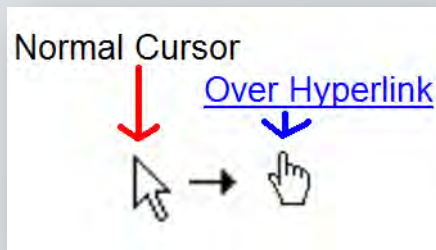


necessarily so—the Internet can be thought of as a “dynamic” living organism that changes and adapts to its environment. The Internet changes very quickly—just watching a 24 hour news channel on the television. The content on some websites is updated every few seconds.

## Purpose / Content of Websites

On the Internet, there are many websites. These are usually made for one specific purpose; they range from informing you about the news to teaching you how to cook.

The best analogy of a website is a comparison to an entire book or an entire newspaper. Websites are made up of “pages,” just like newspapers and books.



Websites are usually independent, however sometimes they are linked together by hyperlinks (also called links) that allow you to jump from one website to another website. These links allow you to “turn the page,” and move around on the Internet. They are usually underlined and **blue**, however they can be any color and or even a picture. How

do you identify a hyperlink? When your mouse hovers over a hyperlink, the arrow changes into a pointing hand.

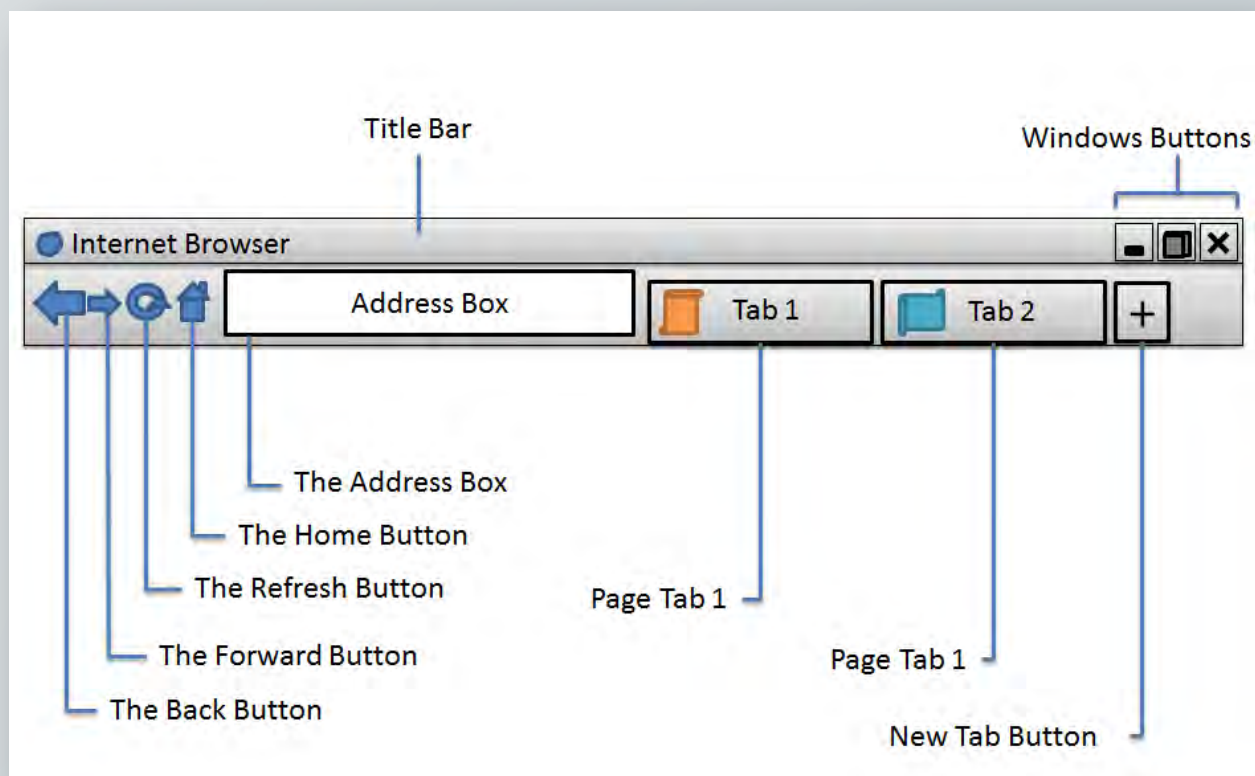
Webpages are what you see and read on the Internet. They are primarily made up of text (words), digital media (pictures, movies, and music), and hyperlinks. The Internet, unlike a book or newspaper, is in no order, and can seem slightly confusing at first. However, there are tools on the Internet that help organize it and will allow you to use it comfortably and easily.





## Applications to Access the Internet

On the computer, you use a program to see the Internet. The program is called a web browser — you “browse” the web with it. Some common brands of web browsers include Internet Explorer, Firefox, and Chrome. They serve the same purpose, navigating the internet, and also have many of the same buttons. For instance, we will take a look at a generic browser’s buttons. You will use these buttons to navigate around the Internet. Sometimes extra buttons might be added, while other times, buttons might have been moved around on the toolbar. If you cannot find a button, just ask someone (they seem to be pretty tricky when they hide from you).



## The Buttons

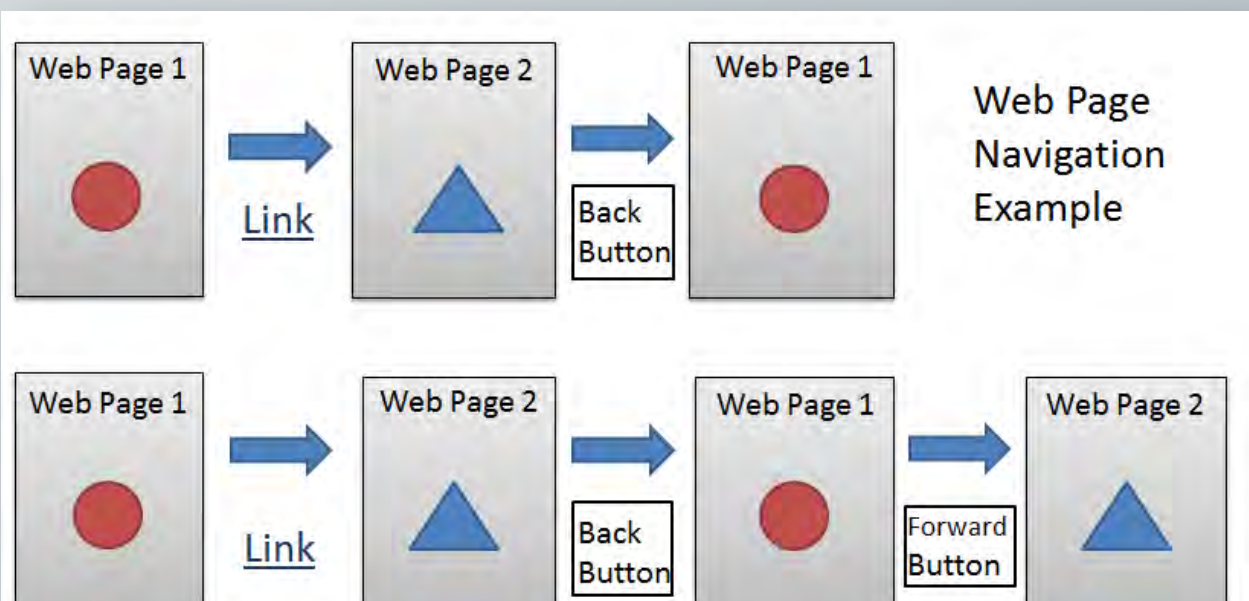
**The Back Button** – This button allows you to return to the last webpage that you last visited. It is most often used if you accidentally click on a link and wish to return to your previous page.

**The Forward Button** – If you clicked the back button, you don't have to hunt for the hyperlink on the webpage to return to the previous webpage. Just click on the forward button to return to the previous page that you were at before you pressed the back button.

Note: If the forward button is "grayed out" and when you click on it, nothing happens, this means that it is disabled.

**The Refresh Button** – This button is useful if you are looking at pages that contain content that is updated more frequently, such as the news, sports scores, or the weather. By clicking on the refresh button, the web page loads again, and is updated with the latest information.

**The Home Button** - When you open your web browser, the first website that is displayed is your **homepage**. You can change your homepage to fit your preferences. When you click on the home button, it takes you to your homepage.







## The Address Box

**The Address Box** – This displays the URL of a webpage. URL stands for Universal Resource Locator, which is a unique address for each webpage – just like your own home’s address is unique. You can type a specific URL into the address box by left clicking in the box once and then typing. Although URLs are all different, they share common characteristics. The basic diagram of a URL is shown below.



<http://www.google.com>

**Http://** - Begins most web addresses. Tells the internet browser what protocol to use.

**www**- Stands for “World Wide Web.” Most web addresses have it although it is not necessary. It indicates a web page.

**.(dot)**- Separates parts of the address so it does not all run together and the computer can distinguish the different parts of the address.

**Domain name**- Example: “Google” – A series of numbers, letters or hyphens “-” that identifies the owner of the address.

**“.” (dot)**- See previous Definition

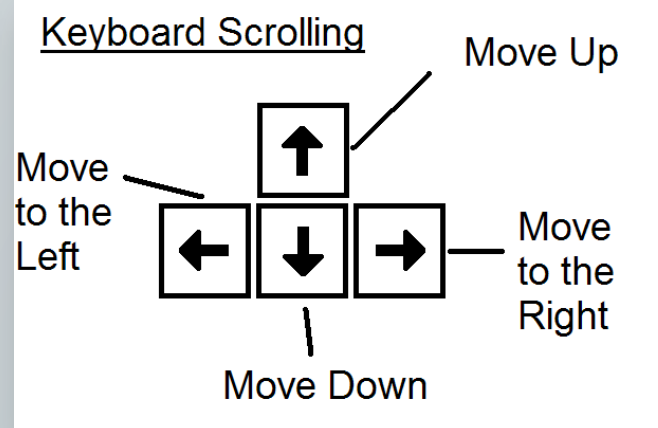
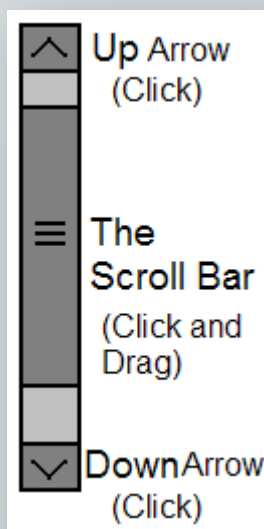
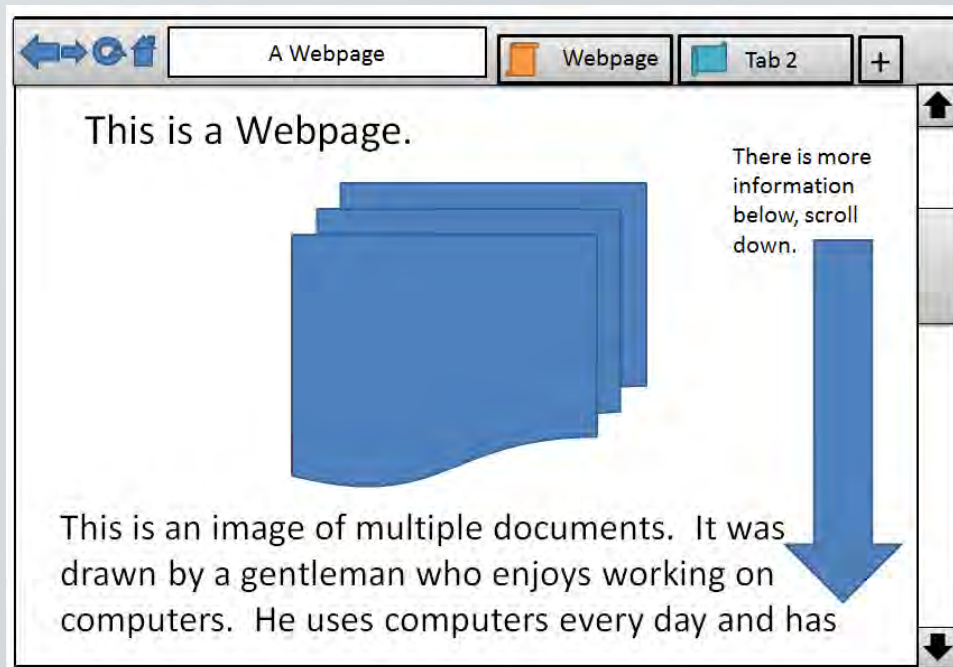
**The Domain**- At the end of a web address. Tells what type of web page you are viewing.  
 .com – Commercial  
 .org – Non-For-Profit Organization  
 .edu – Education (Colleges/Universities)  
 .net – Internet Related  
 .mil – US Military  
 .gov – US Government  
 .us – United States  
 .uk – United Kingdom

Important: Make sure you spell everything correctly. Addresses are very specific and if typed incorrectly, they will direct you to the wrong website. If this happens, simply use your back arrow to return to the previous webpage.



## Scrolling on Webpages

One thing to keep in mind when viewing the Internet is that a bunch of information might be displayed on a webpage, however, only a small portion can be seen immediately when you load the webpage. Thus, it is important to look at your scroll bars to the right and bottom to see if there is more information you are missing. If you are tired of using the mouse to scroll up and down, try using the arrow keys.

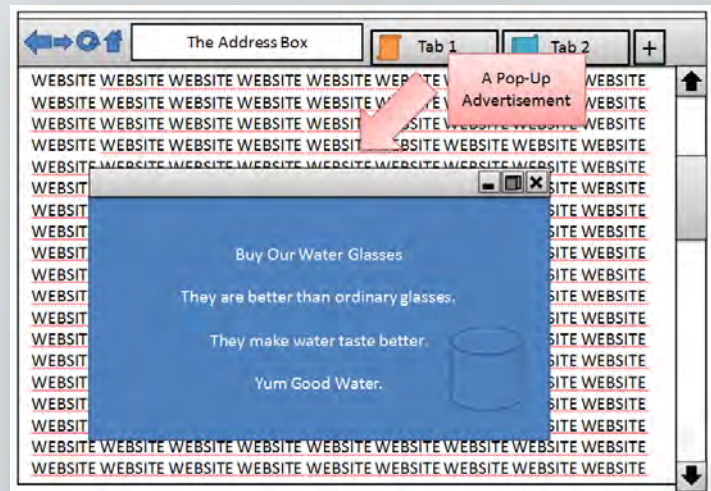


## Pop Up Advertisements

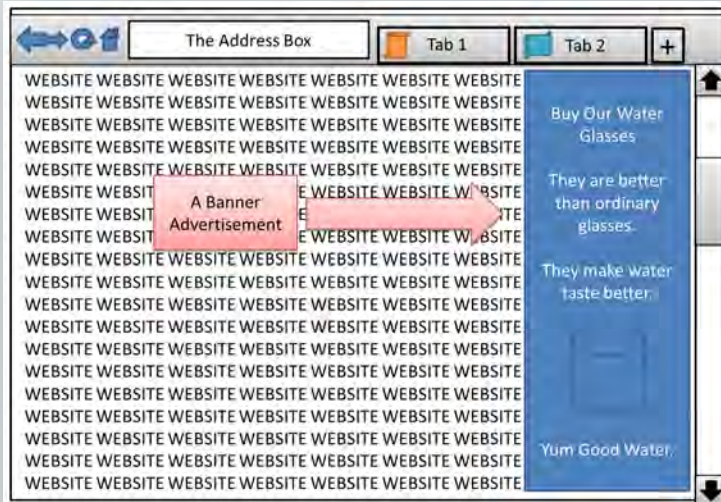




On the Internet, there are things that help you and things that can make you aggravated. One aggravation is the **Pop Up Ad**. These advertisements are created by aggressive marketers who want you to see their “amazing” product and buy it. Pop ups create their own window and usually appear on top of the information that you are interested in. If you click on a pop up ad, it will take you away from the information you are looking at. If you see a pop up ad, click the X at the top right of the window to close it.



Another type of advertisement is the **Banner**. Banner ads show up at the top of a website or on the side of a website. As a beginner, it's generally wiser to ignore banner advertisements unless you are familiar with the company.



## Searching the Internet

Because there are so many things on the Internet, it is

frequently hard to locate exactly what you are looking for. Search engines such as Google ([www.google.com](http://www.google.com)) are very helpful and allow you search the Internet.

A search engine is a Website used to search for information on the World Wide Web. Google first collects websites using a computer program (called a



wanderer, crawler, robot, worm, or spider). Then Google creates an index of these sites so they are searchable. There are many search engines that are available - we use Google for purposes of instruction because most people use it.

### Performing a search in Google (See Next Page for Picture)

1. Go to Google by typing [www.google.com](http://www.google.com) in the URL address box (see page 5). Google is also one of the fastest search engines and provides some of the best results.
2. Next type your topic or key words (words closely related to your topic) into the box under the Google logo.
3. Press Enter or click "Google Search"
4. The next page that will appear is your search results page. This page lists the first few results from your search. Click on one of the page title that has an interesting description or seems most relevant.
5. If you are not satisfied with that website, click the back button and try a different website. If you still cannot find a good website, try searching by using different terms in the search box at the top of the webpage.



### Google Searching Tips

Google will return pages that include all of your search terms. There is no need to include the word "and" between terms. For example, to look for information about parks in Cincinnati, simply type "Cincinnati parks."

Google is not case sensitive. Typing "United States" is the same as typing "UNITED STATES" or "united states."

The more words you include in your search, the more specific your search will be and the more relevant your search results will be.



## Internet Glossary

**Browser** – A software program that allows Internet documents (like webpages) to be viewed, also called a Web Browser.

**Cyberspace** – The world of computer networks.

**Domain Name** – A unique name that identifies a specific computer on the Internet.

**Download** – A term for transferring software or other files from one computer to another.

**Email** – Electronic Mail – Messages sent from one specific user to another using the Internet.

**Email address** – The way a specific user is identified so that they may receive email. An email address can be identified by the “@” sign. E.g., Support@seniorconnects.org

**Home Page** – The first page of a Website, similar to a table of contents.

**HTML** – HyperText Markup Language- A computer language used to make hypertext documents that are sent via the World Wide Web and viewed using a Browser.

**HTTP** – HyperText Transfer Protocol – The way that hypertext documents are transferred over the Internet.

**Hypertext** – A way of presenting information that allows words, pictures, sounds, and actions to be inter-linked so that you may jump between them however you choose.

**Link** – A word, phrase, or image that allows you to jump to another document on the World Wide Web.

**Search Engine** – A website that indexes and allows searching of information gathered from the Internet. Google is an example of this.

**URL** – Uniform Resource Locator – The entire address for a piece of information of the Internet. E.g., www.google.com

**Webpage** – A hypertext document available on the World Wide Web.

**Website** – A collection of webpages.

**World Wide Web** – A collection of resources available on the Internet using a web browser.

## Internet Acceptable Use Policy (AUP)

All users of \_\_\_\_\_ Internet services agree to and must comply with this Acceptable Use Policy (AUP). \_\_\_\_\_ does not exercise editorial control or review over the content of any Web site, electronic mail transmission, paper printout, newsgroup, or other material created or accessible over or through the Services. However, \_\_\_\_\_ may remove, block, filter, or restrict by any other means any materials that, in \_\_\_\_\_ sole discretion, may be illegal, may subject \_\_\_\_\_ to liability, or which may violate this AUP. \_\_\_\_\_ may cooperate with legal authorities and/or third parties in the investigation of any suspected or alleged crime or civil wrong. Violation of this AUP may result in the suspension or termination of either access to the Services and/or \_\_\_\_\_ account or other actions as detailed below.

The following constitute violations of this AUP (this list is intended to be illustrative and not exhaustive; other uses may violate the AUP and \_\_\_\_\_ remains the sole and final arbiter of acceptable usage of its Services):

- **Illegal use:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that, intentionally or unintentionally, violates any applicable local, state, national or international law, or any rules or regulations promulgated there under.
- **Harm to minors:** Using the Services to harm, or attempt to harm, minors in any way.
- **Threats:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that threatens or encourages bodily harm or destruction of property.
- **Harassment:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that harasses another.
- **Fraudulent activity:** Using the Services to make fraudulent offers to sell or buy products, items, or services or to advance any type of financial scam such as "pyramid schemes", "Ponzi schemes", unregistered sales of securities, securities fraud and "chain letters."
- **Forgery or impersonation:** Adding, removing or modifying identifying network, message, or article header information in an effort to deceive or mislead is prohibited. Attempting to impersonate any person by using forged headers or other identifying information is prohibited. The use of anonymous remailers or nicknames does not constitute impersonation.
- **Unsolicited commercial email/Unsolicited bulk email:** Using the Services to transmit any unsolicited commercial email or unsolicited bulk email. Activities that have the effect of facilitating unsolicited commercial email or unsolicited bulk email, whether or not that email is commercial in nature, are prohibited. Using deliberately misleading headers in e-mails sent to multiple parties is prohibited.
- **Unauthorized access:** Using the Services to access, or to attempt to access, the accounts of others, or to penetrate, or attempt to penetrate, security measures of \_\_\_\_\_'s or another entity's computer software or hardware, electronic communications system, or telecommunications system, whether or not the intrusion results in disruption of service or the corruption or loss of data.
- **Copyright or trademark infringement:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that infringes any copyright, trademark, patent, trade secret, or other proprietary rights of any third party, including, but not limited to, the unauthorized copying of copyrighted material, the digitization and distribution of photographs from magazines, books, or other copyrighted sources, and the unauthorized transmittal of copyrighted software.
- **Collection of personal data:** Using the Services to collect, or attempt to collect, personal information about third parties without their knowledge or consent.

- **Reselling the services:** Reselling the Services without \_\_\_\_\_ 's authorization.
- **Network disruptions and unfriendly activity:** Using the Services for any activity which adversely affects the ability of other people or systems to use \_\_\_\_\_ Services or the Internet. This includes excessive consumption of network or system resources whether intentional or unintentional. This also includes "denial of service" (DoS) attacks against another network host or individual user. Interference with or disruption of other network users, network services or network equipment is prohibited. It is the users's responsibility to ensure that their system is configured, operated, and used in a manner to avoid excessive consumption of network or system resources. It is the users's responsibility to ensure that their system is configured in a secure manner. A user may not, through action or inaction, allow others to use their system for illegal or inappropriate actions. A user may not permit their system, through action or inaction, to be configured in such a way that gives a third party the capability to use their system in an illegal or inappropriate manner.
- **High Volume, Server Hosting, and non-traditional end user activities:** The Services are intended for an end user's periodic active use of email, instant messaging, browsing the World Wide Web, and other typical end user activities. High volume data transfers, especially sustained high volume data transfers, are prohibited. Hosting a web server, IRC server, or any other server is prohibited. Accordingly, \_\_\_\_\_ maintains the right to terminate any user's connection following the detection of any high volume data transfer, server hosting, or non-traditional end user activity as determined by \_\_\_\_\_ .

\_\_\_\_\_ requests that anyone who believes that there is a violation of this AUP direct the information to the property manager.

If available, please provide the following information:

- The IP address used to commit the alleged violation
- The date and time of the alleged violation, including the time zone or offset from GMT
- Evidence of the alleged violation

When reporting an issue regarding unsolicited email please provide a copy of the email messages with full headers which typically provides all of the above data. Other situations will require different methods of providing the necessary information.

\_\_\_\_\_ may take any one or more of the following actions, or other actions not listed, at \_\_\_\_\_ 's sole discretion in response to complaints:

- Issue warnings: written or verbal
- Terminate the user's access
- Bill the user for administrative costs and/or reactivation charges
- Bring legal action to enjoin violations and/or to collect damages, if any, caused by violations.

\_\_\_\_\_ reserves the right to revise, amend, or modify this AUP, and our other policies and agreements at any time and in any manner.

\_\_\_\_\_ provides public access to the Internet. There are potentially serious security issues with any computer connected to the Internet without the appropriate protection. These security issues range from viruses, worms and other programs that can damage the user's computer to attacks on the computer by unauthorized or unwanted third parties. These parties, known

commonly as "hackers" may attempt to penetrate the user's computer and download information from the user's computer. If the user has unprotected files on the computer, these files may be visible to hackers on the Internet, potentially including parties with criminal intent. Hackers also exploit vulnerabilities in operating systems to cause malicious damage to a user's computer or even a whole company's network, up to and including the destruction or deletion of files or the re-formatting of drives. It is recommended that the user uses either a personal firewall or Virtual Private Network systems to protect this information. \_\_\_\_\_ advises the user that he/she should consult a security expert to determine whether there are any potential security holes in their computer's configuration.

\_\_\_\_\_ SPECIFICALLY DISCLAIMS ANY LIABILITY FOR UNAUTHORIZED THIRD-PARTY SECURITY BREACHES OR THE RESULTS THEREOF. \_\_\_\_\_ PROVIDES ACCESS TO THE INTERNET AND THE \_\_\_\_\_ NETWORK ON AN "AS IS" BASIS WITH ALL RISKS INHERENT IN SUCH ACCESS. BY CONNECTING TO THE \_\_\_\_\_ NETWORK, THE USER ACKNOWLEDGES THE RISKS ASSOCIATED WITH PUBLIC ACCESS TO THE INTERNET OR DOCUMENT PRINTING AND HEREBY RELEASES AND INDEMNIFIES \_\_\_\_\_ FROM ANY DAMAGES THAT MIGHT OCCUR.

Acknowledgment of Resident:

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Printed: \_\_\_\_\_

# Draft Internet Security Plan

## Network Security:

### 1. Purpose

This standard specifies the technical requirements that wireless infrastructure devices must satisfy to connect to a \_\_\_\_\_ (Owner) network. Only those wireless infrastructure devices that meet the requirements specified in this standard or are granted an exception by the InfoSec Team are approved for connectivity to the Owner's network.

Network devices including, but not limited to, hubs, routers, switches, firewalls, remote access devices, modems, or wireless access points, must be installed, supported, and maintained by an Information Security (Infosec) approved support organization.

### 2. Scope

All employees, contractors, consultants, temporary and other workers at Owner and its subsidiaries/affiliates, including all personnel that maintain a wireless infrastructure device on behalf of the Owner, must comply with this standard. This standard applies to wireless devices that make a connection the network and all wireless infrastructure devices that provide wireless connectivity to the network. Infosec must approve exceptions to this standard in advance.

### 3. Standard

#### 3.1 General Requirements:

All wireless infrastructure devices that connect to the Owner's network or provide access to the Owner Confidential, Owner Highly Confidential, or Owner Restricted information must:

- Use Extensible Authentication Protocol-Fast Authentication via Secure Tunneling (EAP-FAST), Protected Extensible Authentication Protocol (PEAP), or Extensible Authentication Protocol-Translation Layer Security (EAP-TLS) as the authentication protocol.
- Use Temporal Key Integrity Protocol (TKIP) or Advanced Encryption System (AES) protocols with a minimum key length of 128 bits.
- All Bluetooth devices must use Secure Simple Pairing with encryption enabled.4.2Lab and Isolated Wireless Device Requirements
- Lab device Service Set Identifier (SSID) must be different from the Owner's production device SSID.
- Broadcast of lab device SSID must be disabled.4.3 Home Wireless Device Requirements  
All home wireless infrastructure devices that provide direct access to the Owner's network, such as those behind Enterprise Teleworker (ECT) or hardware VPN, must adhere to the following:
- Enable WiFi Protected Access Pre-shared Key (WPA-PSK), EAP-FAST, PEAP, or EAP-TLS



- When enabling WPA-PSK, configure a complex shared secret key (at least 20 characters) on the wireless client and the wireless access point
- Disable broadcast of SSID
- Change the default SSID name
- Change the default login and password

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosec team will verify compliance to this policy through various methods, including but not limited to, periodic walk-thrus, video monitoring, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosec Team in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## Equipment

### 1. Purpose

The purpose of this policy is to outline the acceptable use of computer equipment at \_\_\_\_\_ (Owner). These rules are in place to protect the employee and Owner. Inappropriate use exposes the Owner to risks including virus attacks, compromise of network systems and services, and legal issues.

### 2. Scope

This policy applies to the use of information, electronic and computing devices, and network resources to conduct the Owner's business or interact with internal networks and business systems, whether owned or leased by Owner, the employee, or a third party. All employees, contractors, consultants, temporary, and other workers at Owner and its subsidiaries are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources in accordance with Owner's policies and standards, and local laws and regulation. Exceptions to this policy are documented in section 5.2.

This policy applies to employees, contractors, consultants, temporaries, and other workers at Owner including all personnel affiliated with third parties. This policy applies to all equipment that is owned or leased by Owner.



### 3. Policy

#### 3.1 General Use and Ownership

3.1.1 Owner proprietary information stored on electronic and computing devices whether owned or leased by Owner, the employee or a third party, remains the sole property of the Owner. You must ensure through legal or technical means that proprietary information is protected in accordance with the Data Protection Standard.

3.1.2 You have a responsibility to promptly report the theft, loss or unauthorized disclosure of Owner proprietary information.

3.1.3 You may access, use or share Owner proprietary information only to the extent it is authorized and necessary to fulfill your assigned job duties.

3.1.4 Employees are responsible for exercising good judgment regarding the reasonableness of personal use. Individual departments are responsible for creating guidelines concerning personal use of Internet/Intranet/Extranet systems. In the absence of such policies, employees should be guided by departmental policies on personal use, and if there is any uncertainty, employees should consult their supervisor or manager.

3.1.5 For security and network maintenance purposes, authorized individuals within Owner may monitor equipment, systems and network traffic at any time, per Infosec's Audit Policy.

3.1.6 Owner reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

#### 3.2 Security and Proprietary Information

3.2.1 All mobile and computing devices that connect to the internal network must comply with the Minimum Access Policy.

3.2.2 System level and user level passwords must comply with the Password Policy. Providing access to another individual, either deliberately or through failure to secure its access, is prohibited.

3.2.3 All computing devices must be secured with a password-protected screensaver with the automatic activation feature set to 10 minutes or less. You must lock the screen or log off when the device is unattended.

3.2.4 Postings by employees from an Owner email address to newsgroups should contain a disclaimer stating that the opinions expressed are strictly their own and not necessarily those of the Owner, unless posting is in the course of business duties.

3.2.5 Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain malware.

### 3.3 Unacceptable Use

The following activities are, in general, prohibited. Employees may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., systems administration staff may have a need to disable the network access of a host if that host is disrupting production services).

Under no circumstances is an employee of Owner authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Owner-owned resources.

The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

#### 3.3.1 System and Network Activities

The following activities are strictly prohibited, with no exceptions:

- Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by Owner.
- Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which Owner or the end user does not have an active license is strictly prohibited.
- Accessing data, a server or an account for any purpose other than conducting Owner's business, even if you have authorized access, is prohibited.
- Exporting software, technical information, encryption software or technology, in violation of international or regional export control laws, is illegal. The appropriate management should be consulted prior to export of any material that is in question.
- Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).
- 6. Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
- Using an Owner computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction.
- Making fraudulent offers of products, items, or services originating from any Owner account.

- Making statements about warranty, expressly or implied, unless it is a part of normal job duties.
- Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service, and forged routing information for malicious purposes. 11. Port scanning or security scanning is expressly prohibited unless prior notification to Infosec is made.
- Executing any form of network monitoring which will intercept data not intended for the employee's host, unless this activity is a part of the employee's normal job/duty.
- Circumventing user authentication or security of any host, network or account.
- Introducing honeypots, honeynets, or similar technology on the <Company Name> network.
- Interfering with or denying service to any user other than the employee's host (for example, denial of service attack).
- Using any program/script/command, or sending messages of any kind, with the intent to interfere with, or disable, a user's terminal session, via any means, locally or via the Internet/Intranet/Extranet.
- Providing information about, or lists of, Owner's employees to parties outside Owner.

### 3.3.2 Email and Communication Activities

When using company resources to access and use the Internet, users must realize they represent the company. Whenever employees state an affiliation to the company, they must also clearly indicate that "the opinions expressed are my own and not necessarily those of the company". Questions may be addressed to the IT Department

- Sending unsolicited email messages, including the sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
- Any form of harassment via email, telephone or paging, whether through language, frequency, or size of messages.
- Unauthorized use, or forging, of email header information.
- Solicitation of email for any other email address, other than that of the poster's account, with the intent to harass or to collect replies.
- Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.
- Use of unsolicited email originating from within Owner's networks of other Internet/Intranet/Extranet service providers on behalf of, or to advertise, any service hosted by Owner or connected via Owner's network.
- Posting the same or similar non-business-related messages to large numbers of Usenet newsgroups (newsgroup spam).

### 3.3.3 Blogging and Social Media

1. Blogging by employees, whether using Owner's property and systems or personal computer systems, is also subject to the terms and restrictions set forth in this Policy. Limited and occasional use of Owner's systems to engage in blogging is acceptable, provided that it is done in a professional and responsible manner, does not otherwise violate Owner's policy, is not detrimental to Owner's best interests, and does not interfere with an employee's regular work duties. Blogging from Owner's systems is also subject to monitoring.
2. Owner's Confidential Information policy also applies to blogging. As such, Employees are prohibited from revealing any Owner confidential or proprietary information, trade secrets or any other material covered by Owner's Confidential Information policy when engaged in blogging.
3. Employees shall not engage in any blogging that may harm or tarnish the image, reputation and/or goodwill of Owner and/or any of its employees. Employees are also prohibited from making any discriminatory, disparaging, defamatory or harassing when blogging or otherwise engaging in any conduct prohibited by Owner's Non-Discrimination and Anti-Harassment policy.
4. Employees may also not attribute personal statements, opinions or beliefs to Owner when engaged in blogging. If an employee is expressing his other beliefs and/or opinions in blogs, the employee may not, expressly or implicitly, represent themselves as an employee or representative of Owner's Employees assume any and all risk associated with blogging.
5. Apart from following all laws pertaining to the handling and disclosure of copyrighted or export controlled materials, Owner's trademarks, logos and any other Owner intellectual property may also not be used in connection with any blogging activity

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosec team will verify compliance to this policy through various methods, including but not limited to, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosec team in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.



X

# Marketing Plan

For units meeting accessibility requirements of HUD section

504

## **Poplar Creek Homes 2021-C-56**

### Marketing Plan for Accessible Apartments

The new construction of Poplar Creek Homes will result in the creation 32 affordable housing apartments in the Town of South Boston, Virginia. The project will consist of one, two and three-bedroom units seeking to serve individuals and families. Five (5) apartments will conform to HUD regulations interpreting the accessibility requirements of Section 504 of the Rehabilitation Act serving persons with disabilities.

Construction activities are anticipated to begin in August 2021 and are anticipated to be completed by December 2023, but apartments may become available earlier based on a rolling basis of completion by building.

Poplar Creek Homes will be listed on [www.virginiahousingsearch.com](http://www.virginiahousingsearch.com).

Southside Outreach Group and its team will also work with Pittsylvania County Community Action, the agency responsible for managing the Section 8 waiting list for Halifax County, to identify households that need an accessible apartment.

Units will be held vacant for 60 days during which ongoing marketing will be documented, in accordance with the Marketing Plan Instructions in the 2021 VHDA LIHTC Tax Credit Manual. Preference will be given and units held available for the special needs population as specified by the QAP and not limited to the 504 units. The five Section 504 units at the property will be given first preference for persons with disabilities.

In concert with listing Poplar Creek Homes on the website mentioned above, the availability of accessible apartments will also be communicated to and efforts made to the following partnering entities of Southside Outreach group and the property manager:

- Halifax County is not served by a Center for Independent Living, but the Piedmont Independent Living Center in Danville, VA will be notified about the availability of these apartments.
- Notify Southside Community Services of apartment availability.
- Notify Tri-County Community Action Agency of apartment availability.
- Advertise locally in the News & Record and the Gazette-Virginian.

Y

Inducement Resolution  
for Tax Exempt Bonds

**N/A**