

2022 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 10, 2022

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

2022 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.

- X \$1,000 Application Fee (MANDATORY)
- X Electronic Copy of the Microsoft Excel Based Application (MANDATORY)
- X Scanned Copy of the Signed Tax Credit Application with Attachments (excluding market study and plans & specifications) (MANDATORY)
- X Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application)
- X Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY)
- X Electronic Copy of the Specifications (MANDATORY)
- X Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab)
- X Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request)
- X Electronic Copy of Appraisal (MANDATORY if acquisition credits requested)
- X Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested)
- X Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)
- X Tab B: Virginia State Corporation Commission Certification (MANDATORY)
- X Tab C: Principal's Previous Participation Certification (MANDATORY)
- X Tab D: List of LIHTC Developments (Schedule A) (MANDATORY)
- X Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY)
- X Tab F: RESNET Rater Certification (MANDATORY)
- X Tab G: Zoning Certification Letter (MANDATORY)
- X Tab H: Attorney's Opinion (MANDATORY)
- X Tab I: Nonprofit Questionnaire (MANDATORY for points or pool)
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)
- X Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY)
- Tab K: Documentation of Development Location:
 - X K.1 Revitalization Area Certification
 - X K.2 Location Map
 - X K.3 Surveyor's Certification of Proximity To Public Transportation
- X Tab L: PHA / Section 8 Notification Letter
- X Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- X Tab R: Documentation of Operating Budget and Utility Allowances
- Tab S: Supportive Housing Certification
- Tab T: Funding Documentation
- Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing
- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
- Tab Y: Inducement Resolution for Tax Exempt Bonds
- Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation
- Tab AA: Priority Letter from Rural Development
- Tab AB: Social Disadvantage Certification

VHDA TRACKING NUMBER 2022-TEB-100

Application Date: 3/30/2022

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

1. Development Name: Salem Run Apartments Phase I
2. Address (line 1): 5715 Castlebridge Road
 Address (line 2):
 City: Fredericksburg State: VA Zip: 22407
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Spotsylvania 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: 201.08
7. Development is located in a **Qualified Census Tract**..... TRUE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** FALSE
10. Development is located in a **Revitalization Area designated by resolution** FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 7
 Planning District: 16
 State Senate District: 17
 State House District: 88
- 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
 Rehab of existing tax credit development

VHDA TRACKING NUMBER 2022-TEB-100

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/30/2022

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: Ed Petrovitch
 Chief Executive Officer's Title: County Administrator Phone: 540 507 7010
 Street Address: 9104 Courthouse Road
 City: Spotsylvania State: VA Zip: 22553

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

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

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

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

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

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: Salem I Redo LLC

Developer Name: M and T Managing Member, LLC

Contact: M/M ▶ Mr. First: Michael MI: Last: McNamara

Address: 167 West Landing

City: Williamsburg St. ▶ VA Zip: 23185

Phone: (757) 220-6628 Ext. Fax:

Email address: mike.castle@cox.net

Federal I.D. No. 874528280 (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.

Thomas Niles, tommyniles79@hotmail.com, 757 345 1169

- 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. a. 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>
Michael McNamara	(757) 220-6628	Member	54.400%
Thomas Niles	(757) 345-1169	Member	45.600%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%

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

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

- 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)**

C. OWNERSHIP INFORMATION

b. Indicate if at least one principal listed above with an ownership interest of at least 25% in the controlling general partner or managing member is a socially disadvantaged individual as defined in the manual.

FALSE

ACTION: If true, provide Socially Disadvantaged Certification (TAB AB)

3. Developer Experience:

May only choose one of A, B or C OR select one or more of D, E and F.

- TRUE a. A principal of the controlling general partner or managing member for the proposed development has developed as a controlling general partner or managing member for (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.
Action: Must be included on Virginia Housing Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts (Tab P)
- FALSE b. A principal of the controlling general partner or managing member for the proposed development has developed at least three deals as principal and have at \$500,000 in liquid assets.
Action: Must be included on the Virginia Housing Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s (Tab P)
- FALSE c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units).
Action: Must provide copies of 8609s and partnership agreements (Tab P)
- FALSE d. The development has an experienced sponsor (as defined in the manual) that has placed at least one LIHTC development in service in Virginia within the past 5 years.
Action: Provide one 8609 from qualifying development. (Tab P)
- FALSE e. The development has an experienced sponsor (as defined in the manual) that has placed at least three (3) LIHTC developments in service in any state within the past 6 years (in addition to any development provided to qualify for option d. above)
Action: Provide one 8609 from each qualifying development. (Tab P)
- FALSE f. Applicant is competing in the Local Housing Authority pool and partnering with an experienced sponsor (as defined in the manual), other than a local housing authority.
Action: Provide documentation as stated in the manual. (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: ▶ Purchase Contract

Expiration Date: 12/31/2022

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. FALSE 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..... 12/31/2022 .

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: Salem Run Associates, L.P.

Address: 167 West Landing

City: Williamsburg St.: VA Zip: 23185

Contact Person: Mike McNamara Phone: (757) 220-6628

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

If above statement is TRUE, complete the following:

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Castle Development Corporation	(757) 220-6628	GP	50.00%
Michael McNamara	(757) 220-6628	Pres of GP	50.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

Indicate Diversity, Equity and Inclusion (DEI) Designation if this team member is SWAM or Service Disabled Veteran as defined in manual.

ACTION: Provide copy of certification from Commonwealth of Virginia, if applicable - **TAB Z**

- | | | | |
|--------------------------|---|---------------------------|----------------|
| 1. Tax Attorney: | Conrad Garcia | This is a Related Entity. | FALSE |
| Firm Name: | Williams Mullen | DEI Designation? | FALSE |
| Address: | 200 South 10th St., Richmond, Va. 23219 | | |
| Email: | Cgarcia@WilliamsMullen.com | Phone: | (804) 420-6928 |
| 2. Tax Accountant: | | This is a Related Entity. | FALSE |
| Firm Name: | | DEI Designation? | FALSE |
| Address: | | | |
| Email: | | Phone: | |
| 3. Consultant: | | This is a Related Entity. | FALSE |
| Firm Name: | | DEI Designation? | FALSE |
| Address: | | Role: | |
| Email: | | Phone: | |
| 4. Management Entity: | Brian Alford | This is a Related Entity. | FALSE |
| Firm Name: | Grady Management | DEI Designation? | FALSE |
| Address: | 8630 Fenton Street, Silver Springs, MD 20910 | | |
| Email: | Balford@GradyMgt.com | Phone: | (571) 437-7098 |
| 5. Contractor: | Bill Goggins | This is a Related Entity. | FALSE |
| Firm Name: | Clancy & Theys | DEI Designation? | FALSE |
| Address: | 11830 Fishing Point Dr., Newport News, VA 24073 | | |
| Email: | BillGoggins@ClancyTheys.com | Phone: | (757) 873-6869 |
| 6. Architect: | Colin Arnold | This is a Related Entity. | FALSE |
| Firm Name: | Arnold Design Studio | DEI Designation? | FALSE |
| Address: | 930 Cambria St., NE, Christiansburg, VA 24073 | | |
| Email: | Carnold@ArnoldDesignStudio.com | Phone: | (540) 239-2671 |
| 7. Real Estate Attorney: | Allison Domson | This is a Related Entity. | FALSE |
| Firm Name: | Williams Mullen | DEI Designation? | FALSE |
| Address: | 200 South 10th St., Richmond, VA 23219 | | |
| Email: | Adomson@WilliamsMullen.com | Phone: | (804) 420-6928 |
| 8. Mortgage Banker: | Charles Wilson | This is a Related Entity. | FALSE |
| Firm Name: | Virginia Capital Advisors | DEI Designation? | TRUE |
| Address: | 103 Archers Court, Williamsburg, VA 23185 | | |
| Email: | Cwilson@VirginiaCapitalAdvisors.com | Phone: | (757) 434-9002 |
| 9. Other: | | This is a Related Entity. | FALSE |
| Firm Name: | | DEI Designation? | FALSE |
| Address: | | Role: | |
| Email: | | Phone: | |

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... TRUE
Action: If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal
- b. This development has received a previous allocation of credits..... TRUE
 If so, in what year did this development receive credits? 1996
- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... 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..... TRUE
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE
 - i. Subsection (I)..... FALSE
 - ii. Subsection (II)..... FALSE
 - iii. Subsection (III)..... FALSE
 - iv. Subsection (IV)..... FALSE
 - v. Subsection (V)..... FALSE
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE
- d. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

b. Minimum Expenditure Requirements

i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... TRUE

ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE

iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▾

Name:

Contact Person:

Street Address:

City:

State: ▾

Zip:

Phone:

Contact Email:

G. NONPROFIT INVOLVEMENT

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

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

0.0%

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

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

Action: Provide Option or Right of First Refusal in Recordable Form meeting Virginia Housing's specifications. **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit:

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

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

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

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

NOTE: Applicant is required to waive the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a.	Total number of all units in development	160	bedrooms	320
	Total number of rental units in development	160	bedrooms	320
	Number of low-income rental units	160	bedrooms	320
	Percentage of rental units designated low-income	100.00%		
b.	Number of new units:.....	0	bedrooms	0
	Number of adaptive reuse units:	0	bedrooms	0
	Number of rehab units:.....	160	bedrooms	320
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.....			204,150.62 (sq. ft.)
e.	Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			37,079.44 (sq. ft.)
f.	Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g.	Total Usable Residential Heated Area.....			167,071.18 (sq. ft.)
h.	Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i.	Exact area of site in acres	3.105		
j.	Locality has approved a final site plan or plan of development.....			TRUE
	If True , Provide required documentation (TAB O).			
k.	Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l.	Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

	Unit Type	Average Sq Foot		# of LIHTC		Total Rental Units
				Units		
<i>Note: Average sq foot should include the prorata of common space.</i>	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	0.00	SF	0		0
	2BR Garden	1044.19	SF	160		160
	3BR Garden	0.00	SF	0		0
	4BR Garden	0.00	SF	0		0
	2+ Story 2BR Townhouse	0.00	SF	0		0
	2+ Story 3BR Townhouse	0.00	SF	0		0
	2+ Story 4BR Townhouse	0.00	SF	0		0
				160		160

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)..... 13
- b. Age of Structure:..... 26 years
- c. Number of stories:..... 0
- 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)..... FALSE
 - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
 - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

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

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

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

- i. Roof Type ▼
- j. Construction Type ▼
- k. Primary Exterior Finish ▼

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Facilities shared with Phase II

m. Number of Proposed Parking Spaces 407
 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: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	11.85%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	11.85%
Project Wide Absorption Period (Months)	8

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 corresponding options selected below.

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

- FALSE a. A community/meeting room with a minimum of 749 square feet is provided.
- 0.00% b1. Percentage of brick covering the exterior walls.
- 0.00% b2. Percentage of other similar low-maintenance material approved by the Authority covering 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).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- TRUE e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- f. *Not applicable for 2022 Cycles*
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- FALSE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- FALSE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- r. *Not applicable for 2022 Cycles*

J. ENHANCEMENTS

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

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

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.

FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

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:

FALSE 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)

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

0 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
0% of Total Rental Units

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

If not, please explain:

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

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.

FALSE

- b. Any development in which ten percent (10%) 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 the application for credits.

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

CA

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

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**)

K. SPECIAL HOUSING NEEDS

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: Central Virginia Housing Coalition

Contact person: Betty Newberry

Title: HCVP Director

Phone Number: (540) 604-9943

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: 0
% of total Low Income Units 0%

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

Action: Provide documentation of tenant disclosure regarding Virginia Housing Rental Education (Mandatory - Tab U)

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:

Last Name:

Phone Number: Email:

K. SPECIAL HOUSING NEEDS

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: _____

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	0.00%	30% Area Median	
0	0.00%	40% Area Median	
22	13.75%	50% Area Median	
138	86.25%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
160	100.00%	Total	

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
22	13.75%	50% Area Median	
138	86.25%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
160	100.00%	Total	

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

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

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

CA 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 2 BR - 2 Bath	60% AMI	134	0	974.40	\$1,589.00	\$212,926
Mix 2 2 BR - 2 Bath	50% AMI	22	0	974.40	\$1,299.00	\$28,578
Mix 3 2 BR - 1.5 Bath	60% AMI	4	4	974.40	\$1,589.00	\$6,356
Mix 4						\$0
Mix 5						\$0
Mix 6						\$0
Mix 7						\$0
Mix 8						\$0
Mix 9						\$0
Mix 10						\$0
Mix 11						\$0
Mix 12						\$0
Mix 13						\$0
Mix 14						\$0
Mix 15						\$0
Mix 16						\$0

L. UNIT DETAILS

Mix 74										\$0
Mix 75										\$0
Mix 76										\$0
Mix 77										\$0
Mix 78										\$0
Mix 79										\$0
Mix 80										\$0
Mix 81										\$0
Mix 82										\$0
Mix 83										\$0
Mix 84										\$0
Mix 85										\$0
Mix 86										\$0
Mix 87										\$0
Mix 88										\$0
Mix 89										\$0
Mix 90										\$0
Mix 91										\$0
Mix 92										\$0
Mix 93										\$0
Mix 94										\$0
Mix 95										\$0
Mix 96										\$0
Mix 97										\$0
Mix 98										\$0
Mix 99										\$0
Mix 100										\$0
TOTALS			160		4					\$247,860

Total	160	Net Rentable SF:	TC Units	155,904.00
Units			MKT Units	0.00
			Total NR SF:	155,904.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$20,342
2. Office Salaries		\$85,167
3. Office Supplies		\$0
4. Office/Model Apartment	(type)	\$0
5. Management Fee		\$90,536
3.13% of EGI	\$565.85 Per Unit	
6. Manager Salaries		\$40,164
7. Staff Unit (s)	(type)	\$0
8. Legal		\$19,520
9. Auditing		\$11,000
10. Bookkeeping/Accounting Fees		\$0
11. Telephone & Answering Service		\$34,572
12. Tax Credit Monitoring Fee		\$0
13. Miscellaneous Administrative		\$20,000
Total Administrative		\$321,301
Utilities		
14. Fuel Oil		\$0
15. Electricity		\$26,740
16. Water		\$111,919
17. Gas		\$0
18. Sewer		\$0
Total Utility		\$138,659
Operating:		
19. Janitor/Cleaning Payroll		\$8,000
20. Janitor/Cleaning Supplies		\$0
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$6,692
23. Trash Removal		\$0
24. Security Payroll/Contract		\$19,440
25. Grounds Payroll		\$5,600
26. Grounds Supplies		\$19,149
27. Grounds Contract		\$34,572
28. Maintenance/Repairs Payroll		\$77,444
29. Repairs/Material		\$7,500
30. Repairs Contract		\$20,000
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$11,361
33. Pool Maintenance/Contract/Staff		\$4,650
34. Snow Removal		\$0
35. Decorating/Payroll/Contract		\$25,956
36. Decorating Supplies		\$0
37. Miscellaneous		\$25,000
Totals Operating & Maintenance		\$265,364

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$118,312
39. Payroll Taxes	\$17,664
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$27,364
42. Fidelity Bond	\$0
43. Workman's Compensation	\$3,913
44. Health Insurance & Employee Benefits	\$16,500
45. Other Insurance	\$0
Total Taxes & Insurance	\$183,753

Total Operating Expense **\$909,077**

Total Operating Expenses Per Unit	\$5,682	C. Total Operating	31.44%	
		Expenses as % of EGI		

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$48,000

Total Expenses **\$957,077**

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	Done	
b. Site Acquisition	8/31/2022	McNamara
c. Zoning Approval	Done	
d. Site Plan Approval	Done	
2. Financing		
a. Construction Loan		
i. Loan Application	3/1/2022	McNamara
ii. Conditional Commitment		
iii. Firm Commitment		
b. Permanent Loan - First Lien		
i. Loan Application	3/1/2022	McNamara
ii. Conditional Commitment		
iii. Firm Commitment		
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	Done	
3. IRS Approval of Nonprofit Status	NA	
4. Closing and Transfer of Property to Owner	8/31/2022	McNamara
5. Plans and Specifications, Working Drawings	7/30/2022	Niles
6. Building Permit Issued by Local Government	8/15/2022	Niles
7. Start Construction	9/15/2022	Niles
8. Begin Lease-up	Complete	
9. Complete Construction	3/30/2024	Niles
10. Complete Lease-Up	Complete	
11. Credit Placed in Service Date	3/30/2024	McNamara

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.

Complete cost column and basis column(s) as appropriate

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

Must Use Whole Numbers Only!

Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	9,186,840	0	9,186,840	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	9,186,840	0	9,186,840	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	0	0	0	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
Total Land Improvements	0	0	0	0
Total Structure and Land	9,186,840	0	9,186,840	0
r. General Requirements	729,040	0	729,040	0
s. Builder's Overhead (2.0% Contract)	182,000	0	182,000	0
t. Builder's Profit (3.3% Contract)	302,120	0	302,120	0
u. Bonds	0	0	0	0
v. Building Permits	0	0	0	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1:	0	0	0	0
z. Other 2:	0	0	0	0
aa. Other 3:	0	0	0	0
Contractor Costs	\$10,400,000	\$0	\$10,400,000	\$0

O. PROJECT BUDGET - OWNER COSTS

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.

Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):

MUST USE WHOLE NUMBERS ONLY!

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	20,000	0	20,000	0
b. Architecture/Engineering Design Fee \$153 /Unit)	24,500	0	24,500	0
c. Architecture Supervision Fee \$75 /Unit)	12,000	0	12,000	0
d. Tap Fees	0	0	0	0
e. Environmental	1,800	0	1,800	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	5,000	0	5,000	0
i. Market Study	4,500	0	4,500	0
j. Site Engineering / Survey	24,120	0	24,120	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest (0.0% for 0 months)	300,000	0	150,000	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (0.0%)	398,625	0	60,000	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	22,000	0	22,000	0
u. Accounting	0	0	0	0
v. Title and Recording	140,000	0	120,000	0
w. Legal Fees for Closing	60,000	0	60,000	0
x. Mortgage Banker	75,000	0	75,000	0
y. Tax Credit Fee	128,000			
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	1,300,000	0	0	0
ad. Contingency	832,000	0	832,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	0			
(1) Other* specify: Out of Balance Fee	52,500	0	27,000	0
(2) Other* specify: HERS	30,600	0	30,600	0
(3) Other* specify:	0	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other * specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0

Owner Costs Subtotal (Sum 2A..2(10))	\$3,430,645	\$0	\$1,468,520	\$0
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Subtotal 1 + 2 (Owner + Contractor Costs)	\$13,830,645	\$0	\$11,868,520	\$0
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3. Developer's Fees	2,967,000	0	2,984,500	0
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Action: Provide Developer Fee Agreement (Tab A)

4. Owner's Acquisition Costs

Land	6,400,000		
Existing Improvements	28,800,000	28,800,000	
Subtotal 4:	\$35,200,000	\$28,800,000	

5. Total Development Costs

Subtotal 1+2+3+4:	\$51,997,645	\$28,800,000	\$14,853,020	\$0
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If this application seeks rehab credits only, in which there is no acquisition and no change in ownership, enter the greater of appraised value or tax assessment value here:

(Provide documentation at Tab E)	\$0	Land
	\$0	Building

Maximum Developer Fee:	\$2,967,130
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Proposed Development's Cost per Sq Foot	\$82	Meets Limits
Applicable Cost Limit by Square Foot:	\$231	

Proposed Development's Cost per Unit	\$104,985	Meets Limits
Applicable Cost Limit per Unit:	\$225,968	

2022 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	(B) Acquisition	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
			"30 % Present Value Credit"	(C) Rehab/ New Construction	
1. Total Development Costs	51,997,645	28,800,000	14,853,020		0
2. Reductions in Eligible Basis					
a. Amount of federal grant(s) used to finance qualifying development costs		0	0		0
b. Amount of nonqualified, nonrecourse financing		0	0		0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0		0
d. Historic Tax Credit (residential portion)		0	0		0
3. Total Eligible Basis (1 - 2 above)		28,800,000	14,853,020		0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)					
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			4,455,906		0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0		0
c. For Green Certification (Eligible Basis x 10%)					0
Total Adjusted Eligible basis			19,308,926		0
5. Applicable Fraction		100.00000%	100.00000%		100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		28,800,000	19,308,926		0
7. Applicable Percentage (Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)		4.00%	4.00%		9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$1,152,000	\$772,357		\$0
			\$1,924,357		
			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.	Virginia Housing				
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.	VHDA	3/1/2022		\$21,600,000	\$1,275,108	4.25%	30	30
2.	REACH	3/1/2022		\$8,000,000	\$402,156	2.95%	30	30
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
	Total Permanent Funding:			\$29,600,000	\$1,677,264			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

Market-Rate Loans

TE: See Below For 50% Test Status

a. Tax Exempt Bonds	\$29,600,000	a. Taxable Bonds	\$0
b. RD 515	\$0	b. Section 220	\$0
c. Section 221(d)(3)	\$0	c. Section 221(d)(3)	\$0
d. Section 312	\$0	d. Section 221(d)(4)	\$0
e. Section 236	\$0	e. Section 236	\$0
f. VHDA SPARC/REACH	\$0	f. Section 223(f)	\$0
g. HOME Funds	\$0	g. Other:	\$0
h. Other:	\$0		
i. Other:	\$0		

Grants*

Grants

a. CDBG	\$0	c. State	
b. UDAG	\$0	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: **59.14%**

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**

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			\$51,997,645
2. Less Total of Permanent Funding, Grants and Equity		-	\$34,678,428
3. Equals Equity Gap			\$17,319,217
4. Divided by Net Equity Factor			90.0000167132%
(Percent of 10-year credit expected to be raised as equity investment)			
5. Equals Ten-Year Credit Amount Needed to Fund Gap			\$19,243,571
Divided by ten years			10
6. Equals Annual Tax Credit Required to Fund the Equity Gap			\$1,924,357
7. Maximum Allowable Credit Amount			\$1,924,357
(from Eligible Basis Calculation)			
8. Requested Credit Amount		For 30% PV Credit:	\$1,924,357
		For 70% PV Credit:	\$0
Credit per LI Units	\$12,027.2313		
Credit per LI Bedroom	\$6,013.6156	Combined 30% & 70%	
		PV Credit Requested	\$1,924,357

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		\$247,860
Plus Other Income Source (list):	Misc	\$11,200
Equals Total Monthly Income:		\$259,060
Twelve Months		x12
Equals Annual Gross Potential Income		\$3,108,720
Less Vacancy Allowance	7.0%	\$217,610
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$2,891,110

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

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

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

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	\$2,891,110
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$2,891,110
d.	Total Expenses	\$957,077
e.	Net Operating Income	\$1,934,033
f.	Total Annual Debt Service	\$1,677,264
g.	Cash Flow Available for Distribution	\$256,769

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	2,891,110	2,948,932	3,007,910	3,068,069	3,129,430
Less Oper. Expenses	957,077	985,789	1,015,363	1,045,824	1,077,199
Net Income	1,934,033	1,963,142	1,992,547	2,022,245	2,052,231
Less Debt Service	1,677,264	1,677,264	1,677,264	1,677,264	1,677,264
Cash Flow	256,769	285,878	315,283	344,981	374,967
Debt Coverage Ratio	1.15	1.17	1.19	1.21	1.22
	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	3,192,019	3,255,859	3,320,976	3,387,396	3,455,144
Less Oper. Expenses	1,109,515	1,142,800	1,177,084	1,212,397	1,248,768
Net Income	2,082,504	2,113,059	2,143,892	2,174,999	2,206,375
Less Debt Service	1,677,264	1,677,264	1,677,264	1,677,264	1,677,264
Cash Flow	405,240	435,795	466,628	497,735	529,111
Debt Coverage Ratio	1.24	1.26	1.28	1.30	1.32
	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	3,524,246	3,594,731	3,666,626	3,739,959	3,814,758
Less Oper. Expenses	1,286,231	1,324,818	1,364,563	1,405,500	1,447,665
Net Income	2,238,015	2,269,913	2,302,063	2,334,459	2,367,093
Less Debt Service	1,677,264	1,677,264	1,677,264	1,677,264	1,677,264
Cash Flow	560,751	592,649	624,799	657,195	689,829
Debt Coverage Ratio	1.33	1.35	1.37	1.39	1.41
Estimated Annual Percentage Increase in Revenue			2.00% (Must be \leq 2%)		
Estimated Annual Percentage Increase in Expenses			3.00% (Must be \geq 3%)		

2022 Low-Income Housing Tax Credit Application For Reservation

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). Total Qualified Basis should equal total on EIR

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

30% Present Value
Credit for Acquisition
Actual or

30% Present Value
Credit for Rehab / New Construction
Actual or

Bldg #	BIN	CREDIT UNITS	MARKET RATE UNITS	Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.	14	0	0	5700 Castlebridge Road		Fredericksburg	VA	22407	\$2,520,000	09/01/22	4.00%	\$100,800	\$1,689,531	02/01/23	4.00%	\$67,581
2.	14	0	0	5704 Castlebridge Road		Fredericksburg	VA	22407	\$2,520,000	09/01/22	4.00%	\$100,800	\$1,689,531	03/01/23	4.00%	\$67,581
3.	12	0	0	5708 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	04/01/23	4.00%	\$57,927
4.	12	0	0	5723 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	05/01/23	4.00%	\$57,927
5.	12	0	0	5728 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	06/01/23	4.00%	\$57,927
6.	12	0	0	5732 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	07/01/23	4.00%	\$57,927
7.	12	0	0	5736 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	08/01/23	4.00%	\$57,927
8.	12	0	0	5740 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	09/01/23	4.00%	\$57,927
9.	12	0	0	5748 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	10/01/23	4.00%	\$57,927
10.	12	0	0	5750 Castlebridge Road		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	11/01/23	4.00%	\$57,927
11.	12	0	0	5700 Netherfield Court		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	12/01/23	4.00%	\$57,927
12.	12	0	0	5701 Brigstock Court		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	01/01/24	4.00%	\$57,927
13.	12	0	0	5705 Brigstock Court		Fredericksburg	VA	22407	\$2,160,000	09/01/22	4.00%	\$86,400	\$1,448,169	02/01/24	4.00%	\$57,927
14.												\$0				\$0
15.												\$0				\$0
16.												\$0				\$0
17.												\$0				\$0
18.												\$0				\$0
19.												\$0				\$0
20.												\$0				\$0
21.												\$0				\$0
22.												\$0				\$0
23.												\$0				\$0
24.												\$0				\$0
25.												\$0				\$0
26.												\$0				\$0
27.												\$0				\$0
28.												\$0				\$0
29.												\$0				\$0
30.												\$0				\$0
31.												\$0				\$0
32.												\$0				\$0
33.												\$0				\$0
34.												\$0				\$0
35.												\$0				\$0

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). Total Qualified Basis should equal total on E/I

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

NUMBER OF Please help us with the process:
 DO NOT use the CUI feature

30% Present Value
 Credit for Acquisition
 Actual or

30% Present Value
 Credit for Rehab / New Construction
 Actual or

DO NOT SKIP LINES BETWEEN BUILDINGS

Bldg #	BIN	TAX CREDIT UNITS	MARKET RATE	Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount

Must Complete

U. Building-by-Building Information

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). Total Qualified Basis should equal total on EII.

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

NUMBER OF **DO NOT use the CUT feature**

DO NOT SKIP LINES BETWEEN BUILDINGS

Bldg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount	30% Present Value Credit for Acquisition			Estimate Qualified Basis	Anticipated In-Service Date	Applicable Percentage	Credit Amount	
													Actual or	Credit for Acquisition	30% Present Value Credit for Rehab / New Construction					
		160																		
Totals from all buildings													\$28,800,000			\$1,152,000	\$19,308,921			\$772,357

Number of BINS: 13

Number of BINS: 13
Basis Tab

Estimate Qualified Basis	70% Present Value Credit		Credit Amount
	Actual Or Anticipated In-Service Date	Applicable Percentage	

Number of BINS: 13
\$ Basis Tab

Estimate Qualified Basis	Actual or Anticipated In-Service Date	70% Present Value Credit Applicable Percentage	Credit Amount
\$0			\$0

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 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 agrees to provide disclosure to all tenants of the availability of Renter Education provided by Virginia Housing.
- 16. that undersigned waives the right to pursue a Qualified Contract on this development.
- 17. 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: *Salem I Redo LLC*

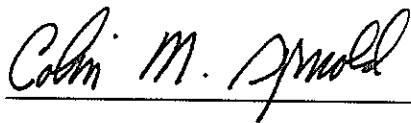
By: *[Signature]*
Its: *Managing Member* (Title)

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:	<u>Colin M Arnold</u>
Virginia License#:	<u>11337</u>
Architecture Firm or Company:	<u>Arnold Design Studio, LLC</u>

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. Items 5f and 5g require 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:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development < no points offered in Cycle 2022 >	N/A	0 pts for 2022	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			0.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	N	Up to 20	0.00
Total:			30.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units			18.00
or c. HUD 504 accessibility for 10% of units	N	0 or 50	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	N	0 or 20	0.00
e. Development will be Green Certified	Y10	0, 10 or 20	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	N	0 or 10	0.00
g. Developments with less than 100 low income units	0%	Up to 15	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	up to 20	0.00
	N	0 or 5	0.00
	Total:		28.00

4. TENANT POPULATION CHARACTERISTICS:

	Locality AMI	State AMI		
	\$129,000	\$59,700		
a. Less than or equal to 20% of units having 1 or less bedrooms			Y	0 or 15
b. <plus> Percent of Low Income units with 3 or more bedrooms			0.00%	Up to 15
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)			0.00%	Up to 10
d. Units with rents at or below 40% of AMI (up to 10% of LI units)			0.00%	Up to 10
e. Units with rent and income at or below 50% of AMI			13.75%	Up to 50
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI			13.75%	Up to 25
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI			13.75%	Up to 50
	Total:			28.75

5. SPONSOR CHARACTERISTICS:

a. Developer experience (Subdivision 5a - options a,b or c)			Y	0, 10 or 25	25.00
b. Experienced Sponsor - 1 development in Virginia			N	0 or 5	0.00
c. Experienced Sponsor - 3 developments in any state			N	0 or 15	0.00
d. Developer experience - life threatening hazard			N	0 or -50	0.00
e. Developer experience - noncompliance			N	0 or -15	0.00
f. Developer experience - did not build as represented (per occurrence)			0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements (per occurrence)			0	0 or -50 per item	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. Socially Disadvantaged Principal owner 25% or greater			N	0 or 5	0.00
k. Management company rated unsatisfactory			N	0 or -25	0.00
l. Experienced Sponsor partnering with Local Housing Authority pool applicant			N	0 or 5	0.00
	Total:				25.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit				Up to 200	59.33
b. Cost per unit				Up to 100	100.00
	Total:				159.33

7. BONUS POINTS:

a. Extended compliance			25 Years	40 or 50	40.00
or b. Nonprofit or LHA purchase option			N	0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option			N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan			N	Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool			N	0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation			Y	0 or 5	5.00
g. Commitment to electronic payment of fees			N	0 or 5	0.00
	Total:				45.00

400 Point Threshold - all 9% Tax Credits
 300 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 316.08

Enhancements:

All units have:

	Max Pts	Score
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	40	0.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	1.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		18.00
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		0.00

Total amenities: 18.00

X.

Development Summary

Summary Information

2022 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Salem Run Apartments Phase I						
Cycle Type:	4% Tax Exempt Bonds Credits	Requested Credit Amount:	\$1,924,357				
Allocation Type:	Acquisition/Rehab	Jurisdiction:	Spotsylvania County				
Total Units	160	Population Target:	General				
Total LI Units	160						Total Score
Project Gross Sq Ft:	204,150.62	Owner Contact:	Michael	McNamara			316.08
Green Certified?	FALSE						

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$29,600,000	\$185,000	\$145	\$1,677,264
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Type of Uses	Amount	Per Unit	Sq Ft	% of TDC	Total Development Costs
Improvements	\$9,186,840	\$57,418	\$45	17.67%	Total Improvements \$13,830,645
General Req/Overhead/Profit	\$1,213,160	\$7,582	\$6	2.33%	Land Acquisition \$35,200,000
Other Contract Costs	\$0	\$0	\$0	0.00%	Developer Fee \$2,967,000
Owner Costs	\$3,430,645	\$21,442	\$17	6.60%	Total Development Costs \$51,997,645
Acquisition	\$35,200,000	\$220,000	\$172	67.70%	
Developer Fee	\$2,967,000	\$18,544	\$15	5.71%	
Total Uses	\$51,997,645	\$324,985			

Income		
Gross Potential Income - LI Units	\$3,108,720	
Gross Potential Income - Mkt Units	\$0	
Subtotal	\$3,108,720	
Less Vacancy % 7.00%	\$217,610	
Effective Gross Income	\$2,891,110	

Rental Assistance? FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$321,301	\$2,008
Utilities	\$138,659	\$867
Operating & Maintenance	\$265,364	\$1,659
Taxes & Insurance	\$183,753	\$1,148
Total Operating Expenses	\$909,077	\$5,682
Replacement Reserves	\$48,000	\$300
Total Expenses	\$957,077	\$5,982

Cash Flow	
EGI	\$2,891,110
Total Expenses	\$957,077
Net Income	\$1,934,033
Debt Service	\$1,677,264
Debt Coverage Ratio (YR1):	1.15

Proposed Cost Limit/Sq Ft:	\$82
Applicable Cost Limit/Sq Ft:	\$231
Proposed Cost Limit/Unit:	\$104,985
Applicable Cost Limit/Unit:	\$225,968

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	160
# of 3BR	0
# of 4+ BR	0
Total Units	160

	Income Levels # of Units	Rent Levels # of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	22	22
60% AMI	138	138
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 40

i. Efficient Use of Resources

Credit Points for 9% Credits:

* 4% Credit applications will be calculated using the E-U-R TE Bond Tab

If the Combined Max Allowable Credits 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.

Combined Max	\$1,924,357		
Credit Requested	\$1,924,357		
% of Savings	0.00%		4% Deals EUR Points
Sliding Scale Points		0	59.33

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 cost 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.

Total Costs Less Acquisition	\$16,797,645		
Total Square Feet	204,150.62		
Proposed Cost per SqFt	\$82.28		
Applicable Cost Limit per Sq Ft	\$231.00		
% of Savings	64.38%		
Total Units	160		
Proposed Cost per Unit	\$104,985		
Applicable Cost Limit per Unit	\$225,968		
% of Savings	53.54%		
Max % of Savings	64.38%	Sliding Scale Points	100.00

2022 Low-Income Housing Tax Credit Application For Reservation

v.2022.1

\$/SF = \$265.14 Credits/SF = 11.51824 Const \$/unit = \$65,000.00

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

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

AVG UNIT SIZE	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
NUMBER OF UNITS	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

AVG UNIT SIZE	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
NUMBER OF UNITS	0	0	1,044.19	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	17,100	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	17,100	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	17,100	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	12,027	0	0	0	0	0
CREDIT PER UNIT POINTS	0.00	0.00	59.33	0.00	0.00	0.00	0.00	0.00

TOTAL CREDIT PER UNIT POINTS 59.33

	Credit Parameters - Elderly							
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST	
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	
Parameter Adjustment - high rise	0	0	0	0	0	0	0	
Adjusted Credit Parameter	0	0	0	0	0	0	0	

	Credit Parameters - General							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	17,100	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	17,100	0	0	0	0	0

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

	Credit Parameters - Elderly							
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST	
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	
Parameter Adjustment - high rise	0	0	0	0	0	0	0	
Adjusted Cost Parameter	0	0	0	0	0	0	0	

	Credit Parameters - General							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	17,100	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	17,100	0	0	0	0	0

A

Partnership or Operating Agreement

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

SALEM I REDO LLC

OPERATING AGREEMENT

This Operating Agreement (this “Agreement”) is made and entered into as of the 1st day of February, 2022, by M AND T MANAGING MEMBER, LLC, a Virginia limited liability company (the “Initial Member”).

Article I. Operating Agreement and Purpose.

A. Formation. The parties to this Agreement acknowledge and affirm the formation of this limited liability company and execute and adopt this Agreement pursuant to the Virginia Limited Liability Company Act, Chapter 12, Title 13.1 of the Code of Virginia (the “Act”).

B. Name. The name of the limited liability company is Salem I Redo LLC (the “Company”).

C. Purpose. The primary purpose of the Company is to purchase, develop, own, construct, subdivide, lease, finance, refinance, manage and sell real property and improvements thereon located in the Commonwealth of Virginia and to engage in any and all other lawful activities as may be necessary, incidental or convenient to carrying out the business of the Company as contemplated by this Agreement. The Company may also pursue any other lawful activity that is approved by the Members.

D. Office. The principal office of the Company is located at 167 West Landing, Williamsburg, Virginia 23185, or at such other place as the Members may designate.

E. Term. The term of the Company shall commence on the date of certification of the initial Articles of Organization of the Company by the Virginia State Corporation Commission, and shall continue in perpetuity until dissolved and terminated as provided in this Agreement.

Article II. Membership Interests; Capital Contributions.

A. Membership Interests. The percentage interest of each Member in the Company (“Membership Interest” or “Interest”) and the business and notice address of each such Member is set forth on Exhibit A.

B. Member. The terms “Member” or “Members” shall include the Initial Member and any other contributor of capital for a Membership Interest and any assignee, transferee, successor, legatee or disposee of all or any part of a Membership Interest, who is admitted to the Company as a Member pursuant to Article VII.

C. Capital Contributions. The initial capital contribution to the Company by each Member is set forth on Exhibit A which is attached to and incorporated in this Agreement by this reference. Additional capital contributions shall only be made as agreed upon by all the Members at that time.

D. Capital Accounts. Capital accounts will be maintained in accordance with Section 704 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations promulgated thereunder. It is the intent of the Members to comply with the purposes of these laws. Property contributions will be reflected in these accounts on the basis of fair market value at the time of contribution, even though the tax basis to the Company may be different.

E. Interest on and Return of Capital Contributions. No Member shall be entitled to interest on its capital contribution. No Member shall be entitled to withdraw any part of its Capital Contribution or its Capital Account or to receive any distribution from the Company, and there shall be no obligation to return to any Member or withdrawn Member any part of such Member's Capital Contributions for so long as the Company continues in existence, except as specifically provided in this Agreement.

F. Loans Not to be Treated as Capital Contributions. Loans or advances by any Member to the Company shall not be considered Capital Contributions and shall not increase the Capital Account balance of the lending or advancing Member. No Member shall be required under any circumstances to contribute or lend any money or property to the Company.

Article III. Profits and Losses; Tax Matters.

A. Allocations of Net Income and Losses. The net income and net losses of the Company shall be divided among and borne by the Members in accordance with their Membership Interests. Notwithstanding anything herein to the contrary, in the event that the principles of Section 704(c) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, require allocations of taxable income or loss of the Company in a manner different than that set forth above, the provisions of Section 704(c) and the regulations thereunder shall control such allocations among the Members.

B. Tax Allocations. Except as otherwise expressly provided in this Agreement or the Code or Treasury Regulations, the Company shall allocate its tax items in the same manner and percentages as its book items are allocated.

C. Tax Year and Accounting Matters. The tax year of the Company shall be the calendar year. The Company shall adopt methods of accounting as the Manager determines upon the advice of the certified public accounting firm servicing the Company.

D. Tax Elections. The Manager may cause the Company to make, refrain from making, or revoke all tax elections provided for under the Code and the Treasury Regulations.

E. Tax Matters Member. Michael L. McNamara shall be the "Tax Matters Partner" as defined in Section 6231(a)(7) of the Code (if that Section is relevant to the Company) with full and complete power to act in that capacity, and to designate one of its officers to fulfill such duties.

Article IV. Distributions of Net Cash Available for Distribution.

A. Net Cash Available for Distribution Defined. The term “Net Cash Available for Distribution” for a fiscal year or any other period of the Company shall mean revenue received from sales or other dispositions of the Property in excess of Company expenditures and obligations and such reserves as the Manager, in its sole discretion, shall determine to retain to provide for working capital and contingencies.

B. Priority of Distribution. Net Cash Available for Distribution shall be distributed among the Members in accordance with their respective Membership Interests on an annual basis or at such shorter intervals as determined by the Manager, in its sole discretion.

Article V. Management of the Company.

A. Management of Operations. The Members hereby unanimously agree that the responsibility for managing the business and affairs of the Company shall be delegated to one or more managers pursuant to Virginia Code Section 13.1-1024 (whether one or more, the “Manager”). Except as otherwise expressly provided in this Agreement, the Manager shall make all decisions with respect to the management of the Company. Until otherwise agreed by the Members, the initial Manager of the Company shall be Michael L. McNamara, who shall be responsible for the management, conduct and operation of all of the Company’s business. In the event there is more than one Manager, any decision by the Manager shall require unanimous agreement by the Manager. In connection therewith, the Manager shall have absolute authority and discretion to take or decline to take any action on the Company’s behalf, without the consent of any Member, including, without limitation, the right to borrow money, encumber property as security for such borrowing, and to manage, operate and rent the property of the Company on such terms as the Manager considers appropriate. The Manager shall be authorized to employ from time to time such persons, firms or corporations (including, but not limited to, architects, engineers and general contractors) for the development, construction and management of the property of the Company and on such terms and for such compensation as the Manager shall consider appropriate. The Manager shall be authorized to execute all documents and to take all other action on the Company’s behalf as the Manager considers appropriate. Notwithstanding the foregoing, the Manager shall have no authority, without the consent of all the Members, to amend this Agreement in any manner to materially negatively alter the preferences, privileges, distributions or relative rights of any of the Members; to elect or remove any Manager; to dissolve the Company; to sell all or substantially all of the assets of the Company; or to admit any additional or substitute Members.

B. Duties of Members. The Members shall devote such time, effort and skill to the Company’s affairs as they deem necessary and proper for the Company’s welfare and success.

C. Fees to Members. Except as expressly provided in this Agreement or by the unanimous consent of the Members, no Member, in its capacity as such, shall be entitled to any fees for services rendered for or on behalf of the Company; however, the Manager will be entitled to reasonable compensation for services rendered to or on behalf of the Company.

D. Limitation on Liability. A Member shall not be liable, responsible or accountable to the Company or any other Member in damages or otherwise for any acts, or for any failure to act, performed in good faith; provided, however, that a Member shall not be relieved of its fiduciary obligations to any other Member and the Company imposed by law, or liability for fraud, bad faith, or gross negligence.

E. Reimbursement. All expenses incurred with respect to the organization, operation, and management of the Company shall be borne by the Company. A Member shall be entitled to reimbursement from the Company for direct expenses incurred by it and allocable to the organization, operation, or management of the Company.

F. Members and Affiliates Dealing with the Company. The Manager may appoint, employ, contract, or otherwise deal with any person, including individuals with whom the Members are related, and business entities which have a financial interest, for transacting Company business, including any acts or services for the Company as the Manager may approve; provided, however, that the fees or other payments and terms of contracts with such parties shall not be less favorable to the Company than would be generally obtainable from unaffiliated parties.

Article VI. Indemnification.

A. Indemnity of Manager. The Manager of the Company shall be indemnified by the Company under the following circumstances and in the manner and to the extent indicated:

1. Every person, and his heirs, executors and administrators, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding of any kind, whether civil, criminal, administrative, arbitral or investigative, or was or is the subject of any claim, and whether or not by or in the right of the Company, by reason of his being or having been a Manager, or by reason of his serving or having served at the request of the Company as a director, officer, manager, employee or agent of another corporation, partnership, limited liability company, joint venture, committee, trust or other enterprise, or at the request of the Company in any capacity that under Federal law regulating employee benefit plans would or might constitute it a fiduciary with respect to any such plan, whether or not such plan is or was for employees of the Company, shall be indemnified by the Company against expenses (including attorneys' fees), judgments, fines, penalties, awards, costs, amounts paid in settlement and liabilities of all kinds, actually and reasonable incurred by him in connection with, or resulting from, such action, suit, proceeding or claim, if he acted in good faith and in the manner he reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, provided that no indemnification shall be made in respect of any claim, issue or matter as to which he shall have been adjudicated to be liable to the Company for willful misconduct or a knowing violation of the criminal law in the performance of his duty to the Company unless, and only to the extent, the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, he is fairly and reasonably entitled to indemnity. The termination of any such action, suit or proceeding by judgment, order or conviction, or upon a

plea of nolo contendere or its equivalent, or by settlement, shall not of itself create a presumption that any such person did not act in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Company.

2. Any indemnification under the preceding paragraph (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination by the Members that indemnification of such person is proper under the circumstances because the Manager had met the applicable standard of conduct set forth in such paragraph.

3. Expenses (including attorneys' fees) incurred by or in respect of any such person in connection with any such action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, may be paid by the Company in advance of the final disposition thereof upon receipt of an undertaking by, or on behalf of, such person to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Company, in which case reimbursement shall not be required.

4. The Members acknowledge, agree and desire that the liability of any Member or Manager to the Company or to any of the other Members shall be eliminated, to the maximum extent possible, pursuant to Virginia Code Section 13.1-1025, as amended. The provisions of this Article are in addition to, and not in substitution for, any other right to indemnity to which any person who is or may be indemnified by or pursuant to this Article may otherwise be entitled, and to the powers otherwise accorded by law to the Company to indemnify any such person and to purchase and maintain insurance on behalf of any such person against any liability asserted against or incurred by it in any capacity referred to in this Article or arising from its status as serving or having served in any such capacity (whether or not the Company would have the power to indemnify against such liability).

5. If any provision of this Article shall be adjudicated invalid or unenforceable, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Company may have under the laws of the Commonwealth of Virginia.

6. No amendment or repeal of this Section shall limit or eliminate the right to indemnification provided hereunder with respect to acts of omissions occurring prior to such amendment or repeal.

B. No Personal Liability to Members. Notwithstanding any provisions of Article VI, the indemnification provided in this Article shall in no event cause the Members to incur any liability beyond their total Capital Contributions plus their share of any undistributed profits of the Company, nor shall it result in any liability of the Members to any third party.

Article VII. Transfer of Membership Interest.

A. No Right to Resign or Withdraw. No Member shall have any right to voluntarily resign or otherwise withdraw from the Company without the written consent of all remaining

Members of the Company.

B. Transfer of Interest. No Member shall, directly or indirectly, transfer, sell, give, encumber, assign, pledge, or otherwise deal with or dispose of all or any part of the its Membership Interest now owned or subsequently acquired by it without the written consent of all remaining Members of the Company. Any transfer in violation of and without full compliance with this Agreement shall be void and without legal effect.

Article VIII. Dissolution.

A. Events Resulting in Dissolution. The Company will be dissolved upon the earlier of its term as set forth in Article I or the occurrence of any of the following:

1. The unanimous written consent of all Members;
2. The sale, transfer or other disposition of substantially all of the non-cash assets of the Company;
3. The adjudication of the Company as insolvent within the meaning of insolvency in either bankruptcy or equity proceedings, or the filing of an involuntary petition in bankruptcy against the Company (which is not dismissed within ninety (90) days), or the filing against the Company of a petition for reorganization under the Federal Bankruptcy Code or any state statute (which is not dismissed within ninety (90) days), or a general assignment by the Company for the benefit of creditors, or the voluntary claim (by the Company) that it is insolvent under any provisions of the Bankruptcy Code (or any state insolvency statutes), or the appointment for the Company of a temporary or permanent receiver, trustee, custodian, sequestrator, and such receiver, trustee, custodian, or sequestrator is not dismissed within ninety (90) days;
4. Upon the death, resignation, expulsion, bankruptcy (which shall mean being the subject of an order for relief under Title XI of the United States Code), or dissolution of a Member, or the occurrence of any other event that terminates the continued membership of a Member in the Company unless, within ninety (90) days of such event, all of the remaining Members agree to continue the Company (with at least two Members at all times as of and after the occurrence of the event described in this Section VIII(A)(4), in which event the business of the Company shall be continued in accordance with this Agreement);
5. When so determined in accordance with other specific provisions of this Agreement; or
6. As otherwise required by the Act.

B. Conclusion of Affairs. In the event of the dissolution of the Company for any reason, the Members shall promptly wind up the affairs of the Company and liquidate its assets. Except as otherwise provided in this Agreement, the Members shall continue to share distributions and tax allocations during the period of liquidation in the same manner as before the

dissolution. The Manager, or if the Manager is unable to serve, a representative elected by a Majority (the "Liquidating Representative") shall have reasonable discretion to determine the time, manner, and terms of any sale of Company property pursuant to such liquidation having due regard to the general financial and economic conditions of the market, consistent with their fiduciary obligations to the Members and if the assets of the Company are to be distributed in kind to the Members.

C. Liquidating Distributions. After providing for the payment of all debts and liabilities of the Company and all expenses of liquidation, and subject to the right of the Manager, or the Liquidating Representative, as the case may be, to set up such reserves as he may deem reasonably necessary for any contingencies or unforeseen liabilities or obligations of the Company, the proceeds of the liquidation and any other assets of the Company shall be distributed to or for the benefit of the Members in accordance with this Agreement. No Member shall have any right to demand or receive property other than cash upon dissolution and termination of the Company; however, the Manager or the Liquidating Representative, as the case may be, shall have the right to distribute assets in kind, valued at the then estimated fair market value of such assets, as a liquidating distribution to the Members, then prior to such distribution, the Capital Account of each Member shall be adjusted to reflect the amount of gain, income or loss that would have been realized if such assets had been sold at fair market value. Such assets shall be distributed on the basis of their fair market value in accordance with this Section VIII(C), and the Capital Account of each Member shall be adjusted to reflect the distribution of such assets as though the adjusted basis of such assets to the Company were equal to the fair market value of such assets. The fair market value of assets to be distributed in kind shall be determined by an independent MAI appraiser, who shall be selected by the Manager or the Liquidating Representative, as the case may be, actively engaged in appraisal work in the Richmond, Virginia metropolitan area.

D. Order of Priority in Liquidation. If the Company is terminated, the Manager, or the Liquidating Representative, as the case may be, will proceed with the liquidation of the Company as provided in the previous section and the proceeds from the liquidation will be applied as follows:

1. First, to the payment of debts and liabilities of the Company, other than loans and advances that may have been made by the Members to the Company, and the expenses of liquidation;
2. Next, the proceeds will be applied to the payment of any loans or advances that may have been made by any Member to the Company, but if the amount available for repayment is insufficient, then on a pro rata basis;
3. Any balance remaining will be distributed to those Members with positive Capital Account balances, pro rata in accordance with their respective Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

E. Termination. Within a reasonable time following the completion of the liquidation of the Company, the Manager, or the Liquidating Representative, as the case may be

(with the help of the Company Accountant), shall supply to each of the Members a statement which shall set forth the assets and the liabilities of the Company as of the date of complete liquidation and each Member's portion of the distributions pursuant to this Agreement. Upon completion of the liquidation of the Company and the distribution of all the Company's assets, the Company shall terminate, and the Manager, or the Liquidating Representative, as the case may be, shall have the authority to execute and record a Certificate of Cancellation of the Company as well as any and all other documents required to effectuate the dissolution and termination of the Company.

F. Required Distribution in Kind Under Certain Circumstances. In the event that the Company is dissolved and not continued after an event of dissolution described in Section VIII A.4 of this Agreement, then those Members who desire to continue the Company, or to continue operating its business in substantially the same manner as before such event of dissolution, shall have the right (but not the obligation) to demand that the assets of the Company be distributed in kind to them and to the successors in interest of any former Members desiring to participate in the continuation of the business, on the condition that any other person (including any Member) holding an interest in the Company is first paid for its interest in the Company, in cash, in an amount equal to the cash such Member would have received if all assets were sold for its fair market value (as determined in Section VIII C), and the proceeds were distributed in accordance with this Agreement.

Article IX. Administrative Provisions.

A. Principal Office.

1. The initial principal place of business and principal office of the Company shall be 167 West Landing, Williamsburg, Virginia 23185. The Company may relocate the principal place of business and principal office and have such additional offices as the Manager may deem advisable.

2. The Manager shall have the power, on behalf of the Company, to designate, where required, a registered agent (or other agent for receipt of service of process) in each state or other jurisdiction in which the Company transacts business and to designate, to the extent required, an office, place of business, or mailing address, within or without that state or other jurisdiction for such purpose. The initial registered office of the Company in Virginia shall be 200 South 10th Street, Suite 1600, Richmond, Virginia 23219, and the initial agent at such address shall be Williams, Mullen, Clark & Dobbins, P.C.

B. Bank Accounts.

1. Funds of the Company shall be deposited in such account or accounts as the Manager shall determine. Funds may be withdrawn from such accounts only for bona fide and legitimate Company purposes. Company funds may from time to time be invested in such securities, money market funds, certificates of deposit, or other liquid assets as the Manager deems appropriate.

2. Members shall not be accountable or liable for any loss of Company funds resulting from failure or insolvency of the depository institution, so long as the deposit of such funds was in compliance with this Agreement.

C. Books and Records. At all times during the term of the Company, the Members shall keep, or cause to be kept, full and faithful books of account, records and supporting documents, which shall reflect, completely, accurately and in reasonable detail, each transaction of the Company (including, without limitation, transactions with the Members). The books of account, records, and all documents and other writings of the Company shall be kept and maintained at the principal office of the Company. Each Member or its designated representative shall, upon reasonable notice to the Members, have access to such financial books, records, and documents during reasonable business hours and may inspect and make copies of any of them at its own expense. The Members shall cause the Company to keep at its principal office the following:

1. Current list of the full name and last known business address of each Member, in alphabetical order;
2. A copy of the Articles of Organization and the Certificate of Organization, and all Articles of Amendment and Certificates of Amendment thereto;
3. Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years; and
4. Copies of the Operating Agreement, as amended, and of any financial statements of the Company for the three most recent years.

D. Notices. Unless otherwise provided herein, any offer, acceptance, election, approval, consent, certification, request, waiver, notice or other communication required or permitted to be given hereunder (hereinafter collectively referred to as a "Notice"), shall be given by enclosing the same in an envelope addressed to the Member to whom the Notice is to be given at the appropriate address set forth on the attached Exhibit A or at such other address as any Member hereafter may designate to the others in accordance with the provisions of this Section IX(D), and delivered in person or deposited in the U.S. Mail, postage prepaid. In addition, any other Members shall be sent a copy of all such Notices, by delivery in person or by U.S. Mail, postage prepaid.

Article X. Miscellaneous

A. Amendment. This Agreement may only be modified or amended by signed written instrument. Except as otherwise required by law, such amendment may only be made in accordance with the unanimous approval of all the Members. The parties further agree to execute any amendment to this Agreement as may be considered necessary by legal counsel to the Company in order for it to be treated as a partnership for federal and state income tax purposes.

B. Enforceability. The waiver by any party to this Agreement of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach by any party. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid and unenforceable provision were omitted.

C. Binding Effect. This Agreement will inure to the benefit of and be binding upon the parties to this Agreement, their successors, heirs, personal representatives and assigns.

D. Interpretation. Whenever the context may require, any noun or pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

E. Further Assurances. Each Member hereby agrees that it shall hereafter execute and deliver such further instruments, provide all information and take or forbear such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

F. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together will constitute one instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

G. Obligation of Good Faith and Reasonableness. The Members agree to exercise good faith and reasonableness in the interpretation and implementation of the provisions of this Agreement.

H. Governing Law. This Agreement shall be construed, governed and enforced in accordance with the laws of the Commonwealth of Virginia, without reference to the conflicts of laws rules of the Commonwealth of Virginia or any other jurisdiction.

I. Headings. The headings, subheadings and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing or enforcing any of the provisions of this Agreement.

J. Entire Agreement. This Agreement contains the entire understanding between the Members and supersedes any prior written or oral agreements between them respecting the subject matter within. There are no representations, agreements, arrangements or understandings, oral or written, between the Members relating to the subject matter of this Agreement, which are not fully expressed herein.

The undersigned, being the Initial Member of the Company, hereby agrees, acknowledges and certifies that the foregoing Operating Agreement, including the attached schedules and exhibits, constitutes the sole and entire Operating Agreement of the Company, adopted as of the date first above written.

MEMBER:

M AND T MANAGING MEMBER, LLC, a
Virginia limited liability company

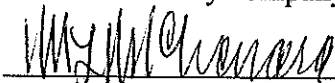
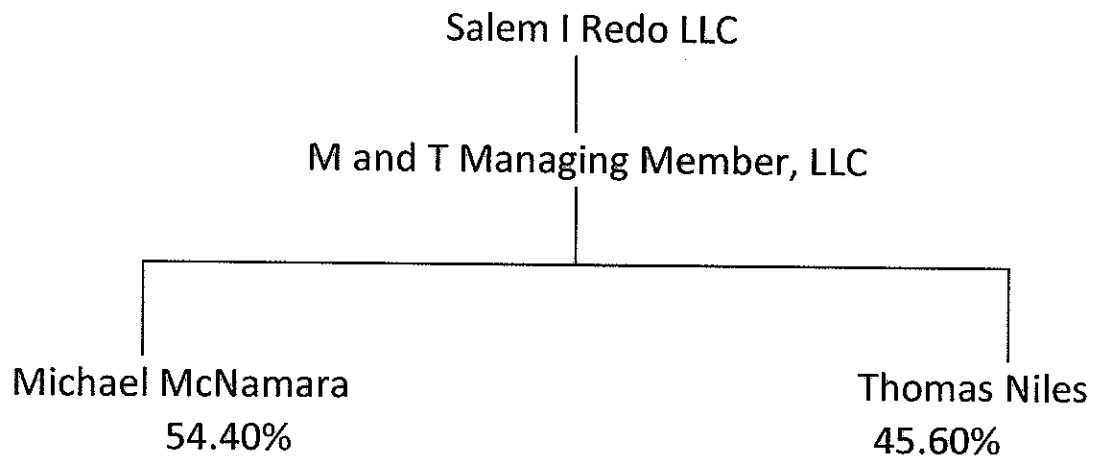
By:  (SEAL)
Michael L. McNamara, Manager

EXHIBIT A

Membership Interests and Capital Contributions

Name and Address of Member	Membership Interest	Initial Capital Contribution
M and T Managing Member, LLC 167 West Landing Williamsburg, VA 23185	100.00%	\$100.00
TOTALS	100.00%	\$100.00

47002126_1



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of _____, 2022, by and between SALEM I REDO LLC, a Virginia limited liability company (the "Company"), BASTION DEVELOPMENT CORPORATION, a Virginia corporation, and TEN DEVELOPMENT, INC., a Virginia corporation (collectively, the "Developer").

WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, acquire, maintain, lease and operate certain property as low-income residential rental housing, known as Salem Run Apartments – Phase 1, located in Spotsylvania County, 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, 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) 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 Company or any representative or auditor thereof or supervisory or regulatory authority.

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 _____ and No/100 Dollars (\$_____.00). 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 in accordance with the schedule set forth in the Company's Amended and Restated Operating Agreement.

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 (13th) 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.

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:

SALEM I REDO LLC,
a Virginia limited liability company

By: M and T Managing Member LLC,
a Virginia limited liability company,
its Manager

By: _____
Name: Michael L. McNamara
Title: Manager

DEVELOPER:

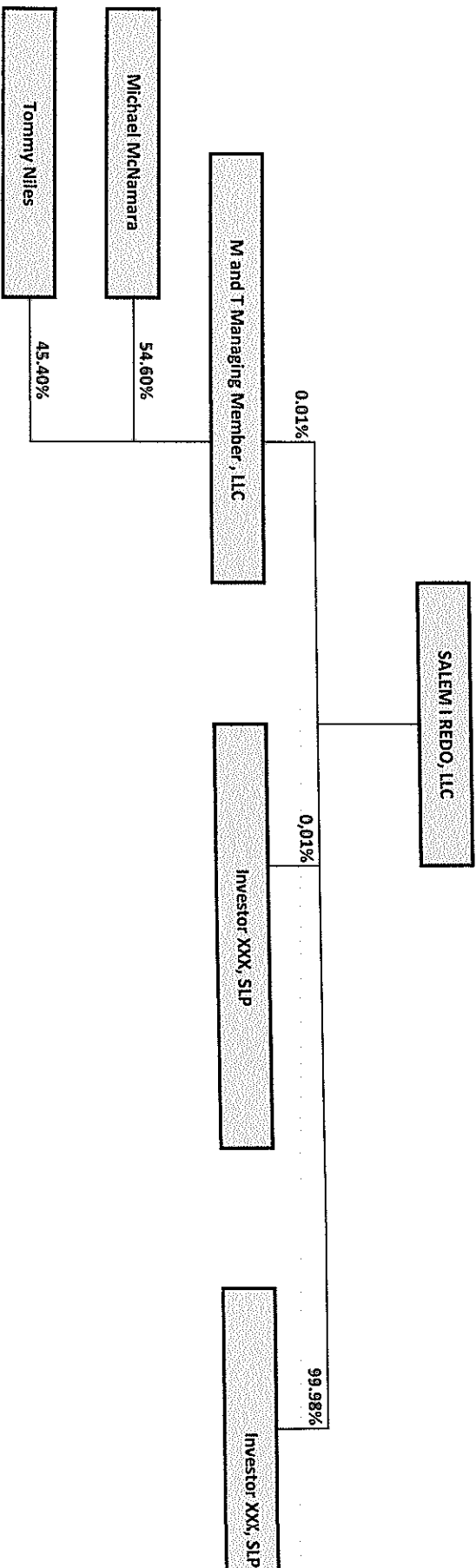
BASTION DEVELOPMENT
CORPORATION,
a Virginia corporation

By: _____
Name: Michael L. McNamara
Title: President

TEN DEVELOPMENT, INC.,
a Virginia corporation

By: _____
Name: Thomas R. Niles, III
Title: President

ORGANIZATION CHART - BORROWER/BUYER



B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 18, 2022

This is to certify that the certificate of organization of

Salem I Redo 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 18, 2022



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Clerk of the Commission

Limited Liability Company - Articles of Organization

Entity Information

Entity Name: Salem I Redo LLC Entity Type: Limited Liability Company

Business Type

Industry Code: 0 - General

Duration

Perpetual(never)

Registered Agent Information

RA Type: Entity

Locality: RICHMOND CITY

RA Qualification: N/A

Name: Williams, Mullen, Clark &
Dobbins, P.C.

Email Address: lconner@williamsmullen.com

The company's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is:

Registered Office 200 S 10th St Ste 1600,
Address: Richmond, VA, 23219 -
4061, USA

Contact Number: N/A

Principal Office Address

Address: 167 W Landing, Williamsburg, VA, 23185, USA

Principal Information

Management Structure: N/A

Signature Information

Date Signed: 01/18/2022

Executed in the name of the limited liability company by:

Printed Name	Signature	Title
Allison T. Domson	Allison T. Domson	Organizer

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, JANUARY 18, 2022

The State Corporation Commission has found the accompanying articles of organization submitted on behalf of

Salem I Redo LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the Commission, effective January 18, 2022.

The limited liability company is granted the authority conferred on it by law in accordance with the articles of organization, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By

A handwritten signature in black ink, appearing to read "Angela Navarro", with a long horizontal flourish extending to the right.

Angela L. Navarro
Commissioner



COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

Office of the Clerk

January 18, 2022

Alexis Hoover
Williams Mullen
200 South 10th Street, Suite 1600
Richmond, VA, 23219

RECEIPT

RE: Salem I Redo LLC
ID: 11331997
FILING NO: 2201184083975
WORK ORDER NO: 202201182347517

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing articles of organization for a limited liability company with this office.

The effective date of the certificate of organization is January 18, 2022.

If you have any questions, please call (804) 371-9733 or toll-free 1-866-722-2551.

Sincerely,

Bernard J. Logan
Clerk of the Commission

Delivery Method: Email

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:

Name of Applicant (entity):

SALEM RUN APARTMENTS - PHASE I
SALEM I REDO LLC

I hereby certify that:

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

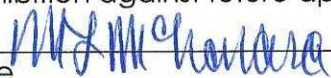
Previous Participation Certification, cont'd

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

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

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

Signature



Printed Name

MICHAEL L. MCNAMARA

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

6/25/22

D

List of LIHTC Developments
(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Salem Run Phase I

Name of Applicant: Salem I Redo 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 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Maplewood	Chickahominy Redo, LLC	N	320	320	10/14/2010	2012	N
2	Chesapeake, VA	757-220-6628						
3	Preston Place	Preston Place Redo, LLC	N	236	236	8/30/2012	2013	N
4	Winchester, VA	757-220-6628						
5	Bradford Mews	Bradford Mews Redo, LLC	N	120	120	8/13/2012	2013	N
6	Smithfield, VA	757-220-6628						
7	Pilot House	Pilot House Redo, LLC	N	132	132	10/15/2013	2015	N
8	Newport News, VA	757-220-6628						
9	Rolling Meadows	Rolling Meadows Redo, LLC	N	200	200	11/5/2013	3/13/2015	N
10	Williamsburg, VA	757-220-6628						
11	Peters Creek	Peters Creek Redo, LLC	N	168	168	11/12/2015	2017	N
12	Roanoke, VA	757-220-6628						
13	Chickahominy Bluffs	Chickahominy Redo, LLC	N	120	120	12/22/2015	8/17/2017	N
14	Mechanicsville, VA	757-220-6628						
15	Virginia Center Commons	Virginia Center Redo, LLC	N	180	180	9/9/2014	2016	N
16	Hanover County, VA	757-220-6628						
17	Adams Crossing	Adams Crossing Asso., LLC	N	192	192	5/29/2014	5/12/2015	N
18	Waldorf, MD	757-220-6628						
19	Adams Crossing II	Adams Crossing II Asso., LLC	N	72	72	7/21/2017	5/24/2018	N
20	Waldorf, MD	757-220-6628						
21	Adams Crossing III	Adams Crossing III Asso., LLC	N	48	48	1/25/2019	12/2/2019	N
22	Waldorf, MD	757-220-6628						
23	Monmouth Woods	Monmouth Woods Redo, LLC	N	152	152	11/15/2013	4/30/2015	N
24	Dalgren, VA	757-220-6628						
25	Dulles Center Phase I	Dulles Redo LLC	N	144	144	Dec-21	NA	N
26	Fairfax	757-220-6628						
27	Dulles Center Phase II	Dulles II Redo LLC	N	128	128	12/1/2021	NA	N
28	Fairfax	757-220-6628						
29	Lee Overlook	Lee Overlook Redo LLC	N	195	195	Dec-21	NA	N
30	Fairfax County	757-220-6628						
31								
32								
33								
34								
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: 2,407 2,407

LIHTC as % of
100% Total Units

List of LIHTC Developments (Schedule A)



Development Name: Salem Run Phase I

Name of Applicant: Salem I Redo 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 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Michael McNamara 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 of the time of dev.? [Y/N]*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
1	Maplewood	Chickahominy Redo, LLC	Y	320	320	10/14/2010	2012	N
2	Chesapeake, VA	757-220-6628						
3	Preston Place	Preston Place Redo, LLC	Y	236	236	8/30/2012	2013	N
4	Winchester, VA	757-220-6628						
5	Bradford Mews	Bradford Mews Redo, LLC	Y	120	120	8/13/2012	2013	N
6	Smithfield, VA	757-220-6628						
7	Pilot House	Pilot House Redo, LLC	Y	132	132	10/15/2013	2015	N
8	Newport News, VA	757-220-6628						
9	Rolling Meadows	Rolling Meadows Redo, LLC	Y	200	200	11/5/2013	3/13/2015	N
10	Williamsburg, VA	757-220-6628						
11	Peters Creek	Peters Creek Redo, LLC	Y	168	168	11/12/2015	2017	N
12	Roanoke, VA	757-220-6628						
13	Chickahominy Bluffs	Chickahominy Redo, LLC	Y	120	120	12/22/2015	8/17/2017	N
14	Mechanicsville, VA	757-220-6628						
15	Virginia Center Commons	Virginia Center Redo, LLC	Y	180	180	9/9/2014	2016	N
16	Hanover County, VA	757-220-6628						
17	Adams Crossing	Adams Crossing Asso., LLC	Y	192	192	5/29/2014	5/12/2015	N
18	Waldorf, MD	757-220-6628						
19	Adams Crossing II	Adams Crossing II Asso., LLC	Y	72	72	7/21/2017	5/24/2018	N
20	Waldorf, MD	757-220-6628						
21	Adams Crossing III	Adams Crossing III Asso., LLC	Y	48	48	1/25/2019	12/2/2019	N
22	Waldorf, MD	757-220-6628						
23	Monmouth Woods	Monmouth Woods Redo, LLC	Y	152	152	11/15/2013	4/30/2015	N
24	Dalgren, VA	757-220-6628						
25	Dulles Center Phase I	Dulles Redo LLC	Y	144	144	Dec-21	NA	N
26	Fairfax	757-220-6628						
27	Dulles Center Phase II	Dulles II Redo LLC	N	128	128	12/1/2021	NA	N
28	Fairfax	757-220-6628						
29	Lee Overlook	Lee Overlook Redo LLC	Y	195	195	Dec-21	NA	N
30	Fairfax County	757-220-6628						
31								
32								
33								
34								
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:

2,407 2,407

LIHTC as % of
100% Total Units

E

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

AGREEMENT FOR PURCHASE OF REAL ESTATE

THIS AGREEMENT FOR PURCHASE OF REAL ESTATE (this "Agreement") is made this 21st day of March, 2022, by and between SALEM RUN ASSOCIATES, L.P., a Virginia limited partnership ("Seller"), and SALEM I REDO LLC, a Virginia limited liability company, or its assigns ("Purchaser").

RECITALS

A. Seller is the sole legal owner of that certain lots, pieces or parcels of land located in Spotsylvania County, Virginia (the "Locality"), and containing 160 apartment units and commonly known as Salem Run Apartments – Phase 1, more fully described in Exhibit A attached hereto, together with all improvements, furnishings and fixtures, being hereinafter collectively referred to as the "Property".

B. Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Sale of Property. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, the Property.

2. Purchase Price. The purchase price for the Property shall be THIRTY-FIVE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$35,200,000.00) (the "Purchase Price"). Seller will be solely responsible for paying any and all yield maintenance and/or prepayment penalties associated with Seller's payoff of its existing loan(s) secured by the

Property.

3. Closing.

A. Purchaser is applying for a loan from VHDA to acquire and renovate the Property. Closing on the purchase of the Property (hereinafter referred to as the "Closing") shall take place at the closing of the VHDA loan, but in no event later than December 31, 2022.

B. At Closing, Seller shall convey to Purchaser, by Special Warranty Deed (the "Deed"), good and marketable fee simple title to the Property free and clear of any and all encumbrances except current taxes and Permitted Exceptions. The Deed shall describe the Property according to the survey.

4. Entire Agreement. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties and may not be modified or changed except by written instrument executed by the parties.

5. Headings. Headings used in this Agreement are used for convenience only and shall not be considered when construing this Agreement.

6. Possession. Possession of the Property shall be delivered as of the date of Closing, free and clear of any tenancies.

7. Business Days. If any action is required under the provisions of this Agreement to occur by a date that is a Saturday, Sunday or legal holiday, such date shall be extended to the first day thereafter that is not a Saturday, Sunday or legal holiday.

8. Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart. It shall be sufficient that the signature of, or on behalf of, each party, or that

the signatures of the persons required to bind each party, appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement.

9. Severability. If any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to other persons or circumstances, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10. Governing Law. This Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Virginia, without reference to its choice of law provisions.

[SIGNATURE PAGE FOLLOWS]

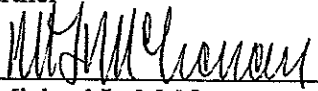
WITNESS the following signatures:

SELLER:

SALEM RUN ASSOCIATES, L.P., a Virginia limited partnership

By: Castle Development Corporation, a Virginia corporation, its authorized General Partner

Date: March 21, 2022

By: 
Michael L. McNamara,
President

PURCHASER:

SALEM I REDO LLC, a Virginia limited liability company

By: M and T Managing Member, LLC, a Virginia limited liability company, its Manager

Date: March 21, 2022


By: 
Michael L. McNamara
Manager

EXHIBIT A
LEGAL DESCRIPTION

ALL that certain tract or parcel of land, with all improvements thereon and all appurtenances thereto, (i) situate, lying and being in the Courtland District, Spotsylvania County, Virginia, and containing 13.1050 acres, (ii) being Parcel E of Salem Run Subdivision, designated as "Parcel E" on that certain plat prepared by Harry A.V. Lundstrom, Jr., dated November, 1994, last revised November 29, 1994, consisting of three sheets, entitled "Plat Showing Parcel E & F Salem Run Courtland District Spotsylvania County, Va.", and recorded in the Clerk's Office, Circuit Court, County of Spotsylvania, Virginia, in Plat File 4, pages 761-763 (the "Plat"), and (iii) more particularly described as follows:

BEGINNING at a point on the north property line and the east right of way line of Route 639, Salem Church Road, thence along the north property line of Salem Run Subdivision, Tax Map #23-004-69, Acquired by Salem Run Company, L.L.C., recorded in Deed Book 1249, page 122, a common line with Lucus S 73 degrees 55' 31" E 533.51 feet to true point of beginning: Thence continuing along the north property line of Salem Run Subdivision S 73 degrees 55' 31" E 860.00 feet; thence S 28 degrees 39' 29" W 740.00 feet; thence N 61 degrees 20' 31" W 320.00 feet; thence S 80 degrees 15' 08" W 151.82 feet; thence N 73 degrees 55' 31" W 206.20 feet; thence N 61 degrees 03' 18" W 218.00 feet; thence N 39 degrees 58' 44" W 67.13 feet; thence with a curve to the right having a radius of 180.00 feet and an arc length of 176.11 feet; thence S 73 degrees 55' 31" E 75.27 feet; thence N 16 degrees 04' 29" E 553.11 feet to the true point of beginning and containing 13.1050 acres more or less.

BEING the same real estate conveyed to Salem Run Associates, L.P., a Virginia limited partnership, by deed from Salem Run Company, L.L.C. a Virginia limited liability company, dated November 28, 1994, recorded November 30, 1994, in the Clerk's Office, Circuit Court, County of Spotsylvania, Virginia, in Deed Book 1262, page 425.



Office of Real Estate Assessments
 9104 Courthouse Road
 P.O. Box 939
 Spotsylvania, VA 22553-0939

COMMONWEALTH OF VIRGINIA
 COUNTY OF SPOTSYLVANIA
 (540) 507-7777

Tax Year 2022
THIS IS NOT A TAX BILL

February 9, 2022

*047481/1-S 142.-B 1.



Tax Map # 23Q 1 - -E
 Salem Run Associates LP Attn: Michael McNamara
 167 W LANDING
 WILLIAMSBURG VA 23185-8255

SPECIAL MESSAGE
 The Tax Rate for 2022 has not been set. The Spotsylvania County Board of Supervisors will hold a Public Hearing regarding the tax rate on March 31, 2022 at Courtland High School, 6:30PM.

NOTICE OF REAL ESTATE ASSESSMENT CHANGE

Legal Description: Salem Run Apartments
 Parcel E
 Land Area: 13.11 Acres

In accordance with the Code of Virginia, you are hereby notified that the assessment on the above described parcel for 2022 will be as follows:

	1/1/2020 Landbook	1/1/2021 Landbook	2022 Proposed Assessment
	Reassessment Year	Reassessment Year	Reassessment Year
Land:	\$2,640,000	\$2,640,000	\$2,640,000
Building:	\$10,261,900	\$10,261,900	\$13,169,500
Total:	\$12,901,900	\$12,901,900	\$15,809,500

DEADLINES

Deadline for appeals to appraisers is 4:30PM Wednesday, March 2, 2022
 Deadline for appeals to the Board of Equalization is April 30, 2022
 This board must complete its work by June 30, 2022

APPRAISER#	10	Appeal hearings with appraisers: Via telephone (540)507-7777 Monday-Friday 9:00AM - 3:00PM, February 9 through March 2 (Please have documentation to support your appeal)
TAX MAP NUMBER	23Q 1 - -E	
ACCOUNT NUMBER	1398437	
TELEPHONE NUMBER	540-507-7777	

www.spotsylvania.va.us/502/assessment-office

The Office of Real Estate Assessments reviews and assesses property every two years. This assessment notice reflects the revised assessed value as of January 1st. Spotsylvania County is required to assess property at one hundred percent (100%) of fair market value (Code of Virginia, Taxation Section 58.1-3201).

Prior assessments are shown for reference only. Property values change from year to year due to market appreciation or depreciation, new construction, additions, rezoning, land subdivisions, or other changes. Reassessments ensure accuracy, uniformity and equalization of assessed values throughout the County. This assessment has been made by County staff appraisers.

PLEASE REVIEW THIS NOTICE VERY CAREFULLY. While every effort has been made to arrive at a fair and equitable assessment, sometimes errors do occur. If you have questions concerning this assessment or if you need additional detailed information, please call the Office of Real Estate Assessments at (540)507-7777 between the hours of 9:00a.m. - 3:00p.m., Monday through Friday.

Pursuant to Va. Code § 58.1-3331, you have the right to review and obtain copies of all assessment records pertaining to the Assessing Officer's determination of fair market value of your real property. In addition, you have the right to request that the assessor make a physical examination of your property.

F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

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

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

In addition provide HERS rating documentation as specified in the manual

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

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 Virginia Housing 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 Virginia Housing 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 Virginia Housing.

FALSE Earthcraft Certification - The development's design meets the criteria to obtain 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

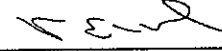
Signed: 

Date: 4/7/22

Printed Name: Stacey Smith

RESNET Rater

Resnet Provider Agency
Viridian

Signature 

Provider Contact and Phone/Email

Sean Evensen-Shanley (804)212-1934 /sean.shanley@viridian.org

Salem Run Apartments I and II - 2022 Pre-Review Comments

Project Address

5715 Castlebridge Road
Fredericksburg, VA 22407

Project Summary

Salem Run Apartments I is a renovation low-rise multifamily development, comprised of 160 two bedroom units located in Fredericksburg, VA. Salem Run Apartments II is comprised of 108 two and three bedroom units. As part of their funding application the project is seeking HERS certification demonstrating a HERS score of 80 or less. Kristin Moye of Arnold Design Studios is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v4.0.1 based on the proposed scope and plans provided by the project team. The following outlines the scope as it is currently modeled.

Enclosure:

- R-10 Slab edge insulation at slab on grade locations (existing based on as-built plans)
- R-11 at Basement level retaining wall
- R-13 Fiberglass batts cavity insulation (existing per specifications sheet)
- R-38 Grade II attic insulation (existing + new scope)
- Hollow Core wood doors (assumed, default U values used)
- 0.32 U-Value/0.27 SHGC windows & glass doors (new based on specifications sheet)

Mechanicals:

- 18k, 14 SEER, 8.2 HSPF air source heat pump, programmable thermostat (new, based on specifications sheet) located in unconditioned space/unconditioned “garage”
- 0.93 UEF storage electric water heaters, 40/50 gallons (new, based on specifications sheet)
- 5 ACH₅₀ for infiltration threshold/blower door test (TESTING VALUES ASSUMED)
- 4% duct leakage to the outside, 8% total duct leakage (TESTING VALUES ASSUMED)
- Top floor ducts located in attic insulated to R-4, buried under insulation. Other ductwork assumed uninsulated

Lights & Appliances:

- ENERGY STAR rated kitchen appliances (500 kWh/yr or less Fridge, 270 kWh/yr dishwasher)
- No laundry equipment
- Low Flow fixtures
- Advanced lighting 100% LED



Project Name: Salem Run I
Construction Type: Renovation
Energy Efficiency Path: HERS 80 or better

Unit Type	Quantity	HERS
2 BR Basement	4	79
2 BR Mid Floor/Slab on grade	104	77
2 BR, Top Fl	52	78
Projected Project HERS - Weighted Average		77

Project Name: Salem Run II
Construction Type: Renovation
Energy Efficiency Path: HERS 80 or better

Unit Type	Quantity	HERS
2 BR 1-2 Fl	36	77
2 BR Top Fl	18	78
3 BR 1-2 Fl	36	77
3 BR Top Fl	18	80
Projected Project HERS - Weighted Average		78

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

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey Smith".

Stacey Smith
Project Manager, Viridiant



G

Zoning Certification Letter
(MANDATORY)

Zoning Certification

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Salem Run Apartments

Name of Owner/Applicant: Salem I Redo LLC

Name of Seller/Current Owner: Salem Run Associates, L.P.

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:

5700 Castlebridge Road and 5715 Castlebridge Road

Legal Description:

Parcel E, 13.11 acres, Salem Run Apartments

PIN # 23Q-1-E

Proposed Improvements:

<input type="checkbox"/> New Construction:	<u> </u> # Units	<u> </u> # Buildings	<u> </u> Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u> </u> # Units	<u> </u> # Buildings	<u> </u> Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	<u> 160 </u> # Units	<u> 13 </u> # Buildings	<u> 204,150.62 </u> Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: Residential-2 (R-2) PUD allowing a density of _____ units per acre, and the following other applicable conditions: _____

Refer to Zoning Confirmation Letter dated February 24, 2022.

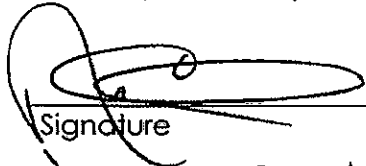
Other Descriptive Information:

Refer to Zoning Confirmation Letter dated February 24, 2022

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



Signature

Nanci L. Curtis
Printed Name

Code Enforcement officer
Title of Local Official or Civil Engineer

540.507.7256
Phone:

24 February 2022
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 JD Bondurant at (804) 343-5725.

Board of Supervisors
DEBORAH H. FRAZIER
LORI HAYES
KEVIN W. MARSHALL
TIMOTHY J. MCLAUGHLIN
DAVID ROSS
CHRIS YAKABOUSKI



Department of Planning & Zoning

B. LEON HUGHES, AICP
Director

9019 OLD BATTLEFIELD BLVD., STE 320
SPOTSYLVANIA, VA 22553
(540) 507-7434

February 28, 2022

Cabell Jones, William Mullen
200 S 10th Street
Richmond, Virginia 23219

Re: Zoning Confirmation for Tax Map 23-A-69J

Ms. Jones:

In response to your request, please be advised of the following:

1. The Property is located within the County of Spotsylvania, Virginia.
2. The Property is zoned Residential-2 (R-2) and is subject to the Zoning Ordinance of Spotsylvania County. A copy of the applicable section of the Zoning Ordinance (including zoning classification, setback, height, and bulk requirements) are attached.
3. The Property is partially located within the Primary Highway Corridor Overlay District (HCOD). Copy of the applicable Zoning Ordinance section is attached.
4. The parent parcel, TM# 23-A-69, is subject to land use conditions (Special Use Permit SP96-10, Conditional Use Case CZ89-3, CP89-22, CP91-36, CP94-5, and Rezoning Case R93-6) in connection with the use of the Property. Copies are attached.
5. The use of the Property for apartments is a permitted use under Planned Unit Developments.
6. No application for rezoning of the Property, for a Special Use Permit, or for a variance in connection with the Property is now pending.
7. The undersigned is not aware of any other permit or license requirement which a purchaser must obtain before they may acquire the Property or before the Property may continue to be used in the manner in which it is presently being used.
8. The Zoning Office has no record of any pending zoning violations having been filed with respect to the Property, and the undersigned is unaware of any violations of the applicable portions of the Zoning Ordinance.

Tax Map 23-A-69J
February 28, 2022
Page 2

If you have additional questions, please feel free to contact me directly at the Zoning Office, 540-507-7256.

Sincerely,

A handwritten signature in black ink, appearing to read "Nanci L. Curtis", written over a faint, circular stamp or watermark.

Nanci L. Curtis, CZA, CTM
Code Enforcement Officer

Attachments: Real Estate Sheets
Tax Map Sheet
Copy of Zoning Ordinance Excerpts
Copy of Special Use Permit SP96-10
Copy of Rezoning R93-6
Copy of Conditional Use CZ89-3, CP89-22, CP91-36, CP93-9, CP94-5
Copy of Paid Receipt

cc: File Copy

H

Attorney's Opinion
(MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6915
adomson@williamsmullen.com

March 31, 2022

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

RE: 2022 Tax Credit Reservation Request

Name of Development: Salem Run Apartments Phase I
Name of Owner: Salem I Redo 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 31, 2022 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

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

WILLIAMS MULLEN

March 31, 2022

Page 2

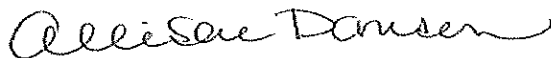
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
6. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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

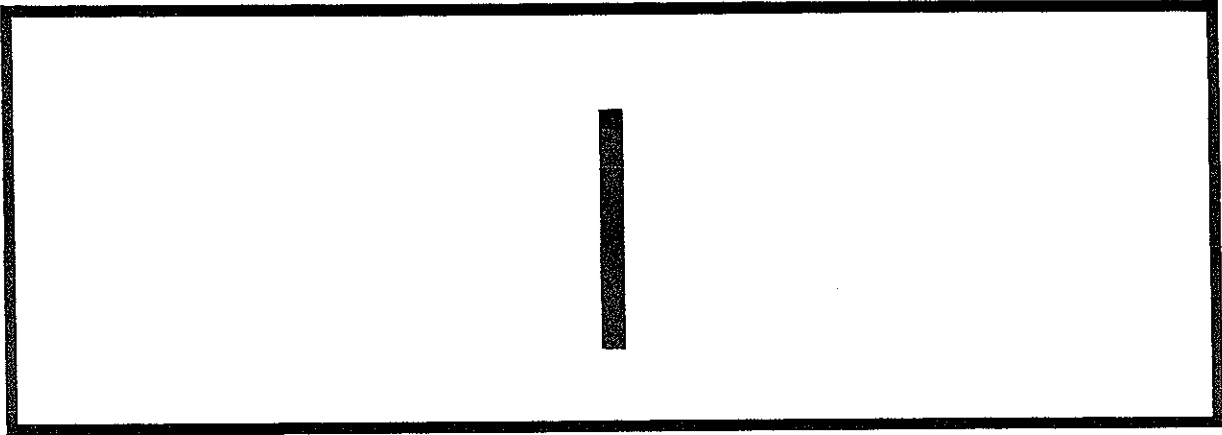
WILLIAMS MULLEN, A Professional Corporation



By: _____

Allison T. Domson

Its: Shareholder



Nonprofit Questionnaire

(MANDATORY for points or pool)

J

Relocation Plan
Including Unit
Delivery Schedule
(MANDATORY, if tenants are displaced)

Salem I Redo Relocation Plan

Management Company Contact:

Thomas Niles – 301-587-3330
8630 Fenton St, #625
Silver Spring, MD. 20910

Scope of Rehab:

The renovations will include:

- Brand new kitchens with new maple cabinets and designer granite-look countertops
- New durable and low maintenance wood style, vinyl plank flooring in the hallway, kitchen, and dining area
- Replacement of the old, drafty windows with energy-efficient, insulated windows
- New bathroom vanities and fixtures
- New energy-efficient HVAC units with digital thermostats
- New attractive black appliances in the kitchen
- LED lights in all units and on all buildings
- Attractive new exterior on all buildings along with site improvements and improved ADA accessibility
- Renovated clubhouse
- And more!

Temporary Housing During Interior Rehab Portion:

During the interior rehab portion of the renovations residents will need to temporarily relocate. Nearby hotels will be available and the Resident Coordinator will handle all reservations should the resident choose that option. The resident will be provided packing materials upon request so they can pack up kitchen items and any other small, delicate items prior to construction beginning. Direction will be given where to place the boxes in the unit once packed. If a resident needs assistance with physically moving items, they need to notify the Resident Coordinator and assistance will be coordinated. Professional movers will be on hand to move large furniture items to allow access for contractors. The goal is always to keep the belongings in the unit but if there is insufficient room available in the unit the movers will move the belongings out into a secured container and then back again once work is completed. Throughout the rehab the Resident Coordinator will send out all required notices to the residents within the required time tables and keep copies of notices in resident files. Costs related to temporary relocation and/or moving of personal items will be handled and paid for through Management and coordinated by Resident Coordinator.

Projected Rents Upon Completion:

2 bedroom rents @ 60% AMI - \$1589/mo
3 bedroom rents @ 60% AMI - \$1828/mo
2 bedroom rents @ 50% AMI - \$1299/mo
3 bedroom rents @ 50% AMI - \$1492/mo

Advisory Services During Rehab:

During the rehab of your property a Resident Coordinator has been hired to assist the residents.

Resident Coordinator duties include but are not limited to:

- Answer any and all questions regarding the rehab
- Issuing all necessary notices to residents for construction schedules
- Handling any resident special needs
- Scheduling of temporary housing during interior work
- Notification and scheduling of contractors in units and around property
- Supply residents with moving supplies when requested
- Assist in food options when needed while unit interior work is taking place
- Inspect units to ensure resident preparedness before work begins

Schedule of Rehab:

Exterior renovations will begin in Sept 2022 and interior renovations should begin around November of 2022. The goal of interior renovations is to complete a building every 1-2 weeks with the actual time per unit targeted at 5 days. With this schedule all interior renovations will be completed by the end of 2023.

K

Documentation of
Development Location

K.1

Revitalization Area
Certification

K.2

Location Map

Salem Run Apartments

Address: 5715 Castlebridge Rd, Fredericksburg, VA 22407

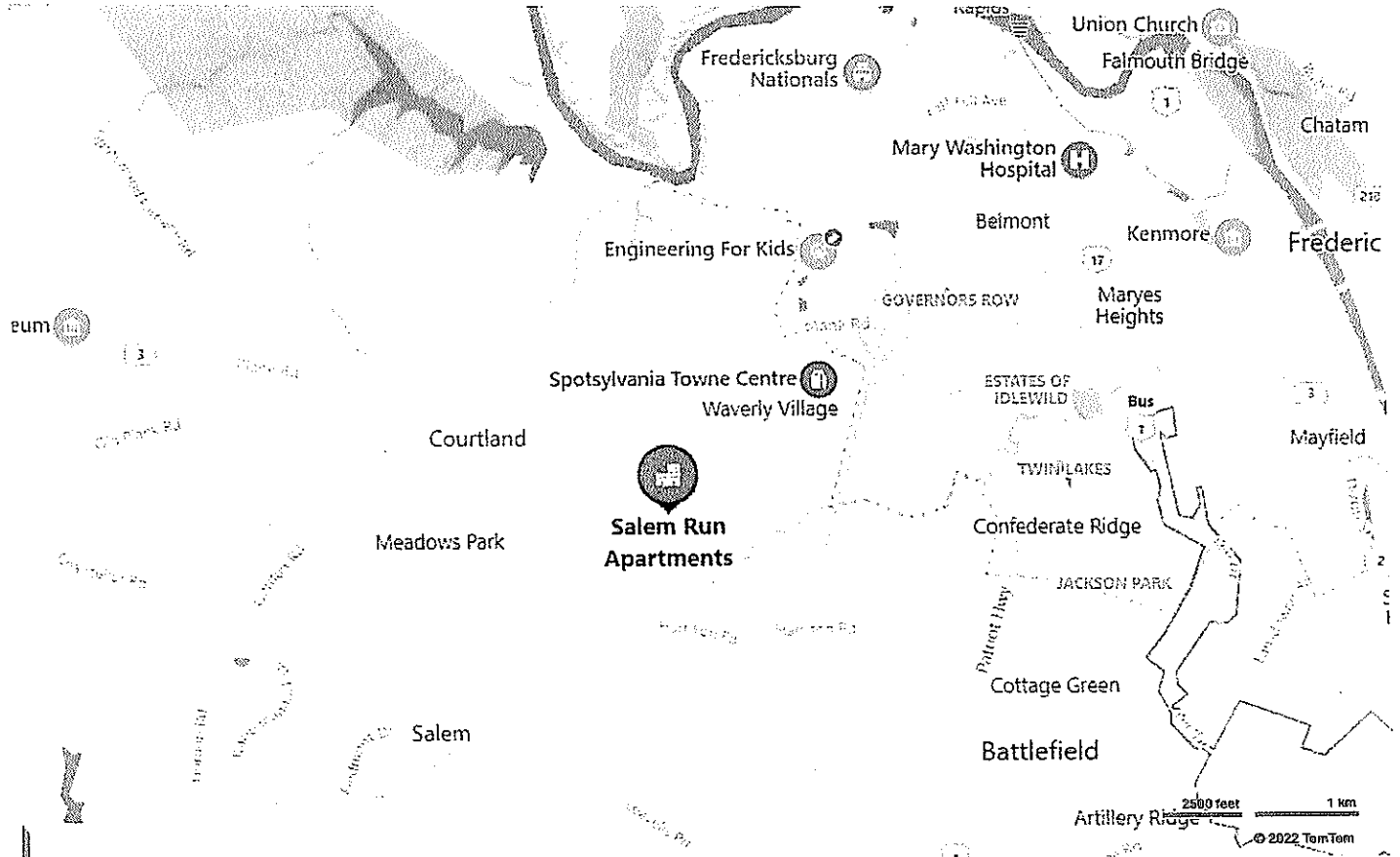
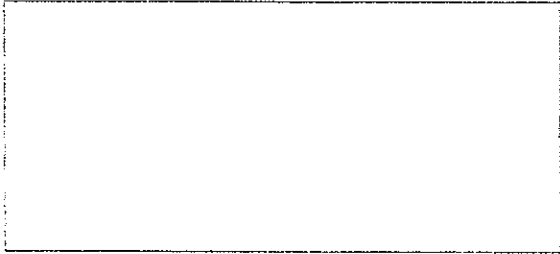
Phone: (540) 785-7089

Website: <https://rentwithsalemrun.com/>

Hours

Monday - Friday 9:00 AM - 6:00 PM

Saturday 9:00 AM - 5:00 PM



Data from: Facebook · Foursquare

K.3

Surveyor's Certification of
Proximity to Public
Transportation



20110 Ashbrook Place
Suite 100
Ashburn, VA 20147

P 703.726.1342
F 703.726.1345
www.timmons.com

Surveyor's Certification of Proximity to Transportation

DATE: January 27, 2022

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Salem Run Apartments I

Name of Owner: Salem Run Associates, LP

Gentlemen:

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

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

- 2,640 feet or 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.

Timmons Group

Firm Name

By: _____

Its: Principal – Survey Group Leader
Title



L

PHA/Section 8 Notification
Letter

PHA or Section 8 Notification Letter

DATE: 7 February, 2022

TO: Betty Newberry
HCVP Director
Central Virginia Housing Coalition

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Salem Run Apartments Phase I
Name of Owner: Salem I Redo LLC

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 August 31, 2022 (date).

The following is a brief description of the proposed development:

Development Address:
5715 Castlebridge Road
Fredericksburg, VA 22407

Proposed Improvements:

<input type="checkbox"/> New Constr.:	_____	# units	_____	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	_____	# units	_____	# Bldgs
<input checked="" type="checkbox"/> Rehabilitation:	160	# units	13	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ _____	/ month
<input type="checkbox"/> 1 Bedroom Units:	\$ _____	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ 1299/1589	/ month
<input type="checkbox"/> 3 Bedroom Units:	\$ _____	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____	/ month

Other Descriptive Information:

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (751)220-6628.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,



Michael McNamara

Name

President of Managing Member

Title

To be completed by the Local Housing Authority or Sec 8 Administrator:

Seen and Acknowledged By: Betty Newberry

Printed Name: Betty Newberry

Title: HCUP Director

Phone: 508 604 9943

Date: 2/8/22

M

Locality CEO Response
Letter

Locality Notification Information

The Locality Notification information was successfully submitted to VHDA for processing. You may print this page for your records.

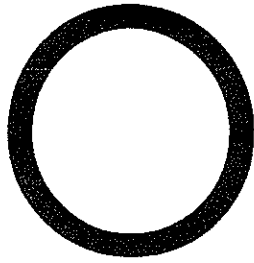
Tracking Number: 2022-TEB-100
Property Name: Salem Run Apartments Phase I
Notice Type: 4% Tax Exempt Bonds
Cycle Year: 2022
Date Resubmitted: 2/12/2022
Time Resubmitted: 9:38 AM

Click the link below to return to the VHDA Locality Notification Information Home page.

[Home](#)

N

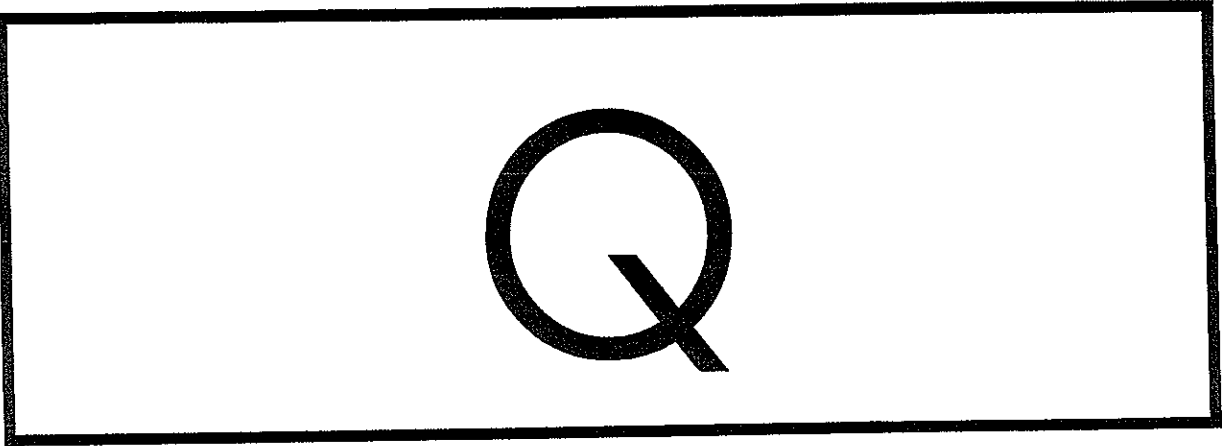
Homeownership Plan



Plan of Development Certification Letter

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements



Q

Documentation of
Rental Assistance, Tax
Abatement and/or
Existing HUD/RD

R

Documentation of
Operating Budget
and Utility Allowance

Virginia Housing | Housing Choice Voucher Program

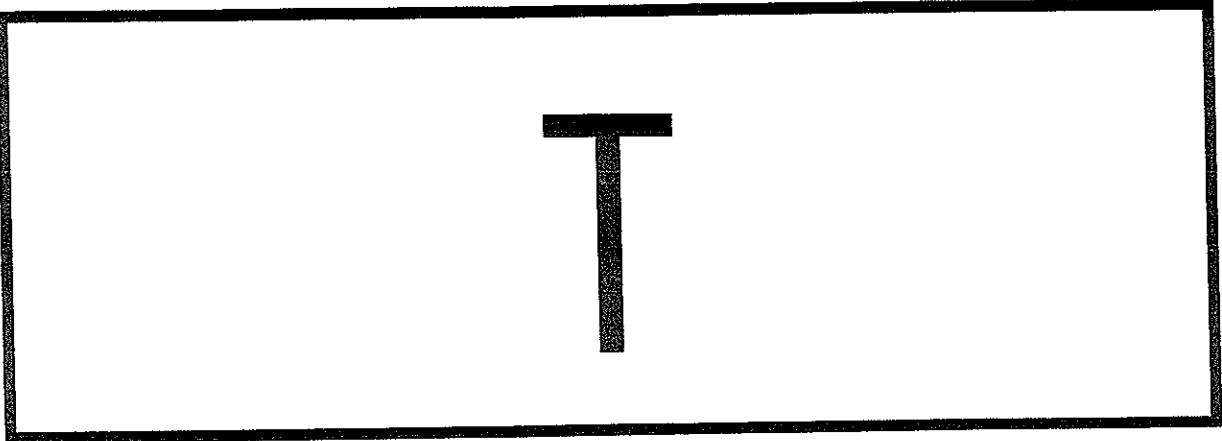
Allowances for
Tenant-Furnished Utilities
and Other Services

Family Name: _____
Unit Address: _____
Voucher Size*: _____ Unit Bedroom Size*: _____
<i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 3 Exposed Walls				Effective Date: 07/01/2021			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Bottled Gas	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$51.00	\$72.00	\$91.00	\$112.00	\$142.00	\$163.00	\$183.00	\$204.00
	Water Heating	\$19.00	\$27.00	\$34.00	\$41.00	\$53.00	\$61.00	\$68.00	\$76.00
Electricity	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00
	Cooling (A/C)	\$6.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00
	Home Heating	\$21.00	\$28.00	\$36.00	\$43.00	\$55.00	\$63.00	\$70.00	\$78.00
	Other Electric	\$10.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00
	Water Heating	\$9.00	\$12.00	\$15.00	\$19.00	\$24.00	\$27.00	\$31.00	\$34.00
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$9.00	\$13.00	\$17.00	\$21.00	\$25.00	\$30.00	\$33.00	\$37.00
	Water Heating	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00
Oil	Home Heating	\$30.00	\$42.00	\$53.00	\$65.00	\$83.00	\$95.00	\$107.00	\$118.00
	Water Heating	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00
Sewer	Other	\$21.00	\$29.00	\$38.00	\$46.00	\$59.00	\$67.00	\$76.00	\$84.00
Trash Collection	Other	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
Water	Other	\$18.00	\$24.00	\$31.00	\$37.00	\$48.00	\$54.00	\$61.00	\$68.00
UTILITY ALLOWANCE TOTAL:		\$	\$	\$152	\$185	\$	\$	\$	\$

S

Supportive Housing
Certification



T

Funding Documentation

U

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



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal



W

Internet Safety Plan and
Resident Information
Form

X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Y

Inducement Resolution
for Tax Exempt Bonds