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# 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

## INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

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

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

### Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 10, 2022**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

#### **Please Note:**

**Applicants should submit all application materials in electronic format only.**

**There should be distinct files which should include the following:**

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
  - Application For Reservation – Signed version of hardcopy
  - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

#### **IMPORTANT:**

**Virginia Housing only accepts files via our work center sites on Procorem. Contact [TaxCreditApps@virginiahousing.com](mailto:TaxCreditApps@virginiahousing.com) for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.**

#### Disclaimer:

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

#### Entering Data:

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

#### **Please Note:**

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

#### Assistance:

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

#### **Virginia Housing LIHTC Allocation Staff Contact Information**

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

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## 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.

- \$1,000 Application Fee **(MANDATORY)**
- Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
- Scanned Copy of the Signed Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
- Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
- Electronic Copy of the Plans and Unit by Unit writeup **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Existing Condition questionnaire **(MANDATORY if Rehab)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY at reservation for a 4% rehab request)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
- The following documents need not be submitted unless requested by Virginia Housing:
  - Nonprofit Articles of Incorporation      -IRS Documentation of Nonprofit Status
  - Joint Venture Agreement (if applicable)    -For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan and Unit Delivery Schedule **(MANDATORY)**
- Tab K: Documentation of Development Location:
  - K.1 Revitalization Area Certification
  - K.2 Location Map
  - K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- Tab R: Documentation of Operating Budget and Utility Allowances
- Tab S: Supportive Housing Certification
- Tab T: Funding Documentation
- Tab U: 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



A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/9/22

1. Development Name: Parkside Apartments
2. Address (line 1): 250 Gardner Street  
 Address (line 2):  
 City: Culpeper State: VA Zip: 22701
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 Culpeper 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: 9302.10
7. Development is located in a Qualified Census Tract..... FALSE
8. Development is located in a Difficult Development Area..... FALSE
9. Development is located in a Revitalization Area based on QCT ..... FALSE
10. Development is located in a Revitalization Area designated by resolution ..... TRUE
11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE  
 (If 9, 10 or 11 are True, Action: Provide required form in TAB K1)
12. Development is located in a census tract with a poverty rate of.....
 

3%	10%	12%
TRUE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 7
- Planning District: 9
- State Senate District: 17
- State House District: 30

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

Parkside Apartments is new construction of 37 one, two and three bedroom townhome - style units adjacent to Yowell Meadow Park in Culpeper. The property is being developed by the Culpeper Housing and Shelter Services/Culpeper Community Development Corporation and will prioritize households experiencing or in danger of experiencing homelessness. The sponsor will provide and arrange for a comprehensive array of social services intended to strengthen the capacity of each household to live independently in permanently affordable housing. Rental subsidy will be available to residents who qualify.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/9/22

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: Chris Hively  
 Chief Executive Officer's Title: Town Manager Phone: (540) 829-8250  
 Street Address: 400 S Main Street, suite 101  
 City: Culpeper State: VA Zip: 22701

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Andrew Hopewell, Director of Planning and Community Development

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

Chief Executive Officer's Name: John Egertson  
 Chief Executive Officer's Title: County Executive Phone: (540) 727-3427  
 Street Address: 302 North Main Street  
 City: Culpeper State: VA Zip: 22701

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

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

**B. RESERVATION REQUEST INFORMATION**

**1. Requesting Credits From:**

a. If requesting 9% Credits, select credit pool: Accessible Supportive Housing Pool

or

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

For Tax Exempt Bonds, where are bonds being issued?

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

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

Carryforward Allocation

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2022.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2022, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2023 credits pursuant to Section 42(h)(1)(E).

**3. Select Building Allocation type:**

New Construction

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

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

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

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

Name of companion development:  

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

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

**6. Extended Use Restriction**

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

**Must Select One:** 30

**Definition of selection:**

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

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting due the Authority, including reservation fees and monitoring fees, by electronic payment (ACH) TRUE

***In 2022, Virginia Housing will debut a new Rental Housing Invoicing Portal to allow easy payments via secure ACH transact More details will be provided.***

**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: Parkside Apartments LLC

Developer Name: Culpeper Housing and Shelter Services/Culpeper Community Development C

Contact: M/M ▶ Mr. First: Tony MI:  Last: Hooper

Address: 215 E Spencer Street

City: Culpeper St. ▶ VA Zip: 22701

Phone: (540) 604-6521 Ext.  Fax:

Email address: nthooper@gmail.com

Federal I.D. No. 874770294 (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.  
Jeffrey Michael Meyer, jmeyer@vacdc.org, 8045432208

- 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>
<u>Parkside Apartments Management LLC</u>	<u>(540) 604-6521</u>	<u>Managing Membr</u>	<u>#####</u>
<u>Culpeper Housing and Shelter Services/Culpeper</u>	<u></u>	<u>MM</u>	<u>51.000%</u>
<u>Tony Hooper, President of the Board fo Dir</u>	<u></u>	<u></u>	<u>0.000%</u> <i>need:</i>
<u>Rapidan Rappahannock Community Service</u>	<u>(540) 825-3100</u>	<u>MM</u>	<u>49.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>

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

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

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**C. OWNERSHIP INFORMATION**

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- 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.*

**FALSE** 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)**

**TRUE** 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: 12/31/23

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. TRUE ..... Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/23 .

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: Culpeper Housing and Shelter Services/Culpeper Community Development Corpora

Address: 215 E Spencer Street

City: Culpeper St.: VA Zip: 22701

Contact Person: Tony Hooper Phone: (540) 604-6521

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>
Culpeper Housing and Shelter Se	#####	fee simple owner	100.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%



**E. DEVELOPMENT TEAM INFORMATION**

Complete the following as applicable to your development team.

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

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

- |                         |   |                           |                       |
|-------------------------|---|---------------------------|-----------------------|
| 1. Tax Attorney:        | <u>Alana Paris</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>Applegate &amp; Thorne-Thomsen</u>                       | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>425 S Financial Place, suite 1900, Chicago, IL 60605</u> |                           |                       |
| Email:                  | <u>aparis@att-law.com</u>                                   | Phone:                    | <u>(312) 491-4424</u> |
|                         |   |                           |                       |
| 2. Tax Accountant:      | <u>Mike Vicars</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>Dooley &amp; Vicars PC</u>                               | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>25 S Sheppard Street, Richmond VA 23220</u>              |                           |                       |
| Email:                  | <u>mike@dvcpas.com</u>                                      | Phone:                    | <u>(804) 355-2808</u> |
|                         |   |                           |                       |
| 3. Consultant:          |   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              |   | DEI Designation?          | <u>FALSE</u>          |
| Address:                |   | Role:                     |                       |
| Email:                  |   | Phone:                    |                       |
|                         |   |                           |                       |
| 4. Management Entity:   | <u>Judy Sarhan</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>TM Associates Management Group</u>                       | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>1375 Piccard Dr., Suite 150, Rockville, MD 20850</u>     |                           |                       |
| Email:                  | <u>jsarhan@tmamgroup.com</u>                                | Phone:                    | <u>(240) 683-0300</u> |
|                         |   |                           |                       |
| 5. Contractor:          | <u>Jimmy Holland</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>Peacock Holland Construction LLC</u>                     | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>301 S Main Street, Ste 105, Balcksburg, VA 24060</u>     |                           |                       |
| Email:                  | <u>jimmy@peacockhollandconstruction.com</u>                 | Phone:                    | <u>(540) 613-2160</u> |
|                         |   |                           |                       |
| 6. Architect:           | <u>Don Harwood</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>Donald C. Harwood architect PLLC</u>                     | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>13 Kenwood Lane, Greenville, SC 29609</u>                |                           |                       |
| Email:                  | <u>dharwood08@gmail.com</u>                                 | Phone:                    | <u>(864) 915-2126</u> |
|                         |   |                           |                       |
| 7. Real Estate Attorney | <u>Sam Walker</u>   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              | <u>Clark and Walker PLLC</u>                                | DEI Designation?          | <u>FALSE</u>          |
| Address:                | <u>147 W Davis Street, Culpeper VA 22701</u>                |                           |                       |
| Email:                  | <u>swalker@clarkandwalker.com</u>                           | Phone:                    | <u>(540) 792-7700</u> |
|                         |   |                           |                       |
| 8. Mortgage Banker:     |   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              |   | DEI Designation?          | <u>FALSE</u>          |
| Address:                |   |                           |                       |
| Email:                  |   | Phone:                    |                       |
|                         |   |                           |                       |
| 9. Other:               |   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:              |   | DEI Designation?          | <u>FALSE</u>          |
| Address:                |   | Role:                     |                       |
| Email:                  |   | Phone:                    |                       |

**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

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

**F. REHAB INFORMATION**

**3. Rehabilitation Credit Information**

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

**b. Minimum Expenditure Requirements**

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

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

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

iv. There are different circumstances for different buildings..... FALSE

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

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: Applicant

Name: CHASS/Culpeper Community Development Corp, Inc.

Contact Person: Tony Hooper

Street Address: 215 E Spencer Street

City: Culpeper State: VA Zip: 22701

Phone: ##### Contact Email: nthooper@gmail.com

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest 51.0%

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

A. TRUE

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

or indicate true if Local Housing Authority FALSE

Name of Local Housing Authority

2. FALSE

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

Action: Provide Homeownership Plan (TAB N)

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

**H. STRUCTURE AND UNITS INFORMATION**

**# General Information**

a. Total number of <b>all</b> units in development	37	bedrooms	74
Total number of <b>rental</b> units in development	37	bedrooms	74
Number of low-income rental units	37	bedrooms	74
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	37	bedrooms	74
Number of adaptive reuse units: .....	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development)			0
d. Total Floor Area For The Entire Development.....		45,816.38	(Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....		6,277.33	(Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....		0.00	
g. Total Usable Residential Heated Area.....		39,539.05	(Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .		100.00%	
i. Exact area of site in acres .....	3.500		
j. Locality has approved a final site plan or plan of development.....		FALSE	
If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....		FALSE	

**Definition:**

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

H. STRUCTURE AND UNITS INFORMATION

# UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	793.12	SF	7	7
2BR Garden	999.64	SF	23	23
3BR Garden	1362.37	SF	7	7
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
			37	37

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

# Structures

- a. Number of Buildings (containing rental units)..... 6
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 2

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

e. Commercial Area Intended Use: \_\_\_\_\_

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

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

**H. STRUCTURE AND UNITS INFORMATION**

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

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

h. Development contains an elevator(s). FALSE

If true, # of Elevators. 0

Elevator Type (if known) \_\_\_\_\_

i. Roof Type ▶ Pitched

j. Construction Type ▶ Frame

k. Primary Exterior Finish ▶ Combination

**# Site Amenities (indicate all proposed)**

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

l. Describe Community Facilities: community building

m. Number of Proposed Parking Spaces 70

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 s TRUE

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



**H. STRUCTURE AND UNITS INFORMATION**

**# Plans and Specifications**

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

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

- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications
  - i. Phase I environmental assessment.
  - ii. Physical needs assessment for any rehab only development.

**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.

**# 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	1.60%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	1.60%
Project Wide Absorption Period (Months)	5

**J. ENHANCEMENTS**

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

**ACTION:** Provide RESNET rater certification (**TAB F**)

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

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 30.00% b1. Percentage of brick covering the exterior walls.
- 70.00% b2. Percentage of other similar low-maintenance material approved by the Authority covering exterior wall: Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- FALSE 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.
- FALSE k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- r. *Not applicable for 2022 Cycles*
- TRUE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

**J. ENHANCEMENTS**

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

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

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

If Green Certification is selected, no points will be awarded for d. Watersense Bathroom fixtures above

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

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

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

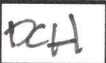
**3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)**

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

- 25 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:  
68% of Total Rental Units

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

If not, please explain: \_\_\_\_\_

	<p><b>Architect of Record initial here that the above information is accurate per certification statement within this application.</b></p>
---	--

**I. UTILITIES**

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	25	33	39	0
Air Conditioning	0	6	8	11	0
Cooking	0	4	5	6	0
Lighting	0	14	18	22	0
Hot Water	0	12	15	19	0
Water	0	24	31	37	0
Sewer	0	29	38	46	0
Trash	0	14	14	14	0
Total utility allowance for costs paid by tenant	\$0	\$128	\$162	\$194	\$0

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

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

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



**K. SPECIAL HOUSING NEEDS**

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

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

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

TRUE

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

DCH

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

# **Special Housing Needs/Leasing Preference:**

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

- #### Elderly (as defined by the United States Fair Housing Act.)
- #### Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
- TRUE 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 -**

**# 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: Rapidan Rappahannock Community Services

Contact person: Jim LaGraffe

Title: Executive Director

Phone Number: \_\_\_\_\_

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

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

- c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 7  
 % of total Low Income Units 19%

**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)**

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

First Name: Tony

Last Name: Hooper

Phone Number: (540) 604-6521 Email: nthooper@gmail.com

**K. SPECIAL HOUSING NEEDS**

# **Rental Assistance**

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

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

If True,  
select one  
or more  
types.

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

#### Section 8 New Construction Substantial Rehabilitation

#### Section 8 Moderate Rehabilitation

#### Section 8 Certificates

#### Section 8 Project Based Assistance

#### RD 515 Rental Assistance

#### Section 8 Vouchers  
\*Administering Organization \_\_\_\_\_

#### State Assistance  
\*Administering Organization \_\_\_\_\_

TRUE Other: Rapidan Rappahannock Community Service

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: 6  
How many years in rental assistance contract 15.00  
Expiration date of contract: 12/31/38  
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 CATEG**

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	
6	16.22%	40% Area Median	
13	35.14%	50% Area Median	
18	48.65%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
37	100.00%	<b>Total</b>	

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
6	16.22%	40% Area Median	
13	35.14%	50% Area Median	
18	48.65%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
37	100.00%	<b>Total</b>	

- 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 co  
 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.

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	40% AMI	3	3	742.31	\$543.00	\$1,629
Mix 2	1 BR - 1 Bath	50% AMI	1	1	742.31	\$600.00	\$600
Mix 3	1 BR - 1 Bath	60% AMI	3	1	742.31	\$625.00	\$1,875
Mix 4	2 BR - 1.5 Bath	40% AMI	3	1	947.22	\$643.00	\$1,929
Mix 5	2 BR - 1.5 Bath	50% AMI	10		947.22	\$750.00	\$7,500
Mix 6	2 BR - 1.5 Bath	60% AMI	10		947.22	\$775.00	\$7,750
Mix 7	3 BR - 2 Bath	50% AMI	2		1270.06	\$850.00	\$1,700
Mix 8	3 BR - 2 Bath	60% AMI	5		1270.06	\$900.00	\$4,500
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0



**L. UNIT DETAILS**

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

**L. UNIT DETAILS**

Mix 73									\$0
Mix 74									\$0
Mix 75									\$0
Mix 76									\$0
Mix 77									\$0
Mix 78									\$0
Mix 79									\$0
Mix 80									\$0
Mix 81									\$0
Mix 82									\$0
Mix 83									\$0
Mix 84									\$0
Mix 85									\$0
Mix 86									\$0
Mix 87									\$0
Mix 88									\$0
Mix 89									\$0
Mix 90									\$0
Mix 91									\$0
Mix 92									\$0
Mix 93									\$0
Mix 94									\$0
Mix 95									\$0
Mix 96									\$0
Mix 97									\$0
Mix 98									\$0
Mix 99									\$0
Mix 100									\$0
<b>TOTALS</b>				37	6				\$27,483

<b>Total</b>	<b>37</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>35,872.65</b>
<b>Units</b>			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>35,872.65</b>

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



**M. OPERATING EXPENSES**

<b>Administrative:</b>		Use Whole Numbers Only!
1. Advertising/Marketing		\$600
2. Office Salaries		\$0
3. Office Supplies		\$775
4. Office/Model Apartment	(type _____ )	\$0
5. Management Fee		\$21,315
<u>6.95%</u> of EGI	<u>\$576.08</u> Per Unit	
6. Manager Salaries		\$25,000
7. Staff Unit (s)	(type _____ )	\$0
8. Legal		\$930
9. Auditing		\$7,450
## Bookkeeping/Accounting Fees		\$2,480
## Telephone & Answering Service		\$4,200
## Tax Credit Monitoring Fee		\$1,295
## Miscellaneous Administrative		\$5,000
<b>Total Administrative</b>		<b>\$69,045</b>
<b>Utilities</b>		
## Fuel Oil		\$0
## Electricity		\$12,000
## Water		\$6,000
## Gas		\$6,200
## Sewer		\$0
<b>Total Utility</b>		<b>\$24,200</b>
<b>Operating:</b>		
## Janitor/Cleaning Payroll		\$0
## Janitor/Cleaning Supplies		\$0
## Janitor/Cleaning Contract		\$5,750
## Exterminating		\$1,350
## Trash Removal		\$5,500
## Security Payroll/Contract		\$0
## Grounds Payroll		\$0
## Grounds Supplies		\$0
## Grounds Contract		\$5,000
## Maintenance/Repairs Payroll		\$20,000
## Repairs/Material		\$3,565
## Repairs Contract		\$0
## Elevator Maintenance/Contract		\$0
## Heating/Cooling Repairs & Maintenance		\$5,000
## Pool Maintenance/Contract/Staff		\$0
## Snow Removal		\$3,800
## Decorating/Payroll/Contract		\$4,500
## Decorating Supplies		\$0
## Miscellaneous		\$10,000
<b>Totals Operating &amp; Maintenance</b>		<b>\$64,465</b>

**M. OPERATING EXPENSES**

<b>Taxes &amp; Insurance</b>	
## Real Estate Taxes	\$20,000
## Payroll Taxes	\$5,000
## Miscellaneous Taxes/Licenses/Permits	\$0
## Property & Liability Insurance	\$12,000
## Fidelity Bond	\$0
## Workman's Compensation	\$0
## Health Insurance & Employee Benefits	\$0
## Other Insurance	\$0
<b>Total Taxes &amp; Insurance</b>	<b>\$37,000</b>

**Total Operating Expense** **\$194,710**

<b>Total Operating Expenses Per Unit</b>	\$5,262	<b>C. Total Operating Expenses as % of</b>	63.48%
--	---------	--	--------

**Replacement Reserves** (Total # Units X \$300 or \$250 New Const. Elderly Mini \$11,100)

<b>Total Expenses</b>	<b>\$205,810</b>
-----------------------	------------------

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

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	Complete	Tony Hooper
b. Site Acquisition	12/31/22	Tony Hooper
c. Zoning Approval	Complete	Tony Hooper
d. Site Plan Approval	12/31/22	Tony Hooper
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	8/1/22	Tony Hooper
ii. Conditional Commitment		
iii. Firm Commitment	12/31/22	Tony Hooper
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	8/1/22	Tony Hooper
ii. Conditional Commitment		
iii. Firm Commitment	12/31/22	Tony Hooper
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	4/1/22	Tony Hooper
ii. Conditional Commitment		
iii. Firm Commitment	12/31/22	Tony Hooper
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
<b>2. Formation of Owner</b>	Complete	Tony Hooper
<b>3. IRS Approval of Nonprofit Status</b>	Complete	Tony Hooper
<b>4. Closing and Transfer of Property to Owner</b>	12/31/22	Tony Hooper
<b>5. Plans and Specifications, Working Drawings</b>	12/1/22	Tony Hooper
<b>6. Building Permit Issued by Local Government</b>	12/1/22	Tony Hooper
<b>7. Start Construction</b>	1/15/23	Tony Hooper
<b>8. Begin Lease-up</b>	12/15/23	Tony Hooper
<b>9. Complete Construction</b>	2/15/24	Tony Hooper
<b>10. Complete Lease-Up</b>	4/15/24	Tony Hooper
<b>11. Credit Placed in Service Date</b>	4/15/24	Tony Hooper

**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

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.

	<b><u>Must Use Whole Numbers Only!</u></b>	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
		(A) Cost	"30% Present Value Credit"		(D)
			(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>1. Contractor Cost</b>					
a. Unit Structures (New)	5,314,780	0	0	5,314,780	
b. Unit Structures (Rehab)	0	0	0	0	
c. Non Residential Structures	0	0	0	0	
d. Commercial Space Costs	0	0	0	0	
e. Structured Parking Garage	0	0	0	0	
<b>Total Structure</b>	5,314,780	0	0	5,314,780	
f. Earthwork	0	0	0	0	
g. Site Utilities	485,087	0	0	485,087	
h. Renewable Energy	0	0	0	0	
i. Roads & Walks	490,886	0	0	490,886	
j. Site Improvements	76,410	0	0	76,410	
k. Lawns & Planting	94,520	0	0	94,520	
l. Engineering	0	0	0	0	
m. Off-Site Improvements	125,036	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	257,333	0	0	257,333	
<b>Total Land Improvements</b>	1,529,272	0	0	1,404,236	
<b>Total Structure and Land</b>	6,844,052	0	0	6,719,016	
r. General Requirements	366,512	0	0	366,512	
s. Builder's Overhead	300,000	0	0	300,000	
( 4.4% Contract)					
t. Builder's Profit	188,683	0	0	188,683	
( 2.8% Contract)					
u. Bonds	83,165	0	0	83,165	
v. Building Permits	0	0	0	0	
w. Special Construction	0	0	0	0	
x. Special Equipment	0	0	0	0	
y. Other 1: appliances	143,758	0	0	143,758	
z. Other 2:	0	0	0	0	
aa. Other 3:	0	0	0	0	
<b>Contractor Costs</b>	<b>\$7,926,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,801,134</b>	

**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		
MUST USE WHOLE NUMBERS ONLY!	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"	(D)	
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
Item				
<b>2. Owner Costs</b>				
a. Building Permit	17,000	0	0	17,000
b. Architecture/Engineering Design Fee \$8,784 /Unit)	325,000	0	0	325,000
c. Architecture Supervision Fee \$0 /Unit)	0	0	0	0
d. Tap Fees	240,000	0	0	240,000
e. Environmental	7,500	0	0	7,500
f. Soil Borings	20,000	0	0	20,000
g. Green Building (Earthcraft, LEED, etc.)	30,000	0	0	30,000
h. Appraisal	8,000	0	0	8,000
i. Market Study	7,250	0	0	7,250
j. Site Engineering / Survey	10,000	0	0	10,000
k. Construction/Development Mgt	125,000	0	0	125,000
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	25,000	0	0	25,000
n. Construction Interest ( 4.0% fo 18 months)	124,000	0	0	124,000
o. Taxes During Construction	2,000	0	0	2,000
p. Insurance During Construction	10,000	0	0	10,000
q. Permanent Loan Fee ( 0.0% )	40,000	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	37,500	0	0	37,500
w. Legal Fees for Closing	55,500	0	0	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	51,750	0	0	0
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	5,000	0	0	5,000
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	114,095	0	0	0
ad. Contingency	400,000	0	0	400,000
ae. Security	0	0	0	0
af. Utilities	50,000	0	0	50,000

**O. PROJECT BUDGET - OWNER COSTS**

ag. Servicing Reserve	0			
(1) Other* specify Leasing/Marketing	10,000	0	0	0
(2) Other* specify Signage	4,500	0	0	4,500
(3) Other* specify Construction Loan Admin	7,500	0	0	7,500
(4) Other* specify Permits and Fees	2,000	0	0	2,000
(5) Other* specify Syndicator Legal	65,000	0	0	0
(6) Other* specify Nutrient Credits	30,000	0	0	30,000
(7) Other* specify Organizational Costs	5,000	0	0	0
(8) Other* specify Rent Supplement Reser	850,000	0	0	0
(9) Other* specify post c/o construction int	25,000	0	0	0
<b>Owner Costs Subtotal (Sum 2A..2(10))</b>	<b>\$2,718,595</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,487,250</b>
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	<b>\$10,644,765</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,288,384</b>
<b>3. Developer's Fees</b>	<b>1,350,000</b>	<b>0</b>	<b>0</b>	<b>1,350,000</b>
<b>Action:</b> Provide Developer Fee Agreement (Tab A)				
<b>4. Owner's Acquisition Costs</b>				
Land	900,000			
Existing Improvements	0	0		
Subtotal 4:	\$900,000	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$12,894,765	\$0	\$0	\$10,638,384

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

**Maximum Developer Fee: \$1,353,581**

Proposed Development's Cost per Sq Foot \$262 **Meets Limits**  
 Applicable Cost Limit by Square Foot: \$476

Proposed Development's Cost per Unit \$324,183 **Meets Limits**  
 Applicable Cost Limit per Unit: \$513,262



2022 Low-Income Housing Tax Credit Application For Reservation

**P. ELIGIBLE BASIS CALCULATION**

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
<b>1. Total Development Costs</b>	12,894,765	0	0	10,638,384

**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)**

0	0	10,638,384
---	---	------------

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	3,191,515
c. For Green Certification (Eligible Basis x 10%)		0
<b>Total Adjusted Eligible basis</b>	0	13,829,899

**5. Applicable Fraction**

100.00000%	100.00000%	100.00000%
------------	------------	------------

**6. Total Qualified Basis**

(Eligible Basis x Applicable Fraction)

0	0	13,829,899
---	---	------------

**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.)

9.00%	9.00%	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)

\$0	\$0	\$1,244,691
-----	-----	-------------

\$1,244,691 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.	Atlantic Union Bank			\$5,000,000	
2.					
3.					
Total Construction Funding:				\$5,000,000	

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

	Source of Funds	Date of Application	Date of Commitment	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost				
1.	VHDA REACH		\$1,934,123	\$74,651	1.00%	30	30	
2.	DHCD HOME		\$900,000	\$9,000	0.50%	30	30	
3.	DHCD VHTF		\$900,000	\$9,000	0.50%	0	30	
4.	RR-PDC		\$380,000	\$0	0.00%	0	30	
5.	VHDA REACH		\$750,000	\$0	0.00%	0	30	
6.	PATH Foundation		\$850,000	\$0	0.00%	0	30	
7.	RRCSB Loan		\$800,000	\$0	0.00%	0	30	
8.								
9.								
10.								
Total Permanent Funding:				\$6,514,123	\$92,651			

**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.					

---

**Q. SOURCES OF FUNDS**

---

Total Permanent Grants:

**Q. SOURCES OF FUNDS**

**4. Subsidized Funding**

	Source of Funds	Date of Commitment	Amount of Funds
1.	PATH Foundation		\$850,000
2.	RRCSB Loan		\$800,000
3.	Virginia Housing Predevelopment		\$100,000
4.			
5.			
Total Subsidized Funding			\$1,750,000

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

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$2,684,123
g.	HOME Funds	\$900,000
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

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

Grants\*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

**Q. SOURCES OF FUNDS**

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

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

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

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

[Empty yellow box for listing financing and credit enhancements]

**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 [Empty yellow box]

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

**R. EQUITY**

**1. Equity**

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit

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

b. Equity that Sponsor will Fund:

i. Cash Investment	\$0
ii. Contributed Land/Building	\$0
iii. Deferred Developer Fee	\$638 (Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0

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

**Equity Total**                     \$638

**2. Equity Gap Calculation**

a. Total Development Cost	\$12,894,765
b. Total of Permanent Funding, Grants and Equity	- <u>                    \$6,514,761</u>
c. Equity Gap	\$6,380,004
d. Developer Equity	- <u>                    \$638</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$6,379,366

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

a. Actual or Anticipated Name of Syndicator:	VCDC		
Contact Person:	Jeffrey Michael Meyer	Phone:	(804) 543-2208
Street Address:	1840 W Broad Street		
City:	Richmond	State:	
		Zip:	23220

b. Syndication Equity

i. Anticipated Annual Credits	\$725,000.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.880
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99000%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$724,928
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$6,379,366

c. Syndication:	Select?
d. Investors:	Select?

**4. Net Syndication Amount**

Which will be used to pay for Total Development Costs                     \$6,379,366

**5. Net Equity Factor**

Must be equal to or greater than 85%                     88.0000551779%

**S. DETERMINATION OF RESERVATION AMOUNT NEEDED**

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

1. Total Development Costs		<u>\$12,894,765</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$6,514,761</u>
3. Equals Equity Gap		<u>\$6,380,004</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>88.0000551779%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$7,250,000</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$725,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,244,691</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$725,000</u>
Credit per LI Units	<u>\$19,594.5946</u>	<b>Combined 30% &amp; 70% PV Credit Requested</b>
Credit per LI Bedroom	<u>\$9,797.2973</u>	

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

**T. CASH FLOW**

**1. Revenue**

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

Total Monthly Rental Income for LIHTC Units	\$27,483
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	<u>\$27,483</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$329,796</u>
Less Vacancy Allowance <span style="margin-left: 100px;">7.0%</span>	<u>\$23,086</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<u><u>\$306,710</u></u>

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

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	<u>\$0</u>
Twelve Months	x12
Equals Annual Gross Potential Income	<u>\$0</u>
Less Vacancy Allowance <span style="margin-left: 100px;">0.0%</span>	<u>\$0</u>
<b>Equals Annual Effective Gross Income (EGI) - Market Rate Units</b>	<u><u>\$0</u></u>

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

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

a. Annual EGI Low-Income Units	<u>\$306,710</u>
b. Annual EGI Market Units	<u>\$0</u>
c. Total Effective Gross Income	<u>\$306,710</u>
d. Total Expenses	<u>\$205,810</u>
e. Net Operating Income	<u>\$100,900</u>
f. Total Annual Debt Service	<u>\$92,651</u>
g. Cash Flow Available for Distribution	<u>\$8,249</u>



## T. CASH FLOW

## 4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	306,710	312,844	319,101	325,483	331,993
Less Oper. Expenses	205,810	211,984	218,344	224,894	231,641
Net Income	100,900	100,860	100,758	100,589	100,352
Less Debt Service	92,651	92,651	92,651	92,651	92,651
Cash Flow	8,249	8,209	8,107	7,938	7,701
Debt Coverage Ratio	1.09	1.09	1.09	1.09	1.08

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	338,633	345,406	352,314	359,360	366,547
Less Oper. Expenses	238,590	245,748	253,120	260,714	268,535
Net Income	100,043	99,658	99,193	98,646	98,012
Less Debt Service	92,651	92,651	92,651	92,651	92,651
Cash Flow	7,392	7,007	6,542	5,995	5,361
Debt Coverage Ratio	1.08	1.08	1.07	1.06	1.06

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	373,878	381,356	388,983	396,762	404,698
Less Oper. Expenses	276,591	284,889	293,436	302,239	311,306
Net Income	97,287	96,467	95,547	94,524	93,392
Less Debt Service	92,651	92,651	92,651	92,651	92,651
Cash Flow	4,636	3,816	2,896	1,873	741
Debt Coverage Ratio	1.05	1.04	1.03	1.02	1.01

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

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

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

**Must Complete**

<b>Number of BINS:</b>	6
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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).

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

Please help us with the process:  
**DO NOT use the CUT feature**  
**DO NOT SKIP LINES BETWEEN BUILDINGS**

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		4		250 Gardner Street - Building 1		Culpeper	VA	22701				\$0				\$0	\$1,495,122	12/31/24	9.00%	\$134,561
2.		4		250 Gardner Street - Building 2		Culpeper	VA	22701				\$0				\$0	\$1,495,122	12/31/24	9.00%	\$134,561
3.		5		250 Gardner Street - Building 3		Culpeper	VA	22701				\$0				\$0	\$1,868,914	12/31/24	9.00%	\$168,202
4.		8		250 Gardner Street - Building 4		Culpeper	VA	22701				\$0				\$0	\$2,990,247	12/31/24	9.00%	\$269,122
5.		8		250 Gardner Street - Building 5		Culpeper	VA	22701				\$0				\$0	\$2,990,247	12/31/24	9.00%	\$269,122
6.		8		250 Gardner Street - Building 6		Culpeper	VA	22701				\$0				\$0	\$2,990,247	12/31/24	9.00%	\$269,122
7.												\$0				\$0				\$0
8.												\$0				\$0				\$0
9.												\$0				\$0				\$0
10.												\$0				\$0				\$0
11.												\$0				\$0				\$0
12.												\$0				\$0				\$0
13.												\$0				\$0				\$0
14.												\$0				\$0				\$0
15.												\$0				\$0				\$0
16.												\$0				\$0				\$0
17.												\$0				\$0				\$0
18.												\$0				\$0				\$0
19.												\$0				\$0				\$0
20.												\$0				\$0				\$0
21.												\$0				\$0				\$0
22.												\$0				\$0				\$0
23.												\$0				\$0				\$0
24.												\$0				\$0				\$0
25.												\$0				\$0				\$0
26.												\$0				\$0				\$0
27.												\$0				\$0				\$0
28.												\$0				\$0				\$0
29.												\$0				\$0				\$0
30.												\$0				\$0				\$0
31.												\$0				\$0				\$0
32.												\$0				\$0				\$0
33.												\$0				\$0				\$0
34.												\$0				\$0				\$0
35.												\$0				\$0				\$0

37 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings	\$0	\$0	\$13,829,899	\$0	\$1,244,691
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Number of BINS: 6

**V. STATEMENT OF OWNER**

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The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- 15. that undersigned 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 Parkside Apartments LLC  
\_\_\_\_\_  
\_\_\_\_\_

By: *Tony Hooper*  
Its: President of Culpeper CDC/CHASS, Managing  
(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:	Donald C Harwood
Virginia License#:	005297 (VA)
Architecture Firm or Company:	Donald C Harwood Architect LLC

By: 

Its: Member  
(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, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
<b>Total:</b>			<b>0.00</b>

**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	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
<b>Total:</b>			<b>15.00</b>

**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	13.57%	Up to 40	27.14
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	3%	0, 20, 25 or 30	30.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
<b>Total:</b>			<b>82.14</b>



3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			57.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 50	50.00
or c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	68%	Up to 15	10.14
g. Developments with less than 100 low income units	Y	up to 20	20.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			<u>157.14</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$90,100	\$59,700

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	18.92%	Up to 15	14.19
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	16.22%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	51.35%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	51.35%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	51.35%	Up to 50	0.00
Total:			<u>89.19</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience (Subdivision 5a - options a,b or c)	Y	0, 10 or 25	10.00
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 ite	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:			<u>10.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	139.17
b. Cost per unit		Up to 100	90.00
Total:			<u>229.17</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 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	N	0 or 5	0.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
Total:			65.00

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

**TOTAL SCORE: 647.64**



**Enhancements:**

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance material	40	32.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	0.00
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	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	4.00
		<u>57.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>0.00</u>
<b>Total amenities:</b>		<b><u>57.00</u></b>

X. Development Summary

Summary Information 2022 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Parkside Apartments

Cycle Type: 9% Tax Credits Requested Credit Amount: \$725,000  
 Allocation Type: New Construction Jurisdiction: Culpeper County  
 Total Units: 37 Population Target: General  
 Total LI Units: 37  
 Project Gross Sq Ft: 45,816.38 Owner Contact: Tony Hooper  
 Green Certified? TRUE

**Total Score**  
**647.64**

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$6,514,123	\$176,057	\$142	\$92,651
Grants	\$0	\$0		
Subsidized Funding	\$1,750,000	\$47,297		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$6,844,052	\$184,974	\$149	53.08%
General Req/Overhead/Profit	\$855,195	\$23,113	\$19	6.63%
Other Contract Costs	\$226,923	\$6,133	\$5	1.76%
Owner Costs	\$2,718,595	\$73,476	\$59	21.08%
Acquisition	\$900,000	\$24,324	\$20	6.98%
Developer Fee	\$1,350,000	\$36,486	\$29	10.47%
<b>Total Uses</b>	<b>\$12,894,765</b>	<b>\$348,507</b>		

Total Development Costs	
Total Improvements	\$10,644,765
Land Acquisition	\$900,000
Developer Fee	\$1,350,000
<b>Total Development Costs</b>	<b>\$12,894,765</b>

Income		
Gross Potential Income - LI Units		\$329,796
Gross Potential Income - Mkt Unit:		\$0
Subtotal		\$329,796
Less Vacancy %	7.00%	\$23,086
<b>Effective Gross Income</b>		<b>\$306,710</b>

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$69,045	\$1,866
Utilities	\$24,200	\$654
Operating & Maintenance	\$64,465	\$1,742
Taxes & Insurance	\$37,000	\$1,000
<b>Total Operating Expenses</b>	<b>\$194,710</b>	<b>\$5,262</b>
Replacement Reserves	\$11,100	\$300
<b>Total Expenses</b>	<b>\$205,810</b>	<b>\$5,562</b>

Cash Flow	
EGI	\$306,710
Total Expenses	\$205,810
<b>Net Income</b>	<b>\$100,900</b>
Debt Service	\$92,651
<b>Debt Coverage Ratio (YR1):</b>	<b>1.09</b>

Proposed Cost Limit/Sq Ft: \$262  
 Applicable Cost Limit/Sq Ft: \$476  
 Proposed Cost Limit/Unit: \$324,183  
 Applicable Cost Limit/Unit: \$513,262

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	7
# of 2BR	23
# of 3BR	7
# of 4+ BR	0
<b>Total Units</b>	<b>37</b>

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	6
50% AMI	19	13
60% AMI	18	18
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

**i. Efficient Use of Resources**

**Credit Points for 9% Credits:**

\* 4% Credit applications will be calculated using the E-U-R TE Bc

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	\$1,244,691
Credit Requested	\$725,000
% of Savings	41.75%
Sliding Scale Points	139.17

4% Deals EUR Point
0.00

**Cost Points:**

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

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

Total Costs Less Acquisition	\$11,994,765
Total Square Feet	45,816.38
Proposed Cost per SqFt	\$261.80
Applicable Cost Limit per Sq Ft	\$476.00
% of Savings	45.00%
Total Units	37
Proposed Cost per Unit	\$324,183
Applicable Cost Limit per Unit	\$513,262
% of Savings	36.84%
Max % of Savings	45.00%
Sliding Scale Points	90.00

\$/SF = **\$294.41** Credits/SF = **19.0388** Const \$/unit = **\$214,220.81**

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

**11000**  
**300**  
**1**

**300**  
**1**

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(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
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	793.12	999.64	1,362.37	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	7	23	7	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	19,557	25,043	28,262	0	0	0	0
PROJECT CREDIT PER UNIT	0	15,100	19,032	25,938	0	0	0	0
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>8.62</b>	<b>29.84</b>	<b>3.11</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

TOTAL CREDIT PER UNIT POINTS

**0.00**

This calculation of Credit per Unit points applies to 4% Tax Exempt deals only

Credit Parameters - Elderly

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

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	19,557	25,043	28,262	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
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>19,557</b>	<b>25,043</b>	<b>28,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	19,557	25,043	28,262	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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>19,557</b>	<b>25,043</b>	<b>28,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# **Tab A:**

Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)

# OPERATING AGREEMENT OF PARKSIDE APARTMENTS LLC

THIS OPERATING AGREEMENT, dated as of January 13, 2022, by the undersigned member of PARKSIDE APARTMENTS LLC, a Virginia limited liability company (the "Company"), provides as follows:

## RECITALS:

A. The undersigned parties have caused the Company to be organized as a limited liability company under the laws of the Commonwealth of Virginia effective as of the date hereof.

B. The undersigned parties desire to set forth the terms and conditions on which the management, business and financial affairs of the Company shall be conducted as set forth below.

## AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, covenants and conditions herein contained, the parties do hereby covenant and agree as follows:

## ARTICLE I DEFINITIONS

1.01 The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" shall mean the Virginia Limited Liability Company Act, Va. Code Ann. § 13.1-1000 et seq., as amended and in force from time to time.

(b) "Articles" shall mean the articles of organization of the Company, as amended and in force from time to time.

(c) "Capital Contribution" shall mean any contribution to the capital of the Company by a Member in cash, property or services, or a binding obligation to contribute cash, property or services, whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company of a Member pursuant to this Operating Agreement.

(d) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(e) "Company" shall refer to **PARKSIDE APARTMENTS LLC**.

(f) "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association.

(g) "Manager" shall mean a manager of the Company, whose rights, powers and duties are specified in Article V hereof.

(h) "Member" shall mean each Person that is specifically identified as a Member in Article III hereof or is admitted as a Member (either as a transferee of a Membership Interest or as an additional Member) as provided in Article VII hereof. A Person shall cease to be a Member at such time as he no longer owns any Membership Interest.

(i) "Membership Interest" shall mean the ownership interest of a Member in the Company, which may be expressed as a percentage equal to such Member's aggregate Capital Contributions divided by the aggregate Capital Contributions of all Members.

(j) "Operating Agreement" shall mean this Operating Agreement, as originally executed and as amended from time to time.

(k) "Person" shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

## **ARTICLE II**

### **PURPOSE AND POWERS OF COMPANY**

2.01 Purpose. The Company shall be entitled to engage in any business not prohibited by the Act or the Articles.

2.02 Powers. The Company shall have all powers and rights of a limited liability company organized under the Act, to the extent such powers and rights are not proscribed by the Articles.

## **ARTICLE III**

### **NAMES AND ADDRESSES OF MEMBERS: PRINCIPAL OFFICE**

3.01 Names and Addresses. The names and addresses of the Members are as follows:

**Parkside Apartments Management LLC  
215 E. Spencer Street  
Culpeper, VA 22701**

3.02 Principal Office. The principal office of the Company shall initially be at 215 E. Spencer Street, Culpeper, Virginia 22701. The principal office may be changed from time to time by the Members.

**ARTICLE IV**  
**MANAGEMENT BY MEMBERS**

4.01 In General. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Members, and the Members shall be entitled to make all decisions and take all actions for the Company, including but not limited to the following:

- (a) Entering into, making and performing contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder.
- (b) Opening and maintaining bank and investment accounts and arranging, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements.
- (c) Collecting funds due to the Company.
- (d) Acquiring, utilizing for the Company's purposes, maintaining and disposing of any assets of the Company.
- (e) To the extent that funds of the Company are available therefor, paying debts and obligations of the Company.
- (f) Borrowing money or otherwise committing the credit of the Company for Company activities, and voluntarily prepaying or extending any such borrowings.
- (g) Engaging, removing, and changing the authority and responsibility of attorneys, accountants and consultants.
- (h) Obtaining insurance for the Company.
- (i) Amending the Articles.
- (j) Fixing or modifying the salary paid to any Member or fixing or paying any bonus or other compensation to any Member.
- (k) Declaring or setting the payment date or form of payment of any distributions pursuant to Section 6.5 hereof.
- (l) Electing or removing any Manager or Managers of the Company.
- (m) Confessing a judgment against the Company in excess of \$1,000.00.



(n) Endorsing any note in excess of \$1,000, or acting as an accommodation party or otherwise becoming a surety or guarantor for any other person in an amount exceeding \$1,000.

(o) Obtaining any loans or borrowings in excess of \$5,000 or requiring the personal guarantee of any Member or Members.

(p) Making any loan or advance on behalf of the Company to any other party in excess of \$10,000.

4.02 Action by Members. In managing the affairs of the Company and exercising its powers, the Members shall act collectively through meetings and/or written consents as provided in this Article or through a Manager or Managers to whom authority and duties have been delegated pursuant to Article V hereof.

4.03 Required Consent for Action. The decision of the Member or Members holding a majority of the Membership Interests from time to time shall prevail and be the decision of the Company with respect to any matter regarding the management or affairs of the Company, or which requires the determination, consent, approval or agreement of the Members, except as otherwise provided by the Act or the Articles, or unless this Agreement specifically provides that such decision shall be made by a particular percentage of Membership Interests or number of Members other than the Member or Members holding a majority of the Membership Interests. By way of example and not limitation, any provision in this Agreement that requires the consent or determination of the Members as to a particular matter but does not specify a particular percentage of Membership Interests or number of Members necessary for such consent or determination shall be interpreted to require the consent or determination of the Member or Members holding a majority of the Membership Interests.

4.04 Annual Meeting. The annual meeting of the Members shall be held on the first Saturday in December of each year at one o'clock, p.m., or at such other time as shall be determined by the Members for the purpose of the transaction of such business as may come properly before the meeting.

4.05 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, shall be called at the request of any Member.

4.06 Place of Meetings. The place of any meeting of the Members shall be the principal office of the Company, unless another place is designated by the Member or Members calling the meeting, and such other place as agreed to by all Members.

4.07 Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members and, if a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the Person or Persons calling the meeting, to each Member, unless the Act or the Articles require different notice.

4.08 Conduct of Meetings. All meetings of the Members shall be presided over by a chairman of the meeting, who shall be designated by the Members. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seen to him in order, and shall appoint a secretary of such meeting to take minutes thereof.

4.9 Participation by Telephone or Similar Communications. Members may participate and hold a meeting by means of conference telephone or similar communications equipment by means of which all Members participating can hear and be heard, and such participation shall constitute attendance and presence in person at such meeting.

4.10 Waiver of Notice. When any notice of a meeting of the Members is required to be given, a waiver thereof in writing signed by a Member entitled to such notice, whether given before, at, or after the time of the meeting as stated in such notice, shall be equivalent to the proper giving of such notice.

4.11 Action by Written Consent. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if one or more written consents to such action are signed by the requisite number of Members. Such consent or consents shall be filed with the minutes of the meetings of the Members. Action taken under this Section is effective when the requisite number of Members have signed the consent or consents, unless the consent or consents specify a different effective date.

## **ARTICLE V** **MANAGERS**

5.01 Election, etc. of Managers: Initial Manager. One or more Managers may be elected from time to time by the Members, to serve until the next annual meeting of the Members and until their successor or successors are elected and qualified, or such shorter term as may be specified by the Members. Any Manager may be removed by the Members with or without cause at any time, and it shall be in the discretion of the Members whether and at what time to elect a replacement Manager or Managers. A Manager may, but shall not be required to, be selected from among the Members.

5.02 Authority of Managers. The Members may, but shall be under no obligation to, from time to time delegate to one or more Managers such authority and duties as the Members may deem advisable. The Members may assign titles (including, without limitation President, Vice-President, Secretary and Treasurer) to any Manager. Unless the Members determine otherwise, if a title assigned to a Manager is one commonly used for officers of a business corporation formed under Virginia law, the assignment of such title shall constitute the delegation to such Manager of the authorities and duties that are customarily associated with that office, subject to any specific delegation of authorities and duties made pursuant to the first sentence of this Section. Any number of titles (except President and Vice-President) may be held by the same Manager. Any delegation of authority and duties to a Manager or Managers pursuant to this Section may be revoked at any time by the Members, with or without cause.

5.03 Reliance by Other Persons. Any Person dealing with the Company, other than a

Member, may rely on the authority of any Manager in taking any action in the name of the Company, if the Manager provides to such Person a copy of the resolution or written consent of the Members granting such authority (whether such grant is general or specific in nature) certified in writing by such Manager to be genuine and correct and to not have been revoked, superseded or otherwise amended.

5.04 No Authority. Unless authorized to do so by the express terms of this Operating Agreement, or by the Members under the terms set forth herein, no Manager, Member, agent, or employee of the Company or any other Person shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose, except that any duly designated Manager may incur debt to the company in the normal course of obtaining inventory to be sold by the company in the ordinary course of business.

## **ARTICLE VI** **CONTRIBUTIONS TO THE COMPANY AND DISTRIBUTIONS**

6.01 Initial Capital Contributions. Each initial Member shall contribute \$\_\_\_\_\_ in cash or by bank check as his initial Capital Contribution. The initial Capital Contribution to be made by any person who after the date hereof is admitted as a Member and acquires his Membership Interest from the Company shall be determined by the unanimous consent of the Members.

6.02 Additional Capital Contributions. No Member shall be required to make any capital contribution in addition to his initial Capital Contribution, except upon the unanimous consent of the Members.

6.03 Interests and Return of Capital Contribution. No Member shall receive any interest on his Capital Contribution. Except as otherwise expressly provided for herein, the Members shall not be allowed to withdraw or have refunded any Capital Contribution.

6.04 Effect of Sale or Exchange. In the event of a permitted sale or other transfer of a Membership Interest in the Company, the Capital Contributions of the transferor shall become the Capital Contributions of the transferee to the extent they relate to the transferred Membership Interest.

6.05 Distributions. All distributions of cash or other property (except upon the Company's dissolution, which shall be governed by the applicable provisions of the Act and Article VIII hereof) shall be made to the Members in proportion to their respective Membership Interests. All distributions of cash or property shall be made at such time and in such amounts as determined by the Members. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section.

6.06 Allocations. All items of income, gain, loss, deduction and credit, whether resulting from the Company's operations or in connection with its dissolution, shall be allocated to the Members for federal, state and local income tax purposes in proportion to their respective

Membership Interests.

**ARTICLE VII**  
**ASSIGNMENT; RESIGNATION**

7.01 Assignment Generally. The Membership Interest of a Member shall not be sold, exchanged, conveyed, transferred, or otherwise assigned, either in whole or in part, except as provided in Section 7.03 hereof or upon the unanimous consent of the Members. Notwithstanding the preceding sentence, no assignee of a Membership Interest shall become a Member of the Company except upon the unanimous consent of the Members.

7.02 Encumbrances. The Membership Interest of a Member shall not be pledged, hypothecated, subjected to a security interest or otherwise encumbered except upon the unanimous consent of the Members. Notwithstanding the preceding sentence, no Person who acquires any Membership Interest as a result of such an encumbrance shall become a Member except upon the unanimous consent of the Members.

7.03 Purchase of Certain Membership Interests. Except as provided for under 7.04, if, at any time or from time to time, a Withdrawal Event occurs with respect to any Member (the "Withdrawing Member"), and the remaining Members unanimously consent to continue the business of the Company as provided in Section 8.01(c) hereof, the Company may purchase from the Withdrawing Member, and the Withdrawing Member shall sell to the Company, the entire Membership Interest owned by the Withdrawing Member for a purchase price equal to the Agreement Purchase Price and on the Agreement Purchase Terms (both as defined below). For purposes of the foregoing, a "Withdrawal Event" shall occur with respect to a Member if such Member delivers written notice to the Company and each remaining Member of such Member's desire to resign from the Company and have his Membership Interest purchased pursuant to this Article VII. For purposes hereof, the term "Withdrawing Member" shall include the Withdrawing Member's personal representative.

7.04 Agreement Purchase Price.

(a) The "Agreement Purchase Price" for any purchase pursuant to Section 7.03 hereof shall be an aggregate purchase price for the Withdrawing Member's entire Membership Interest. The Agreement Purchase Price shall be calculated by (i) multiplying the Company Fair Market Value (as defined below) by the Withdrawing Member's Membership Interest (expressed as a fraction).

(b) For purposes of this Article, the "Company Fair Market Value" shall equal the fair market value of the Company, determined as of the last day of the month preceding the month in which the obligation to purchase the Withdrawing Member's Membership Interest arises (the "Valuation Date"). The Company Fair Market Value shall take into account all relevant factors, including without limitation the profits and losses of the Company for the current and recent preceding years, the prospects for profits or losses of the Company in the future, the character, age, condition and state of repair of the Company's property, the extent and maturity of the Company's liabilities, the likelihood of contingent liabilities of the Company becoming actual liabilities, and other factors of similar or dissimilar nature which bear upon the Company's fair market value. The Company Fair Market Value shall be determined (i) by

agreement of the Withdrawing Member and the Company or (ii) if no such agreement is reached within sixty (60) days after the Valuation Date (or, if applicable, the date of qualification of a deceased Withdrawing Member's personal representative, if later), by a qualified and disinterested business appraiser (the "Appraiser") jointly selected by the Withdrawing Member and the Company within twenty (20) days after the expiration of the aforesaid 60-day period. If the parties are unable to agree upon an Appraiser, the Company Fair Market Value shall be equal to the average of appraisals made independently by two Appraisers, one selected by the Withdrawing Member and the other selected by the Company, provided that the higher appraisal does not exceed the lower by more than 10%. Each party shall select an Appraiser and deliver written notice of the Appraiser's name and address to the other party within forty (40) days after the expiration of the above 60-day period. The Member or Members holding a majority of the Membership Interests other than that held by the Withdrawing Member shall choose the Appraiser on behalf of the Company. If the higher of the two appraisals exceeds the lower by more than 10%, a third Appraiser shall be selected by the first two Appraisers, and the Company Fair Market Value shall equal the average of the two appraisals closest in value. If a party fails to appoint an Appraiser as required by this subsection, the other Appraiser or Appraisers so appointed shall act alone, and his or their decision shall be binding on all parties hereunder. The cost of an Appraiser mutually selected by the Withdrawing Member and the Company, as well as the cost of an Appraiser selected by the Company if there is no mutual agreement, shall be borne by the Company. The cost of any Appraiser selected by the Withdrawing Member in the case of no mutual agreement shall be borne by the Withdrawing Member. The cost of any third Appraiser chosen by the first two Appraisers shall be borne equally by the Company and the Withdrawing Member.

(c) Upon receipt of the Company fair market value, which information shall be shared with all Members upon its receipt, the Company shall have thirty days in which to elect whether to purchase the withdrawing Member's interest. Notice of the company's decision shall be mailed to the Member or his personal representative by first class, postage prepaid, mail at the address for such Member shown on the Company's records. Posting of such notice shall constitute timely giving of notice under this Article. Failure to make such election within this time period shall constitute a refusal to purchase. Should the company decline to purchase or fail to act in a timely fashion, the Member or his representative shall thereafter be free to sell to my third party upon such terms as he deems appropriate.

7.05 Agreement Purchase Terms. Should the Company elect to purchase as outlined above, the "Agreement Purchase Terms" shall be as follows:

(a) The settlement date for any purchase under Section 7.03 hereof by the Company shall be such date as may be mutually agreed upon by the Company and the Withdrawing Member, but in no event shall such settlement date be more than one hundred twenty (120) days after the date on which the Agreement Purchase Price has been conclusively determined.

(b) On such settlement date, the Withdrawing Member shall transfer, assign and deliver to the Company the Membership Interest purchased, with good and sufficient title and free and clear of all pledges, encumbrances and security interests, and the Company shall pay, in cash or by certified check, the Agreement Purchase Price.

7.06 Funding the Purchase Agreement. In order to fund any obligations under this Agreement, the Company or the Members may maintain such life insurance policies on the lives of one or more Members as the Members determine from time to time to be desirable.

7.07 Absolute Prohibition. Except as allowed under the provisions of Article VII, (a) the Membership Interest of a Member, in whole or in part, shall not be sold, exchanged, conveyed, transferred, or otherwise assigned, and (b) the Membership Interest of a Member, in whole or in part, or any rights to distributions therefrom, shall not be pledged, hypothecated, subjected to a security interest or otherwise encumbered, under any circumstances if, as a result thereof, the Company would be terminated for federal income tax purposes in the opinion of counsel for the Company.

7.08 Members Acquiring Membership Interest from Company. No Person who acquires a Membership Interest from the Company (other than the Members of the Company as of the date hereof) shall be admitted as a Member, except upon the unanimous consent of the Members.

7.09 Resignation. No Member shall be entitled to resign from the Company except as expressly provided in Section 7.03 and 7.04 hereof or upon the unanimous written consent of the Members.

7.10 Effect of Prohibited Action. Any assignment or other action in violation of this Article shall be void *ab initio* and of no force or effect whatsoever.

## **ARTICLE VIII**

### **DISSOLUTION AND TERMINATION**

8.01 Events of Dissolution. The Company shall be dissolved upon the first to occur of the following:

- (a) Any event which under the Articles requires dissolution of the Company.
- (b) The unanimous written consent of the Members to the dissolution of the Company.
- (c) The death, permitted resignation, bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of such Member in the Company, unless the business of the Company is continued by the consent of the remaining Members owning a majority of the Membership Interests owned by all the remaining Members.
- (d) The entry of a decree of judicial dissolution of the Company as provided in the Act.
- (e) Any event not set forth above which under the Act requires dissolution of the Company.



8.02 Liquidation. Upon the dissolution of the Company, it shall wind up its affairs and distribute its assets in accordance with the Act by either or a combination of both of the following methods as the Members shall determine:

(a) Withdrawing the Company's assets and, after the payment of Company liabilities, distributing the net proceeds therefrom to the Members in proportion to their Membership Interests and in satisfaction thereof; and/or

(b) Distributing the Company's assets to the Members in kind with each Member accepting an undivided interest in the Company's assets, subject to its liabilities, in satisfaction of his Membership Interest. The interest conveyed to each Member in such assets shall constitute a percentage of the entire interests in such assets equal to such Member's Membership Interest.

8.03 Orderly Liquidation. A reasonable time as determined by the Members not to exceed eighteen (18) months shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to the creditors so as to minimize any losses attendant upon dissolution.

8.04 Distributions. Upon liquidation, the Company assets (including any cash on hand) shall be distributed in the following order and in accordance with the following priorities:

(i) First, to the payment of the debts and liabilities of the Company and the expenses of liquidation, including a sales commission to the selling agent, if any; then

(ii) Second, to the setting up of any reserves which the Members (or the person or persons carrying out the liquidation) deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. At the expiration of such period as the Members (or the person or persons carrying out the liquidation) shall deem advisable, but in no event to exceed 18 months, the Company shall distribute the balance thereof in the manner provided in the following subsections; then

(iii) Third, to the Members in proportion to their respective Membership Interests.

(iv) In the event of a distribution in liquidation of the Company's property in kind, the fair market value of such property shall be determined by a qualified and disinterested appraiser actively engaged in appraisal work in the Culpeper County area, selected by the Members (or the person or persons carrying out the liquidation), and each Member shall receive an undivided interest in such property equal to the portion of the proceeds to which he would be entitled under the immediately preceding subsections if such property were sold at such fair market value.

8.05 Taxable Gain or Loss. Taxable income, gain and loss from the sale or distribution of Company property incurred upon or during liquidation and termination of the Company shall be allocated to the Members as provided in Section 6.06 above.

8.06 No Recourse Against Members. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of his Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, such Member shall have no recourse against any other Member.

## **ARTICLE IX** **RECORDS, REPORTS, ETC.**

9.01 Records. The Company shall maintain and make available to the Members its records to the extent provided in the Act.

9.02 Financial and Operating Statements and Tax Returns. Within ninety (90) days from the close of each fiscal year of the Company, the Company shall deliver to each Member a statement setting forth such Member's allocable share of all tax items of the Company for such year, and all such other information as may be required to enable each Member to prepare his federal, state and local income tax returns in accordance with all then applicable laws, rules and regulations. The Company also shall prepare and file all federal, state and local income tax returns required of it for each fiscal year.

9.03 Banking. The funds of the Company shall be kept in one or more separate bank accounts in the name of the Company in such banks or other federally insured depositories as may be designated by the Members or shall otherwise be invested in the name of the Company in such manner and upon such terms and conditions as may be designated by the Members. All withdrawals from any such bank accounts or investments established by the Members hereunder shall be made on such signature or signatures as may be authorized from time to time by the unanimous consent of the Members. Any account opened for the Company shall not be commingled with other funds of the Members or Managers or interested persons.

## **ARTICLE X** **MISCELLANEOUS PROVISIONS**

10.01 Attorneys' Fees. In the event any party brings an action to enforce any provisions of this Agreement, whether such action is at law, in equity or otherwise, and such party prevails in such action, such party shall be entitled, in addition to any other rights or remedies available to it, to collect from the non-prevailing party or parties the reasonable costs and expenses incurred in the investigation preceding such action and the prosecution of such action, including but not limited to reasonable attorneys' fees and court costs.

10.02 Notices. Whenever, under the provisions of the Act or other law, the Articles or this Operating Agreement, notice is required to be given to any Person, it shall not be construed to mean exclusively personal notice unless otherwise specifically provided, but such notice may be given in writing, by mail, addressed to the Company at its principal office from time to time and to any other Person at his address as it appears on the records of the Company from time to time, with postage thereon prepaid. Any such notice shall be deemed to have been given at the time it is deposited in the United States mail. Notice to a Person may also be given personally or

by telegram or teletype sent to his address as it appears on the records of the Company. The address of the Members as shown on the records of the Company shall originally be those set forth in Article III hereof. Any Person may change his address as shown on the records of the Company by delivering written notice to the Company in accordance with this Section.

10.03 Application of Virginia 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, and specifically the Act.

10.04 Amendments. No amendment or modification of this Operating Agreement shall be effective except upon the unanimous written consent of the Members.

10.05 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

10.06 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

10.07 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

10.08 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

10.09 Severability. If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

10.10 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

10.11 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditor of the Company.

10.12 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.13 Entire Agreement. This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all prior and contemporaneous negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

The undersigned, being all the Members of the Company, hereby agree, acknowledge and certify that the foregoing Operating Agreement constitutes the sole and entire Operating Agreement of the Company, unanimously adopted by the Members of the Company as of the date first written above

MANAGING MEMBER:

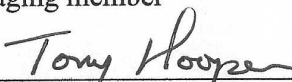
**PARKSIDE APARTMENTS MANAGEMENT LLC**

By CULPEPER COMMUNITY DEVELOPMENT CORPORATION, INC.

A Virginia nonstock corporation,

Its managing member

BY



Tony Hooper, President

## DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (this "Agreement") made as of March 1, 2022, by and between **Culpeper Community Development Corporation/Culpeper Housing and Shelter Services**, a Virginia nonstock corporation (the "Developer") and **Parkside Apartments LLC**, a Virginia limited liability company (the "Company").

### WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, ground lease, maintain and operate certain property as low-income residential rental housing, to be known as Parkside Apartments, to be located at 250 Gardner Street, Culpeper, Virginia 22701 (the "Project"); and

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

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

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

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

Section 1. Development Services.

(a) The Developer has performed certain services relating to the development of the Project and shall oversee the development and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii) promptly notify the Company that the

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

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

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

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

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

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

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

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

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

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

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

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

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

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

(K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

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

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or



construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or construction of the Project contained in any loan agreement or security agreement in connection with the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations;

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

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

(viii) To the extent applicable to the construction of the Project, comply with all present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices having jurisdiction over the Project. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent

contractors performing work in connection with the construction of the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Company and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

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

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

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

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

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

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

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

thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

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

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

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

### Section 3. Accounts and Records.

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

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the management agreement between the Company and the Management Agent ("Management Agreement").

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

### Section 4. Obligation To Complete Construction.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanic's, materialmen's or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the loan and other documents governing the development and operation of the Project and in the plans and specifications for the Project.

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the "Development Amount") equal to one million three hundred and fifty thousand and No/100 Dollars (\$1,350,000.00). 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 from and only to the extent of the Company's available cash, in installments as follows:

- (i) Ten percent (10%) on initial equity funding of the Project;
- (ii) Forty percent (40%) upon substantial completion of the Project; and
- (iii) Fifty percent (50%) upon achievement of 100% occupancy for the Project.

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

Section 6. Applicable Law.

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

Section 7. Binding Agreement.

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

Section 8. Headings.

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

Section 9. Terminology.

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

Section 10. Benefit of Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY:

**Parkside Apartments, LLC**, a Virginia limited liability company

By:         Parkside Apartments Management, LLC          
a Virginia limited liability company  
nonstock corporation, its sole  
managing member

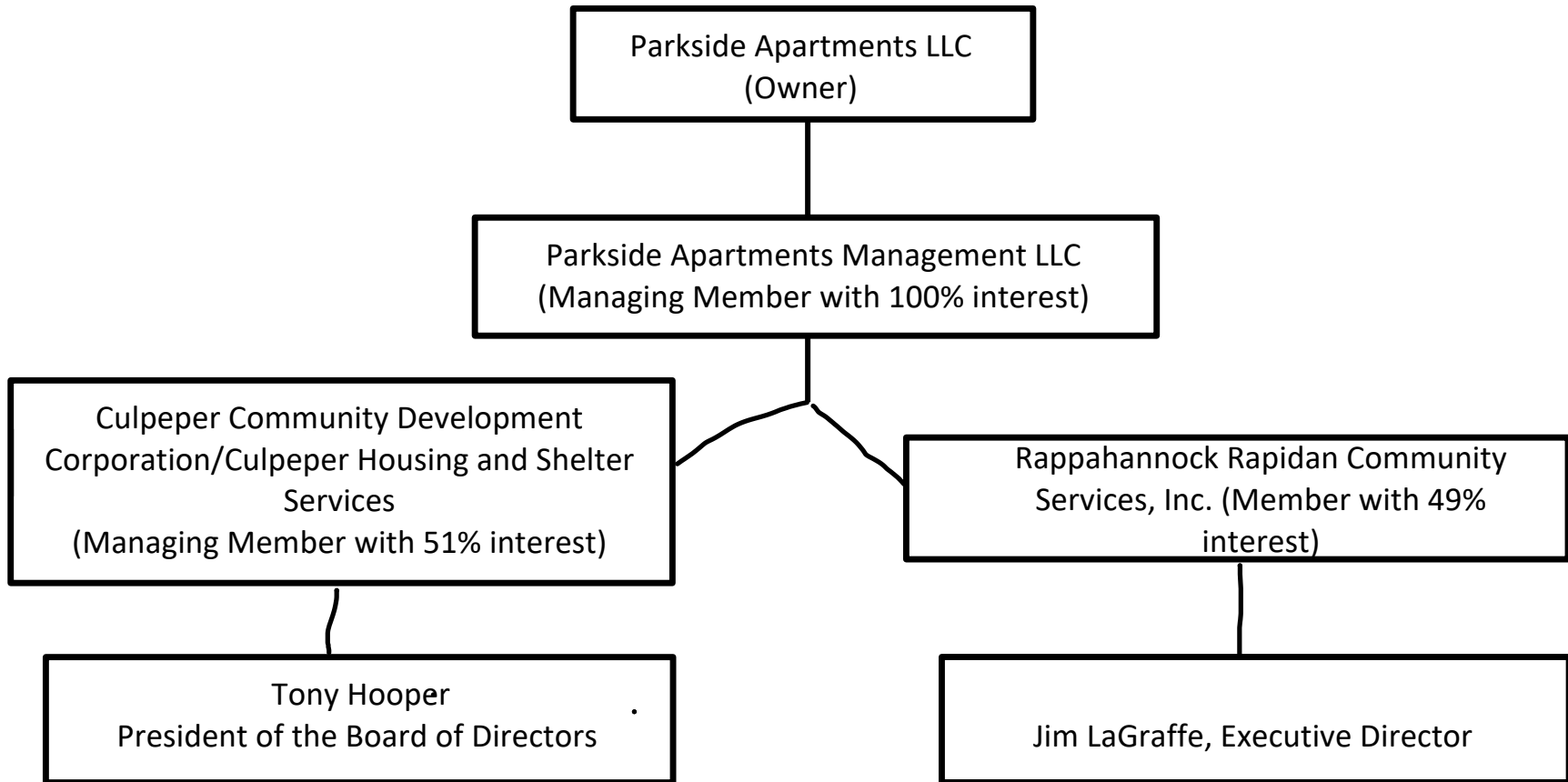
By:         Tony Hooper          
Name:         Tony Hooper         Title:  
President                                 

DEVELOPER:

**Culpeper Community Development Corporation/Culpeper Housing and Shelter Services**, a Virginia nonstock corporation

By:         Tony Hooper          
Name:         Tony Hooper          
Title:         President

# Parkside Apartments Organizational Chart





# **Tab B:**

Virginia State Corporation Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

Richmond, January 13, 2022

This is to certify that the certificate of organization of

### **Parkside Apartments 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 13, 2022



STATE CORPORATION COMMISSION

Attest:

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

Clerk of the Commission

**COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION**

AT RICHMOND, JANUARY 13, 2022

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

**Parkside Apartments 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 13, 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 13, 2022

Samuel R Walker  
Clark & Walker PLLC  
147 W Davis St  
Culpeper, VA, 22701

**RECEIPT**

RE: Parkside Apartments LLC  
ID: 11329768  
FILING NO: 2201134067541  
WORK ORDER NO: 202201132332322

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 13, 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

# **Tab C:**

Principal's Previous Participation Certification  
(MANDATORY)



## Previous Participation Certification

Development Name: \_\_\_\_\_

Name of Applicant (entity): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Tony Hooper**  
\_\_\_\_\_  
Printed Name

**3/1/22**  
\_\_\_\_\_  
Date (no more than 30 days prior to submission of the Application)



# **Tab D:**

List of LIHTC Developments (Schedule A)  
(MANDATORY)

# List of LIHTC Developments (Schedule A)



Development Name: Parkside Apartments  
 Name of Applicant: Parkside Apartments LLC

**INSTRUCTIONS:**

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

Principal's Name: Parkside Apartments Management LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Yes

	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	Ann Wingfield Commons	Ann Wingfield Commons LLC 540 604 6521	N	44	44	11/30/20	3/3/22	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 44 44 LIHTC as % of Total Units 100%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

# List of LIHTC Developments (Schedule A)



Development Name: Parkside Apartments  
 Name of Applicant: Parkside Apartments LLC

**INSTRUCTIONS:**

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

Principal's Name: Culpeper Community Development Corporation/Culpeper Housing Controlling GP (CGP) or 'Named' Managing Member of Proposed property? No

	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	Ann Wingfield Commons	Ann Wingfield Commons LLC 540 604 6521	N	44	44	11/30/20	3/3/22	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 44 44 LIHTC as % of Total Units 100%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

# List of LIHTC Developments (Schedule A)



Development Name: Parkside Apartments  
 Name of Applicant: Parkside Apartments LLC

**INSTRUCTIONS:**

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

Principal's Name: Tony Hooper Controlling GP (CGP) or 'Named' Managing Member of Proposed property? No

	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	Ann Wingfield Commons	Ann Wingfield Commons LLC 540 604 6521	N	44	44	11/30/20	3/3/22	N
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 44 44 LIHTC as % of Total Units 100%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

# List of LIHTC Developments (Schedule A)



Development Name: Parkside Apartments  
 Name of Applicant: Parkside Apartments LLC

**INSTRUCTIONS:**

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

Principal's Name: Rappahannock-Rapidan Community Services Controlling GP (CGP) or 'Named' Managing Member of Proposed property? No

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

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

# List of LIHTC Developments (Schedule A)



Development Name: Parkside Apartments  
 Name of Applicant: Parkside Apartments LLC

**INSTRUCTIONS:**

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

Principal's Name: Jim LaGrafie Controlling GP (CGP) or 'Named' Managing Member of Proposed property? No

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
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\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8602 (per entity/development) for a total of 6.

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

# **Tab E:**

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

## CONTRACT OF PURCHASE AND SALE

**THIS CONTRACT OF PURCHASE AND SALE**, made and entered into this the 1st day of March, 2022, by and between Culpeper Community Development Corporation, Inc., a Virginia corporation, hereinafter “Seller”, and Parkside Apartments LLC, a Virginia limited liability company, hereinafter “Purchaser”;

### WITNESSETH:

#### RECITALS:

- A. Seller is the owner of a certain improved lot or tract of land situate, lying and being in the Town and County of Culpeper, Virginia, in West Fairfax Magisterial District, located between the east side of Kelly Street and the west side of Gardner Street, Extended, in the Town of Culpeper, State of Virginia, containing 3.131 acres, more or less, according to a plat of survey made by Curry T. Guinn, Jr., on September 10, 1971, attached to and made a part of a deed recorded in Deed Book 225, Page 291. TOGETHER WITH and subject to a certain roadway used for ingress/egress as shown on the above-mentioned plat of survey, also being described in a Right of Way Agreement, dated February 3, 1958, and recorded in Deed Book 149, Page 492 (hereinafter, the “Property”), and also identified as Culpeper County Tax Map Parcel No. 40-84; and
- B. Purchaser desires to acquire the Property and Seller is willing to sell the Property to Purchaser on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of Ten and 00/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the parties hereto agree as follows:

1. **PURCHASE AND SALE OF PROPERTY.** Purchaser agrees to buy and Seller agrees to sell the Property;
2. **PURCHASE PRICE.** The Purchase Price for the Property shall be the greater of fair market value at the time of closing as determined by an independent MAI appraiser agreeable to all parties, or the remaining debt on the property at the time of closing, and Seller agrees not to further encumber the Property. Specific purchase price shall be established by the foregoing formula at least thirty days prior to Closing.
3. **CLOSING.** The transactions contemplated in this Contract shall take place at a Closing to be held at the law offices of Clark & Walker PLLC, 147 W. Davis Street, in Culpeper, Virginia, or at such other place as the parties may agree, no later than 12/31/23, unless an extension is agreed to by all parties (the “Closing”). At Closing, Seller shall convey title to the Property to Purchaser



by General Warranty and English Covenants of Title. At Closing, Seller and Purchaser shall each deliver such other and further documents and certifications as may reasonably be required. Seller shall pay the cost of preparing the Deed and its own attorneys' fees, as well as the Grantor's tax on the conveyance, and Purchaser shall pay its own attorneys' fees and any additional costs of recordation.

**4. CONDITION OF PROPERTY.** The parties agree that Purchaser, through its agents, has had sufficient time to inspect the Property and determine its condition and its usefulness for Purchaser's intended purpose. Therefore, the parties agree that Purchaser will acquire the Property AS IS and WITH ALL FAULTS, and that, with the exception of the warranties contained in the Deed, Seller makes no warranty, express or implied, as to the condition of the Property or its suitability for any particular use. The provision in this Section 4 shall survive Closing and delivery of the Deed.

**5. ENTIRE AGREEMENT.** This is the entire agreement between the parties hereto, and incorporates all other agreements, written or oral, between the parties concerning the subject matter herein.

**6. INTERPRETATION; ENFORCEMENT.** This agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Virginia.

WITNESS the following signatures and seals:

**CULPEPER COMMUNITY DEVELOPMENT CORPORATION, INC.,**  
a Virginia corporation

By Tony Hooper (SEAL)  
Its President

**PARKSIDE APARTMENTS LLC,**  
a Virginia limited liability company  
By Parkside Apartments Management LLC,  
a Virginia limited liability company, its Manager/Sole Member

By Tony Hooper (SEAL)  
Its President

# 250 GARDNER ST

**Location** 250 GARDNER ST

**Parcel ID** 40 / / 84 / /

**Acct#** 10366

**Owner** CULPEPER COMMUNITY  
DEVELOPMENT CORPORATION

**Assessment** \$284,300

**Appraisal** \$284,300

**PID** 9685

**Building Count** 1

**Legal Description** CT HOUSE

**Magisterial Dist:** 07

## Current Value

Appraisal			
Valuation Year	Improvements	Land	Total
2022	\$161,500	\$122,800	\$284,300

Assessment			
Valuation Year	Improvements	Land	Total
2022	\$161,500	\$122,800	\$284,300

## Parcel Addresses

Additional Addresses
No Additional Addresses available for this parcel

## Owner of Record

**Owner** CULPEPER COMMUNITY DEVELOPMENT CORPORATION  
**Address** 215 E SPENCER ST  
CULPEPER, VA 22701-2740

**Sale Price** \$1,080,000  
**Parcels in sale** 1  
**Book & Page** 8360/1  
**Sale Date** 09/23/2021  
**Validity Code** 01

## Ownership History

Ownership History						
Owner	Sale Price	Parcels in sale	Book & Page	Validity Code	Sale Date	Instrument
CULPEPER COMMUNITY DEVELOPMENT CORPORATION	\$1,080,000	1	8360/1	01	09/23/2021	
NICHOLAS, JACK D ET ALS	\$0	1	8359/1	01	09/23/2021	
JMJ CULPEPER LLC	\$310,000	1	5782/1	01	09/01/2020	

SISK, DOLLY D ESTATE	\$0	1	31/0	02/07/2013
SISK, DOLLY D	\$25,000	0	225/291	01/01/1900

## Building Information

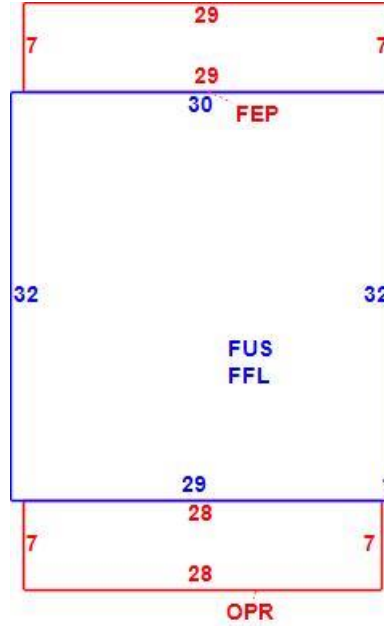
### Building 1 : Section 1

**Year Built:** 1903  
**Living Area:** 1,920  
**Replacement Cost:** \$213,501  
**Building Percent Good:** 74  
**Replacement Cost Less Depreciation:** \$158,000

#### Building Attributes

Field	Description
Style	Colonial
Model	Residential
Grade	C
Stories	2
Occupancy	1
Exterior Wall 1	ALUMINUM SIDING
Exterior Wall 2	Typical
Roof Type	GABLE
Roof Cover	METAL
Interior Wall 1	PLASTER
Interior Wall 2	
Interior Floor 1	WOOD FLOORING
Interior Floor 2	
Heat Fuel	GAS
Heat Type	FORCED AIR
AC Percent	0
Bedroom(s)	4
Full Bath(s)	1
Half Bath(s)	1
Extra Fixture(s)	
Total Room(s)	8
Bathrm Style	Average
Kitchen Style	Average
Extra Kitchen(s)	0
FBM Quality	N/A
Interior Floor 3	
Interior Floor 1	
Basement Area	0

### Building Layout



(ParcelSketch.ashx?pid=9685&bid=9685)

Building Sub-Areas (sq ft)			Legend
Code	Description	Gross Area	Living Area
FFL	First Floor	960	960
FUS	Finished Upper Story	960	960
FEP	Finished Enclosed Porch	203	0
OPR	Open Porch	196	0
		2,319	1,920

Fin Basement Area	0
Heat Fuel	
Gas Fireplace	
Fireplace(s)	0
BSMT Garage #	0.00
Extra FPL Opening	0
Interior Wall 3	
Flue/ IFPL	0
Stacked Fireplace(s)	
Flue(s)	
Gas Fireplace(s)	
Inop Flue/FPL	
Foundation	CONCRETE
Basement	CRAWL SPACE
Fin Bsmt Area	
# Cars - Garage 2	
Split Foyer	No
Split Level	No
Metal Flue(s)	

**Extra Features**

Extra Features	<u>Legend</u>
No Data for Extra Features	

**Land**

**Land Use**

**Use Code** 100R  
**Description** SFD - Urban Res  
**Zone** R2  
**Neighborhood** 0441  
**Alt Land Appr Category** No

**Land Line Valuation**

**Size (Acres)** 3.13  
**Frontage**  
**Depth**  
**Assessed Value** \$122,800

**Outbuildings**

Outbuildings						<u>Legend</u>
Code	Description	Sub Code	Sub Description	Size	Value	Bldg #
BRN	BARN	FV	FRAME & VINYL	720.00 UNITS	\$1,800	1
BRN	BARN	FR	FRAME	200.00 UNITS	\$400	1
MSC545	FR POULTRY			1.00 UNIT	\$300	1
MSC141	5 MISC FR SHEDS			1.00 UNIT	\$1,000	1

## Valuation History

Appraisal			
Valuation Year	Improvements	Land	Total
2021	\$161,500	\$122,800	\$284,300
2021	\$161,500	\$122,800	\$284,300
2021	\$161,500	\$122,800	\$284,300
2020	\$113,700	\$76,500	\$190,200
2020	\$113,700	\$58,400	\$172,100

Assessment			
Valuation Year	Improvements	Land	Total
2021	\$161,500	\$122,800	\$284,300
2021	\$161,500	\$122,800	\$284,300
2021	\$161,500	\$122,800	\$284,300
2020	\$113,700	\$76,500	\$190,200
2020	\$113,700	\$58,400	\$172,100

# **Tab F:**

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.


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

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

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

**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: 3/2/22

Printed Name: Sean Shanley

RESNET Rater

Resnet Provider Agency  
Viridiant

Signature 

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

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: ILK9EQlv

### HERS® Index Score:

# 55

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$1,189

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

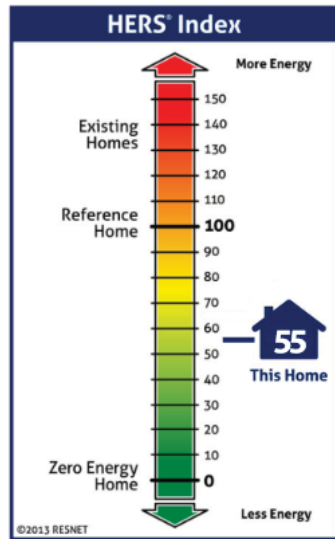
**Rating Company:** Viridiant  
1431 W. Main Street, Richmond, VA 23220

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 1:02 PM



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,351 ft <sup>2</sup>
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	50 CFM • 45 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-19
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-13



# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: VvnGVN52

### HERS® Index Score:

# 67

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

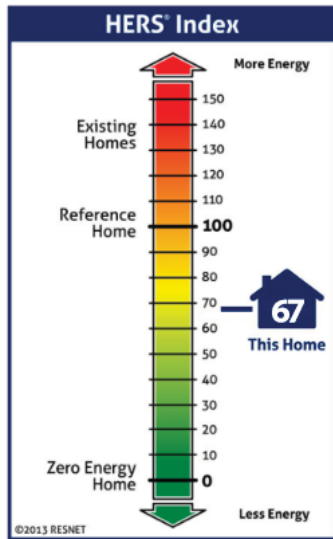
# \$688

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	792 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	40 CFM • 45 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-19
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	N/A

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

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

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 1:00 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: 6LA9D3eL

### HERS® Index Score:

# 65

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$850

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

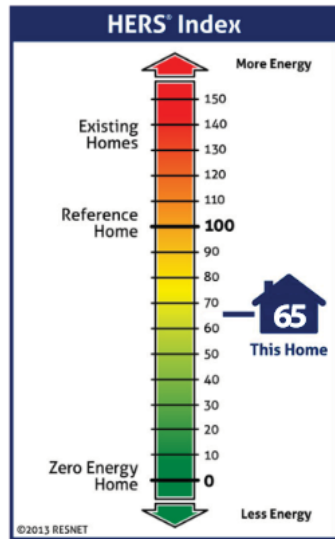
**Rating Company:** Viridiant  
1431 W. Main Street, Richmond, VA 23220

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 12:58 PM



### Home Feature Summary:

Home Type: Apartment, inside unit  
Model: N/A  
Community: N/A  
Conditioned Floor Area: 975 ft<sup>2</sup>  
Number of Bedrooms: 2  
Primary Heating System: Air Source Heat Pump • Electric • 8.5 HSPF  
Primary Cooling System: Air Source Heat Pump • Electric • 15 SEER  
Primary Water Heating: Residential Water Heater • Electric • 0.95 Energy Factor  
House Tightness: 5 ACH50  
Ventilation: 40 CFM • 45 Watts  
Duct Leakage to Outside: 4 CFM25 / 100 ft<sup>2</sup>  
Above Grade Walls: R-19  
Ceiling: Attic, R-38  
Window Type: U-Value: 0.32, SHGC: 0.27  
Foundation Walls: N/A  
Framed Floor: N/A

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: bL7gjaKL

### HERS® Index Score:

# 63

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

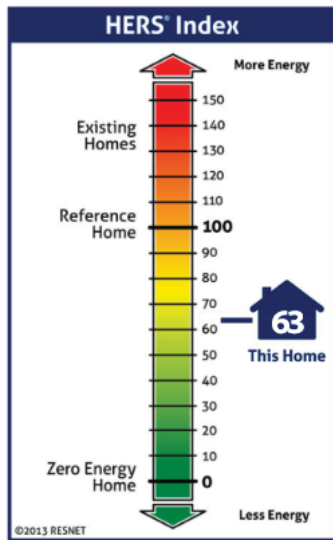
# \$931

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**



### Home Feature Summary:

Home Type: Apartment, end unit  
Model: N/A  
Community: N/A  
Conditioned Floor Area: 1,012 ft<sup>2</sup>  
Number of Bedrooms: 2  
Primary Heating System: Air Source Heat Pump • Electric • 8.5 HSPF  
Primary Cooling System: Air Source Heat Pump • Electric • 15 SEER  
Primary Water Heating: Residential Water Heater • Electric • 0.95 Energy Factor  
House Tightness: 5 ACH50  
Ventilation: 50 CFM • 45 Watts  
Duct Leakage to Outside: 4 CFM25 / 100 ft<sup>2</sup>  
Above Grade Walls: R-19  
Ceiling: Adiabatic, R-13  
Window Type: U-Value: 0.32, SHGC: 0.27  
Foundation Walls: N/A  
Framed Floor: N/A

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

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

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 1:10 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: gdE9Empd

### HERS® Index Score:

# 57

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

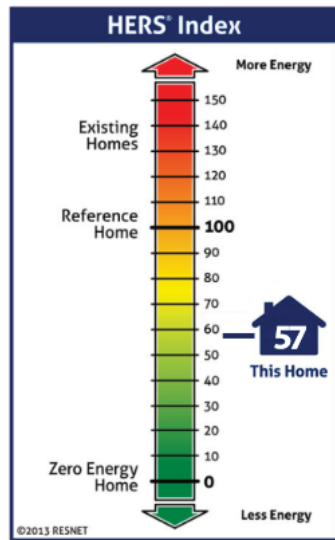
# \$943

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,012 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	50 CFM • 45 Watts
Duct Leakage to Outside:	4 CFM25 / 100 ft <sup>2</sup>
Above Grade Walls:	R-19
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	R-13

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

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

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 1:01 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: yvP9xAe2

### HERS® Index Score:

# 61

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

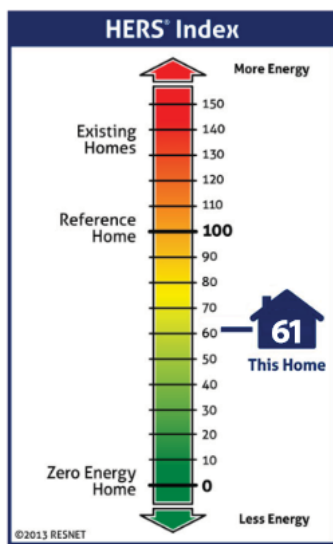
# \$1,075

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**



### Home Feature Summary:

Home Type: Apartment, end unit  
Model: N/A  
Community: N/A  
Conditioned Floor Area: 1,324 ft<sup>2</sup>  
Number of Bedrooms: 3  
Primary Heating System: Air Source Heat Pump • Electric • 8.5 HSPF  
Primary Cooling System: Air Source Heat Pump • Electric • 15 SEER  
Primary Water Heating: Residential Water Heater • Electric • 0.95 Energy Factor  
House Tightness: 5 ACH50  
Ventilation: 50 CFM • 45 Watts  
Duct Leakage to Outside: 4 CFM25 / 100 ft<sup>2</sup>  
Above Grade Walls: R-19  
Ceiling: Attic, R-38  
Window Type: U-Value: 0.32, SHGC: 0.27  
Foundation Walls: N/A  
Framed Floor: N/A

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

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

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 12:59 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID:  
Ekotrope ID: M28nDzXd

### HERS® Index Score:

# 60

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit [www.hersindex.com](http://www.hersindex.com)

### Annual Savings

# \$1,157

\*Relative to an average U.S. home

**Home:**  
250 Gardner Street  
Culpeper, VA 22701

**Builder:**

**This home meets or exceeds the criteria of the following:**

### Rating Completed by:

**Energy Rater:** Katy Maher  
RESNET ID: 2430236

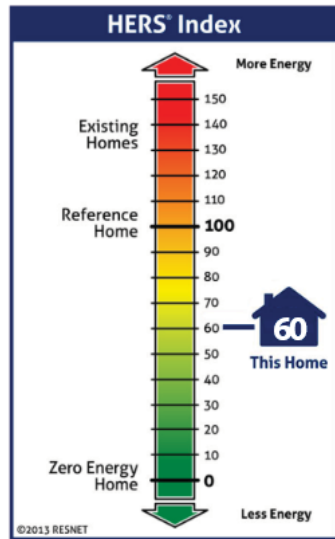
**Rating Company:** Viridiant  
1431 W. Main Street, Richmond, VA 23220

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



*Katy Maher*

Katy Maher, Certified Energy Rater  
Digitally signed: 3/2/22 at 1:00 PM



### Home Feature Summary:

Home Type: Apartment, end unit  
Model: N/A  
Community: N/A  
Conditioned Floor Area: 1,351 ft<sup>2</sup>  
Number of Bedrooms: 3  
Primary Heating System: Air Source Heat Pump • Electric • 8.5 HSPF  
Primary Cooling System: Air Source Heat Pump • Electric • 15 SEER  
Primary Water Heating: Residential Water Heater • Electric • 0.95 Energy Factor  
House Tightness: 5 ACH50  
Ventilation: 50 CFM • 45 Watts  
Duct Leakage to Outside: 4 CFM25 / 100 ft<sup>2</sup>  
Above Grade Walls: R-19  
Ceiling: Adiabatic, R-13  
Window Type: U-Value: 0.32, SHGC: 0.27  
Foundation Walls: N/A  
Framed Floor: N/A



**Project Name:** Parkside  
**Construction Type:** New Construction  
**Energy Efficiency Path:** Energy Star

Unit Type	Quantity	HERS	ENERGY STAR Target
Bldng 100-300 1BR	7	67	76
Bldng 100-300 2BR	9	65	76
Bldng 100-300 3BR	5	61	75
Bldng 400-600 2BR	9	63	70
Bldng 400-600 2BR (top)	1	57	76
Bldng 400-600 3BR	3	60	68
Bldng 400-600 3BR (top)	3	55	70
<b>Projected Project HERS - Weighted Average</b>		<b>63</b>	





## Parkside Apartments 2022 LIHTC Pre-Review Comments

### Potential Project Addresses:

250 Gardner Street  
Culpeper, VA 22701

### Project Summary

Parkside Apartments is a new construction low-rise multifamily development, comprised of 37 units located in Culpeper, VA. Culpeper Housing & Shelter Solutions plans to construct the project utilizing 9% LIHTC. As part of their funding application the project is seeking certification under the ENERGY STAR Multifamily New Construction Program V1 (ESMFNC). This level of certification requires the project to have a maximum HERS index in compliance with the ESMFNC floating target HERS score and completion of all ENERGY STAR required checklists. The project is also seeking Earthcraft Gold level certification, requiring 150+ points on the Earthcraft Multifamily Workbook. Donald Harwood of Donald C. Harwood, Architect LLC 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 dated February 6, 2022. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 67, meeting the Energy Star unit specific target of 65. The following outlines the scope as it is currently modeled.

### Enclosure:

- R-10 Grade II slab edgeinsulation
- R-19 Grade I fiberglass cavity insulation in exterior walls
- R-13 Grade I fiberglass cavity insulation in party walls and adiabatic ceilings/floors
- R-38 Grade I blown cellulose roof insulation
- 0.27 U-Value/0.27 SGHC for doors with glass
- 0.32 U-Value/0.27 SHGC windows

### Mechanicals:

- SEER 15, HSPF 8.5, air source heat pumps in conditioned space
- 0.95 EF storage electric water heaters, 40 gallon
- 5 ACH<sub>50</sub> for infiltration threshold/blower door test
- 4% duct leakage to the outside, 8% total duct leakage
- All ducts within conditioned space and insulated to R-6
- Renewaire ERV providing fresh air



Parkside Apartments  
March 2<sup>nd</sup>, 2022



Lights & Appliances:

- ES rated kitchen appliances
  - 615 kWh/yr refrigerator
  - 270 kWh/yr dishwasher
- Advanced lighting 100% LED

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

Sincerely,

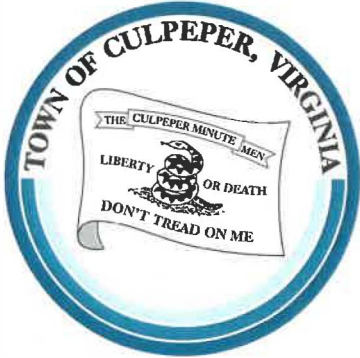
A handwritten signature in black ink that reads "Katy Maher".

Katy Maher  
*Project Manager, Viridiant*

# **Tab G:**

Zoning Certification Letter (MANDATORY)

# Zoning Certification



**DATE:** March 2, 2022

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

**RE:**  
 ZONING CERTIFICATION

Name of Development: Parkside Apartments

Name of Owner/Applicant: Parkside Apartments LLC

Name of Seller/Current Owner: Culpeper Housing and Shelter Services

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:  
250 Gardner Street  
Culpeper, VA 22701

Legal Description:  
Please see attached

**Proposed Improvements:**

<input checked="" type="checkbox"/> New Construction:	<u>37</u>	# Units	<u>6</u>	# Buildings	<u>39539</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>      </u>	# Units	<u>      </u>	# Buildings	<u>      </u>	Total Floor Area Sq. Ft.

## Zoning Certification, cont'd

Current Zoning: Residential District R-2 allowing a density of 12 units per acre, and the following other applicable conditions: Density listed is for multifamily development with a minimum area of 15,000 square feet.

Other Descriptive Information:

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### 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

Andrew Hopewell

Printed Name

Zoning Administrator

Title of Local Official or Civil Engineer

(540) 829-8260

Phone:

March 2, 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 the Tax Credit Allocation Department at (804) 343-5518.

Legal Description from deed  
Parkside Apartments

ALL THAT certain tract or parcel of land, located between the east side of Kelly Street and the west side of Gardner Street Extended, in the Town and County of Culpeper, State of Virginia, containing 3.131 acres, more or less, according to a plat of survey made by Curry T. Guinn, Jr., on September 10, 1971, attached to and made a part of a deed recorded in Deed Book 225, Page 291.

TOGETHER WITH and subject to a certain roadway used for ingress/egress as shown on the above-mentioned plat of survey, also being described in a Right of Way Agreement dated February 3, 1958, and recorded in Deed Book 149, Page 492.

# **Tab H:**

Attorney's Opinion (MANDATORY)

March 9, 2022

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

RE: 2022 Tax Credit Reservation Request or 2023 Forward Allocation Tax Credit Request

Name of Development: Parkside Apartments  
Name of Owner: Parkside Apartments 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 9, 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 Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. Assuming that you designate the buildings in the Development as being in a difficult development area pursuant to Code Section 42(d)(5)(B)(v), the calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of

low-income housing.

7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

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

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

Sincerely,

*Applegate & Thorne-Thomsen, P.C.*

Applegate & Thorne-Thomsen, P.C.



# Tab I:

## Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: 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)



# Non-profit Questionnaire

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

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

## 1. General Information

- Name of development: Parkside Apartments
- Name of owner/applicant: Parkside Apartments LLC
- Name of non-profit entity: Culpeper Housing and Shelter Services aka Culpeper Community Development Corporation
- Address of principal place of business of non-profit entity:  
215 E Spencer Street, Culpeper, VA 22701
- Tax exempt status:  501(c)(3)     501(c)(4)     501(a)
- Date of legal formation of non-profit (must be prior to application deadline); 1-18-1988  
evidenced by the following documentation:  
Articles of Incorporation, By-Laws, 501 c3 Determination Letter
- Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):  
March 1, 1993
- Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):  
Determine housing needs and define solutions to provide housing or shelter for low income residents, mentally ill, the elderly or or others in need of housing in Culpeper County and adjoining counties
- How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?  
3 How many part time, paid staff members? \_\_\_\_\_

Describe the duties of all staff members:

Executive Director: Manages the affairs of the agency and provides leadership to the Board of Directors

Program Manager: Provides intake and case management to those seeking housing or those facing eviction

Shelter Manager: Manages 15 bed homeless shelter and provides office support to the agency

## Non-profit Questionnaire, cont'd

- Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes  No If yes, explain in detail: \_\_\_\_\_

\_\_\_\_\_

- What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development

Donations, fund raising, grants, rental income, rental management fees, local government support

\_\_\_\_\_

\_\_\_\_\_

- List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

Please see attached list

\_\_\_\_\_

\_\_\_\_\_

## 2. Non-profit Formation

- If this is your first Non-profit Questionnaire in Virginia please explain in detail the genesis of the formation of the non-profit; otherwise please skip this question:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes  No If yes, explain in detail:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes  No If yes, explain:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Does any for-profit organization or local housing authority have the right to make such appointments?

Yes  No If yes, explain:

\_\_\_\_\_

\_\_\_\_\_

## Non-profit Questionnaire, cont'd

- Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes  No, If yes, explain: \_\_\_\_\_

- Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes  No

- Explain any experience you are seeking to claim as a related or subsidiary non-profit.

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### 3. Non-profit Involvement

- Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in

§42(i)(1) of the Code)?

Yes  No

(i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes  No

(ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes  No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

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- (i) Will the non-profit be the managing member or managing general partner?

Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced?

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(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest?  Yes  No

- Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced?

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## Non-profit Questionnaire, cont'd

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

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- Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes  No If yes,

- (i) Describe the non-profit's proposed involvement in the construction or rehabilitation of the Development:

For the entire compliance period the CCDC will have accountability and responsibility for overseeing

all aspects of the development of the property. CCDC is the developer and will provide construction guarantees to lenders and investors.

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

Supervision of Property Management, administration of compliance, budgeting for repairs and maintenance, responsibility

and accountability to investors and lenders. The non-profit is providing a guarantee to lenders and investors

for the proper management and long-term operation of the property.

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture?  Yes  No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

Executive Director and Board: review monthly, quarterly and annual financials - 15 hrs/month- 180 hrs

Executive Director and Board: organize or provide resident services: 20 hours/month - 240 hrs

Executive Director and Board : annual budget - 10 hours; Executive Director and Board: sponsor financial oversight and admin: 80 hours annually

- If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.
- 
- 

- Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?

Yes  No If yes,

(i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

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- Will the non-profit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services?  Yes  No If yes, explain the amount and source of the funds for such payments.
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## Non-profit Questionnaire, cont'd

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- Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner?  Yes  No If yes, explain in detail the amount and timing of such payments.

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- Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow?  
 Yes  No If yes, explain:

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- Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity?  
 Yes  No If yes, explain:

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- Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

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## Non-profit Questionnaire, cont'd

### 4. Virginia and Community Activity

- Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia?  Yes  No
  
- Define the non-profit's geographic target area or population to be served:  

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- Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  
 Yes  No If yes, or no, explain nature, extent and duration of any service:  

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- Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing?  Yes  No If yes, explain:  

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- Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?  
 Yes  No
  
- Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 Yes  No If yes, explain:  

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- Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  Yes  No If yes, describe the general discussion points:  

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- Are at least 33% of the members of the board of directors representatives of the community being served?  Yes  No If yes,
  - (i) low-income residents of the community?  Yes  No
  - (ii) elected representatives of low-income neighborhood organizations?  Yes  No

## Non-profit Questionnaire, cont'd

- Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  Yes  No
- Does the board of directors hold regular meetings which are well attended and accessible to the target community?  Yes  No If yes, explain the meeting schedule:  

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- Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction?  Yes  No
- Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses?  Yes  No If yes, explain in detail:  

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- Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area?  Yes  No If yes, explain:  

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- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  Yes  No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).  

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- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  Yes  No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).  

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- To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  Yes  No  

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- Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources?  Yes  No If yes, explain the need identified:  

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**Non-profit Questionnaire, cont'd**

**5. Attachments**

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

03/02/2022  
Date

Mar. 4, 2022  
Date

Parkside Apartments LLC

Owner/Applicant

By: Tony Hooper

Its: Parkside Apartments Management

Title

Culpeper Community Development

Non-profit

By: Tony Hooper  
Board Chairman

By: Cheryl S. Carter  
Executive Director



## Non-profit Questionnaire Request for Supplemental Documentation

Part II, Section 6, of the Qualified Allocation Plan ("QAP") of the Virginia Housing (the "Authority" formerly VHDA) for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the Non-profit Pool established under the QAP and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Please submit the following **only if** the Non-profit has not previously been approved as a qualified Non-profit to compete for tax credits in the Non-profit pool in the community where the proposed development is located.

- IRS Determination Letter
- Articles of Incorporation and by-laws
- Joint Venture Agreement  Check if not applicable
- Consultant's Contract  Check if not applicable
- Virginia Department of Agriculture and Consumer Services Form 102
- Non-profit's last 3 years of IRS Form 990
- Non-profit's most recent financial statements
- Other (please list)  
CHASS/CCDC submitted these documents when it applied for LIHTC for Ann Wingfield Commons  
in 2018

If you cannot provide any of the above, please provide a written explanation.

The undersigned Non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is correct, complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

03/02/2022  
Date

Culpeper Community Development Corp  
 Non-profit  
 By: Tony Hooper  
 Board Chairman  
 By: Cheryl S. Carter  
 Executive Director



# Non-profit Questionnaire

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

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

## 1. General Information

- Name of development: Parkside Apartments
- Name of owner/applicant: Parkside Apartments LLC
- Name of non-profit entity: Rappahannock Rapidan Community Services (RRSC)

- Address of principal place of business of non-profit entity:  
15361 Bradford Road PO Box 1568 (mailing) Culpeper, Va 22701

- Tax exempt status:  501(c)(3)     501(c)(4)     501(a)

- Date of legal formation of non-profit (must be prior to application deadline); 10/30/1972  
evidenced by the following documentation:  
The formation of Rappahannock Rapidan Community Services occurred October 30, 1972.

- Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):  
The oldest documentation of our status as a 501 (c) (3) is dated December 16, 1999.

- Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):  
Our mission is to improve the quality of life of the individuals, families, and communities we serve by providing comprehensive high quality Aging, Behavioral Health, Intellectual Disability, and Substance Abuse services. Additionally, RRCS is noted as having housing initiatives through its performance contract with DBHDS and through our Area Plan with DARS.

- How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?  
300                      How many part time, paid staff members? 60

Describe the duties of all staff members:  
RRCS employs numerous staff such as maintenance specialists, support coordinator managers, housing supervisor, housing and facilities director, director of finance, associate executive director, and executive director. Please see Job Descriptions, attachment #'s 3-9.

## Non-profit Questionnaire, cont'd

- Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes  No If yes, explain in detail: \_\_\_\_\_

\_\_\_\_\_

- What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development)

RRCS has varied funding streams.

Please see attachment # 10

\_\_\_\_\_

- List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

RRCS has several members of the Board of Directors.

Please see attachment # 11

\_\_\_\_\_

### 2. Non-profit Formation

- If this is your first Non-profit Questionnaire in Virginia please explain in detail the genesis of the formation of the non-profit; otherwise please skip this question:

Rappahannock Community Services was formed in 1972 to improve the quality of life of the citizens of Culpeper, Fauquier, Madison, Orange, and Rappahannock counties by providing comprehensive behavioral health, developmental disability, substance use disorder, and aging services. In order for these services to be effective, housing has to be a priority. The "Housing First" philosophy coincides with RRCS's mission because without housing there can be no quality of life.

- Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes  No If yes, explain in detail:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes  No If yes, explain: The Board of Supervisors for Culpeper, Fauquier, Madison, Rappahannock, and Orange Counties appointment members of their counties to serve on the RRCS board.

- Does any for-profit organization or local housing authority have the right to make such appointments?

Yes  No If yes, explain:

\_\_\_\_\_

\_\_\_\_\_

## Non-profit Questionnaire, cont'd

- Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes  No, If yes, explain: VA Housing is the public housing authority for the Housing Choice Voucher Program, RRCS is the local housing authority.

- Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes  No

- Explain any experience you are seeking to claim as a related or subsidiary non-profit.

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---

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### 3. Non-profit Involvement

- Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in

§42(i)(1) of the Code)?

Yes  No

(i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes  No

(ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes  No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

Culpeper Housing and Shelter Services (CHASS) will hold 51% ownership interest and Rappahannock Rapidan Community Services (RRCS) will hold 49% ownership interest.

- (i) Will the non-profit be the managing member or managing general partner?  
 Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced?

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(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest?  Yes  No

- Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes  No If yes, where in the partnership/operating agreement is this provision specifically referenced? Please see the Partnership Agreement

Attachment # 15

## Non-profit Questionnaire, cont'd

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

Please see Attachment # 13

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- Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes  No If yes,

(i) Describe the non-profit's proposed involvement in the construction or rehabilitation of the Development:

The non-profit will be a member of the managing member and in the role we will review documents, engage with contractors and partner with CHASS in the oversight of the project development.

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(ii) Describe the nature and extent of the non-profit's involvement in the operation or management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

Property oversight and management, as well as resident selection.

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(iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture?  Yes  No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

RRCS anticipates providing 10-15 support hours to the project each week: either through project development by the Housing and Facilities Director or through maintenance using maintenance specialists.

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- If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.
- 
- 

- Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?

Yes  No If yes,

(i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

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- Will the non-profit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services?  Yes  No If yes, explain the amount and source of the funds for such payments.
- 
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## Non-profit Questionnaire, cont'd

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- Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner?  Yes  No If yes, explain in detail the amount and timing of such payments.

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- Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow?

Yes  No If yes, explain:

RRCS is the local housing authority and receives payment for services through the voucher program.

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- Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity?

Yes  No If yes, explain:

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- Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

None.

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## Non-profit Questionnaire, cont'd

### 4. Virginia and Community Activity

- Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia?  Yes  No
- Define the non-profit's geographic target area or population to be served:  
RRCS operates in Culpeper, Fauquier, Madison, Rappahannock and Orange counties, supporting low income seniors, those with chronic mental illness and those with developmental disabilities.
- Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?  
 Yes  No If yes, or no, explain nature, extent and duration of any service:  
RRCS is the local housing authority for the housing choice voucher program. RRCS is the owner of Leaflin Lane, a 23 unit apartment complex for low income senior citizens. Additionally, RRCS operates over 10 group homes for adults with developmental disabilities and or significant mental illness.
- Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing?  Yes  No If yes, explain:  
RRCS board meetings are announced on their website and members of the public are free to join as interested. Minutes of the meetings are also posted on the website for members of the community to read and comment on. Please see Attachment # 14.
- Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?  
 Yes  No
- Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?  
 Yes  No If yes, explain:  
RRCS has received support for the development of low income housing from VA Housing, Department of Social Services, and County officials. RRCS has received contributions from philanthropic organizations, grants from VA Housing and low rent leases.
- Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input?  Yes  No If yes, describe the general discussion points:  
Partner CHASS, has met with and communicated with potential tenants and neighbors regarding the project.
- Are at least 33% of the members of the board of directors representatives of the community being served?  Yes  No If yes,
  - (i) low-income residents of the community?  Yes  No
  - (ii) elected representatives of low-income neighborhood organizations?  Yes  No



## Non-profit Questionnaire, cont'd

- Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?  Yes  No
- Does the board of directors hold regular meetings which are well attended and accessible to the target community?  Yes  No If yes, explain the meeting schedule:  
The RRCS Board meets three times a month. The schedule of meetings and the minutes are posted so members of the community can plan to attend a meeting or read the minutes and comment as interested.
- Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction?  Yes  No
- Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses?  Yes  No If yes, explain in detail:  
RRCS receives contributions each year from the five Counties towards its operating budget.
- Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area?  Yes  No If yes, explain:  
RRCS is the local housing authority.
- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?  Yes  No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?  Yes  No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before?  Yes  No  
\_\_\_\_\_
- Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources?  Yes  No If yes, explain the need identified:  
The assessment is currently being completed.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Non-profit Questionnaire, cont'd

## 5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

\_\_\_\_\_  
Date

03/08/2022  
Date

\_\_\_\_\_  
Owner/Applicant

By: \_\_\_\_\_

Its: \_\_\_\_\_

Title  
Rappahannock Rapids Community Services  
Non-profit

By: Eve E. Swoboda  
Board Chairman

By: [Signature]  
Executive Director



## Non-profit Questionnaire Request for Supplemental Documentation

Part II, Section 6, of the Qualified Allocation Plan ("QAP") of the Virginia Housing (the "Authority" formerly VHDA) for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the Non-profit Pool established under the QAP and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Please submit the following **only if** the Non-profit has not previously been approved as a qualified Non-profit to compete for tax credits in the Non-profit pool in the community where the proposed development is located.

- IRS Determination Letter
- Articles of Incorporation and by-laws
- Joint Venture Agreement  Check if not applicable
- Consultant's Contract  Check if not applicable
- Virginia Department of Agriculture and Consumer Services Form 102
- Non-profit's last 3 years of IRS Form 990
- Non-profit's most recent financial statements
- Other (please list)

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If you cannot provide any of the above, please provide a written explanation.

The undersigned Non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is correct, complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

3/08/2022  
Date

RAPPALANDBECK RAPIDAN COMMUNITY SERVICES  
Non-profit

By: W E B BOOK  
Board Chairman

By: [Signature]  
Executive Director



# Rappahannock Rapidan Community Services

## Board Roster 2022

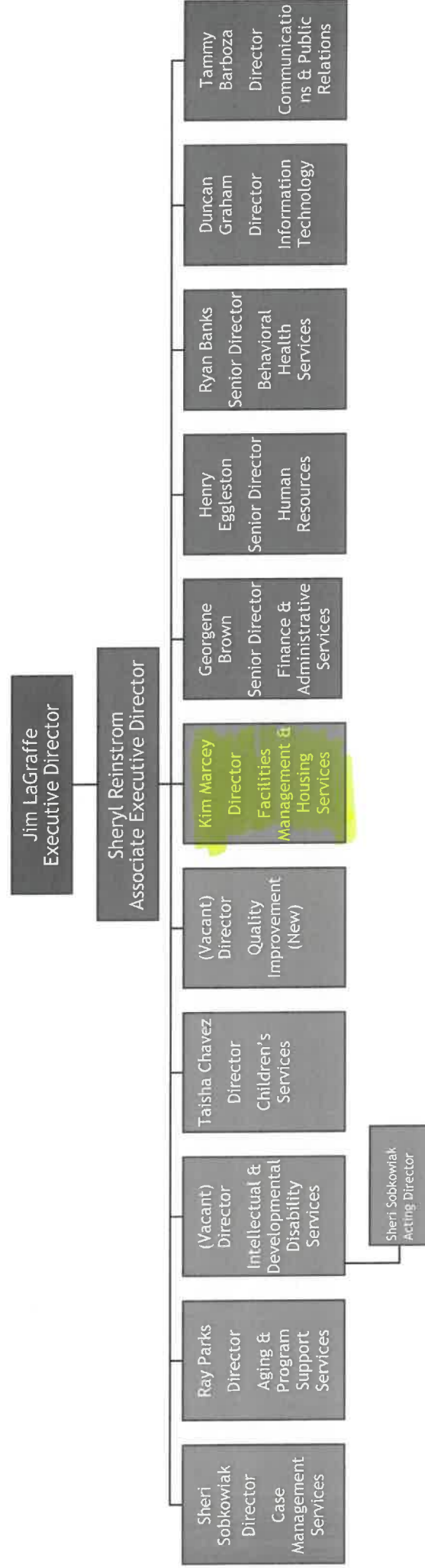
OFFICERS OF THE BOARD	Chair	Vice Chair	Secretary
CULPEPER COUNTY	<b>Ms. Eve Brooks (Rappahannock)</b>  <b>Mr. Richard Brooking</b> 12124 Majestic Place, Culpeper, VA 22701 rbrooking10@yahoo.com 540-729-9570	<b>Ms. Janis Rieley (Orange)</b>  <b>Mr. Chris R. Jenkins</b> PO box 773, Culpeper, VA 22701 chrisjenkins01@aol.com 540-829-5509	<b>Dr. J. Norman Reid (Fauquier)</b>  <b>Dr. Charles A Stein</b> 690 Southridge Ct., Apt. F, Culpeper, VA 22701 cstein.rrcs@gmail.com 540-718-2989
FAUQUIER COUNTY	<b>Ms. Shel Bolyard-Douglas</b> 320 Hospital Drive, Ste. 11, Warrenton, VA 20186 shel.douglas@dss.virginia.gov 804-479-5033	<b>Dr. J. Norman Reid (Secretary)</b> 3886 Ashville Road, Delaplane, VA 20144-2185 jnreid45@gmail.com 540-672-1361	<b>Mr. Robert Weigel</b> 7487 Foxview Drive, Warrenton, VA 20186-2049 robertweigel@earthlink.net 540-347-9104
MADISON COUNTY	<b>Mr. Dustin Dawson</b> 233 Schoolhouse Road, Madison, VA 22727 ddawson@madisonco.virginia.gov 540-718-1894	<b>Ms. Valerie Ward</b> 101 South Main Street, Madison, VA 22727-0176 valerie.ward@dss.virginia.gov 540-948-5521	<b>Vacant</b>
ORANGE COUNTY	<b>Mr. Robert Fuqua</b> 306 Westover Parkway, Fairfax, VA 22030 bobfuquarrcsb@gmail.com 540-972-8929	<b>Mr. Thomas Pratt</b> PO Box 751, Orange, VA 22960 vaprstrainer@gmail.com (757) 403-8557	<b>Ms. Janis Rieley (Vice Chair)</b> 153 Larkspur Lane, Locust Grove, VA 22508 jrieley999@gmail.com 703-405-7463
RAPPAHANNOCK COUNTY	<b>Mr. Gary J. Aichele</b> PO Box 370, Washington, VA 22747 gaichele.rrcsb@gmail.com 540-727-5030	<b>Ms. Ann Baumgardner, Ph.D</b> 15 Bellevue Lane, Washington, VA 22747-1863 annbaumgardner1@gmail.com 540-671-0980	<b>Ms. Eve Brooks (Chair)</b> 109 Ashby Road, Sperryville, VA 22740 evebrooks.rrcsb@gmail.com 540-987-8320

Attachment # 11

Full Name	County	Current or Former Occupation
Mr. Gary J. Aichele	Rappahannock	Retired B&B Owner / Operator
Dr. Ann Baumgardner	Rappahannock	Former Lawyer, Pastor, and Teacher
		Counseling Psychologist
		Director of Social Services /
		Licensed Clinical Social Worker
		(LCSW)
Ms. Shel Bolyard-Douglas	Fauquier	Police Officer, Town of Culpeper
Mr. Richard Brooking	Culpeper	Various Exec. Director, President, &
		CEO positions within Children's
		Advocacy Associations
Ms. Eve Brooks	Rappahannock	Electrical Contractor
Mr. Dustin A. Dawson	Madison	Educator
Mr. Robert Fuqua	Orange	Police Chief Culpeper
Mr. Chris R. Jenkins	Culpeper	(Former) Department of Veterans
		Affairs
Mr. Thomas E. Pratt	Orange	Policy Affairs, Dept. of Agriculture
Dr. J. Norman Reid	Fauquier	Retired Social Worker
Ms. Janis Rieley	Orange	Pediatrician
Dr. Charles A. Stein	Culpeper	DSS Director
Ms. Valerie Ward	Madison	Branch Chief, Social Security
		Administration SSA/OAO
Mr. Robert Weigel	Fauquier	

# Rappahannock-Rapidan Community Services Board and Area Agency on Aging

## Organizational Structure Executive Leadership Team



Abbreviations:  
 I/DD – Intellectual & Developmental Disabilities  
 MH – Mental Health  
 SUD – Substance Use Disorder  
 SED – Serious Emotional Disturbance  
 PSH – Permanent Supported Housing

Updated: 01/25/22

RAPPAHANNOCK

All members were present - Chairman Miller presided.

The minutes of the last Regular Meeting were read and on motion of J. R. Latham, seconded by Betty S. Coates and passed, the minutes were approved as read.

Jack Bruce, Dog Warden, appeared and presented a claim of Walter Wharton for 1 buck killed by dogs. On motion of H. B. Wood, Jr., seconded by J. R. Latham, the claim was approved and the Clerk was directed to file this claim. Mr. Bruce discussed with the Board some of his needs as Dog Warden. The Board discussed the requirement that the license be worn on the collar of each dog and also whether the charge for the female German Shepherd dog is proper. Commonwealth Attorney Davis was asked to report on these two items at the next meeting.

The public hearing on the Electrical Code which was tabled at the October meeting was considered. On motion of Betty S. Coates, seconded by J. R. Latham, this matter was continued.

James K. Skeens, Resident Engineer of the Department of Highways, appeared and informed the Board that he had been promoted and transferred. The Board requested Mr. Skeens to mail to it his recommendation for roads in Rappahannock County Subdivisions. Mr. Skeens agreed to forward this recommendation to the Board. The Board asked the Clerk to write a letter expressing its regret on the transfer of Mr. Skeens from this Highway Residency. The Board asked the Clerk to write the proper letter congratulating Mr. Skeens on his promotion and the Clerk was directed to write a letter to the State Highway Department commending Mr. Skeens on his work in this residency. This was done on motion of Herbert A. Foster, seconded by J. R. Latham and passed.

Mr. Hargett, Mrs. Buntin and Mrs. Lancaster appeared on behalf of the Mental Health Program for the County.

RE: CHAPTER 10 MENTAL HEALTH AND MENTAL RETARDATION SERVICES BOARD

On a motion by Mrs. Betty Coates, seconded by Mr. Herbert A. Foster and passed by a unanimous vote, the Board of Supervisors of Rappahannock County, Virginia hereby adopts the following resolution:

WHEREAS, Chapter 10 (Community Mental Health and Mental Retardation Services) of Title 37.1 (Institutions for the Mentally Ill; Mental Health Generally) of the 1950 Code of Virginia, as amended, provides for the establishment of a community mental health and mental retardation services program; and

WHEREAS, it is the desire of the Board of Supervisors of Rappahannock County, Virginia, to establish such a program and Board, with the intent of implementing the provisions of the aforesaid Chapter 10 of Title 37.1 of the Code of Virginia, as amended now therefore

BE IT RESOLVED that there be established by the Board of Supervisors of Rappahannock County, Virginia, in conjunction with local governments of the counties of Culpeper, Fauquier, and Orange, a community mental health and mental retardation services

to be known as the Community Mental Health and Mental Retardation Services Board of Planning District 9 to be composed of three members from each of the above counties, who shall be appointed by the Chairman of each Board of Supervisors in the following manner;

Initially, members shall be appointed from each of the above counties

1/3 members for a period of three years from January 1, 1972

1/3 members for a period of two years from January 1, 1972

1/3 members for a period of one year from January 1, 1972

The term of each member of the Board after the initial appointments shall be for three (3) years from January 1st of the year appointed, except that vacancies shall be filled for the balance of an unexpired term.

The following members are hereby appointed for Rappahannock County:

Beverley R. Massie, Amisville, Virginia, for a term of three years.

H. B. Wood, Jr., Woodville, Virginia, for a term of two years.

William M. Hargett, Washington, Virginia, for a term of one year.

The Board of Supervisors of Rappahannock County hereby agrees to have Mr. Clark Glass, Treasurer of Culpeper County, serve as fiscal officer without compensation for the Community Mental Health and Mental Retardation Services Board of Planning District 9.

It is expressly understood that the liability of Rappahannock County to the Community Mental Health Program is an appropriation of \$1500.00 for the current fiscal year and \$1500.00 for the fiscal year July 1, 1973 to June 30, 1974.

George H. Davis, Jr., Attorney for Chester Weaver, appeared and presented a plat. With this plat the Weaver property will be deeded to the Weaver heirs and will increase the present acreage owned by each of said heirs. On motion of Herbert A. Foster seconded by J. R. Latham and passed, this request is approved as a subdivision and the total acreage owned by each of the heirs will constitute one parcel and will not be subdivided.

Upon request of George H. Davis, Jr., Commonwealth Attorney, and John Walker Jenkins, Sheriff of Rappahannock County, and on motion of Betty S. Coates, seconded by Herbert A. Foster, the following resolution was passed:

"WHEREAS, a better working relationship between adjoining counties is desired and

WHEREAS, the Commonwealth's Attorney and Sheriff of Rappahannock County feel that a policy of mutual assistance will promote better law enforcement;

BE IT THEREFORE RESOLVED, that the Sheriff's Department of Rappahannock County will cooperate with any adjoining reciprocating county when assistance is requested in the performance of any service for which the Sheriff's Department is responsible.

BE IT FURTHER RESOLVED, that copies of this resolution be transmitted to the Board of Supervisors of the Counties of Warren, Fauquier, Page, Madison and Culpeper."

The Clerk read a letter from the Chesterfield County Board of Supervisors stating its opposition to combination of Welfare Offices. The Clerk was directed to send an excerpt from the minutes of this Board stating that it was opposed to consolidation of offices.



RECEIVED DEC 27 1999

Attachment #1 <sup>unna</sup>

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: DEC 16 1999

Employer Identification Number:  
23-7238218

DLN:  
17053275795039

RAPPAHANNOCK-RAPIDAN COMMUNITY  
SERVICES BOARD  
PO BOX 1568  
CULPEPER, VA 22701

Contact Person:  
KENNETH N REINHARDT ID# 31385

Contact Telephone Number:  
(877) 829-5500

Our Letter Dated:  
November 1995

Addendum Applies:  
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller  
Director, Exempt Organizations

Letter 1050 (DO/CG)

**BY-LAWS**

**Rappahannock-Rapidan Community Services Board**

**Executive Offices  
P.O. Box 1568  
Culpeper, Virginia 22701  
540-825-3100**

**ARTICLE I - NAME**

The name of this organization shall be the Rappahannock-Rapidan Community Services Board, hereinafter referred to as "the Board."

**ARTICLE II - PURPOSE**

The purpose of this Board shall be to act as agent of the Counties of Culpeper, Fauquier, Madison, Orange, and Rappahannock in the Commonwealth of Virginia in the establishment and operation of mental health, developmental disability, substance use disorder and aging services as provided for in Chapter 5 of Title 37.2 of the CODE OF VIRGINIA OF 1950, as amended and the Federal Older Americans Act of 1965 and 2006, as amended. The Board is an Operating Community Services Board as described in Chapter 5, Title 37.2-500.

**ARTICLE III - MEMBERSHIP**

Section 1. The membership of this Board shall consist of fifteen (15) persons, approved and appointed by the Board of Supervisors of the participating counties. Membership shall be broadly representative of lay and professional elements of the community, but shall specifically exclude any employee of the Virginia Department of Behavioral Health and Developmental Services, the Virginia Department of Aging, and members of the State Board of Behavioral Health and Developmental Services. Members shall be appointed and serve in accordance with Chapter 5, Title 37.2-501 – 502 of the CODE OF VIRGINIA OF 1950, as amended.

Section 2. The Board shall consist of three (3) voting members from each jurisdiction.

Section 3. A member of the Board shall be appointed by the respective County Board of Supervisors for a term of three years from the first day of January of the year of appointment. A Board member may also serve an unexpired term. A member shall sign an Agreement of Understanding that is approved by the Board.

Section 4. Vacancies shall be filled for the unexpired terms in the same manner as an original appointment.

## **ARTICLE IV - POWERS AND DUTIES OF THE BOARD**

The Board as a direct agent of the governmental entities which have established it shall be subject to the laws and regulations relating to such agencies of those governments and shall have the general powers, duties and responsibilities of a Board as outlined in Chapter 5 of Title 37.2, 500 – 512, CODE OF VIRGINIA, as amended, and as mandated by State and Federal Aging Legislation. As set forth in the CODE OF VIRGINIA and other applicable legislation the Board shall:

- a. Review and evaluate public and private community mental health, developmental, and substance abuse services and facilities that receive funds from it and advise the governing body of each city or county that established it of its findings.
- b. Pursuant to §37.2-508, submit to the governing body of each city or county that established it a performance contract for community mental health, developmental, and substance abuse services for its approval prior to submission of the contract to the Department.
- c. Within amounts appropriated for this purpose, provide services authorized under the performance contract.
- d. In accordance with its approved performance contract, enter into contracts with other providers for the delivery of services or operation of facilities.
- e. In the case of operating and administrative policy boards, make policies or regulations concerning the delivery of services and operation of facilities under its direction or supervision, subject to applicable policies and regulations adopted by the Board.
- f. In the case of an operating board, appoint an executive director of community mental health, developmental, and substance abuse services who meets or exceeds the minimum qualifications established by the Department, and prescribe his duties.
- g. Prescribe a reasonable schedule of fees for services provided by personnel or facilities under the jurisdiction or supervision of the board and establish procedures for the collection of those fees.
- h. Accept or refuse gifts, donations, bequests, or grants of money or property from any source and utilize them as authorized by the governing body of each city or county that established it.

- i. Seek and accept funds through federal grants. In accepting federal grants, the board shall not bind the governing body of any city or county that established it to any expenditures or conditions of acceptance without the prior approval of the governing body.
- j. Notwithstanding any provision of law to the contrary, disburse funds appropriated to it in accordance with such regulations as may be established by the governing body of each city or county that established it.
- k. Apply for and accept loans as authorized by the governing body of each city or county that established it.
- l. Develop joint written agreements, consistent with policies adopted by the Board, with local school divisions; health departments; boards of social services; housing agencies, where they exist; courts; sheriffs; area agencies on aging; and regional offices of the Department for Aging and Rehabilitative Services.
- m. Develop and submit to the Department the necessary information for the preparation of the Comprehensive State Plan for Behavioral Health and Developmental Services pursuant to §37.2-315.
- n. Take all necessary and appropriate actions to maximize the involvement and participation of individuals receiving services and family members of individuals receiving services in policy formulation and services planning, delivery, and evaluation.
- o. Institute, singly or in combination with other community services boards or behavioral health authorities, a dispute resolution mechanism that is approved by the Department and enables individuals receiving services and family members of individuals receiving services to resolve concerns, issues, or disagreements about services without adversely affecting their access to, or receipt of appropriate types and amounts of current or future services from the community services board.
- p. Notwithstanding the provisions of §37.2-400 or any regulations adopted thereunder, release data and information about each individual receiving services to the Department as long as the Department implements procedures to protect the confidentiality of that data and information.
- q. In the case of an operating board, have the authority, notwithstanding any provision of law to the contrary, to receive

state and federal funds directly from the Department and act as its own fiscal agent, when authorized to do so by the governing body of each city or county that established it.

- r. All powers and duties associated with its function as the designated Area Agency on Aging.
- s. Advocate for services consistent with its mission within the five County service area.
- t. And other applicable duties and powers as they may apply.

## **ARTICLE V - OFFICERS OF THE BOARD AND THEIR DUTIES**

Section 1. The officers of the Board shall consist of a Chair, Vice-Chair, and Secretary who shall be elected by the Board. Term of office shall be one (1) year, renewable once at the option of the Board.

Section 2. The duties of the Chair shall be:

- a. To call and preside at all meetings of the Board and Executive Committee.
- b. To appoint all committee members deemed necessary for the operation of the Board, pursuant to the By-Laws.
- c. To represent the Board at appropriate local, state, and national meetings.
- d. To maintain ongoing communication with the Executive Director in order to represent the Board's interest and priorities and in support of Executive Director's goals and essential duties.
- e. To perform any other duties determined by the Board.

Section 3. The duties of the Vice-Chair shall be:

- a. To perform in the absence of the Chair all the duties of the Chair.
- b. To perform any other duties as assigned by the Board.

Section 4. The duties of the Secretary shall be:

- a. To attest to all actions of the Board, including signing the official minutes and documents as needed.

## **ARTICLE VI - NOMINATIONS, ELECTIONS AND TERMS OF OFFICE**

Section 1. The Board shall elect its officers in accordance with the Nominating Committee procedure:

- a. The Committee shall consist of at least five members, one from each County.
- b. The Committee and its chair shall be appointed by the Board Chair no later than October of each year to return with a full slate of officers in November to be presented to the full Board in December.
- c. In addition to the Committee's slate presented in December, nominations for officers shall be accepted from the floor at the December meeting.
- d. Election of officers shall be held at the December meeting and the new officers shall assume their duties on January 1 of the new calendar year.

Section 2. Any vacancy occurring in the officers shall be filled by the Board.

## **ARTICLE VII – MEETINGS**

Section 1. Regular monthly meetings of the Board shall be held the second Tuesday of every month unless cancelled by the Executive Director upon approval of the Board Chair, or by action of the Board at a previous meeting.

Section 2. Special meetings of the Board may be called by the Chairman or upon the written request of three members, upon proper notice pursuant to the requirements of the Virginia Freedom of Information Act.

Section 3. The quorum for all Board meetings shall be one-half of its members plus the Chair or Vice-Chair.

Section 4. All committees meet at the discretion of the committee or upon request of the Board Chair.

Section 5. The quorum for all committee meetings shall be a majority of the committee.

Section 6. Any Board member who has three or more un-excused absences from board meetings within a calendar year may be recommended by the full Board for removal from his/her seat to be determined by his/her Board of Supervisors.

## **ARTICLE VIII - PERMANENT COMMITTEES OF THE BOARD**

Section 1. There shall be the following Permanent Committees:

- a. An Executive Committee, comprised of the Board Chair, who shall serve as Chair of the Committee, represent his/her county and have one vote; the Board Vice-Chair who shall represent his/her county and have one vote; the Secretary who shall represent his/her county and have one vote; and the Chairs of the Program and Finance/Administration Committees. Each county of representation shall have one vote. In the event more than one member of the Executive Committee are from the same county, those members shall select a single person who shall act in the role as the voting member of the Committee. If a county of representation does not have a member of the Executive Committee as appointed above, the Board Members of said county shall select a singular Board Member from their county to serve on the Executive Committee. The Executive Committee shall be comprised of one (1) voting member from each county, which shall:
  1. Conduct all necessary business between Board meetings.
  2. Participate by locality in annual presentations and requests to local and state governments for funding.
  3. Prepare and present necessary and appropriate reports to the full Board.
  4. Have staff liaison services from the Executive Director.
  5. Be responsible for the annual evaluation of the Executive Director.

6. At the request of any other Committee, review materials.
- b. A Program Committee which shall be a Standing Committee of the Board and shall elect its own Chair from those members of the committee formally appointed by the Board Chair. At the first meeting of each calendar year and be educated about Community Services Board (CSB) and Area Agency on Aging (AAA) programs and services. Formal Membership on the Program Committee is appointed by the Board Chairperson with representation from each county served. Meetings of the Program Committee are open to all Board Members of the organization, but voting is limited to those members of the committee formally appointed by the Board Chair at the discretion of the Committee Chair, members may be appointed to program specific Ad Hoc committees (e.g., Mental Health, Developmental Disability, Substance Use Disorder and Aging). The full Committee shall:
1. Conduct necessary business related to programs and services and forward policy recommendations to the full Board for action.
  2. Identify unmet program needs and plan accordingly.
  3. Review and make recommendations on all new and existing programs.
  4. Enhance community relations and acceptance of all Board services.
  5. Prepare and present reports to the full Board.
  6. Function as the Board's liaison with all related advisory boards and with the boards of all related contractual services.
  7. Perform all other tasks as shall be assigned by the Board and the Chair.
  8. Have staff liaison from upper level management.
- c. A Finance/Administrative Services Committee which shall be a Standing Committee of the Board and shall elect its own Chair from those members of the Committee formally appointed by



the Board Chair, at the first meeting of each calendar year and be educated about CSB and AAA programs and services. Formal Membership on the Finance/ Administrative Services Committee is appointed by the Board Chairperson with representation from each county served. Meetings of the Finance/ Administrative Services Committee are open to all Board Members of the organization, but voting is limited to those members of the committee formally appointed by the Board Chair. At the discretion of the Committee Chair, members may be appointed to program specific Ad Hoc committees (e.g., Human Resources, Procurement, Management Information Systems, Accounting and Reimbursement). The Administrative Services Committee shall be responsible for:

1. Review and provide to the full Board financial statements for all agency activities.
  2. Review and make recommendations to the full Board all policies related to Human Resources and Financial Management.
  3. Periodically review accounting practices and cash management procedures.
  4. Annually meet with the independent auditor to hear his/her report on audit findings and report these findings to the full Board.
  5. Provide oversight and guidance to all agency administrative activities to assure compliance with applicable standards in procurement, reimbursement, human resources, accounting, and management information systems.
  6. Perform all other tasks as shall be assigned by the Board and the Chair.
  7. Have staff liaison with the Executive Director and the Director of Finance and Administrative Services.
- d. A Development/Community Relations Committee, which shall be comprised of at least five (5) members of the Board. The Chair of the full Board of Directors shall serve as the Chair of the Development/Community Relations Committee. The Committee may recruit non-RRCS Board members to serve on ad hoc subcommittees for the purpose of developing and carrying out its various development projects, programs, events, etc. The names of these volunteer recruits shall be submitted to the full Board for approval. The full Committee shall:

1. It shall be the responsibility of this Committee to plan and monitor any fundraising activities and events, including an appeal for contributions, grant proposals, and other methods as may be found to benefit RRCS or specific programs of that agency.
2. Develop entrepreneurial programs that draw on agency resources, in consultation with the Executive Director.
3. Develop and oversee public relations and publicity efforts to help ensure public support for the agency, including website development, electronic and print newsletters, signage on buildings and vehicles, print literature, press releases, special events, etc.
4. It shall be the duty of this Committee to review and recommend public policies/legislative proposals for the Board to promote and support.
5. Work with advice and assistance of the Executive Director, and evaluate the need and availability of staff support for these activities.
6. Report regularly to the Board on its activities and enlist the support of Board members in volunteer roles.

Section 2. Other Permanent Committees may be created by the Board as necessary.

Section 3. The Committee Chair of Permanent Committees shall designate a staff person to take minutes at each meeting of the Committee and make them available to the full Board.

Section 4. All reports and recommendations of the Permanent Committees are subject to review and action by the full Board.

## **ARTICLE IX - AD HOC COMMITTEES OF THE BOARD**

Section 1. There shall be Ad Hoc Committees of the Board to exist from time to time, and shall be appointed and serve at the pleasure of the Board Chair.

Section 2. An Ad Hoc Committee shall examine issues, make plans, and take actions on its assigned business and make recommendations to the full Board.

Section 3. The Board Chair shall dissolve an Ad Hoc Committee when its tasks are complete.

## **ARTICLE X - ARTICLES OF ASSOCIATION**

THESE ARTICLES OF ASSOCIATION were adopted by the Rappahannock-Rapidan Community Services Board the 13th day of June 1995.

WHEREAS, the Rappahannock-Rapidan Community Services Board and Area Agency on Aging has been created by resolutions of Culpeper, Fauquier, Madison, Orange, and Rappahannock Counties of Virginia, and

WHEREAS, the Rappahannock-Rapidan Community Services Board wishes to set forth herein its purpose, and the Dedication and Distribution of its Assets upon dissolution,

NOW, THEREFORE, the Rappahannock-Rapidan Community Services Board does hereby certify:

FIRST: Said organization is organized exclusively for charitable, educational, and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c) (3) of the Internal Revenue Code, or the corresponding section to any future Federal tax code.

SECOND: No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph FIRST. No substantial part of the activities of the organization shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code (or corresponding section of any future Federal tax code), or (b) by an organization, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code, or corresponding section of any future Federal tax code.

THIRD: Upon dissolution of this organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, or corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the organization is located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE XI - PROCESS OF AMENDMENT**

Section 1. These By-Laws may be amended according to the following procedure:

- a. Any By-Laws amendment may be introduced by any Board member at a regular Board meeting.
- b. A By-Laws amendment that is introduced shall be read at that meeting and the next regular meeting.
- c. A vote on the By-Laws amendment may be taken after the second reading.
- d. A two-thirds (2/3) affirmative vote is necessary to amend these By-Laws.

## **ARTICLE XII - PARLIAMENTARY AUTHORITY**

Section 1. ROBERT'S RULES OF ORDER, NEWLY REVISED shall be the parliamentary authority for the Rappahannock-Rapidan Community Services Board. Conflicts of interpretation shall be decided by the Chair of the Board.

## **By-Law Revisions/Implemented:**

<b>Date</b>	<b>Action</b>
07/09/85	Revised
07/14/87	Revised
01/01/91	Revised & Implemented
11/10/92	Revised
04/13/93	Revised
04/12/94	Revised & Implemented
01/10/95	Revised & Implemented
10/10/95	Revised & Implemented
04/09/96	Revised & Implemented
02/10/98	Draft Presented
04/14/98	Revised and Implemented
06/08/99	Revision Presented to Board of Directors
07/13/99	Final Draft Revision #2 Presented to the Board
09/14/99	Final Document Presented to the Board for Approval
09/14/99	Approved and Implemented
11/14/00	Revision Presented to Board of Directors
12/12/00	Presented to Board of Directors for approval
12/12/00	Approved and Implemented
09/11/01	Presented to the Board of Directors
10/09/01	Revised and Implemented
05/14/02	Revision Presented to Board of Directors
06/11/02	Final Document Presented to the Board for Approval
06/11/02	Approved and Implemented by the Board
02/03/09	Revision Presented to Executive Committee
03/09/10	Proposed Revisions from 1/12/10 Board Meeting
09/12/17	Revisions Presented to the Board of Directors
10/10/17	Approved and Implemented by the Board
12/11/18	Revised & Implemented
02/12/19	Revised & Implemented

**Internal Revenue Service**

Date: April 13, 2004

Rappahannock-Rapidian Community Services Board  
PO Box 1568  
Culpeper, VA 22701-6568

Department of the Treasury  
P. O. Box 2508  
Cincinnati, OH 45201

**Person to Contact:**  
Richard E. Owens 31-07974  
Customer Service Representative  
**Toll Free Telephone Number:**  
8:00 a.m. to 6:30 p.m. EST  
877-829-5500  
**Fax Number:**  
513-263-3756  
**Federal Identification Number:**  
23-7238218

Dear Sir or Madam:

This is in response to your request of April 13, 2004, regarding your organization's tax-exempt status.

In November 1995 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Rappahannock-Rapidian Community Services Board  
23-7238218

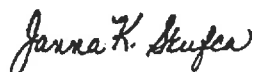
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE  
Customer Account Services

**Internal Revenue Service  
Director, Exempt Organizations  
Rulings and Agreements**

**Department of the Treasury  
P.O. Box 2508  
Cincinnati, Ohio 45201**

**Date: FEB 24 2010**

Rappahannock-Rapidan Community Services Board  
PO Box 1568  
Culpeper, VA 22701

**Employer Identification Number:**  
23-7138218  
**Person to Contact – ID#:**  
Joe Kennedy – ID # 0203165  
**Toll Free Contact Number:**  
(877) 829-5500

Dear Sir or Madam:

Thank you for the information you submitted on October 15, 2009 regarding your request for exception from filing Form 990. We have made it part of your file.

After reviewing your submitted information, your organization meets the criteria required for classification as an affiliate of a government unit, as described in Revenue Procedure 95-48, I.R.B. 1995-47, 13., (Nov. 20, 1995). Your organization, therefore, is not required to file Form 990.

Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code. Furthermore, since your foundation status was also not under consideration, you continue to be classified as an organization with foundation status under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as a tax-exempt organization. You may request a copy by calling the toll free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov/eo](http://www.irs.gov/eo).

If you have any questions, please call our toll free number shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements





Brian Duncan/rrcsb  
01/27/2006 07:40 AM

To Irma Peters/rrcsb@rrcsb  
cc Paula Benenson/rrcsb@rrcsb  
bcc  
Subject Letter of Registration - United Way

Dawn  
FYI  
Andy

We do not have a Letter of Registration and Incorporation in Virginia as a charitable organization. The RRCSB is not incorporated or registered under the State Corporation Commission and we don't have a Corporate Charter. We are a public agency - governmental. Our 501c3 designation attest to our accounting practices as being consistent with IRS rules governing charitable organizations. Our bylaws are the primary organizational document.

Thanks

Brian Duncan  
540-825-3100 ext. 3145

Internal Revenue Service  
Director, Exempt Organizations  
Rulings and Agreements

Department of the Treasury  
P.O. Box 2508  
Cincinnati, Ohio 45201

Date: **FEB 24 2010**

Rappahannock-Rapidan Community Services Board  
PO Box 1568  
Culpeper, VA 22701

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Thank you for your cooperation.

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

# **Tab J:**

Relocation Plan and Unit Delivery Schedule  
(MANDATORY-Rehab)

# Relocation Plan

## Parkside Apartments

### Project Summary

<b>Project</b>	<b>Location</b>
Parkside Apartments	250 Gardner Street Culpeper, VA 22701

<b>Owner</b>	<b>Mailing Address</b>
Parkside Apartments LLC	c/o Culpeper CDC 215 E Spencer Street Culpeper, VA 22701

<b>Owner Contact</b>	<b>Contact Information</b>
Tony Hooper	Phone (540) 604 6521 nthooper@gmail.com

<b>Management Company</b>	<b>Mailing Address</b>
TM Management Group	1375 Piccard Drive Suite 150 Rockville, MD 20850

<b>Management Contact</b>	<b>Contact Information</b>
Matt Melnick	Phone (240) 683-0300 MMelnick@TMAMgroup.com

## I. Rehabilitation Scope and Schedule

### Scope of Work

The Scope of Work for Parkside Apartments includes demolition of the existing farm buildings including one occupied single family residential building containing one household. The new construction will create 37 apartment units from 1-3 bedrooms in size. Construction goals include making the property attractive, accessible and sustainable with energy efficient design and bio retention stormwater treatment.

### Community Room / Community Restrooms

- The new Community Room kitchen area will be ADC accessible with new cabinets, countertops, stainless steel sink with low-flow faucet and energy-efficient appliances.
- The Community Restrooms will have new ADA toilets, grab bars will be installed, will have LED light fixtures and will be painted.
- Common areas and hallways will have all LED fixtures.
- Floors will be LVT .

### Unit Construction

- All units will be new construction with LVT flooring, wooden baseboards, and new mini-blinds and will be painted.
- Unit kitchens will receive new cabinets, countertops, stainless steel sinks, low-flow faucets, new star-rated appliances, new vinyl flooring and new LED light fixtures.
- Unit bathrooms will receive new vanities with cultured marble tops, new mirrors, ADA low-flow toilets, low-flow faucets, new vinyl flooring, new exhaust fans and LED light fixtures.
- New energy-efficient HVAC units and new hot water heaters will be installed.
- Six apartments will be fully UFAS accessible.

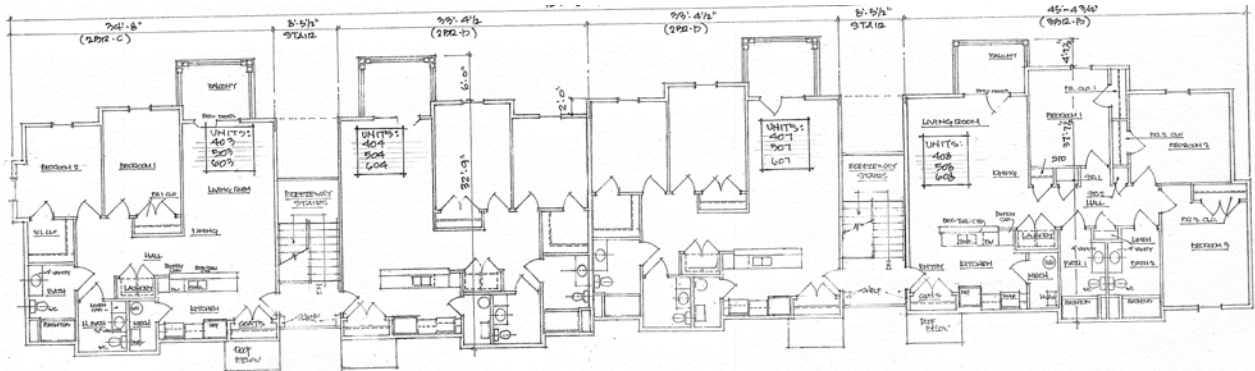
### Exterior Improvements

- The parking lot will be new asphalt, sealed and striped per Civil Engineer drawings.
- All new UD sidewalks will be installed
- All sight lighting will be LED.
- New site sign with lights will be installed.
- New drain pipes from the gutters under the sidewalks will be installed.
- New landscape will be site appropriate.
- Grading on grounds to prevent erosion.
- Remove trees close to the building, as required by VHDA.
- Building exteriors will be brick and hardi-plank.

### Estimated Construction Schedule

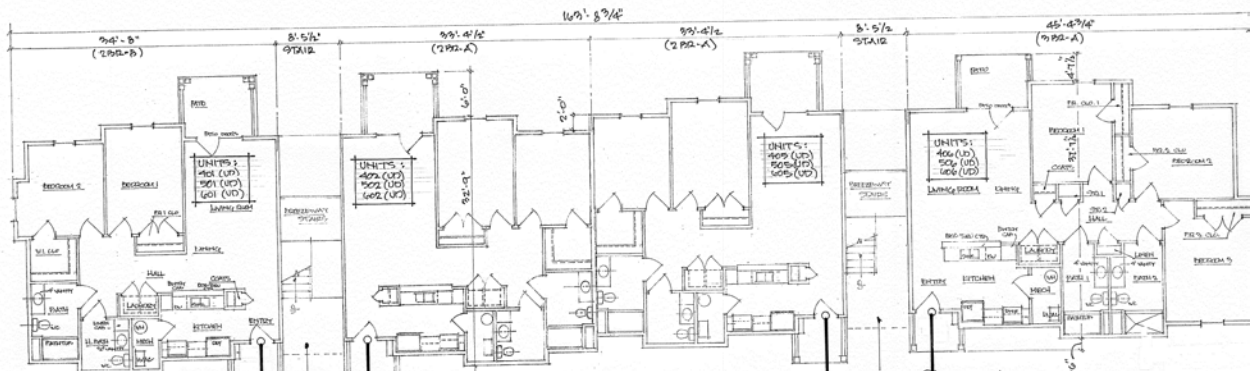
- The construction work at Parkside Apartments is anticipated to begin February 1, 2022.
- Construction is expected to take 16 months and completion will be June 15, 2024.

NOTE: The estimated construction schedule for both the standard units and the UFAS units, along with the floor layouts, are on the following pages.



BUILDINGS 400, 500, AND 600; SECOND FLOOR  
**BUILDING PLAN**  
SC 1/8" = 1'-0"

NOTE: THERE ARE NO UD OR UD/HC UNITS ON THE SECOND FLOORS OF BUILDINGS 400, 500, OR 600



UNIVERSAL DESIGN:  
BUILDINGS 400, 500, AND 600; FIRST FLOOR  
**BUILDING PLAN**  
SC 1/8" = 1'-0"

CONCRETE ENTRY TO PORCHWAY + STAIRS

TO ACCESSIBLE WALK THROUGH COMMON AREA + AMENITIES

CONCRETE ENTRY TO PORCHWAY + STAIRS

TO ACCESSIBLE WALK THROUGH COMMUNITY ROOM + AMENITIES

## II. Strategy to Minimize Impact on Tenants

Great consideration has been given in how to mitigate the impact of the development plan for Parkside Apartments on the family currently residing in the single family home on the development site. Tony Hooper will serve as the project's Relocation Coordinator. Mr. Hooper is well-qualified for this role and has been previously successful in assisting with the coordination temporary tenant moves at Ann Wingfield Commons.

The following process will be implemented to maximize our strategy to minimize the impact on the tenants:

- Tenants will receive an advance notice, as required by the guidelines of VHDA, as to the date their unit must be vacated.
- Tenants will be offered permanent housing in the new Parkside Apartments.
- Tenants will be offered temporary comparable housing while construction is underway.
- Professional moving company will pack and move the tenant's belongings into their temporary residence, and if they so choose, once their unit is completed, the moving company will move their belongings back into their original unit.
- All out-of-pocket expenses incurred by the tenant as the result of this move will be reimbursed by the property.
- Parkside Apartments LLC will pay any difference between their current rent and their temporary rent.
- A record of all documents and information regarding relocation for tenants will be kept in a "Relocation Binder" at the CCDC office on Spencer Street..
- All notices will be hand-delivered to tenants and signed copies of these notices will be kept on-file in the "Relocation Binder".

No later than thirty (30) days after the tenant moves to permanent housing, the owner will provide to VHDA the final summary schedule of moving costs made to the tenants, listed by tenant and by unit number. This final summary will include a certification by the owner that it has met VHDA Moving Cost Reimbursement and Relocation Assistance Guidelines.

## III. Post-rehab Rents and Rental Policies

- Parkside Apartments will serve the needs of individuals and families in 1 to 3 bedroom apartments. All eligible applicants whose income is equal to or less than the 50% (or 60%) of the Area Median Income will qualify to apply to lease an apartment.

## IV. Advisory Services

- Parkside Apartments does not anticipate the need for Advisory Services.

- If the tenants will be relocated to temporary housing while construction is proceeding and all expenses related to this move will be paid by the property.
- A staff person will be on-site to assist the tenants during their move out and move in to assure that we meet all of their needs.



# Tab K:

Documentation of Development Location:

# **Tab K.1**

Revitalization Area Certification



## RESOLUTION

### DECLARATION OF REVITALIZATION AREA IN THE TOWN OF CULPEPER

**Resolution No. R-2022-003**

**WHEREAS**, the mission of Culpeper Housing and Shelter Services is to ensure homeless and low income Culpeper residents have access to safe affordable housing; and

**WHEREAS**, Culpeper Community Development Corporation owns tax parcel number 40 84 located at 250 Gardner Street, totaling approximately 3.13 acres; and


**WHEREAS**, Culpeper Housing and Shelter Services do desire to construct an apartment complex with approximately 37 units intended to serve economically challenged members of the Culpeper community; and

**WHEREAS**, the Town Council determines, in accordance with Virginia Code § 36-55.30:2, that the industrial, commercial or other economic development of such area will benefit the Town but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and that private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable mix of residents in such area; and


**NOW, THEREFORE, BE IT RESOLVED**, that the Culpeper Town Council hereby designates the land located at 250 Gardner Street and identified as tax parcel number 40 84 a Revitalization Area.

**ADOPTED** this 8<sup>th</sup> day of March 2022.

BY ORDER OF THE COUNCIL OF THE  
TOWN OF CULPEPER, VIRGINIA

  
\_\_\_\_\_  
Frank Reaves Jr., Mayor

ATTEST:

  
\_\_\_\_\_  
Kimberly D. Allen, Town Clerk

**MOTION:** Clancey  
**SECOND:** Schmidt

**Votes:**

**Ayes:** Brown, Clancey, Kalenga, Olinger, Reaves, Schmidt, Short, Taylor, Yowell

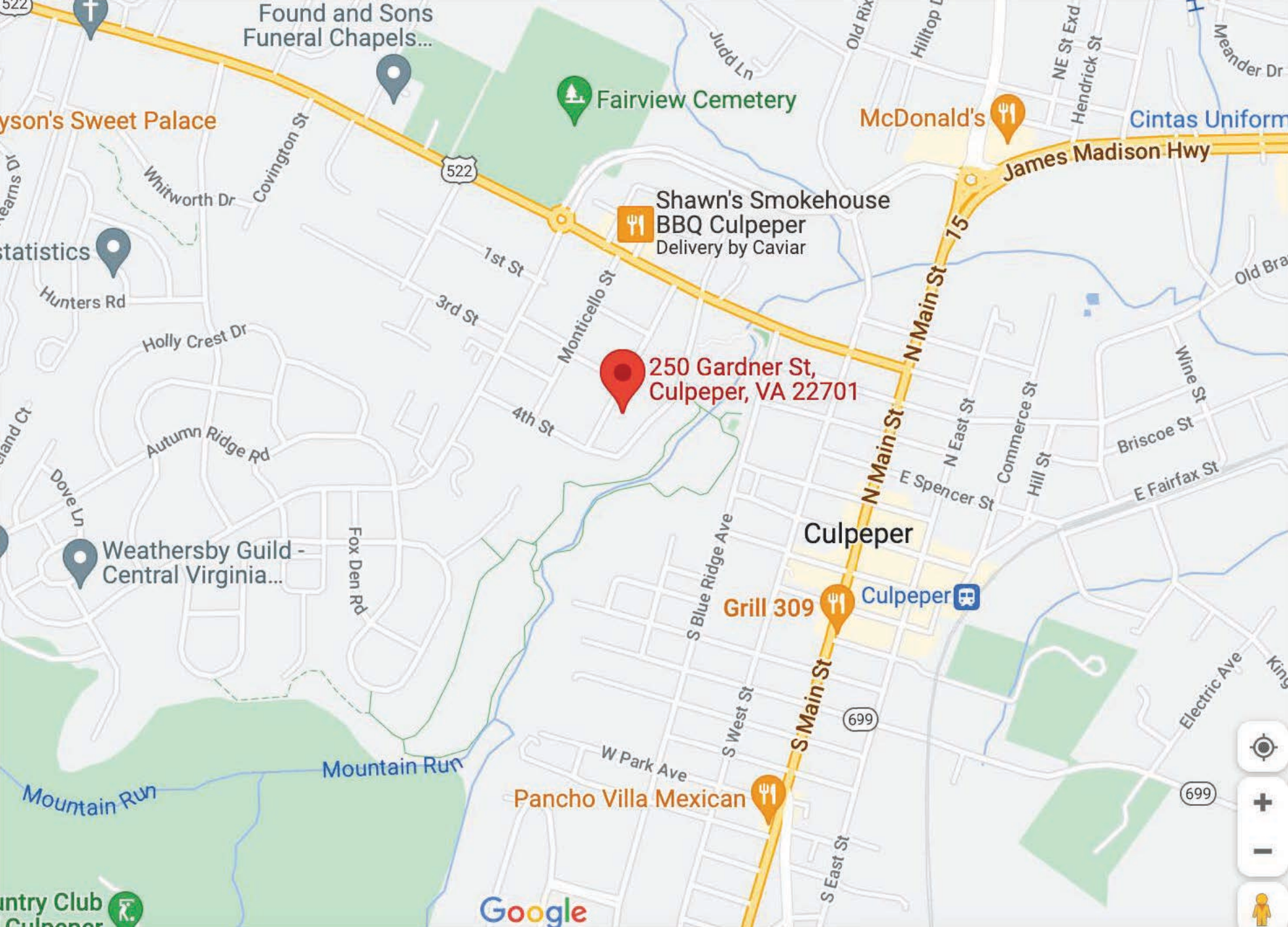
**Nays:** None

**Absent from Vote:** None

**Absent from Meeting:** None

# Tab K.2

Location Map



Found and Sons  
Funeral Chapels...

son's Sweet Palace

Fairview Cemetery

McDonald's

Cintas Uniform

James Madison Hwy

522

Shawn's Smokehouse  
BBQ Culpeper  
Delivery by Caviar

Statistics

250 Gardner St,  
Culpeper, VA 22701

1st St

3rd St

Monticello St

4th St

N Main St 75

Holly Crest Dr

Autumn Ridge Rd

Dove Ln

Weathersby Guild -  
Central Virginia...

Fox Den Rd

Culpeper

Grill 309

Culpeper

N East St

Commerce St

Hill St

E Spencer St

Briscoe St

E Fairfax St

S Blue Ridge Ave

S Main St

699

S West St

W Park Ave

Pancho Villa Mexican

699

S East St

Electric Ave

Kins

Mountain Run

Mountain Run

Country Club  
Culpeper

Google



# **Tab K.3**

Surveyor's Certification of Proximity To Public  
Transportation



# HINCHEY & BAINES, PLC

Engineering & Land Planning

125 E. Davis Street, Suite 201  
Culpeper, VA 22701  
540-829-2220(TELE) 540-829-2239(FAX)

February 17, 2022

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

**Re: 2022 Tax Credit Reservation Request**  
**Name of Development:** Parkside Apartments  
**Name of Owner:** Parkside Apartments, LLC

Ladies and Gentlemen:

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

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

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

Hinchey & Baines, PLC

Firm Name

By: \_\_\_\_\_



Its: \_\_\_\_\_

Principal  
Title



# Tab L:

PHA / Section 8 Notification Letter



## PHA or Section 8 Notification Letter

Development Name: Parkside Apartments

Tracking #: 2023 ASH-01

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

### **General Instructions**

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

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

# PHA or Section 8 Notification Letter

**DATE:**

**TO:** Rappahannock- Rapidan Community Services

PO Box 1568

Culpeper, VA 22701

**RE:** PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Parkside Apartments

Name of Owner: Parkside Apartments, 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 6/1/2024 (date).

The following is a brief description of the proposed development:

Development Address:

250 Gardner Street

Culpeper, VA 22701

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>37</u>	# units	<u>6</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	<u>        </u>	# units	<u>        </u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u>        </u>	# units	<u>        </u>	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ <u>        </u>	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>575-625</u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>725-800</u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>850-900</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u>        </u>	/ month

Other Descriptive Information:

New construction of permanent supportive housing for families and individuals. The development will have 7 one-bedroom, 23 two-bedroom and 7 three-bedroom apartments. Six apartments will be fully UFAS accessible and the site is designed for universal access. Conveniently located near services and Yowell Meadow Park.

# 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

(541) 602-6621 / 7434  
540-825-7434

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

Sincerely yours,



Tony Hooper

Name

President of the Board of Directors, Culpeper Housing and Shelter Services

Title

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

Seen and Acknowledged By: 

Printed Name: JAMES LAGRASSE

Title: EXECUTIVE DIRECTOR

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

Seen and Acknowledged By: 

Printed Name: JAMES LAGRASSE

Title: EXECUTIVE DIRECTOR

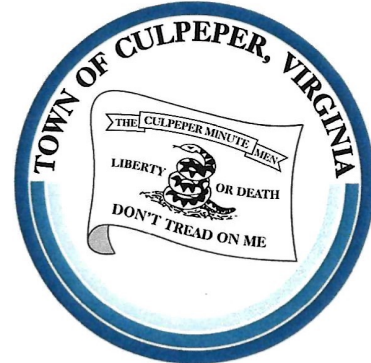
Phone: 540-825-3100

Date: 3/1/2022

# **Tab M:**

Locality CEO Response Letter

Locality CEO Letter



March 8, 2022  
Date

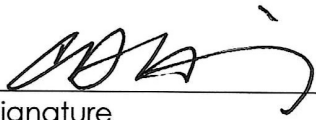
JD Bondurant  
Virginia Housing Development  
Authority 601 South Belvidere Street  
Richmond, Virginia 23220

Virginia Housing Tracking Number: 2022 ASH-01  
Development Name: Parkside Apartments  
Name of Owner/Applicant: Parkside Apartments LLC

Dear Mr. Bondurant:

The construction or rehabilitation of the above-named development and the allocation of federal housing tax credits available under IRC Section 42 for said development will help to meet the housing needs and priorities of the Town of Culpeper. Accordingly, The Town of Culpeper supports the allocation of federal housing tax credits requested by Parkside Apartments LLC for this development.

Yours truly,

  
\_\_\_\_\_  
Signature  
Chris Hively  
\_\_\_\_\_  
[CEO Name]  
Town Manager  
\_\_\_\_\_  
[Title]

**Not Applicable**

**Tab N:**

Homeownership Plan

Not applicable

## **Tab O:**

Plan of Development Certification Letter



# Tab P:

Developer Experience documentation and Partnership agreements

**ANN WINGFIELD COMMONS LLC,  
A VIRGINIA LIMITED LIABILITY COMPANY**

**AMENDED AND RESTATED OPERATING AGREEMENT**

As of October 22, 2019

THE MEMBERSHIP INTERESTS EVIDENCED BY THIS AMENDED AND RESTATED OPERATING AGREEMENT (THE "AGREEMENT") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE MEMBERSHIP INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH. IN ADDITION, THE SALE OR TRANSFER OF SUCH MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS SET FORTH IN ARTICLE IX HEREOF.

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**ANN WINGFIELD COMMONS LLC  
A VIRGINIA LIMITED LIABILITY COMPANY**

**AMENDED AND RESTATED OPERATING AGREEMENT**

THIS AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of October 22, 2019, by and among Ann Wingfield Management LLC, a limited liability company formed under the laws of the Commonwealth of Virginia (the "Managing Member"), Housing Equity Fund of Virginia XXIII, L.L.C., a limited liability company formed under the laws of the Commonwealth of Virginia (the "Investor Member"), VAHM L.L.C., a limited liability company formed under the laws of the Commonwealth of Virginia (the "Special Member"), and RL State Preservation Fund 2019, LLC, a limited liability company formed under the laws of the Commonwealth of Virginia (the "State Credit Investor").

WHEREAS, the Managing Member filed Articles of Organization (the "Articles of Organization") for the formation of Ann Wingfield Commons LLC (the "Company") pursuant to the terms of the Revised Uniform Limited Liability Company Act of the Commonwealth of Virginia (the "Act"), which Articles of Organization was subsequently filed with the State Corporation Commissioner of the Commonwealth of Virginia (the "State of Formation") on May 18, 2018;

WHEREAS, the Managing Member had previously executed an Operating Agreement of the Company dated as of July 26, 2018 (the "Original Agreement");

WHEREAS, the Investor Member and the State Credit Investor each wishes to join the Company as the investor member, and the Special Member wishes to join the Company as the special member; and the Members have agreed to account for the State Credit Investor's investment in the VHRC (defined below) as a sale, resulting in income to the Company;

WHEREAS, the Managing Member, the State Credit Investor, the Special Member and the Investor Member wish to continue the Company pursuant to the Act by amending and restating the Original Agreement in its entirety;

WHEREAS, the Company has been formed to develop, rehabilitate (through adaptive reuse) construct, own, maintain and operate an 44-unit apartment community located at 201 N. East Street, Culpeper, Virginia, and to be known as Ann Wingfield Commons (the "Project"); the Project includes one rehabilitation building and six new construction town homes; references in this Agreement to "construction" or "rehabilitation" shall be deemed to refer to construction and/or rehabilitation, as applicable;

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Operating Agreement to (i) continue the Company under the Act; (ii) admit the Investor Member, the State Credit Investor, and Special Member to the Company as members; and (iii) set forth all of the provisions governing the Company;

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

ARTICLE I  
CONTINUATION OF COMPANY

1.01 Continuation. The undersigned hereby continue the Company as a limited liability company under the Act.

1.02 Name. The name of the Company is Ann Wingfield Commons LLC.

1.03 Principal Place of Business. The principal place of business of the Company shall be 602 S Main Street, Culpeper, VA 22701. The Company may change the location of its principal place of business to such other place or places within the Commonwealth of Virginia as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal place of business. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

1.04 Agent for Service of Process. The name of the Agent for service of process is Sam, Walker, who is a resident of Virginia and a member of the Virginia State Bar, and whose address is 115 S. West Street, Culpeper, VA 22701.

1.05 Admission of Investor Member, the State Credit Investor, and Special Member and Other Actions. The Investor Member, the State Credit Investor, and Special Member are hereby admitted to the Company as the sole investor members and special member.

1.06 Term. The term of the Company commenced as of the date of the filing of the Articles of Organization with the Secretary of the Commonwealth of Virginia, and shall continue in perpetuity, unless the Company is sooner dissolved in accordance with the provisions of this Agreement.

1.07 Recording of Articles. Upon the execution of this Amended and Restated Operating Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt recording of an amendment to the Articles of Organization if and as required by the Act, including filing with the State Corporation Commission of the Commonwealth of Virginia. All fees for filing shall be paid out of the Company's assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State, and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the Commonwealth of Virginia.

ARTICLE II  
DEFINED TERMS

In addition to the terms defined in the preamble to this Agreement, the following terms used in this Agreement shall have the meanings specified below:

"Accountants" means Dooley & Vicars Certified Public Accountants, L.L.P. or such other firm of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Investor Member, to prepare financial statements and provide other services to the Company. Dooley & Vicars Certified Public Accountants, L.L.P. (or other independent accountants approved by the Investor Member) shall review and execute all tax returns for the Company.

"Accounting Fee" shall have the meaning set forth in Section 8.21.

"Act" means the Virginia Limited Liability Company Act, as may be amended from time to time during the term of the Company.

"Actual Credit" means as of any point in time, the total amount of the LIHTC allocated by the Company to the Investor Member, representing ninety-eight and ninety-nine hundredths percent (98.99%) of the aggregate LIHTC reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal period after giving effect to the following adjustments: (a) the credit to such Capital Account of any amounts which such Member is obligated to restore under this Agreement or is deemed to be obligated to restore pursuant to either (i) the penultimate sentences of Treas. Reg. §1.704-2(g)(1) and Treas. Reg. §1.704-2(i)(5), or (ii) amounts that the Member is treated as obligated to restore under Treas. Reg. §1.704-1(b)(2)(ii)(c); and (b) the debit to such Capital Account of the amounts described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, partner, managing member or trustee, any corporation, limited partnership, limited liability company or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, managing



member, general partner, trustee or holder of ten percent (10%) or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the term “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliate Guarantor" means CCDC, which is an Affiliate of the Managing Member.

"Affiliate Guaranty" means the guaranty of the performance of the obligations of the Managing Member under this Agreement and the obligations of the Developer under the Development Agreement for the benefit of the Investor Member and State Credit Investor given by the Affiliate Guarantor, which Affiliate Guaranty is in the form of **Exhibit D**.

"Affiliated Company" means a limited liability company in which the Managing Member or an Affiliate thereof is a managing member or a limited partnership in which the Managing Member or an Affiliate is a general partner, and in which the Investor Member or an Affiliate of the Investor Member is a member or partner.

"Agency" means the Virginia Housing Development Authority, in its capacity as the agency designated to allocate LIHTC, acting through any authorized representative.

"Agreement" means this Amended and Restated Operating Agreement, as amended from time to time.”

“Articles” means the Company's Articles of Organization or any other instrument or document which is required under the laws of the State of Formation to be signed by the Managing Member and filed in the appropriate public offices within the State of Formation to perfect or maintain the Company as a limited liability company under the laws of the State of Formation, to effect the admission, withdrawal or substitution of any Member of the Company, or to protect the limited liability of the Members as members under the laws of the Commonwealth of Virginia.

"Assumed Investor Member Tax Liability" means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Investor Member pursuant to Section 11.01(b) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the Investor Member) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the Investor Member pursuant to Sections 11.07(a) and (d) through (j) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the Investor Member) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

"Assumed Managing Member Tax Liability" means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Managing Member pursuant to Section 11.01(b) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the Managing Member) plus (B) any items of income, gain, loss, deduction or

credit which are specially allocated to the Managing Member pursuant to Sections 11.07(a) and (d) through (j) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the Managing Member) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

"Assumed State Credit Investor Tax Liability" means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the State Credit Investor pursuant to Section 11.01(b) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the State Credit Investor) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the State Credit Investor pursuant to Sections 11.07(a) and (d) through (j) (but not including any profit or income from the sale or transfer of the VHRC, if any, which has been allocated to the State Credit Investor) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

"Authority" or "Authorities" means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

"Bankruptcy" or "Bankrupt" as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 60 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

"Breakeven Operations" means the date following Final Closing upon which the gross operating revenues from the normal operation of the Project received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Company) for a period of six (6) consecutive calendar months after Final Closing period equals or exceeds all accrued operational costs of the Project, including, but not limited to, taxes, assessments, reserve fund for replacement deposits and debt service payments, the Accounting Fee and a ratable portion of the annual amount (as reasonably estimated by the Managing Member) of those seasonal and/or periodic expenses (such as utilities, maintenance expenses and real estate taxes or service charges in lieu of real estate taxes) which might reasonably be expected to be incurred on an

unequal basis during a full annual period of operation, for a period of six (6) consecutive calendar months on an annualized basis (based on projections of the Company), as evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet of the Company indicating that all trade payables have been satisfied (or with respect to trade payables within sixty (60) days of the date the services were performed or goods were delivered, the trade payables shall not be past due and the Company shall have an adequate cash reserve for the payment of such trade payables), all as shall be subject to the approval of the Investor Member. For the purpose of calculating Breakeven Operations only, the following costs shall not be considered operating costs of the Project: payments to be made under the Development Agreement.

"Bridge Loan Interest" means the interest expense incurred by Investor Member in connection with any loan obtained by such Investor Member which is secured by the deferred capital contribution obligations of any of the members of such Investor Member.

"Capital Account" means the capital account of a Member as described in Section 11.06.

"Capital Contribution" means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Company by each Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

"Capital Transaction" means any transaction out of the ordinary course of the Company's business which is capital in nature, including without limitation, the disposition, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Members), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part or all of the Project.

"Capital Transaction Administrative Fee" means the fee payable under Section 11.04(d).

"Capitalized Bridge Loan Interest" means any Bridge Loan Interest required to be capitalized by the Company pursuant to Code Section 263A.

"Carveouts" has the meaning set forth in Section 4.01(g).

"Certified Credits" means ninety-eight and ninety-nine hundredths (98.99%) of the annual LIHTC that the Accountants certify in writing to the Company that the Company will be able to claim during each full fiscal year during the Credit Period for all buildings in the Project assuming full compliance with the rent restrictions and income limitations of Section 42 of the Code. The calculation of the Certified Credits shall be based, among other things, on the Form(s) 8609 issued by the Agency for all the buildings comprising the Project and on the cost certification prepared in connection with the application by the Company for Form(s) 8609. Once the Certified Credits are determined, they shall not be adjusted during the term of this Agreement; provided, however, if with respect to an LIHTC Recapture Event the Managing Member makes a payment under

Section 8.11(c), then the Certified Credits shall be reduced prospectively by the annual reduction in LIHTC attributable to such LIHTC Recapture Event.

"Certified Credit Capital Adjustment" has the meaning set forth in Section 5.01(e)(i).

"Certified Credit Capital Decrease" has the meaning set forth in Section 5.01(e)(i).

"Certified Credit Capital Increase" has the meaning set forth in Section 5.01(e)(i).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Company" means Ann Wingfield Commons LLC, a limited liability company formed under the laws of the Commonwealth of Virginia.

"Company Representative" has the meaning set forth in Section 11.08 of this Agreement.

"Completion Loan" has the meaning set forth in Section 8.11(a).

"Compliance Termination Sale" has the meaning set forth in Section 8.03(a).

"Consent" means the prior written consent or approval of the Investor Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited.

"Construction Contract" means the construction contract in the guaranteed maximum amount of \$4,961,853 (including all exhibits and attachments thereto) to be entered into between the Company and the Contractor, pursuant to which the Project is to be constructed. Such Construction Contract shall be subject to the Consent of the Investor Member.

"Construction Loan" means the Project Loan, if any, from a private lender identified on **Exhibit F** hereto.

"Contractor" means Peacock Holland Construction, LLC, a limited liability company formed under the laws of the Commonwealth of Virginia, which is the general construction contractor for the Project.

"Continued Compliance Sale" has the meaning set forth in Section 8.03(a).

"Counsel" or "Counsel for the Company" means Fray, Hudson, Clark & Walker, LLP or such other attorney or law firm upon which the Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

"Credit Period" means the ten-year "credit period" as defined in and determined in accordance with Section 42(f) of the Code.

"CCDC" means Culpeper Community Development Corporation, Inc., a Virginia not-for-profit corporation.

"Debt Service Coverage Ratio" shall mean a fraction, the numerator of which is the difference between all cash actually received by the Company on a cash basis from normal operations, less all accrued operational costs of the Project, including any required deposits to a capital replacement reserve, and the denominator of which is all debt service, reserve, mortgage insurance premium and/or other cash requirements imposed by the Project Loan documents properly allocable to a particular period on an annualized basis, as determined by the Accountants (but not including loans to be repaid solely from available Net Cash Flow).

"Designated Individual" means the person appointed by the Partnership Representative to be the "designated individual" with the sole authority to bind the Partnership Representative pursuant to the Code and Treasury Regulations.

"Developer" means CCDC.

"Development Agreement" means the Development Agreement between the Company and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee, in the form set forth in **Exhibit A**.

"Development Budget" means the acquisition, construction, rehabilitation, development and financing budget for the acquisition, construction, rehabilitation, development, financing and operation of the Project, including without limitation the construction or rehabilitation of all improvements, the furnishing of all personalty in connection therewith, and the operation of the Project which Budget is attached hereto as **Exhibit H**, and any amendments thereto made with the Consent of the Investor Member. The Development Budget shall also include a calculation of the Projected LIHTC for the Project indicating the assumptions regarding basis which underlie such calculation, a 15-year income/expense pro forma, profit/loss statement, cash flow statement, depreciation/amortization schedule, capital account, minimum gain and 30 year analysis and a calculation of net sale proceeds.

"Development Costs" means all of the following: (i) all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land (and any improvements thereon) and the development or rehabilitation of the Project, including payment of the Development Fee, amounts due under the Construction Contract, any construction cost overruns, the cost of any change orders and all costs necessary to achieve Substantial Completion; (ii) all costs to achieve Initial Closing and Final Closing, and satisfy any escrow deposit requirements which are conditions to the Final Closing, including any amounts necessary for local taxes, utilities, mortgage insurance premiums, casualty and liability insurance premiums, and any applicable loan fees,

discounts or other expenses; (iii) for the period prior to Breakeven Operations, all costs, payments and deposits needed to avoid a default under any Project Loan, including without limitation, all required deposits to satisfy any requirements of a Project Lender to keep a Project Loan "in balance"; (iv) all costs and expenses relating to remedying any environmental problem or condition or Hazardous Materials that existed on or prior to Final Closing; and (v) all Operating Deficits incurred by the Company prior to Breakeven Operations, and the achievement of at least 93% physical and economic occupancy during the six-month period while Breakeven Operations are achieved.

"Development Fee" means the fee payable by the Company to the Developer pursuant to Section 8.12 of this Agreement.

"Downward Capital Adjustment. " has the meaning set forth in Section 5.01(e)(i).

"Early Delivery Capital Adjustment" has the meaning set forth in Section 5.01(e)(i).

"Economic Risk of Loss" has the meaning specified in Treas. Reg. §1.752-2.

"Environmental Consultant" has the meaning set forth in Section 5.01(j).

"Excess Development Costs" means all Development Costs in excess of the proceeds of the Project Loans and all Capital Contributions the Managing Member and Investor Member are required to make hereunder.

"Extended Use Agreement" means the Extended Use Regulatory Agreement and Declaration of Restrictive Covenants executed by the Company and delivered to the Agency prior to, at or subsequent to the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.

"Fannie Mae" shall mean Federal National Mortgage Association.

"Federal Rehabilitation Credits" means the federal historic Rehabilitation Credits made available under Section 47 of the Code.

"Final Closing" means the occurrence of all of the following: (i) Substantial Completion, (ii) approval by the Project Lenders, if any, of the Company's certification of actual costs as to the development and construction or rehabilitation of the Project, (iii) disbursement by all Project Lenders of any and all previously undisbursed Project Loan proceeds including the funding of the Permanent Loan under Documents acceptable to the Investor Member, and (iv) commencement of amortization as to all Project Loans (to the extent any Project Loan requires principal amortization).

"Final Historic Rehabilitation Credit Amount" means 98.99% of the aggregate Federal Rehabilitation Credits attributable to the Project and 100% of the aggregate VHRC attributable to

the Project. The Final Rehabilitation Credit Amount shall be determined by the Accountants in consultation with the Investor Member and the State Credit Investor, promptly following the receipt of a final Part 3 Certification issued by the Department of the Interior and the Virginia Department of Historic Resources, respectively, based on all information available at such time including, but not limited to, the cost certification prepared by the Accountants.

"Final Mortgage Amount" means the principal amount of all of the Project Loans, advanced at or prior to the Final Closing, before any reduction resulting from repayments of principal thereof.

"40-60 Set-Aside Test" means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size.

"Guarantor Compliance Loan" has the meaning set forth in Section 8.11(c)(v).

"Hazardous Substances" has the meaning set forth in Section 16.07(a).

"Hazardous Waste Laws" has the meaning set forth in Section 16.07(e).

"HUD" means the U.S. Department of Housing and Urban Development.

"Initial Amount" has the meaning set forth in Section 4.02(q).

"Initial Closing" means the date upon which one or more of the Project Loans is closed and the initial disbursement is made thereunder. The Initial Closing is anticipated to occur on or prior to October 22, 2019.

"Initial Period" has the meaning set forth in Section 8.11(b).

"Interest" or "Company Interest" means the ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act.

"Investor Member" means initially Housing Equity Fund of Virginia XXIII, L.L.C., a limited liability company formed under the laws of the Commonwealth of Virginia.

"Investor Member Due Diligence Costs" has the meaning set forth in Section 5.01(f).

"IRS" means the Internal Revenue Service of the United States or any successor agency.

"Land" means the tract of land currently owned or to be purchased by the Company upon

which the Project will be located, as more particularly described on **Exhibit C** attached hereto.

"Late Delivery Capital Adjustment" has the meaning set forth in Section 5.01(e)(i).

"Lease-Up Reserve" has the meaning set forth in Section 4.02(s).

"LIHTC" means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

"LIHTC Compliance Guaranty" means, collectively, the Managing Member obligations set forth in Section 8.11(c).

"LIHTC Recapture Event" means (a) the filing of a tax return by the Company evidencing a reduction in the qualified basis of the Project causing a recapture of LIHTC previously allocated to the Investor Member, (b) a reduction in the qualified basis of the Project following an audit by the IRS which results in the assessment of a deficiency by the IRS against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court and any other federal tax court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

"LIHTC Reduction Guaranty Payment" has the meaning set forth in Section 5.01(e)(ii).

"LIHTC Shortfall" means, as to any period of time, the difference between the Certified Credit for such period of time and the Actual Credit for such period of time. For purposes of determining the amount of the LIHTC Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.01(e) because of a Late Delivery Capital Adjustment, the LIHTC Shortfall for such period of time shall be reduced by the Late Delivery Capital Adjustment.

"Liquidator" means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

"Loan Agreement" means any loan agreement and/or similar agreement with respect to the terms and conditions of the making of any of the Project Loans, which will be entered into between the Company and any one of the Project Lenders at or prior to the Final Closing.



"Losses" has the meaning set forth in the definition of "Profits" and "Losses."

"Management Agent" means the management and rental agent for the Project designated pursuant to Section 8.15.

"Management Agreement" means the agreement between the Company and the Management Agent providing for the marketing and management of the Project by the Management Agent.

"Managing Member" means Ann Wingfield Management LLC, a limited liability company formed under the laws of the Commonwealth of Virginia, and any other Person admitted as a Managing Member pursuant to this Agreement, and their respective successors as any such successor may be admitted pursuant to this Agreement, including those Persons admitted pursuant to the provisions of Sections 6.02 and 6.03.

"Managing Member Pledge" has the meaning set forth in Section 8.19.

"Managing Member's Special Capital Contribution" has the meaning set forth in Section 5.01(b).

"Member" means any Managing Member, Investor Member, State Credit Investor, or Special Member.

"Member Nonrecourse Debt" means any Nonrecourse Debt (or portion thereof) for which a Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

"Member Nonrecourse Deductions" has the meaning set forth in Treas. Reg. §1.704-2(i)(2), and the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year shall be determined in accordance with the rules of Treas. Reg. §1.704-2(i)(2).

"Minimum Gain" means the amount determined by computing with respect to each Nonrecourse Debt the amount of gain, if any, that would be realized by the Company if it disposed of the asset securing such liability (in a taxable transaction) in full satisfaction thereof (and for no other consideration), and by then aggregating the amounts so computed. For purposes of determining the amount of such gain with respect to a liability, the adjusted basis for federal income tax purposes of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treas. Reg. §1.704-2(d)(2).

"Minimum Set-Aside Test" means the set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Company has selected or will select the 40–60 Set-Aside Test as restricted by Code Section 42(g)(1) to require at least 40% of the units in the Project be occupied by individuals with incomes

of 60% or less of area median income, as adjusted for family size, as the Minimum Set-Aside Test.

"MM Loans" means the loans which may be made by the Managing Member to the Company pursuant to Section 5.07(a) hereof, including any accrued interest thereon. Operating Deficit Loans shall not constitute MM Loans.

"Mortgage" means any deed of trust to be given by the Company in favor of any Project Lender as maker of a Project Loan, constituting a lien on the Project and securing a Project Loan.

"Net Cash Flow" means the sum of (i) all cash received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (except to the extent forfeited to the Company), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance, other than fire and extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the Managing Member with the approval of the Project Lenders, if required, less the sum of (x) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Company's business (whether or not such expenditure is deducted, amortized or capitalized for tax purposes), including the management fee to the Management Agent and the Accounting Fee, (y) all payments on account of any loans made to the Company (whether such loan is made by a Member or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or pursuant to any loans made by any Members where repayment of such loans is to be made out of Net Cash Flow, and (z) any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Project Lenders or the Investor Member, or may be determined from time to time by the Managing Member with the approval of the Investor Member and the Project Lenders, if required, to be advisable for the operation of the Company.

"Net Projected Tax Liabilities" means, as determined by the Accountants, based on the Company's tax records, and any final adjustments made prior to the availability of proceeds of Capital Transaction(s) for distribution, the cumulative amounts of the respective projected liabilities (collectively, the "Projected Tax Liabilities") of the Managing Member, the State Credit Investor, the Investor Member's members, and their respective partners and members, if any, (collectively, the "Company Taxpayers") for any and all federal, state, and local taxes, including any recapture of prior LIHTC, to be imposed on the Company Taxpayers by reason of all Capital Transactions of the Company from which the proceeds in question are to be distributed, any and all prior Capital Transactions of the Company (to the extent proceeds from such prior Capital Transactions equal to the Projected Tax Liabilities for such prior transactions were not distributed) and any liquidation of the Company. Such projections of liabilities shall estimate the applicable tax rate or rates for the Managing Member (based on actual or projected taxable income) and shall assume the maximum applicable tax rate or rates for each of the State Credit Investor's and Investor Member's partners or members, if any (without regard to actual taxable income), in effect at the time of each Capital Transaction, in all cases without regard to the alternative minimum tax,

limitations on the use of business tax credits, or other factors that may affect tax liability in particular cases, and without adjustment for any variance from actual tax liabilities that may later occur.

"New Allocation" has the meaning set forth in Section 11.07(m)(ii).

"Nonrecourse Debt" means any Company liability that is considered nonrecourse for purposes of Treas. Reg. §1.1001-2 (without regard to whether such liability is a recourse liability under Treas. Reg. §1.752-1(a)(1)).

"Nonrecourse Deductions" has the meaning set forth in Treas. Reg. §1.704-2(b)(1).

"Nonrecourse Liability" means any Company liability (or portion thereof) for which no Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

"Note" means any mortgage or deed of trust promissory note given by the Company in favor of a Project Lender evidencing a Project Loan.

"Notice" means a writing containing the information required by this Agreement to be communicated to a Member and sent by any manner set forth in Section 16.08, to such Member at such Member's address as specified pursuant to Section 16.08, the date of receipt thereof (or the next business day if the date of receipt is not a business day) or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable, being deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Member actually received by such Member shall constitute Notice for all purposes of this Agreement.

"Operating Deficit" means the amount by which the gross receipts of the Company from lease payments, and all other income and receipts of the Company (other than proceeds of any loans to the Company, Capital Contributions, and investment earnings not available for distribution on funds on deposit in the Reserve Fund for Replacements, and other such reserve or escrow funds or accounts not available for distribution) for a particular period of time, is exceeded by the sum of all the operating expenses, including all debt service, operating and maintenance expenses, required deposits into the Reserve Fund for Replacements, any fees to the Project Lenders and/or any applicable mortgage insurance premium payments and all other Company obligations or expenditures, and excluding payments for construction of the Project and fees and other expenses and obligations of the Company to be paid from the Capital Contributions of the Investor Member or the State Credit Investor to the Company pursuant to this Agreement during the same period of time.

"Operating Deficit Loan" shall have the meaning set forth in Section 8.11(b) of this Agreement.

"Operating Reserve" means the reserve referred to in Section 4.02(r).

"Partnership Representative" has the meaning set forth in Section 11.08 of this Agreement.

"Parts 1, 2 and 3 Certifications" mean, respectively, Parts 1, 2 and 3 of the Historic Preservation Certification Application filed with the National Park Service for purposes of obtaining Rehabilitation Credits.

"Payment Date" means the date which is ninety (90) days after the end of the Company's fiscal year with respect to the preceding fiscal year.

"Percentage Interest" means the percentage Interest of each Member as set forth in Sections 5.01(a) and (c).

"Permanent Loan" means the loans set forth on **Exhibit F** hereto and described as permanent loans.

"Person" means any individual, partnership, corporation, trust, limited liability company or other entity.

"Plans and Specifications" means the plans and specifications for the Project stamped with the seal of an architect and/or engineer, which are subject to the approval of the Investor Member and the State Credit Investor, and any changes thereto made in accordance with the terms of this Agreement.

"Post Closing Obligations" means those conditions to the Investor Member's obligation to fund all or any portion of its Capital Contribution as more fully described on the Post Closing Letter attached hereto as **Exhibit K**.

"Prime Rate" means the interest rate announced from time to time by The Wall Street Journal as the prime lending rate expressed as a percent per annum. The "Prime Rate" shall be adjusted semi-annually on January 1 and July 1 of each year.

"Profits" and "Losses" mean, for each fiscal year of the Company, an amount equal to the Company's taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (a) the income of the Company that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Company which are not deductible in computing its taxable income and not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Company asset is revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), then the amount of any adjustment to the value of such Company asset shall be taken into account as gain or loss from the disposition of such Company asset for purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of Company asset which has been revalued pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(f)

and with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the adjusted value of such Company asset, notwithstanding that the adjusted tax basis of such Company asset differs from the adjusted value; (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Company asset which has been revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f); and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to Sections 11.07(b) through (n) shall not be taken into account in computing Profits or Losses.

“Project” means the land currently owned (or to be purchased) by the Company in Culpeper, Virginia and the improvements to be rehabilitated, owned and operated thereon by the Company, and to be known as Ann Wingfield Commons.

“Project Documents” means and includes the Construction Contract, the Mortgage(s), Note(s), Loan Agreement(s), Regulatory Agreement, Extended Use Agreement, Management Agreement and all instruments delivered to (or required by) the Project Lenders or the Agency, or otherwise entered into in connection with the Rehabilitation Credits, to the extent not otherwise listed in this definition.

“Project Lender” means any lender in its capacity as a lender of one of the Project Loans, or its successors and assigns in such capacity, acting through any authorized representative.

“Project Loans” means those loans set forth and described on **Exhibit F** hereto.

“Projected Federal Rehabilitation Credits” has the meaning set forth in Section 4.01(p).

“Projected LIHTC” has the meaning set forth in Section 4.01(p).

“Projected VHRC” has the meaning set forth in Section 4.01(p).

“Qualified Contract” has the meaning set forth in Section 42(b)(h)(F) of the Code.

“Qualified Occupancy” shall mean occupancy of a LIHTC unit by a Qualified Tenant.

“Qualified Tenants” shall mean tenants under executed leases of at least six (6) months who at the time of their initial occupancy of the Project satisfy the (i) rent restriction and (ii) minimum set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in the Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income.

“Recapture Amount” has the meaning set forth in Section 11.02(c).

“Regulations” or “Treasury Regulations” or “Treas.Reg.” means the Income Tax Regulations issued under the Code.

"Regulatory Agreement" means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Company and any Project Lender or any applicable government agency, whether prior to, at or after the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated, including, without limitation, the requirement by the Agency that for the five (5) Project units designated in the LIHTC application as conforming to accessibility requirements of Section 504, the Company must actively market such units to people with mobility impairments, and must hold such units vacant as long as necessary to find qualified tenants.

"Rehabilitation Credit Compliance Guaranty" has the meaning set forth in Section 8.11(c).

"Rehabilitation Credits" means, collectively, the Federal Rehabilitation Credits and the VHRC.

"Rehabilitation Credit Recapture Event" means (a) the filing of a tax return by the Company evidencing any event causing a recapture of Rehabilitation Credits previously claimed by the Company and allocated to the Investor Member or State Credit Investor in connection with the Project, unless the event giving rise to such recapture has been consented to in writing by the Investor Member or State Credit Investor (as applicable), (b) an audit by the IRS or other event which results in an assessment of a deficiency by the IRS against the Company with respect to any Rehabilitation Credits previously claimed by the Company and allocated to the Investor Member or State Credit Investor in connection with the Project, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal tax court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company with respect to any Rehabilitation Credits previously claimed by the Company and allocated to the Investor Member or State Credit Investor in connection with the Project, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

"Rent Restriction Test" means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the low-income units in the Project cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.

"Reserve Fund for Replacements" means the cash funded reserve for replacements required pursuant to Section 4.02 (q).

"Sixth Post-PIS Year" means the first full calendar year occurring after the fifth anniversary of the placement in service of the Project for purposes of Code Sections 47 and 68.

"Special Additional Capital Contribution" means the Special Additional Capital

Contributions of the Investor Member under Section 5.01(d)(viii).

"Special Member" means VAHM, LLC, a limited liability company formed under the laws of the Commonwealth of Virginia, or its assignee.

"State Certification" means, with respect to the Project, the approval by the Virginia Department of Historic Resources of the Plans and Specifications for purposes of the VHRC.

"State Credit Reserve" means the reserve referred to in Section 4.02(t).

"State Designation" means, with respect to the Project, the allocation by the Agency of LIHTC, as evidenced by the receipt by the Company of either a carryover allocation of LIHTC meeting the requirements of Section 42(h)(1)(E) of the Code and Treasury Regulations or IRS Form 8609 executed by the Agency as to all building in the Project for which such form is required.

"Substantial Completion" means the date that the Company receives all necessary permanent certificate(s) of occupancy (or certificates of occupancy which contain conditions or qualifications which are Consented to by the Investor Member and the State Credit Investor) from the applicable governmental jurisdictions) or authority(ies); provided, however, that Substantial Completion shall not be deemed to have occurred if on such date any liens or other encumbrances as to title to the Land and the Project exist, other than those securing any Project Loan and/or those Consented to by the Investor Member and the State Credit Investor.

"Substitute Investor Member" means any Person admitted to the Company as an Investor Member pursuant to Section 9.02.

"Surplus Cash" means any Net Cash Flow which, pursuant to the Project Documents or rules or regulations of any Project Lenders or the Agency, is permitted to be distributed to the Members.

"Title Company" means Stewart Title Guaranty Company.

"Unpaid Fee" has the meaning set forth in Section 5.01(b).

"Unpaid LIHTC Shortfall" means the outstanding amount of any LIHTC Shortfall for all the fiscal years of the Company, reduced by any amounts of Unpaid LIHTC Shortfall distributed to the Investor Member pursuant to Article XI of this Agreement. The unpaid LIHTC Shortfall shall bear interest at the "long-term applicable Federal rate" (as defined in Section 1274 of the Code) determined as of the date of the Investor Member's First Capital Contribution, compounded monthly.

"VHCC" means Virginia Housing Capital Corporation, a Virginia corporation and the managing member of the Investor Member and the State Credit Investor.

“VHRC” means the Virginia Historic Rehabilitation Credits made available under Virginia Code Section 58.1-339.2.

“VHDA” means Virginia Housing Development Authority.

ARTICLE III  
PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to acquire the Land and to develop, finance, construct, own, maintain, lease, operate and sell or otherwise dispose of the Project, in order to obtain long-term appreciation, cash income, LIHTC and tax losses. The Company will operate the Project in a manner that furthers the charitable purpose of CCDC by providing decent, safe, sanitary and affordable housing for low income persons and families, including individuals with disabilities. In the event of the conflict between the operation of the Project in a manner consistent with such charitable purpose and any duty of the Managing Member to operate the Project in order to maximize profits for the Investor Members and the State Credit Investor, such charitable purpose shall prevail; provided, however, that in operating the Project no decision shall be made inconsistent with the requirements of any Regulatory Agreement.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

(a) acquire the Land on which the Project is to be located and any improvements thereon;

(b) construct, rehabilitate, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements so long as the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(e) borrow money and issue evidences of indebtedness in furtherance of the Company business and secure any such indebtedness by mortgage, pledge, or other lien; provided, however, that unless otherwise specifically allowed under this Agreement or otherwise Consented



to by the Investor Member and the State Credit Investor, any Project Loans, and any evidences of indebtedness thereof and any documents amending, modifying or replacing any of such loans shall have the legal effect that at and after Final Closing the Company and the Members shall have no personal liability for the repayment of the principal of or payment of interest on any Project Loan, and that the sole recourse of any Project Lender, with respect to the principal thereof and interest thereon, shall be to the property securing such Project Loan, except for any Carveouts;

(f) maintain and operate the Project, including hiring the Management Agent (which Management Agent may be any of the Members or an Affiliate thereof) and entering into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Project Lenders, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Company, or for the refinancing of any mortgage loan on the property of the Company;

(h) enter into the Loan Agreement, the Regulatory Agreement and the Extended Use Agreement, providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to LIHTC and Rehabilitation Credits and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Members, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Company business.

ARTICLE IV  
REPRESENTATIONS, WARRANTIES AND COVENANTS;  
DUTIES AND OBLIGATIONS

4.01 Representations, Warranties and Covenants Relating to the Project and the Company. As of the date hereof, the Managing Member hereby represents, warrants and covenants to the Company and to the Members that:

(a) Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate, partnership, limited liability company or trust actions or proceedings. The Managing Member is

duly organized, validly existing and in good standing under the laws of the state of its formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) Rehabilitation of Project. The construction, rehabilitation, and development of the Project shall be undertaken and shall be completed in a timely and workmanlike manner in accordance with (i) all applicable requirements of the Project Loans and the Project Documents, (ii) all applicable requirements of all appropriate governmental entities, including the National Park Service and the Virginia Department of Historic Resources as it relates to the Rehabilitation Credits, and (iii) the Plans and Specifications of the Project that have been or shall be hereafter approved by the Investor Member, the State Credit Investor, and, if required, the Project Lenders and any applicable governmental entities, as such Plans and Specifications may be changed from time to time with the approval of the Investor Member, the State Credit Investor, and the Project Lenders, if required, and any applicable governmental entities, if such approval shall be required; it shall promptly provide copies of all change orders to the Investor Member and the State Credit Investor.

(c) Zoning and Related Matters. At the date hereof, at the Initial Closing and at the time of commencement of rehabilitation and thereafter continuously, the Land is and will be properly zoned for the Project, all consents, permissions and licenses required by all applicable governmental entities have been obtained, and the Project conforms and will conform to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations.

(d) Plans and Specifications. The Managing Member has sent to the Investor Member and the State Credit Investor the Plans and Specifications (including, without limitation, all working drawings) and all construction schedules, approved construction draws, certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to the Plans and Specifications, all documents pertaining to the Project Loan and any other information that is relevant to the construction, rehabilitation, and development of the Project. The Plans and Specifications are the same as those that received Part 2 Certification and State Certification.

(e) Public Utilities. All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available and will be operating properly and in sufficient capacity for the Project at the time of certificate of occupancy. The Managing Member will keep all such utilities operating in a manner sufficient to service the Project.

(f) Title Insurance. An owner's title insurance policy of a financially responsible institution acceptable to the Investor Member and the State Credit Investor, in an amount equal to the principal amount of the Project Loans and the Capital Contributions of the Managing Member, the State Credit Investor and the Investor Member, in favor of the Company, will be issued at or prior to the Initial Closing subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's title insurance policies and which are Consented to by the Investor Member and State Credit Investor and with

such endorsements to such policy as the Investor Member or State Credit Investor may request. Good and marketable fee simple title to the Land will be held by the Company. The Managing Member has not made any misrepresentation or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company or the Managing Member's ability to perform its obligations hereunder.

(g) Non-Recourse Loans. Except as otherwise provided herein, at and after the Final Closing, there shall be no direct or indirect personal liability of the Company, any of the Members, or any Affiliates of the Company or Members for the repayment of the principal of or payment of interest on any Project Loan, and the sole recourse of any Project Lender under any Project Loan with respect to the principal thereof and interest thereon shall be to the property securing the indebtedness, except for any liability of the Managing Member with respect to customary "carveouts" that are set forth in loan documents relating to the Project Loans (the "Carveouts") to which the Investor Member and the State Credit Investor have Consented. However, the Managing Member shall be personally liable for the obligations of the Company under the loans from CCDC as described in **Exhibit F** to the same extent as if it was a general partner in a limited partnership;

(h) No Defaults. The Managing Member is not aware of any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any agreement, contract, lease, or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, the Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, the Project or Company.

(i) No Violation. The execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Company or the Managing Member or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Company or the Managing Member is a party or by which the Company, Managing Member or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project.

(j) Construction Contract. The Construction Contract has been entered into between the Company and the Contractor; no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor for the Project other than the amounts set forth in the Construction Contract or as evidenced by change orders approved by the Project Lenders and as otherwise disclosed in writing to and approved by the Investor Member; and all change orders to date have been paid in full. In addition, no consideration or fee shall be paid to the Developer or

Managing Member by the Contractor.

(k) Performance Bond; Letter of Credit. Either (i) one hundred percent (100%) payment and performance bonds issued by a nationally, financially recognized bonding company, in forms acceptable to the Project Lenders, the State Credit Investor and the Investor Member, and in amounts satisfactory to the Project Lenders, the State Credit Investor, and the Investor Member, or (ii) a letter of credit in an amount and in a form, and from an issuer satisfactory to the Project Lenders, the State Credit Investor and the Investor Member, will be obtained by the Contractor at or before Initial Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Project Lenders, the State Credit Investor and the Investor Member; in the alternative, the obligations of the Contractor will be guaranteed by the Managing Member and the Affiliate Guarantors and secured by cash, letter of credit or other security acceptable to the Project Lenders, the State Credit Investor and the Investor Member.

(l) Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit I attached hereto.

(m) No Undisclosed Financial Responsibilities. Neither the Company, nor the Managing Member, either individually or on behalf of the Company, has incurred any financial responsibility with respect to the Project prior to the date of execution of this Agreement, other than (i) that disclosed to the Investor Member and the State Credit Investor, or (ii) obligations which will be fully satisfied at or prior to the Initial Closing. As of the date hereof and hereafter continuously, unless the Investor Member and the State Credit Investor otherwise consents or unless otherwise specifically provided for herein, the only indebtedness of the Company with respect to the Project are the Project Loans, if any, described on Exhibit F. Without limiting the generality of the foregoing, neither the Managing Member, any of its Affiliates nor the Company, has entered, or shall enter, into any agreement or contract for any loans (other than the Project Loan) or for the payment of any Project Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to any Project Loan.

(n) Valid Limited Liability Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the Commonwealth of Virginia, and shall have and shall continue to have full power and authority to acquire the Land and to own, develop, construct, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State of Formation and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Members and to enable the Company to engage in its business.

(o) Restrictions on Sale or Refinancing. No restrictions on the sale or refinancing of the Project, other than restrictions that may be set forth in the Project Documents, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member is a Investor Member, be placed upon the sale or refinancing of the Project.

(p) Projected LIHTC; Projected Rehabilitation Credits. The Projected LIHTC applicable to the Project is \$26,387 for 2020, \$302,760 for 2021, \$366,646 each year 2022 through 2029, \$340,258 for 2030 and \$63,885 for 2031 which equals the amount of LIHTC the Managing Member has projected will be allocated to the Investor Member, constituting ninety-eight and ninety-nine hundredths percent (98.99%) of the LIHTC which the Managing Member has projected will be available to the Company. The Projected Federal Rehabilitation Credits applicable to the Project is \$146,466 for 2021 through 2025 of Federal Rehabilitation Credits, all to be delivered in 2021. The Projected Federal Rehabilitation Credit is the amount of aggregate Federal Rehabilitation Credits the Managing Member has projected will be allocated to the Investor Member, constituting ninety-eight and ninety-nine hundredths percent (98.99%) of the Federal Rehabilitation Credits. The Projected VHRC applicable to the Project are \$738,081, all to be delivered in 2019. The Projected VHRC is the amount of aggregate VHRC the Managing Member has projected will be allocated to the State Credit Investor, constituting one hundred percent (100%) of the VHRC. There is and at all times shall continue to be sufficient eligible basis (as defined in Section 47 of the Code) to provide the full amount of the Projected Credits.

(q) Compliance with Agreements. To the best of its knowledge after due inquiry, the Managing Member, either individually or on behalf of the Company, has fully complied with all applicable provisions and requirements of any and all contracts, options and other agreements with respect to the purchase of the Land and the ownership, development, financing and operation of the Project, including all Project Documents; it shall take, and/or cause the Company to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements.

(r) State Designation; State Certification; Parts 1 and 2. By no later than December 31, 2019, the Company will receive valid State Designation with respect to the Project in the amount of not less than \$3,704,240 for the Project's ten-year Credit Period. The Company has received and sent to the Investor Member and the State Credit Investor evidence of State Certification and the completed Parts 1 and 2 Certifications confirming that (a) the Project is a certified historic structure and (b) the National Park Service has reviewed and approved without reserve the proposed rehabilitation work as shown in the Plans and Specifications.

(s) Applicable Income and Rent Restrictions. The Project is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating LIHTC under Section 42 of the Code. The Company will comply with the so-called "40-60 Set-Aside Test" of Code Section 42(g)(1)(B), so that at least 40% of the units in the Project will be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size; the Project is not subject to any other rental restrictions under the Project Documents except to the extent that more than 40% of the residential units in the Project will be rent and income restricted in order to generate the full amount of the Projected Credits. In addition, the Extended Use Agreement requires that 11 of the 44 Project units be occupied by individuals or families with incomes of 40% or less of area median income, as adjusted for family size, 11 of the 44 Project units be occupied by individuals or families with incomes of 50% or less of area median income, as adjusted for family size, and 20

of the 44 Project units be occupied by individuals or families with incomes of 60% or less of area median income, as adjusted for family size. The Extended Use Agreement dated July 3, 2001 with a term of thirty years requires 7 of the 44 Project units be occupied by individuals or families with incomes of 40% or less of area median income, as adjusted for family size, and 26 of the 44 Project units be occupied by individuals or families with incomes of 50% or less of area median income, as adjusted for family size.

(t) Term of Extended Use Agreement. The term of the Extended Use Agreement will not exceed 30 years and neither the Extended Use Agreement nor any other document, instrument or agreement to which the Company is a party shall restrict, limit or waive the right of the Company to cause a termination of the Extended Use Agreement prior to the end of such 40-year term in accordance with Code Section 42(h)(6)(E)(i)(II).

(u) Ownership of Managing Member. CCDC owns and shall continue to own at all times during the term of the Company one hundred percent (100%) of all shares of stock of the Managing Member.

(v) Title to Project; Taxes and Assessments. The Company has and shall have at all times good and marketable title to the Project, subject only to permitted exceptions thereto to which each of the Investor Member and the State Credit Investor has given its Consent. All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Project.

(w) Taxpayer Certifications. On behalf of the Company, the Managing Member will cause to be filed any and all certifications and other documents on a timely basis with the IRS, the Agency and all other Authorities, as have been and may be required to support the full amount of Projected Credits.

(x) Taxation and Limited Liability. No event has occurred that has caused, and the Managing Member will not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an "association" taxable as a corporation, rather than as a partnership; or (ii) the Investor Member, the State Credit Investor or the Special Member to be liable for the Company's obligations in excess of its Capital Contributions.

(y) No Tax-Exempt Use Property. No portion of the Project is or will be treated as "tax exempt use property" as defined in Section 168(h) of the Code. In the event the Managing Member or any member or shareholder of the Managing Member is controlled by a tax-exempt entity, such entity will make the election permitted under Section 168(h)(6)(F) of the Code. The Managing Member shall not allow the Company to enter into any lease with a tax-exempt entity without the prior written approval of the Special Member. The Managing Member also will provide evidence that it has filed Form 8832 with the IRS electing to be taxed as a corporation and that such election was effective prior to placement in service of the Project.

(z) No Abusive Tax Shelter. The Managing Member has not received notice

from the IRS that it has considered the Managing Member to be involved in any abusive tax shelter and is not aware of any facts, which if known to the IRS, would cause such notice to be issued.

(aa) Required Consents; No Defaults Under Loan Documents. The Company has obtained all consents required for the admission of the Investor Member and the State Credit Investor to the Company, including but not limited to, the consent of the holder(s) of the Project Loans, if necessary, and any required consents of applicable Authorities.

(ab) Bankruptcy. No Bankruptcy, including, without limitation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, reorganization or other proceedings are pending or threatened against the Company or the Managing Member. The Managing Member will not permit such a Bankruptcy to occur.

(ac) Governmental Actions. To the best of the Managing Member's knowledge, there is no official action of any Authority, pending or threatened, which in any way would (i) have a material adverse effect on the Company, the Project, the Investor Member, the State Credit Investor, the Rehabilitation Credits, or the LIHTC; (ii) involve any intended public improvements which improvements may result in any charge in excess of \$10,000 being levied against the Land; or (iii) any special assessment, being levied against or assessed upon the Land or the Project. There is no existing, proposed or contemplated, plan to widen, modify or realign any street or highway contiguous to the Land. The Managing Member will promptly notify the Investor Member and the State Credit Investor of any such official actions or plans, if and as they arise.

(ad) Moratoria; Assignments; Dedications. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or proposed to be imposed, by any Authority or any public or private utility having jurisdiction over the Land which would have a material adverse effect upon the use or occupancy of the Project. No special assessments have been levied against the Project or by an Authority upon the commencement or completion of any construction or alteration on or of the Project or any portion thereof. The Managing Member will promptly notify the Investor Member and the State Credit Investor of any such actions, if and as they arise. Except as previously disclosed in writing to and approved by the Investor Member and the State Credit Investor, the completion of the improvements, or alteration on or to the Project or any portion thereof will not require the dedication of any portion of the Project by any Authority.

(ae) No Defects, Compliance. Upon completion of the Project, there will be no material physical or mechanical defects or deficiencies in the condition of the Project, including, but not limited to, the roofs, exterior walls or structural components of the Project and the heating, air conditioning, plumbing, ventilating, elevator, utility, sprinkler and other mechanical and electrical systems, apparatuses and appliances located in, or about, the Land which would materially and adversely affect the Project or any portion thereof. The Project is free from infestation by termites or other pests, insects, animals or other vermin and the Managing Member will keep it so. The Project conforms (or will timely conform) to all governmental regulations,

including, without limitation, all zoning, building, health, fire and environmental rules, regulations ordinances or requirements or environmental laws, regulations or procedures applicable to the Project where the failure to conform would result in a material adverse effect.

(af) No Defective Soils Conditions. To the best of the Managing Member's knowledge after due inquiry, there are no defects or conditions of the soil that would have a material adverse effect upon the use, occupancy and operation of the Project. The soil condition of the Land is such that it will support all of the improvements to be located thereon for its foreseeable life, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations. The improvements on the Land, as built, will be or are constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations were then, have since been and will be provided.

(ag) Rights of First Refusal; Options. Except as contemplated by the Right of First Refusal Agreement set forth in Exhibit L attached hereto, neither the Managing Member nor the Company has entered into (nor will enter into) any contracts for the sale of the Project, the LIHTC or the Rehabilitation Credits with respect thereto, or any interest in the Project or Company other than in contemplation of this Agreement, nor do there exist any rights of first refusal or options to purchase the Project, the LIHTC or the Rehabilitation Credits with respect thereto, or any interest in the Company.

(ah) Securities Law Compliance. The Managing Member has or will have timely complied or cause the timely compliance with all applicable Federal and state securities laws in connection with the offer and sale of the interest in the Company to the Investor Member and the State Credit Investor.

(ai) Truth and Completeness of Representations and Disclosures. No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investor Member and the State Credit Investor pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. All material information concerning the Project known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, has been disclosed by the Managing Member to the Investor Member and the State Credit Investor and there are no facts or information known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, which would make any of the facts or information submitted by the Managing Member to the Investor Member and the State Credit Investor with respect to the Project inaccurate, incomplete or misleading in any material respect.

(aj) Compliance with Fair Housing Act. At all times during the term of this Agreement, the Company shall comply with the provisions of the Fair Housing Act, as amended.



(ak) Lenders to Project Entities Generally. Subject to provisions of this Agreement with respect to related party loans, a limited partner or investor member, including without limitation the Federal Home Loan Mortgage Corporation (such investor member or member being referred to herein as a “Mortgagee”), in any entity that is a Member herein at any time may make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Company (any such loan being referred to as a “Mortgage Loan”). Under no circumstances will a Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Member. A Mortgagee may take any actions that the Mortgagee, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan). By acquiring an interest in the Company, each Member acknowledges that no Mortgagee owes the Company or any Member any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being a limited partner or member in a Member. Neither the Company nor any Member will make any claim against a Mortgagee, or against the Member in which the Mortgagee is a partner or member, relating to a Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Company or to any Member based in any way upon the Mortgagee’s status as a limited partner or member of a Member.

(al) Member Loans. No Member or any Affiliate of a Member shall make or purchase a loan to the Company unless the Company receives an opinion of competent tax counsel to the effect that such loan will have no adverse tax consequences to any of the Members.

(am) [Intentionally Omitted.]

(an) Development Budget. The Development Budget attached hereto as **Exhibit H** is accurate and complete. The assumptions underlying the calculations therein are reasonable and based upon the Managing Member's knowledge and experience.

(ao) Reportable Transactions. The Company and its Members shall be permitted to disclose to any and all Persons, without limitation of any kind, the “tax treatment and tax structure” (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. The Managing Member shall (A) promptly notify the Investor Member and the State Credit Investor of any “reportable transaction” under Code Section 6707(A)(c) or Treasury Regulation Section 1.6011-4 in which the Company shall engage or which it reports under Code Section 6111, and (B) maintain investor lists with respect to the Company as required under Code Section 6112. To the extent the Company participates in transactions with adjusters based on tax benefits (other than Federal LIHTC or other benefits exempted by the IRS pursuant to Rev. Proc. 2007-20), the Managing Member hereby notifies the other Members that the transactions provided for in this Agreement may constitute a “reportable transaction”. The Managing Member shall be responsible for its expenses or penalties attributable to its failure to report a reportable transaction or maintain lists (in accordance with Code Section 6112) as required by the Managing Member or the Company under the Code and applicable Treasury Regulations.

Material advisors are required to supplement information disclosed to the IRS if the information provided in a filed disclosure is no longer accurate, in such instances, the Managing Member agrees to provide timely supplemental information about the Project to the IRS and the Investor. Notwithstanding the foregoing, the Managing Member hereby authorizes VHCC to be a “designated organizer” for the Project for purposes of filing disclosures under Code Section 6111. Such disclosures shall be made on a protective basis and are not intended as an admission that the Project is a reportable transaction under Treasury Regulation Section 1.6011-4(b). Material advisors are required to supplement information disclosed if the information provided in a filed disclosure is no longer accurate, in such instances, the Managing Member agrees to provide timely supplemental information about the Project to VHCC.

(ap) Reasonableness of Fees. All fees to be paid to the Managing Member or any Affiliate of the Managing Member hereunder or otherwise in connection with the development of the Project are reasonable in amount and consistent with standard practice in the industry.

(aq) REAC and HUD Reports. The Managing Member shall advise the Investor Member and the State Credit Investor of any REAC (Real Estate Assessment Center) inspection reports it receives with respect to the Project as well as any notices from HUD indicating any adverse findings with respect to the Project, including, but not limited to, the following:

- (i) management review findings;
- (ii) Section 8 HAP contract violations; and
- (iii) HUD Regulatory Agreement violations.

(ar) Governmental Review and Approvals/HUD 2530 Language. The Company shall not acquire or proceed with the development of the Project unless approval is obtained from HUD if such approval is required in connection with such development or acquisition. If the acquisition or development of the Project necessitates the filing of a Form 2530 Previous Participation Certificate with HUD (a "Previous Participation Certification"), the Managing Member shall so notify the Investor Member and the State Credit Investor and such acquisition or development shall not proceed without the required Form 2530 filing. The Managing Member shall also provide adequate information to the Investor Member and the State Credit Investor to enable any of its members to file any additional documents that may be required by HUD. Such information shall include but not be limited to the following:

- (i) type of financing and governmental agency providing such assistance, FHA project number, Section 8 contract number or other agency identification number (if any);
- (ii) closing date/date of receipt of assistance;
- (iii) date that the Project is intended to be acquired and/or the development is to

be financed by the Company;

(iv) property address and last inspection date/rating;

(v) status of any pre-existing loan on the project (current, defaulted, assigned or foreclosed) and if ever defaulted, an explanation as to the causes of such default/foreclosure.

(as) OFAC Requirements. The Managing Member and its Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a Person with whom a U.S. Person is prohibited from transacting business. "U.S. Person" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(at) Survival of Representations and Warranties. All of the representations, warranties and covenants contained herein shall be deemed to be re-made as of the date of each Capital Contribution made by the Investor Member or the State Credit Investor and shall survive the date of Final Closing and the funding date of each such Capital Contribution. The Managing Member shall indemnify and hold harmless the Investor Member and the State Credit Investor against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

4.02 Duties and Obligations Relating to the Project and the Company. The Managing Member shall have the following duties and obligations with respect to the Project and the Company:

(a) Qualifying for LIHTC and Rehabilitation Credits. It shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for LIHTC, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) issuance of IRS Form(s) 8609 with respect to the LIHTC, (iii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of the Project, (iv) Initial Closing and Final Closing, (v) compliance with all applicable requirements for receipt of the Rehabilitation Credits, including applying for and obtaining Part 1, 2 and 3 Certifications and State Designation, and (vi) compliance with all material provisions of the Project Documents.

(b) Tax Treatment of Company. While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have

known after due inquiry will (i) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member and the State Credit Investor or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation.

(c) Securities Law Matters. The Managing Member shall prepare and timely file all appropriate reports for the Company with the Securities and Exchange Commission and state securities administrators.

(d) Limited Liability Company Status. The Managing Member shall (i) file such certificates and do such other acts as may be required to qualify and maintain the Company as a limited liability company under the Act and to qualify the Company to transact business in all such other jurisdictions as may be required under the applicable provisions of law, and (ii) take or cause the Company to take all reasonable steps deemed necessary by counsel to the Company to assure that the Company is at all times classified as a partnership for federal income tax purposes.

(e) Good Faith of Managing Member. It shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.

(f) No Security Interests or Encumbrances; Debt Service Coverage Ratio. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for the Project Loans, the Mortgages, and any additional security agreements executed in connection therewith. From and after the Final Closing, the Project shall maintain a Debt Service Coverage Ratio of at least 1:1.

(g) Basis Adjustments. It will execute on behalf of the Company all documents necessary pursuant to Sections 732, 743 and 754 of the Code to elect to adjust the basis of the Company's property upon the request of the Investor Member and the State Credit Investor, if, in the sole opinion of the Investor Member and the State Credit Investor, such election would be advantageous to the Investor Member and the State Credit Investor.

(h) Payment of Development Fee. It guarantees payment by the Company of the Development Fee as provided in Section 5.01(b).

(i) Tax Returns and Financial Statements. It shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns and shall provide the Investor Member and the State Credit Investor with

the opportunity to review and Consent to drafts of all such returns at least twenty (20) days prior to their filing date, and will incorporate the changes of the Investor Member and the State Credit Investor. In addition, the Managing Member shall provide the Investor Member and the State Credit Investor with the opportunity to have not less than twenty (20) days to review drafts of audited financial statements prior to their finalization and will incorporate the changes of the Investor Member and the State Credit Investor.

(j) Compliance with Governmental and Contractor Obligations. It shall comply and cause the Company to comply with the provisions of all applicable governmental and contractual obligations, including any Regulatory Agreement.

(k) Tax Elections. It has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the LIHTC, as are necessary to achieve and maintain the maximum allowable LIHTC to the Investor Member, unless otherwise directed in writing by the Investor Member. It has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Rehabilitation Credits, as are necessary to achieve and maintain the maximum allowable Rehabilitation Credits to the Investor Member and the State Credit Investor consistent with the Projections (attached as Exhibit H hereto), unless otherwise reasonably directed in writing by the State Credit Investor and the Investor Member. The Managing Member will make the election to be taxable under Section 168(h) of the Code.

(l) Fines and Penalties. It shall be responsible for the payment of any fines or penalties imposed by any applicable governmental authority or any Project Lender pursuant to the Project Documents and any documents executed in connection with obtaining the LIHTC (other than with respect to payments of principal or interest under any Project Loan) attributable to any action or inaction of it or its Affiliates.

(m) Notification of Default or IRS Proceedings. It shall immediately notify the Investor Member and the State Credit Investor of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans or any other financial, contractual or governmental obligation of the Company or the Managing Member, or (ii) any IRS proceeding regarding the Project or the Company.

(n) Notification of Construction Delays. If at any time during the construction of the Project, (i) construction stops or is suspended for a period of ten (10) consecutive days, or (ii) construction has been delayed so that in the reasonable determination of the Managing Member (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract, or (B) the Projected Credits for any year during the Credit Period may not be achieved, the Managing Member shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Investor Member and the State Credit Investor.

(o) Bank Accounts. The Managing Member shall establish in the name and on behalf of the Company such bank accounts as shall be required to facilitate the operation of the

Company's business. The Company's funds shall not be commingled with any other funds of the Managing Member or any of its Affiliates, including, without limitation, any other limited liability company in which the Managing Member is a managing member. Promptly upon the request of the Investor Member and the State Credit Investor, the Managing Member shall obtain and deliver to the Investor Member full, complete and accurate statements of the amount and status of all Company bank accounts and all withdrawals therefrom and deposits thereto.

(p) Sales Notice to State Agency. If necessary to obtain, maintain or avoid recapture of any LIHTC for the Company, upon written request of an Investor Member, the Managing Member shall, pursuant to Section 42(h)(6) of the Code, submit on behalf of the Company and its Members, and in accordance with the rules and regulations of the Agency, a written request to the Agency (or other applicable housing credit agency) to find a Person to acquire the Project pursuant to a Qualified Contract.

(q) Reserve Fund for Replacements. It shall establish and maintain a segregated replacement reserve, in a lending institution acceptable to the Special Member, to provide for working capital needs, improvements, replacements and any other contingencies of the Company. The Managing Member shall cause the Company to annually deposit into a segregated reserve account, commencing upon the year the Project is placed in service, \$300 per unit per year from the Company's gross operating revenues into the Reserve Fund for Replacements ("Initial Amount"). Thereafter, the Managing Member shall, each year, further fund the Reserve Fund for Replacement with an additional amount equal to the Initial Amount. Withdrawals from the Reserve Fund for Replacements shall require the consent and signature of the Investor Member or Special Member, and the State Credit Investor. The Managing Member shall not increase the amount in the Reserve Fund for Replacements materially above the amount required to be maintained by this Section 4.02(q) without the consent of the Investor Member and the State Credit Investor, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary in this Section 4.02(q), however, the amount of the Reserve Fund for Replacements shall be increased if necessary to satisfy the requirements of any creditor of the Company or any Authority having jurisdiction over the Project.

(r) Operating Reserves. In addition to the requirements of Section 4.02 (q), in order to meet operating expenses of the Company which exceed operating income available for the payment thereof, there will be an initial reserve of \$100,000 deposited into a segregated reserve account in a lending institution acceptable to the Special Investor Member (the "Operating Reserve") to fund operating expenses and debt service in excess of operating revenues and to pay any Unpaid Fee, as that term is defined in Paragraph 5.01(b) hereof. The initial deposit into the Operating Reserve shall be funded at closing. The remainder will be deposited by the Investor Member at the time of the Seventh Capital Contribution. Additionally, the Managing Member shall cause the Company to deposit into the Operating Reserve amounts sufficient to maintain a balance of \$145,333, from Net Cash Flow, as set forth in Section 11.03(b) hereof. To the extent an Unpaid Fee (as defined in Section 5.01(b)) exists on the thirteenth anniversary of placement in service of the Project, and the balance in the Operating Reserve at that time exceeds \$145,333 (the difference between the balance and \$145,333 being "Excess Funds"), then, during the 14<sup>th</sup> year

after the Project is placed in service, the Managing Member shall use Excess Funds to pay the Unpaid Fee. Withdrawals from the Operating Reserve shall require the prior written approval of the Special Member. Any additional funds contributed to the Operating Reserve by the Investor Member shall be treated as additional Capital Contributions and shall increase the Investor Member's Capital Account.

(s) Lease-Up Reserve. By the time of certificate of occupancy, the Managing Member shall establish and cause the Company to fund and maintain a lease-up reserve (the "Lease-Up Reserve") in the name of the Company and maintained in a segregated Company account established for this purpose. The amount of the Lease-Up Reserve shall be \$26,566 and shall be fully funded by the proceeds of the Third Capital Contribution. Withdrawals from the Lease-up Reserve account shall require the prior written consent of the Investor Member and the State Credit Investor. At such time as the Project Property shall have achieved 100% Qualified Occupancy and achieved six consecutive months of 93% occupancy and Breakeven Operations, any unused portion of the Lease-Up Reserve shall be used to pay any loan from CCDC pursuant to the terms outlined on Exhibit F.

(t) State Credit Reserve. A State Credit Reserve will be established for payment of tax liability related to the Projected VHRC in the amount of \$37,372 from the Fourth Capital Contribution.

(u) Pre-Development Activities. The Managing Member shall be specifically and solely responsible for the following duties:

- (1) Analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state.
- (2) Identifying potential land sites.
- (3) Analyzing the demographics of potential sites.
- (4) Analyzing a site's economy and forecast future growth potential.
- (5) Determining the site's zoning status and possible rezoning actions.
- (6) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (7) Performing environmental tests on selected sites.
- (8) Negotiating the purchase of the land upon which the Project is located and its related financing.

- (9) Performing any other duties or activities relating to the acquisition of the land upon which the Project is located.

(v) The parties acknowledge that the Tax Cut and Jobs Act of 2017 (the “Act”) has become law. Notwithstanding the foregoing, the Members agree to work together to make appropriate elections and tax return reporting choices to avoid reducing the Investor Member’s expected benefits from being a member of the Company. In this regard and without limiting the foregoing, the Managing Member agrees that unless directed otherwise by the Investor Member, the Company shall make the election under Code Section 163(j)(7)(B) as provided in the Act to be an Electing Real Property Trade or Business. In addition, if directed by the Investor Member, the Managing Member shall elect out of bonus depreciation allowed under Section 167(k) on one or more classes of property for one or more years or if allowable, elect less than the maximum amount of bonus depreciation.

4.03 Single Purpose Entity. The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. If the Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its shareholders or members. The Managing Member has observed and shall continue to observe all necessary or appropriate corporate formalities in the conduct of its business. The Managing Member shall keep its books and records separate and distinct from those of its shareholders, members and affiliates. The Managing Member shall clearly identify itself as a legal entity separate and distinct from its shareholders, members and its affiliates in all dealings with other Persons. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.

ARTICLE V  
MEMBERS, MEMBERSHIP INTERESTS  
AND OBLIGATIONS OF THE COMPANY.

5.01 Members; Capital Contributions; Membership Interests.

(a) Initial Managing Member Contribution. The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are as follows:

- (i) Name and Address:



Ann Wingfield Management LLC  
602 S. Main St.  
Culpeper, Virginia 22701

(ii) Capital Contribution: \$100,000, plus all of its rights, title and interest in, to and under all agreements, licenses, approvals, permits, LIHTC applications and allocations and any other tangible or intangible personal property which is related to the Project or which is required to permit the Company to pursue its business and carry out its purposes as contemplated in this Agreement. This capital contribution will be used to initially fund the Operating Reserve.

(iii) Percentage Interest: 0.009%

(b) Managing Member's Special Capital Contribution. In the event that the Company has not paid all or part of the amounts due under the Development Agreement ("Unpaid Fee") on or before the earlier of (i) the fifteenth (15th) anniversary of placement in service of the Project, or (ii) the date required under the Development Agreement, the Managing Member shall contribute to the Company an amount equal to any such Unpaid Fee (the "Managing Member's Special Capital Contribution") and the Company shall thereupon make a payment in an equal amount to the Unpaid Fee; provided, however, that prior to the making of the Managing Member's Special Capital Contribution, funds in the Operating Reserve may be used to pay the Unpaid Fee, subject to approval by the Investor Member and the State Credit Investor, and after application of the approved portion of the Operating Reserve, any remaining Unpaid Fee shall be paid using the Managing Member's Special Capital Contribution.

(c) Investor Members; State Credit Investor. The Investor Member, State Credit Investor and the Special Member, respectively, their principal officer and places of business and Percentage Interests are as follows:

(i) The Investor Member, its principal office and place of business, and its Percentage Interest are as follows:

Housing Equity Fund 1840 West Broad Street Suite 200 Richmond, Virginia 23220	Capital Contribution of the Investor Member of Virginia XXIII, L.L.C. is as set forth in subparagraph (d) immediately below, as increased for purposes of the Company's books of account by the amount of the Capitalized Bridge Loan Interest allocable to the Investor Member, also as set forth in subparagraph (d) immediately below	98.99%
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(ii) The Special Member, its principal office and place of business, its Percentage Interest and its Capital Contribution are as follows:

VAHM, L.L.C. 1840 West Broad Street Suite 200 Richmond, Virginia 23220	\$10.00	0.001%
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(iii) The State Credit Investor, its principal office and place of business, its Percentage Interest and its Capital Contribution are as follows:

RL State Preservation Fund 2019, LLC 1840 West Broad Street Suite 200 Richmond, Virginia 23220	\$738,081.00	1.0%
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The first one percent (1.0%) of the State Credit Investor's funds shall be treated as a Capital Contribution by the Company and the remaining amounts paid by the State Credit Investor to the Company will be treated as "purchase price", notwithstanding references herein to the "Capital Contribution" of the State Credit Investor. The Capital Contribution of the State Credit Investor will be paid in one or more installments, as agreed by the Investor Member and the State Credit Investor. The State Credit Investor shall have the same right to review and approve conditions to Capital Contributions as the Investor Member has under subsection (d) below, even if State Credit Investor is not named in (d) below as an entity receiving and approving such items or events.

(d) Investor Member Capital Contributions. Subject to the provisions of this Agreement, including, without limitation, the provisions of Sections 5.01(e) and 5.03, the Investor Member shall be obligated to make Capital Contributions to the Company in the amount of \$3,796,838 payable in installments as follows. A portion of the Investor Member Capital Contributions in the amount of \$3,190,140 relate to the LIHTC being allocated to the Investor Member hereunder, a portion of the Investor Member Capital Contribution in the amount of \$606,698 relates to the Federal Rehabilitation Credits being allocated to the Investor Member hereunder, a portion of the Investor Member Capital Contribution in the amount of \$738,081 relates to the Projected VHRC being allocated to the Investor Member hereunder; each Capital Contribution of the Investor Member shall be deemed to include a pro rata share of contributions relating to the LIHTC, Federal Rehabilitation Credits and Projected VHRC, as set forth below. However, in addition to such Contributions, the Capital Contributions of the Investor Members shall be deemed to include, and their respective Capital Accounts shall so reflect, each Investor Member's allocable share of Capitalized Bridge Loan Interest as determined by the Company's Accountants in consultation with each Investor Member.

(i) First Capital Contribution. The amount of the first Capital Contribution shall be Five Hundred Thousand and No/100 Dollars (\$500,000.00), Four Hundred Fifty Thousand and No/100 Dollars (\$450,000) of which relates to the LIHTC and Fifty Thousand and No/100 Dollars (\$50,000) of which relates to Federal Rehabilitation Credits. After satisfaction of all of the conditions set forth below, and review and approval of the items described below, the Investor Member shall make the First Capital Contribution. A portion of the First Capital Contribution in the amount of \$450,000 shall be used to pay for the cost of construction of the Project and an additional portion of the First Capital Contribution shall be used to pay for approved costs of the Development of the Project, including payment of a portion of the Development Fee in the amount of \$50,000.

- (A) Title Policy. The title insurance company shall have issued the Company's title policy in an amount equal to the acquisition and development cost of the Project, showing the Company as owner of fee simple title to the Land and subject to only such exceptions as are acceptable to the Investor Member, and containing fairways, non-imputation, creditors' rights, zoning, survey, access, tax parcel and such other endorsements as the Investor Member may require;
- (B) Environmental Matters. The Investor Member shall have received a report satisfactory to the Investor Member confirming no material adverse environmental conditions, including, without limitation, evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority;
- (C) Legal Opinion. The Investor Member shall have received a legal opinion as set forth in Section 5.04;
- (D) Permanent Financing. The Investor Member shall have received copies of all commitment letters or agreements from all of the Company's anticipated financing sources, in form and substance acceptable to the Investor Member, necessary to meet the Company's financial needs for the Project.
- (E) Survey. The Investor Member shall have received and approved an ALTA Survey, dated no more than ninety (90) days prior to the date of funding;
- (F) Plans and Specifications. The Investor Member shall have received and approved Plans and Specifications for the Project;
- (G) Permits. The Investor Member shall have received a copy of all permits and licenses required for the construction and rehabilitation of the Project, issued by the appropriate governmental authorities;

- (H) Construction Financing; Permanent Financing. Evidence that all construction financing proceeds are available, including copies of all executed construction financing documents, and executed commitments for permanent financing;
- (I) Credits. Evidence from the Agency that the Project will qualify for annual LIHTC of at least \$370,424, and evidence that the Project will generate Rehabilitation Credits and Projected VHRC in the amounts set forth in Section 4.01(p);
- (J) Construction Contract. The general construction contract, in form and substance acceptable to the Investor Member and with a fixed price or maximum upset price acceptable to the Investor Member, and with a general contractor reasonably acceptable to the Investor Member;
- (K) Financials. Current financial statements of the Developer, verification of background information to be provided to the Investor Member by the Managing Member and there having been no changes in the tax laws or treasury regulations or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Investor Member's investment in the Company;
- (L) Part 1 and 2; State Certification. Evidence of Part 1 and 2 approval for the Rehabilitation Credits, and State Certification (with any conditions on the Part 2 as approved by the Investor Member); and
- (M) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy its due diligence requirements including, without limitation, (i) those documents listed on the Investor Member's closing checklist, a copy of which has been previously delivered to the Managing Member; (ii) the Post Closing Obligations, if any, as set forth on **Exhibit K** attached hereto; and (iii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(ii) Second Capital Contribution. The amount of the Second Capital Contribution shall be Five Hundred Thousand and No/100 Dollars (\$500,000.00), Two Hundred Thousand and No/100 Dollars (\$200,000) of which relates to the LIHTC and Three Hundred Thousand and No/100 Dollars (\$300,000) of which relates to Federal Rehabilitation Credits. After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Second Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to repay the Construction Loan in the amount of \$500,000.

- (A) First Capital Contribution Paid. The occurrence of the Investor Member's First Capital Contribution;

- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;
- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that at least 50% of the construction work has been completed;
- (E) Title Policy. The title insurance company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require; and
- (F) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

Amounts disbursed pursuant to Sections 5.01(d)(i) and (ii), and to the extent necessary to pay for the costs of construction or rehabilitation, any amount under Section 5.01(d)(iii), shall be disbursed through an escrow agreement in form and substance satisfactory to the Investor Member. All investment earnings on the Investor Member's Capital Contributions disbursed through an escrow shall inure to the benefit and belong to the Investor Member.

(iii) Third Capital Contribution. The amount of the Third Capital Contribution shall be Five Hundred Thousand and No/100 Dollars (\$500,000.00), Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000) of which relates to the LIHTC and One Hundred Eighty-Five Thousand and No/100 Dollars (\$185,000) of which relates to Projected VHRC. After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member and State Credit Investor of the items described below, the Investor Member and State Credit Investor shall make the Third Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to repay the Construction Loan in the amount of \$473,434 and to fund the Lease-Up Reserve in the amount of \$26,566.

- (A) Second Capital Contribution Paid. The occurrence of the Investor Member's Second Capital Contribution;
- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Third Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Third Capital Contribution;
- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that at least 75% of the construction work has been completed;
- (E) Title Policy. The title insurance company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require; and
- (F) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(iv) Fourth Capital Contribution. The amount of the Fourth Capital Contribution shall be Two Million Three Hundred Sixty-Four Thousand Three Hundred Seventeen and No/100 Dollars (\$2,364,317), Two Million Two Hundred Twenty-Five Thousand One Hundred Forty and 00/100 Dollars (\$2,225,140) of which relates to the LIHTC and One Hundred Thirty-Nine Thousand One Hundred Seventy-Seven and No/100 Dollars (\$139,177) of which relates to Federal Rehabilitation Credits. After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fourth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to repay the Construction Loan in the amount of \$2,326,945 and to fund the State Credit Reserve in the amount of \$37,372.

- (A) Third Capital Contribution Paid. The occurrence of the Investor Member's Third Capital Contribution;

- (B) Final Closing. Simultaneously with Final Closing, provided that the Investor Member has received fifteen (15) days' prior written notice of the date of Final Closing, and has received copies of any loan documents (including loan riders) executed in connection with the permanent financing that have not been previously delivered to the Investor Member;
- (C) Draft Cost Certification. Receipt and approval of a draft cost certification of Eligible Basis (as defined in Code Section 42(d)) and Code Section 47 for the Project prepared by the Accountants;
- (D) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (E) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Fourth Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Fourth Capital Contribution;
- (F) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that Substantial Completion has occurred;
- (G) Title Policy. The title insurance company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Initial Closing, except as shall be acceptable to the Investor Member; (2) an endorsement affording mechanics lien coverage; and (3) such other endorsements as the Investor Member may reasonably require;
- (H) 10% Cost Certification. The Investor Member shall have received a copy of the cost certification the Company or Affiliate Guarantor delivered to the Virginia Housing Development Authority in connection with any carryover of LIHTC, with copies of all invoices and backup information; and
- (I) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.
  - (v) Fifth Capital Contribution. The amount of the Fifth Capital Contribution shall be Five Hundred Seventy-Five Thousand Two Hundred Sixty-Eight and No/100 Dollars

(\$575,268), One Hundred Seventeen Thousand Five Hundred Twenty and No/100 Dollars (\$117,520) of which relates to Federal Rehabilitation Credits and Four Hundred Fifty-Seven Thousand Seven Hundred Forty-Eight and No/100 Dollars (\$457,748) of which relates to the Projected VHRC. After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member and State Credit Investor of the items described below, the Investor Member shall make the Fifth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to pay all of which to Developer Fee.

- (A) Fourth Capital Contribution Paid. The occurrence of the Investor Member's Fourth Capital Contribution;
- (B) Survey. The Investor Member shall have received and approved an updated and recertified as-built survey satisfactory to the Investor Member dated no more than thirty (30) days prior to the date of funding;
- (C) As Built Plans and Specifications. The Managing Member shall have submitted to the Investor Member a written document executed by the Managing Member, the architect and the Contractor certifying no material change to the "for-construction" Plans and Specifications previously approved by the Project Lenders and Investor Member;
- (D) Permits, Licenses and Certificates of Occupancy. The Investor Member shall have received a copy of any permits and licenses which are required for the operation and use of the Project and a copy of the final and unconditional certificate or certificates of occupancy, or the equivalent, issued by the appropriate governmental authorities for the Project in its entirety;
- (E) Architect's Certificate. The Managing Member shall have delivered to the Investor Member an architect's certificate of substantial completion in the form requested by the Investor Member;
- (F) Cost Certification. Receipt of an audited cost certification of Eligible Basis (as defined in Code Section 42(d) and Code Section 47 for the Project prepared by the Accountants;
- (G) 8609's. Submission of the Form(s) 8609 for the entire Project.
- (H) Part 3 Consultant Certification; Part 3 Approval. A Historic Tax Credit consultant acceptable to the State Credit Investor has confirmed in writing that the completed construction activities satisfy the conditions of the Part 3 approval and any other conditions for the Rehabilitation Credits; the Company shall have received Part 3 Certification;



- (I) Breakeven Operation. The last day of the month following the month in which Breakeven Operations occurs (with the Project having achieved at least 93% physical and economic occupancy for the three-month period in which Breakeven Operations has been achieved);
- (J) Qualified Occupancy. Achievement of occupancy of one hundred percent (100%) of the residential units in the Project by Qualified Tenants, and the Managing Member, if requested by the Investor Member, shall demonstrate such occupancy by submitting to the Investor Member certified rent rolls and tenant qualification forms that confirm that such tenants qualify under Section 42 of the Code;
- (K) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Fifth Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Fifth Capital Contribution.
- (L) Managing Member Elections. The Managing Member also will provide evidence that it has filed Form 8832 with the IRS electing to be taxed as a corporation and that such election was effective prior to placement in service of the Project; and
- (M) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(vi) Sixth Capital Contribution. The amount of the Sixth Capital Contribution shall be Fifty Thousand and No/100 Dollars (\$50,000). After satisfaction of all of the conditions set forth below, and review and approval by the State Credit Investor of the items described below, the State Credit Investor shall make the Sixth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to pay Developer Fee in the amount of up to \$50,000.

- (A) Fifth Capital Contribution Paid. The occurrence of the Investor Member's Fifth Capital Contribution;
- (B) Extended Use Agreement. Receipt by the Investor Member of a copy of an as-recorded Extended Use Agreement;
- (C) Managing Member Certificate. Receipt of a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 continue to be true and accurate through the date of the proposed Sixth Capital

Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or the Project at such time;

- (D) 8609's. Receipt of the Form(s) 8609 for the entire Project executed by the Agency;
- (E) Legal Opinion. The Investor Member shall have received an update of the legal opinion previously delivered to the Investor Member in connection with its making the Initial Capital Contribution;
- (F) Breakeven Operation. The last day of the month following the month in which Breakeven Operations occurs (with the Project having achieved at least 93% physical and economic occupancy for the six-month period in which Breakeven Operations has been achieved);
- (G) Payment of Taxes. The Investor Member shall have received satisfactory evidence (which may be included in the title policy described below) that all real property taxes and assessments for the Project due and payable through the date of funding have been timely and fully paid;
- (H) Title Policy. The title insurance company shall have issued a final date down endorsement to the title policy extending the date of the title policy through the date of final funding of the Project Loans and the Sixth Capital Contribution and showing no exceptions to title other than those exceptions reflected on the title policy as of Initial Closing and other exceptions as may be acceptable to the Investor Member;
- (I) Environmental Matters. The Managing Member shall have provided the Investor Member evidence that the construction of the Project did not result in the filling or disturbance of any wetlands and that any actions recommended to be taken which were contained in any environmental assessment reports prepared in conjunction with the development of the Project have been appropriately completed in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining to environmental matters;
- (J) Company Tax Return. The Investor Member shall have received a complete copy of the Company's 2020 tax return;
- (K) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV; and

(L) Managing Member Elections. The Managing Member will provide evidence that it has made the election to be taxable under Code Section 168(h)(6)(F)(ii) and that such election was effective prior to placement in service of the Project.

(vii) Seventh Capital Contribution. The amount of the Seventh Capital Contribution shall be Forty-Five Thousand Three Hundred Thirty-Three and No/100 (\$45,333), all of which relates to Projected VHRC. The Investor Member shall make the Seventh Capital Contribution in the amount requested by the Managing Member to fund the Operating Reserve in the amount of up to \$45,333. Any portion of the Seventh Capital Contribution will bear interest at the rate of 1.50% per annum, beginning on the date the Sixth Capital Contribution is made. The Seventh Capital Contribution must be fully contributed within twenty-four months of the date of the Sixth Capital Contribution.

(viii) Investor Member's Special Additional Capital Contributions. If, in any fiscal year of the Company, the Investor Member's Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a Special Additional Capital Contribution to the Company, in an amount reasonably required to avoid the reduction of the Investor Member's Capital Account balance to or below zero. If the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Investor Member shall receive a guaranteed payment pursuant to Section 5.06 for the use of its Special Additional Capital Contribution. Whenever the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Managing Member shall have the option, in its sole and absolute discretion, to make Special Additional Capital Contributions to the Company, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Member at that time.

(e) Adjustment to Capital Contributions of Investor Member. Following determination of Certified Credits, the Accountants shall make a determination as to whether there is a Downward Capital Adjustment. If events subsequent to such determination result in a decrease in the Capital Contributions of the Investor Member due to a Late Delivery Capital Adjustment, then the Accountants shall recalculate the Downward Capital Adjustment to take into account such Late Delivery Capital Adjustment. Following the determination of a Downward Capital Adjustment and/or a Late Delivery Capital Adjustment, the Managing Member or the Company, as appropriate, shall make payments as required under Section 5.01(e)(ii).

(i) The following definitions shall apply for purposes of determining adjustments to Capital Contributions:

A. "Certified Credit Capital Adjustment" shall equal the product of (A) Certified Credits for the Credit Period (excluding any LIHTC resulting from an increase in qualified basis under Code Section 42(f)(3)), minus \$3,155,048, and (B) \$0.87. The Certified Credit Capital Adjustment may be a positive or negative number.

- B. "Certified Credit Capital Decrease" means a negative Certified Credit Capital Adjustment.
- C. "Certified Credit Capital Increase" means a positive Certified Credit Capital Adjustment.
- D. "Downward Capital Adjustment" shall mean the following: (A) if either there is a Certified Credit Capital Decrease or if the Certified Credit Capital Adjustment is zero, then the Certified Credit Capital Decrease plus the Late Delivery Capital Adjustment; or (B) if there is a Certified Credit Capital Increase, the positive amount, if any, by which the Late Delivery Capital Adjustment exceeds the Certified Credit Capital Increase.
- E. "Late Delivery Capital Adjustment" shall mean for calendar years 2020 and 2021 the amount, if any, by which \$26,387 and \$302,760, respectively exceeds Actual Credits for such year.
- F. "Early Delivery Capital Adjustment" shall mean the product of (a) \$0.87 and (b) the amount, if any, by which Actual Credits for calendar years 2020 exceed \$26,387 (but in no event shall the total Early Delivery Capital Adjustment exceed \$10,000); provided, however, that if the Project does not achieve 100% Qualified Occupancy by July 31, 2021, then the Investor Member shall not be obligated to make an Early Delivery Capital Adjustment despite the delivery of Actual Credit as described herein.

(ii) If there is a Downward Capital Adjustment, then the Capital Contributions of the Investor Member shall be immediately reduced by the Downward Capital Adjustment. The Downward Capital Adjustment shall first reduce the Fifth Capital Contribution (if it has not previously been funded), and then to the extent necessary, the Sixth Capital Contribution and the Seventh Capital Contribution. If the Downward Capital Adjustment exceeds the total of all unfunded Capital Contributions (prior to the reduction under this provision), then the Managing Member shall make a payment immediately to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the Investor Member as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. In the event that the Managing Member fails to make such payment in full and the Investor Member, in its sole discretion, elects not to exercise its remedies under Sections 5.05 or 6.05, as applicable, any amount not so paid by the Managing Member as required shall be payable out of Net Cash Flow and proceeds of Capital Transactions, as provided under Sections 11.03 and 11.04. Any payment required to be paid to the Investor Member pursuant to the preceding

sentence out of Net Cash Flow and the proceeds of Capital Transactions shall be referred to as a "LIHTC Reduction Guaranty Payment". The Early Delivery Capital Adjustment shall be paid with the Sixth Capital Contribution, and will be used to repay the Construction Loan, and for Development Costs (including payment of the Development Fee).

(iii) Adjustment to Capital Contribution of Investor Member and State Credit Investor for Rehabilitation Credits.

- A. Downward Rehabilitation Credit Adjuster. Promptly following the receipt by the Company of the Part 3 Certification for the Rehabilitation Credits executed by the United States Department of the Interior, the Managing Member shall cause the Accountants to determine the Final Historic Rehabilitation Credit Amount. Upon such determination, to the extent the Final Historic Rehabilitation Credit Amount is less than (or is provided to the Company later than) the amount and timing set forth in Section 4.01(p), then the State Credit Investor's and Investor Member's Capital Contributions shall be reduced as follows: (A) for every year or portion of a year following December 31, 2021 during which the Rehabilitation Credit has not been made available to the Company, the amount of the State Credit Investor's Capital Contribution, and the amount of the Investor Member's Capital Contribution related to the Federal Rehabilitation Credits, respectively, shall be reduced by 15% and (B) for every dollar by which the Final Historic Rehabilitation Credit Amount is less than the Projected Federal Rehabilitation Credit and the Projected VHRC, the amount of the Investor Member Capital Contribution (as it relates to the decline in the Projected Federal Rehabilitation Credit) shall be reduced by \$0.82, and the amount of the State Credit Investor Capital Contribution (as it relates to the decline in the Projected VHRC) shall be reduced by \$0.75. A capital adjustment under this subparagraph shall first reduce the amount of any unfunded Capital Contributions. If any downward adjustment under this subparagraph exceeds the total of all unfunded Capital Contributions (prior to any reduction under this subparagraph), then the Company shall promptly (within 10 days of written notice) distribute such amount from available Company funds (to the extent that such funds are not otherwise needed to pay Development Costs (other than the Development Fee) or operating costs of the Company) to the Investor Member as a return of its Capital Contributions. If Company funds are not available to make such payment, then the Managing Member shall make a payment immediately to the Company equal to the amount of such excess, and the Company shall promptly (within 10 days of written notice) distribute such amount to the Investor Member and State Credit Investor, as applicable, as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a "Completion Loan" under Section 8.11(a) hereunder. In the event that the Managing Member fails to make such payment in full and the Investor Member or State Credit Investor, in its sole discretion, elects not to exercise its remedies under Sections 5.05 or 6.05, as applicable, any amount not so paid by the Managing

Member as required ("Credit Reduction Guaranty Payment") shall be payable out of Net Cash Flow and proceeds of Capital Transactions, as provided under Sections 11.03 and 11.04 and no other payments of fees or loan repayments to Managing Member or its Affiliates shall be made by the Company until such amount has been paid in full. Any Capital Contributions made by the State Credit Investor will be returned to the State Credit Investor, and it will not agree to provide any further Capital Contributions, in the event that VHRC is made available to the Company in 2019.

- B. Upward Rehabilitation Credit Adjuster. Promptly following the receipt by the Company of the Part 3 Certification for the Rehabilitation Credits executed by the United States Department of the Interior (along with any required approved amendment to the Part 2 Certification reflecting any additional rehabilitation work) , the Managing Member shall cause the Accountants to determine the Final Historic Rehabilitation Credit Amount. Upon such determination, to the extent the Final Historic Rehabilitation Credit Amount is greater than the amounts set forth in Section 4.01(p) with respect to the Projected Federal Rehabilitation Credits or the Projected VHRC, then the State Credit Investor's and Investor Member's Capital Contributions shall be increased as follows: (i) for every dollar by which the Final Historic Rehabilitation Credit Amount (with respect to the Federal Rehabilitation Credits) is greater than the Projected Federal Rehabilitation Credit, the amount of the Investor Member Capital Contribution shall be increased by \$0.82, and (ii) for every dollar by which the Final Historic Rehabilitation Credit Amount (with respect to the VHRC) is greater than the Project VHRC, the amount of the State Credit Investor Capital Contribution shall be increased by \$0.75.

(f) Payment of Investor Member Due Diligence Costs. The Managing Member shall pay the costs and expenses incurred by the Investor Member and the State Credit Investor in connection with the due diligence activities of the Investor Member and the State Credit Investor and the closing of the transactions described herein, including Investor Member's and State Credit Investor's legal fees and expenses, such Investor Member and the State Credit Investor Due Diligence Costs not to exceed \$45,000.

(g) Additional Investor Members. Without the Consent of all of the Members, no additional Persons may be admitted as additional Investor Members or State Credit Investor, and Capital Contributions may be accepted only as and to the extent expressly provided for in this Article V.

(h) Deposit of Capital Contributions. Except as otherwise provided in Section 5.01(d) herein, the cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member's discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement.

(i) No Liability for Investor Member, State Credit Investor or Special Member. Except as may otherwise be provided under applicable law, no Investor Member, State Credit Investor or Special Member shall be bound by, or personally liable for, the expenses, liabilities or obligations of the Company.

(j) Payment of Environmental Assessment Consultant Fees. The Managing Member acknowledges that, on behalf of the Investor Member and the State Credit Investor, the Investor Member (or its Affiliate) or the State Credit Investor may retain an environmental consultant (the "Environmental Consultant") to review and give recommendations related to environmental reports that are provided to the Investor Member and the State Credit Investor by the Managing Member (including, but not limited to, Phase I and Phase II environmental assessments, wetlands reports, lead and asbestos reports, abatement reports and other environmental reports required by the Environmental Consultant, to the reasonable satisfaction of the Environmental Consultant) for the Land, or the construction and rehabilitation of existing buildings, if the reports indicate the possible presence of hazardous materials on or near the Project or if such reports appear incomplete or inadequate for purposes of making such a determination. The Company shall be solely responsible for the payment of the fees of the Environmental Consultant.

5.02 Return of Capital Contribution. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of his Capital Contribution.

5.03 Withholding of Capital Contribution Upon Default.

(a) Conditions Giving Rise to Withholding. In the event that (a) the Managing Member, or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement or the operating agreement as to an Affiliated Company, after Notice from the Investor Member or the State Credit Investor of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice (with the lender for the Construction Loan, if it is taking action as a Project Lender to cure such noncompliance, being provided an additional thirty (30) days to cure), or (b) any Project Lender shall have declared the Company to be in default under any Project Loan or under any of the mortgage loans as to an Affiliated Company, or (c) foreclosure proceedings shall have been commenced against the Project or against the Project owned by an Affiliated Company, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member or the State Credit Investor, at its sole election, may cause the withholding of payment of any Capital Contribution otherwise payable to the Company (including while any cure period is in effect).

(b) Release to Company Following Cure. All amounts so withheld by the Investor Member or State Credit Investor under this Section 5.03 shall be promptly released to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member or the State Credit Investor (as applicable).

5.04 Legal Opinions. As a condition precedent to the Investor Member's and State Credit Investor's obligation to make its Capital Contributions hereunder, the Investor Member and the State Credit Investor must receive the opinion of Fray, Hudson, Clark & Walker, LLP, Counsel for the Company and the Managing Member, which opinion shall explicitly state that Applegate & Thorne-Thomsen, P.C. of Chicago, Illinois, counsel to the Investor Member and the State Credit Investor, may explicitly rely upon it, that:

(a) the Company is a duly formed and validly existing limited liability company under the Act, and the Company has full power and authority to own and operate the Project and to conduct its business hereunder; the Company is duly qualified to transact its business in the Commonwealth of Virginia; each of the Investor Member and the State Credit Investor has been validly admitted as an investor member and the State Credit Investor of the Company entitled to all the benefits of an investor member and the State Credit Investor under this Agreement, and the Interest of the Investor Member and the State Credit Investor in the Company is the Interest of an investor member with no personal liability for the obligations of the Company, and the exercise of the rights and remedies of the Investor Member and the State Credit Investor under this Agreement do not constitute participating in the control of the business of the Company;

(b) the Managing Member is duly and validly organized and is validly existing in good standing as a corporation/limited liability company under the laws of the Commonwealth of Virginia, with full power and authority to enter into and perform its obligations hereunder and under the Managing Member Pledge; the Managing Member is duly qualified to transact its business in the Commonwealth of Virginia;

(c) unless otherwise permitted under this Agreement, there is and shall be no direct or indirect personal liability of the Company or of any of the Members or their Affiliates for the repayment of the principal of and payment of interest on any Project Loan, and the sole recourse of the Project Lender, with respect to the principal thereof and interest thereon, shall be to the assets of the Company securing such indebtedness;

(d) execution of this Agreement and the Managing Member Pledge by the Managing Member has been duly and validly authorized by or on behalf of such Managing Member and, having been executed and delivered in accordance with its terms, this Agreement and the Managing Member Pledge constitute the valid and binding agreement of the Managing Member, enforceable in accordance with their respective terms, and execution hereof and thereof by the Managing Member is not in violation of any contract, agreement, charter, bylaw, resolution, judgment, order, decree, law or regulation to which the Managing Member is bound or as to which it is subject;

(e) the Company owns fee simple title to the Project, subject only to the Project Loans, the Mortgages, and such other liens, charges, easements, restrictions and encumbrances as are set forth in the title insurance policy issued to the Company. Such opinion may be based on a review of the title insurance policy issued in accordance with Section 4.01 herein, provided



Counsel has no actual knowledge to the contrary;

(f) to the best of its knowledge after due inquiry, there are no defaults existing with respect to any of the Project Documents;

(g) to the best of its knowledge after due inquiry, no event of Bankruptcy has occurred with respect to the Company or the Managing Member; and

(h) the Affiliate Guaranty has been duly executed by the Affiliate Guarantor and constitutes the valid and binding obligation of the Affiliate Guarantor, enforceable in accordance with its terms; and

(i) the Company has received reservation of LIHTC for the Projected Credits from the Agency, which is the appropriate state of local authority for the jurisdiction in which the Project is located.

In addition, the Investor Member shall have received from counsel to Investor Member an overall tax opinion, addressing all material tax issues and indicating that the financial projections and tax credit calculation contained in the Development Budget appear reasonable and complete.

#### 5.05 Repurchase Obligation.

(a) Conditions for Repurchase. If (i) Final Closing has not occurred by December 31, 2019 (or such later date as may be Consented to by the Investor Member); (ii) the Company has not received State Designation in 2019 or the IRS Form(s) 8609 (is) (are) not issued by the Agency by December 31, 2020, so as to allow the Credit Period to commence as of January 1, 2021; (iii) the Company fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (iv) the Company's basis in the Project for federal income tax purposes, as finally determined by the Accountants or pursuant to an audit by the IRS, as of December 31, 2020, shall have been less than ten percent (10%) of the Company's reasonably expected basis in the Project, as required pursuant to Section 42(h)(1)(E) of the Code; (v) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period; (vi) the Project has not generated at least 95% of the Projected LIHTC for the year 2020, or 95% of the Projected Rehabilitation Credits for the year 2021; or (vii) the Project has not been placed in service for purposes of the Rehabilitation Credits by December 31, 2021, then the Managing Member shall, within fifteen (15) days of the occurrence thereof, send to the Investor Member Notice and the State Credit Investor of such event and of its obligation to purchase the Interest of the Investor Member and the State Credit Investor hereunder and return to the Investor Member and the State Credit Investor its Capital Contributions in the event the Investor Member or the State Credit Investor, in its sole discretion, requires in a Notice to the Managing Member such purchase of the Interest of the Investor Member or State Credit Investor. Thereafter, the Managing Member, within thirty (30) days of the mailing date of Notice by the Investor Member or the State Credit Investor of such election, shall acquire the entire Interest of

the Investor Member or the State Credit Investor in the Company by making payment to the Investor Member or the State Credit Investor, in cash, of an amount equal to the sum of its Capital Contributions, plus interest on such amount at the rate of fourteen percent (14%) per annum, but in no event higher than the highest rate permitted by applicable law.

(b) Upon receipt by the Investor Member or the State Credit Investor of any such payment of its Capital Contributions, the Interest of the Investor Member or the State Credit Investor and all further obligations of the Investor Member or the State Credit Investor hereunder shall terminate, and, to the extent that the Investor Member or State Credit Investor has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the Investor Member and the State Credit Investor from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the Investor Member (as a result of its respective participation hereunder) or the State Credit Investor may be subject.

5.06 Guaranteed Payments. No later than ninety (90) days after the end of the Company's fiscal year, any Member who has made a Special Additional Capital Contribution hereunder shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Additional Capital Contributions. The Company shall invest any amounts contributed as a Special Additional Capital Contribution as reasonably directed by the contributing Member. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest as set forth above.

5.07 MM Loans.

(a) MM Loans. The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Excess Development Costs under its Construction Completion Guaranty under Section 8.11(a) or to fund an Operating Deficit under its Operating Deficit Guaranty under Section 8.11(b) hereof, to make "MM Loans" pursuant to this Section 5.07(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company, provided, however, that the Managing Member shall not enter into any such MM Loan with the Company if such MM Loan would cause a reallocation of LIHTC or tax benefits among the Members. MM Loans shall be on the following terms: (i) interest shall accrue on the MM Loans at an annual interest rate of five percent (5%), compounded annually; and (ii) MM Loans shall be repayable solely as set forth in Sections 11.03 and 11.04 of this Agreement.

(b) Documentation of MM Loans. At the request of a Member, which request may be made quarterly, any MM Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such MM Loans made during the preceding calendar quarter. MM Loans shall be unsecured loans. MM Loans shall not be considered Capital Contributions and shall not increase such Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a MM Loan, in no event shall interest accrue on any MM Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

## ARTICLE VI CHANGES IN MANAGING MEMBERS

### 6.01 Withdrawal of the Managing Member.

(a) The Managing Member may withdraw from the Company or sell, transfer or assign its Interest as Managing Member only with the prior Consent of the Investor Member and the State Credit Investor, and of the Agency and the Project Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by the Agency and the Project Lenders, if required, of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member.

(b) In the event that a Managing Member withdraws from the Company or sells, transfers or assigns its entire Interest pursuant to Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

6.02 Admission of a Successor or Additional Managing Member. A Person shall be admitted as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member, the Investor Member and the State Credit Investor, and consented to by the Agency and the Project Lenders, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement by executing a counterpart thereof, (ii) all the terms and provisions of the Loan Agreement and the Project Documents by executing counterparts thereof or an assumption agreement, if requested by the Project Lenders, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member, and a certificate of amendment to the Articles of Organization evidencing the admission of such Person as a Managing Member shall have been filed, and all other actions required by Section 1.07 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Company with evidence satisfactory to counsel for the Company of its authority to become a Managing Member, to do business in the Commonwealth of Virginia and to be bound by the terms and provisions of this Agreement; and

(d) Counsel for the Company shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Company or will cause it to be classified other than as a partnership for federal income tax purposes.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Members hereby acknowledge and consent to (A) the granting of a security interest in the Company's rights, title and interest in and to the obligations of the Investor Member to make Capital Contributions to the Company pursuant to and in accordance with this Agreement (the "**CC Collateral**"), to and/or in favor of Atlantic Union Bank ("**AUB**") to secure the obligations of the Company to AUB under the loan documents evidencing, securing and otherwise governing the Construction Loan (collectively, as amended from time to time, the "**Construction Loan Documents**"), (B) the filing of financing statements by or on behalf of AUB, the execution and delivery of one or more pledge and/or security agreements in favor of AUB, and the taking of any and all such other actions as may be required by AUB to perfect its security interest in the CC Collateral, and (C) the exercise by AUB of all of its rights and remedies relating to its perfected security interest in the CC Collateral, whether under the Construction Loan Documents or at law or in equity. The Members hereby further acknowledge and agree that the consummation of the transactions described above in this section shall not constitute a breach or default by any Member under this Agreement and/or the Loan Documents, and shall not result in the acceleration or enforcement of any rights the Members may otherwise have in connection therewith.

Notwithstanding the foregoing, the Members hereby consent to (A) the pledge of, and the granting of a security interest in, the Managing Member's Interest and all of the other interests of the Managing Member in the Company (collectively, the "**MM Pledged Collateral**"), to and/or in favor of AUB in connection with the Construction Loan (the "**MM Pledgee**") to secure the obligations of the Company to AUB under the Construction Loan Documents, and (B) the exercise by the MM Pledgee of all of its rights and remedies relating to such pledge and security interest, whether under the Construction Loan Documents or at law or in equity (subject to the provisions of the last sentence of this subsection (e)). The Investor Member agrees that such pledge of the MM Pledged Collateral will be senior to the pledge to the Investor Member under the Managing Member Pledge. Upon the occurrence of an event of default under the Construction Loan Documents (and the expiration of any applicable notice and cure period), and upon any exercise by the MM Pledgee of its rights and remedies as a pledgee and secured creditor resulting in a transfer of title to all or any portion of the MM Pledged Collateral to the MM Pledgee, the MM Pledgee's nominee and/or any Person to whom the MM Pledgee may transfer such MM Pledged

Collateral in a secured creditor's sale (each such Person being referred to herein as a “**Subsequent Transferee**”), the admission of such Subsequent Transferee as a substitute Managing Member shall require the Consent of the Investor Member; provided, that Investor Member agrees that such Consent shall not be unreasonably withheld conditioned or delayed, and will be based on the Investor Member’s determination (which may be based on advice of its counsel) that (i) the admission of such Subsequent Transferee will not cause any adverse tax consequences to the Investor Member or the Company, (ii) the Subsequent Transferee has obtained the required consent (if any) of the Agency and any Project Lender for such admission, (iii) the Subsequent Transferee has the experience, current competence and financial resources (including the ability to have an affiliate provide a guaranty of its obligations hereunder), in the reasonable determination of the Investor Member, to construct and operate the Project and maintain the Tax Credits, and (iv) the conditions set forth in subsections (b)-(d) above have been met. Notwithstanding anything to the contrary contained in this Agreement, the Members agree and covenant that (x) all Members’ Interests in the Company, whether now or hereafter issued and outstanding, shall be uncertificated and no election has or will be made to have the Interests governed by Article 8 of the Uniform Commercial Code adopted by the Commonwealth of Virginia without the prior written consent of AUB, and (y) the provisions set forth in this Section 6.02(e) may not be amended or restated without the prior written consent of AUB, and any attempt to do so in violation of the foregoing shall be null and void.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) In the event of the Bankruptcy of a Managing Member or the withdrawal, death or dissolution of a Managing Member, or an adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity) the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 6.01(a) of this Agreement, then the Company shall be terminated, unless within ninety (90) days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence or breach of Section 6.01(a), the Investor Member and the State Credit Investor elects to designate the Special Member or such other entity as the Investor Member and the State Credit Investor may desire as a successor Managing Member and continue the Company upon the conversion of such Special Member to the Managing Member of the Company. Consequences of the removal of the Managing Member shall be determined under Section 6.05 hereof.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member or breach of Section 6.01(a), such Managing Member shall immediately cease to be a Managing Member and its Interest shall without further action be converted to a Investor Member Interest; provided, however, that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, such Managing Member shall cease to be a Managing Member only upon the expiration of ninety (90) days after

Notice to the Investor Member of the Bankruptcy, death, dissolution, declaration of incompetence or default of such Managing Member; and provided further that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, the converted Company Interest of such replaced Managing Member shall be ratably reduced to the extent necessary to insure that the substitute Managing Member(s) holds a .009% Percentage Interest (as set forth in Section 5.01).

(c) Except as set forth above, such conversion of a Managing Member Interest to a Investor Member Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the Managing Member's obligations under Section 8.11 herein) of the Bankrupt, deceased, dissolved, removed, incompetent or defaulted Managing Member existing prior to the Bankruptcy, death, dissolution, removal, incompetence or default of such person as a Managing Member (whether or not such rights, obligations or liabilities were known or had matured).

(d) If, at the time of the withdrawal, Bankruptcy, death, dissolution, adjudication of incompetence or default under Section 6.01(a) of a Managing Member, the Bankrupt, withdrawn, deceased, dissolved, incompetent or defaulted Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Members of such Bankruptcy, death, dissolution, adjudication of incompetence or default, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved, incompetent or defaulted Managing Member and his having ceased to be a Managing Member. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 6.03.

6.04 Restrictions on Transfer of Managing Member's Interests. This is an agreement under which applicable law excuses the Investor Member and the State Credit Investor from accepting performance from (i) any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., (ii) a trustee of any such debtor, (iii) and/or the assignee of any such debtor or trustee. The Investor Member and the State Credit Investor has each entered into this Agreement with the Managing Member in reliance upon the unique knowledge, experience and expertise of the Managing Member, and its officers in the planning and implementation of the acquisition of the Project and in the area of affordable housing and development in general. The foregoing restriction on transfer is based in part on the above factors. The Managing Member expressly agrees that the Investor Member and the State Credit Investor shall not be required to accept performance under this Agreement from any person other than the Managing Member, including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee.

6.05 Removal of the Managing Member.

(a) Conditions for Removal. The Investor Member and the State Credit Investor shall have the right to remove the Managing Member:

(i) for (A) any fraud, gross negligence or intentional misconduct, or breach of fiduciary duty, or (B) failure to exercise reasonable care with respect to any material matter in the discharge of its duties and obligations as Managing Member (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Project or assets of the Company), or

(ii) upon the occurrence of any of the following:

(A) the Managing Member or the Company shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or the Loan Agreement, or any material provisions of any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Project, which violation has not been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable;

(B) the Managing Member or the Company shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(e), 5.05 and/or 8.11, (ii) violated any material provision of applicable law, or (iii) the representation and warranty contained in Section 4.01(u) are and/or becomes false or inaccurate;

(C) the Managing Member or the Company shall have caused any Project Loan to go into default, which default remains uncured after the expiration of any applicable cure period;

(D) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

(1) cause the termination of the Company for federal income tax purposes;

(2) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation;

(3) in the reasonable opinion of the Investor Member, cause a recapture or reduction in Certified Credits;

- (4) violate any federal or state securities laws;
- (5) cause the Investor Member to be liable for Company obligations in excess of its Capital Contributions; or
- (E) the amount of Actual Credits or final Historic Rehabilitation Credit Amount for any year are, or are projected by the Accountants to be, less than ninety percent (90%) of the Projected LIHTC, or Projected Federal Rehabilitation Credits, or Projected VHRC, respectively, for that year; or less than ninety percent (90%) of Certified Credits if Certified Credits have been determined and adjustments to the capital contribution of the Investor Member and the State Credit Investor have been made as may be required under Section 5.01(e);
- (F) cause for removal as a managing member of an Affiliated Company shall exist pursuant to the operating agreement of an Affiliated Company;
- (G) the Managing Member fails to timely and promptly discharge the Management Agent if at any time cause for such removal exists;
- (H) Bankruptcy or similar creditor's action is filed by or against the Company, the Managing Member or any Affiliate Guarantor; or
- (I) any default by the Affiliate Guarantor under the Affiliate Guaranty;
- (J) failure of the Affiliate Guarantor to maintain a minimum net worth of \$1,000,000;
- (K) failure of the Company to achieve Breakeven Operations within six (6) months of the Company's achievement of 93% occupancy; or
- (L) any act or omission by the Managing Member that would substantially reduce tax benefits, or substantially increase tax liabilities, of the Investor Member and the State Credit Investor.

(b) Procedure for Removal. The Investor Member and the State Credit Investor shall give Notice to all Members and to the Project Lenders of its determination that the Managing Member shall be removed. The Managing Member shall have ten (10) days after receipt of such Notice to cure any default or other reason for such removal, in which event it shall remain as Managing Member. If, at the end of ten (10) days, the Managing Member has not cured any default or other reason for such removal, it shall cease to be Managing Member and the powers and



authorities conferred on it as Managing Member under this Agreement shall cease and the Interests of such Managing Member shall be transferred to the Special Member or its designee which, without further action, shall become the Managing Member; in such event, upon becoming the Managing Member, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents.

(c) Managing Member Obligations and Liability Following Removal.

(i) In the event that the Managing Member is removed as aforesaid prior to the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Section 8.11 of this Agreement; provided however, that if amounts otherwise payable to the Managing Member as fees are applied to meet the obligations of the Managing Member as stated in Sections 5.01, 5.05 and 8.11 of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duties as Managing Member of the Company. If the Managing Member is removed as Member of the Company prior to the Final Closing as aforesaid, the Managing Member shall not be entitled to payment of any fees which otherwise would have been due and payable under or pursuant to various Sections of this Article VI or Article VII.

(ii) In the event that the Managing Member is removed as aforesaid after the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the Managing Member's obligations and liabilities under Section 8.11(b) of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member or Affiliates thereof as fees are applied by the Company to pay Operating Deficits, such application shall serve to reduce any such liabilities after the Final Closing, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duty as Managing Member of the Company. If the Managing Member is removed as Member of the Company at any time after the Final Closing, the Developer or its successor(s) shall continue to be paid subsequent to such removal, in accordance with the terms and conditions of this Agreement, any installments of the Development Fee which would have otherwise been due and payable to it pursuant to Section 8.12 and which are not otherwise being withheld.

(d) Power of Attorney. The Investor Member and the State Credit Investor hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 6.05. The election by the Investor Member or the State Credit Investor to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy which the Investor Member, the State Credit Investor or any other Member might have with respect to the Managing Member in connection with its undertakings and responsibilities under this Agreement.

ARTICLE VII  
ASSIGNMENT TO THE COMPANY

The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Project, including the following:

- (a) all contracts with architects, contractors and supervising architects with respect to the development of the Project;
- (b) all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Project and all governmental approvals obtained, including planning, zoning and building permits;
- (c) any and all commitments with respect to the Project Loans and the LIHTC;
- (d) any and all rights under and pursuant to the Project Documents; and
- (e) any other work product related to the Project.

ARTICLE VIII  
RIGHTS, OBLIGATIONS AND POWERS  
OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member, Special Member and of the Company. The Managing Member shall devote such time as is necessary to the affairs of the Company.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Project Lender and/or Agency rules and regulations and the provisions of the Loan Agreement, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute

and deliver, on behalf of the Company, the Loan Agreements, the Regulatory Agreement, the Extended Use Agreement, the Notes, the Mortgages, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto provided the Investor Member and the State Credit Investor shall be provided with the opportunity to review and Consent to any such documents prior to their execution by the Managing Member, as shall be required in connection with the Project Loans, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith; provided, however, that copies of all applications for advances of proceeds of the Project Loans shall be provided to the Investor Member and the State Credit Investor prior to the disbursement of any funds pursuant thereto and shall be subject to the Consent of the Investor Member and the State Credit Investor; and provided further that any such applications which provide for the disbursement of funds of the Company in lieu of or in addition to the proceeds of the Project Loans shall be subject to the Consent of the Investor Member and the State Credit Investor. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

8.02 Limitations Upon the Authority of the Managing Member.

- (a) The Managing Member shall not have any authority to:
- (i) perform any act in violation of any applicable law or regulation thereunder;
  - (ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, the Loan Agreements, or any other Project Documents;
  - (iii) do any act required to be approved or ratified in writing by the Investor Member and the State Credit Investor under the Act unless the right to do so is expressly otherwise given in this Agreement;
  - (iv) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;
  - (v) borrow from the Company or commingle Company funds with funds of any other Person; or
  - (vi) execute or deliver any general assignment for the benefit of creditors or file a petition or acquiesce in the filing of a petition for Bankruptcy.
- (b) The Managing Member shall not, without the Consent of the Investor Member and the State Credit Investor (which Consent shall not be unreasonably withheld, with

the parties hereto agreeing and acknowledging that withholding such Consent would be reasonable if the action would likely be inconsistent with preserving the Project as a low-income housing project), have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) amend the terms of any Project Loan to be other than those set forth on **Exhibit F** attached hereto;

(iii) borrow in excess of \$10,000.00 in the aggregate at any one time outstanding on the general credit of the Company, except MM Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 8.20;

(iv) following Final Closing, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or which are at a cost in excess of \$10,000.00 in a single Company fiscal year, or rebuild the Project with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 13.03;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) following Final Closing, refinance any Project Loan; or prior to the Sixth Post-PIS Year, accept any grant to the Company;

(vii) confess a judgment against the Company in excess of \$5,000;

(viii) admit any person as a Managing Member or an Investor Member or State Credit Investor, or withdraw as Managing Member, except as otherwise set forth in this Agreement;

(ix) do any act in contravention of this Agreement or any other agreement to which Company is a party;

(x) execute or deliver any assignment for the benefit of the creditors of the Company;

(xi) transfer or hypothecate the Managing Member's interest as a Managing Member in the Company, including its interest in Company allocations or distributions, except as otherwise provided in this Agreement;

(xii) dissolve the Company or take any action which would result in

dissolution;

(xiii) refinance, prepay or materially modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Project, or borrow funds or participate in a merger or consolidation with any other entity;

(xiv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;

(xv) materially change any accounting method or practice of the Company;

(xvi) file a voluntary petition for bankruptcy of the Company;

(xvii) make any expenditure or incur any liability on behalf of the Company in excess of \$10,000.00 which is not identified in the budget provided by the Managing Member to the Investor Member;

(xviii) borrow funds from the Company;

(xix) enter into or materially modify the Construction Contract (or any other construction contract), or agree to any change order under the Construction Contract (or any other construction contract) if any such change order is for \$10,000 or more, or is proposed when the amount of previous change orders plus the proposed change order would exceed \$20,000 (over the life of the Company);

(xx) commingle Company funds or assets with the funds or assets of the Managing Member or any Company or other entity owned or operated by the Managing Member to the Investor Member;

(xxi) possess Company property or assign rights in specific property for other than a business purpose of the Company;

(xxii) take any action which would cause the termination of the Company for federal income tax purposes under Code Section 708;

(xxiii) make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or Regulations, including, without limitation, any election under Section 42 (including an election to treat any year other than 2020 as the first year of the Credit Period (as defined in Code Section 42 or an election to treat any year other than 2020 as the year in which the Rehabilitation Credits are claimed for the Project) or Section 754 of the Code or any other tax election affecting the amount, timing, availability or allocation of any

LIHTC or Rehabilitation Credit;

(xxiv) enter into any agreement or take any action without the prior consent of the Investor Member and the State Credit Investor with respect to any matters for which the prior consent of the Investor Member and the State Credit Investor is a prerequisite therefore;

(xxv) approve any increase in fees to the Managing Member or any affiliate of the Managing Member;

(xxvi) change in ownership, control or management of the Managing Member;

(xxvii) allow this Agreement to be amended;

(xxviii) lease any non-residential space in the Project; or

(xix) invest assets of the Company in (A) investments specifically not contemplated by this Agreement, or (B) in investments other than U.S. Treasury Bills, Notes or Bonds, or bank accounts, money market accounts or certificates of deposit in institutions insured by the Federal Deposit Insurance Corporation. However, investment of such assets may be expanded upon approval by the Investor Member.

### 8.03 Sale of Project.

(a) Investor Member Request for Sale. Notwithstanding the foregoing Section 8.02, and subject to all Agency regulations then in effect and the receipt of all required approvals and consents of the Project Lenders, and subject further to the extended use requirements applicable pursuant to Section 42(h)(6) of the Code, at any time after the fourteenth (14th) anniversary of the first day of the first taxable year of the applicable LIHTC compliance period the Investor Member may request that the Company do one of the following: (i) sell the Project subject to the Extended Use Agreement (a "Continued Compliance Sale"); or (ii) request that the Agency arrange for the sale of the Project after receipt of a Qualified Contract (a "Compliance Termination Sale").

(b) Continued Compliance Sale. After receipt of a request for a Continued Compliance Sale, the Managing Member shall use its best efforts to find a third party purchaser for the Project and to cause the Company to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Member. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within four (4) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within thirty (30) days, then the Managing Member shall be obligated to consent to the sale to such purchaser

so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member. If the Investor Member requests that the Compliance Termination Sale be conducted in a manner that would result in the conversion of the Project to a condominium regime of ownership and the sale of individual condominium units, the Managing Member shall use diligent efforts to accomplish such conversion on such terms which are reasonably satisfactory to the Investor Member.

(c) Compliance Termination Sale. After receipt of a request for a Compliance Termination Sale, the Managing Member shall make a request to the Agency to obtain a buyer who is willing to operate the low-income units of the Project as a qualified low-income building and who will submit a Qualified Contract for the Project, and if no Qualified Contract is submitted within one year of the date of the Managing Member's request to the Agency, the Managing Member shall use its best efforts to find a third party purchaser and to cause the Company to consummate a sale of the Project to such purchaser on terms Consented to by the Investor Member and free of the restrictions imposed by the Extended Use Agreement. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within six (6) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within thirty (30) days, then the Managing Member shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member. If the Investor Member requests that the Compliance Termination Sale be conducted in a manner that would result in the conversion of the Project to a condominium regime of ownership and the sale of individual condominium units, the Managing Member shall use diligent efforts to accomplish such conversion on such terms which are reasonably satisfactory to the Investor Member.

(d) Managing Member Option. The Managing Member, if it is a qualified non-profit under the terms of Section 42(i)(7) of the Code, shall have the right of first refusal to purchase the Project at the end of the low-income housing tax credit compliance period, in accordance with said Section 42(i) (7) of the Code, for an amount equal to at least the sum of (i) \$1.00, plus (ii) all outstanding debt of the Company, including debt encumbering the Project, plus (iii) the aggregate federal, state and local (if any) income tax liabilities which would be incurred by the members of the Investor Member and the members of the State Credit Investor as a consequence of such purchase, on the terms set forth in **Exhibit L** attached hereto.

(e) Investor Member Option regarding State Credit Investor Interests. Notwithstanding the foregoing subsections and other provisions hereof, and subject to all Agency regulations then in effect and the receipt of all required approvals and consents of the Project Lenders (if any), the State Credit Investor may transfer its Interest to the Investor Member or Special Investor Member (or an Affiliate thereof), without the consent of the Managing Member.

(f) Investor Member and State Credit Investor Put. At all times after the end

of the Compliance Period, the Investor Member, shall have the right, in its sole and absolute discretion, to put its entire Interest (and that of the Special Member) to the Managing Member (or its designee) for a price equal to the sum of the following: (i) \$20,000, plus (ii) all Indebtedness (as defined in the Guaranty) due and owing to the Investor Member under this Agreement (and the Guaranty). Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the parties. At all times after the beginning of the Sixth Post-PIS Year, the State Credit Investor shall have the right, in its sole and absolute discretion, to put its entire Interest to the Managing Member (or its designee) for a price equal to the sum of the following: (i) \$1,000, plus (ii) all Indebtedness (as defined in the Guaranty) due and owing to the State Credit Investor under this Agreement (and the Guaranty). Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the parties.

8.04 Management Purposes. In conducting the business of the Company, the Managing Member shall be bound by the Company's purposes set forth in Article III.

8.05 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve.

8.06 Managing Member or Affiliates Dealing with Company. The Managing Member or any Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, (d) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the Managing Member or any Affiliate shall be compensated by the Company for his services. Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to all Investor Members in the reports required under Section 13.02. Neither the Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.06.

8.07 Other Activities. Except as limited in Section 8.06, Affiliates of the Managing Member may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as managing member of other limited liability companies or as general partner of limited partnerships which own, either directly or through interests in other companies or partnerships, government assisted housing developments similar to the Project. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits



derived therefrom.

8.08 Liability for Acts and Omissions. No Managing Member or Affiliate thereof shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, provided that the protection afforded the Managing Member pursuant to this Section 8.08 shall not apply in the case of negligence, misconduct, fraud or any breach of fiduciary duty as Managing Member with respect to such acts or omissions. Any loss or damage incurred by any Managing Member or Affiliate thereof by reason of any act or omission performed or omitted by it or any of them in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by the Managing Member or Affiliate thereof by reason of negligence, misconduct or fraud of the Managing Member or Affiliate thereof, or any breach of fiduciary duty as Managing Member, with respect to such acts or omissions) shall be paid from Company assets to the extent available (but the Investor Members shall not have any personal liability to the Managing Member or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Managing Member or Affiliate(s) thereof or on account of the payment thereof).

8.09 Indemnification of Investor Member, the State Credit Investor and the Company. The Managing Member and the Company shall, jointly and severally, indemnify, defend, and save harmless the Investor Member, the State Credit Investor and Special Member from and against any claim, loss, expense, action or damage, including without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel) asserted against the Investor Member, the State Credit Investor or Special Member based on any act, omission, malfeasance or nonfeasance of the Company or the Managing Member, including without limitation any claim that the Investor Member, the State Credit Investor or Special Member is liable for any indebtedness of the Company and excluding only liability directly caused by the Investor Member, State Credit Investor or Special Member's gross negligence or bad faith conduct. In addition, the Managing Member and the Company shall, jointly and severally, indemnify, defend, save and hold harmless the Investor Member, the State Credit Investor and Special Member, and their representatives, from and against any and all costs, losses, liabilities, damages, lawsuits, proceedings (whether formal or informal), investigations, judgments, orders, settlements, recoveries, obligations, deficiencies, claims and expenses (whether or not arising out of third party claims), including, without limitation, interest, penalties, attorneys' fees and all amounts paid in investigation, or settlement of any of the foregoing, incurred in connection with or arising out of or resulting from the operations of the Managing Member, the Company or the Project prior to the date of this Agreement.

8.10 Net Worth of Managing Member. The Managing Member shall maintain a minimum net worth in an amount as may be necessary to assure that the Company will be taxed as a partnership, and not as an association taxable as a corporation, for federal income tax purposes.

8.11 Construction of the Project, Construction Cost Overruns, Operating Deficits; Other Managing Member Guarantees.

(a) Construction Completion Guaranty.

(i) The Company has entered into the Construction Contract. The Managing Member shall be responsible for:

(A) achieving completion of construction of the Project on a timely basis in accordance with the Plans and Specifications for the Project, the terms of this Agreement, the Project Documents and all legal requirements;

(B) meeting all requirements for obtaining all necessary unconditional certificate(s) of occupancy for all the apartment units in the Project;

(C) fulfilling all actions required of the Company to assure that the Project satisfies the Minimum Set-Aside Test and the Rent Restriction Test;

(D) causing the making of the Project Loans by the respective Project Lenders; and

(E) achieving Final Closing.

(ii) The Managing Member hereby is obligated to pay all Excess Development Costs; the Company shall have no obligation to pay any Excess Development Costs. Any amounts paid by the Managing Member pursuant to this subsection (a) shall be in the form of a loan to the Company (a "Completion Loan"). Any Completion Loan will be in the following terms: (A) it shall be unsecured; (B) it shall not bear interest; (C) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (D) a Completion Loan shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members.

(iii) In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.11(a), an amount not in excess of the total of any remaining unpaid installments of the Development Fee due pursuant to Section 8.12 shall be suspended by the Company until such obligations are met by the Managing Member.

(b) Operating Deficit Guaranty. In the event that, at any time during the period commencing on the end of the Construction Completion Guaranty period set forth in (a) above and ending on the fifteen (15<sup>th</sup>) anniversary of such date (the "Initial Period"), an Operating

Deficit shall exist, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s) after available funds in the Operating Reserve have been exhausted. Funds provided under this subsection (b) shall be in the form of a loan to the Company (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (iv) Operating Deficit Loans shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members. In the event that the Managing Member shall fail to make any such Operating Deficit Loan as aforesaid, the Company shall utilize amounts otherwise payable as installments of the Development Fee pursuant to Section 8.12 of this Agreement to meet the obligations of the Managing Member pursuant to this Section 8.11(b). Amounts so utilized shall also constitute payment and satisfaction of installments of the Development Fee payable under the aforesaid Section of this Agreement, and the obligation of the Company to make such installment payments pursuant to such Sections, as well as the Investor Member's and State Credit Investor's obligation to make future Capital Contributions, shall be reduced correspondingly. For the purpose of this Section 8.11(b), all expenses shall be paid on a sixty (60) day current basis.

(c) LIHTC Compliance Guaranty. (i) If with respect to any fiscal year of the Company there is a LIHTC Shortfall or a Rehabilitation Credit Recapture Event, the Managing Member shall, within forty-five (45) days following the close of such fiscal year (A)(1), pay the Investor Member an amount equal to the amount of the LIHTC Shortfall for the fiscal year immediately preceding the payment due date multiplied by \$0.87, (2) pay to the Investor Member an amount equal to the amount of the Rehabilitation Credit Recapture Event (as it relates to the Federal Rehabilitation Credits) multiplied by \$0.82, (3) pay to the State Credit Investor an amount equal to the amount of the Rehabilitation Credit Recapture Event (as it relates to the VHRC) multiplied by \$0.75, (B) all penalties and interest imposed by the Code and assessed against the Investor Member by the IRS with respect to any LIHTC Shortfall or Rehabilitation Credit Recapture Event, and (C) an amount sufficient to pay any tax liability owed by the Investor Member or State Credit Investor resulting from the receipt of the amounts specified in the foregoing clauses (A), (B) and this clause (C) of this Section 8.11(c)(i) (such calculation to be made assuming the Investor Member or State Credit Investor is subject to the highest federal and state tax rates imposed on corporate tax payers under the Code at that time for the taxable year of the Investor Member or State Credit Investor in which such payment is taken into income by the Investor Member or State Credit Investor), together with interest on such amounts at the Prime Rate accruing from such payment due date.

(ii) The Managing Member irrevocably and unconditionally guarantees payments specified in this Section 8.11(c)(ii) to the Investor Member and the State Credit Investor if there is a LIHTC Recapture Event, Rehabilitation Credit Recapture Event. The payments required by this Section 8.11(c)(ii) shall be the sum of the following amounts (unless, for a Rehabilitation Credit Recapture Event, such amounts have already been paid pursuant to clause 8.11(c)(i) above): (A) (1) pay the Investor Member an amount equal to the amount of the LIHTC Shortfall for the fiscal year immediately preceding the payment due date multiplied by \$0.87, (2)

pay to the Investor Member an amount equal to the amount of the Rehabilitation Credit Recapture Event (as it relates to the Federal Rehabilitation Credits) multiplied by \$0.82, (3) pay to the State Credit Investor an amount equal to the amount of the Rehabilitation Credit Recapture Event (as it relates to the VHRC) multiplied by \$0.75; (B) the "credit recapture amount" (as defined in Code Section 42(j)(2)) allocated to the Investor Member because of such LIHTC Recapture Event, or any recapture amount allocated to the Investor Member or State Credit Investor because of the Rehabilitation Credit Recapture Event; (C) all penalties and interest imposed by the Code and assessed against the Investor Member or the State Credit Investor by the IRS with respect to such LIHTC Recapture Event or Rehabilitation Credit Recapture Event; (D) an amount sufficient to pay any tax liability owed by the Investor Member or State Credit Investor resulting from the receipt of the amounts specified in the foregoing clauses (A), (B), (C) and this clause (D) of this Section 8.11(c)(ii) (such calculation to be made assuming the Investor Member and the State Credit Investor is subject to the highest federal and state tax rate imposed on corporate taxpayers under the Code at that time for the taxable year of the Investor Member and the State Credit Investor in which such payment is taken into income by the Investor Member or State Credit Investor), together with interest on such amounts at the Prime Rate accruing from the date the Investor Member and the State Credit Investor remits funds to a taxing authority with respect to a LIHTC Recapture Event or Rehabilitation Credit Recapture Event; and (E) if the cause of the LIHTC Recapture Event will, in determination of the Investor Member, decrease the maximum amount of LIHTC that will be available to the Company and allocated to the Investor Member during the remainder of the compliance period under Section 42 of the Code, assuming full compliance with Section 42 of the Code, then an amount equal to the total amount of such decrease. The Managing Member shall make such payment to the Investor Member and the State Credit Investor within forty-five (45) days of the LIHTC Recapture Event or Rehabilitation Credit Recapture Event, as applicable.

(iii) The LIHTC Compliance Guaranty set forth herein shall not apply to amounts due solely to the transfer by the Investor Member or State Credit Investor of all or a portion of its Interest in the Company, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required by this Agreement), or to changes in the tax law after the date hereof with which the Managing Member is unable to comply despite the exercise of its good faith and reasonable efforts.

(iv) The Managing Member may use funds in the Operating Reserve to make payments required by this Section 8.11(c) prior to using its own funds. If any amounts are owed under this Section 8.11(c) prior to the time that the Investor Member has made all of its Capital Contributions, any future Capital Contributions shall be reduced by the amount to be paid hereunder.

(v) Funds provided by the Affiliate Guarantor with respect to the Managing Member's obligations under subparagraphs (i) or (ii) above shall be in the form of a loan to the Company (the "Guarantor LIHTC Compliance Loan"). Any Guarantor LIHTC Compliance Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall bear no interest; and (iii) it shall be repayable solely from proceeds of a Capital Transaction or liquidation

at the time and in the amounts set forth in Sections 11.04 and 12.02(a) of this Agreement. Notwithstanding the foregoing, the Investor Member shall have the authority to treat any guarantee payment made on behalf of the Company by its Managing Member or the Affiliate Guarantor as (i) a capital contribution to the capital of the Company by the Managing Member in the amount of such guarantee payment that is matched with a corresponding upward adjustment to such Managing Member's capital account in the Company or (ii) as a loan (as described above) by the Managing Member in the amount of such guarantee payment, so as to minimize any possible unintended increase in the amount of depreciation and tax credits allocated to the Managing Member; provided that any losses or other deductions, other than depreciation, relating to such capital contribution or loan, shall be allocated to the Managing Member making such guarantee payment.

(d) Project Loan Funding Guaranty. The Managing Member irrevocably and unconditionally guarantees and covenants that the Company shall receive full funding of the Project Loans on or before December 31, 2021, on the terms set forth on **Exhibit F** attached hereto. The Managing Member represents and warrants that the source of funds for the Project Loans do not include, in whole or in part, "federal subsidies" within the meaning of Code Section 42(i) (i.e. the source of funds for the Project Loans does not include, in whole or in part, a "tax-exempt obligation," an obligation the interest on which is exempt from tax under Code Section 103). The Project Loan documents shall contain such other terms as may be Consented to by the Investor Member.

#### 8.12 Development Fee.

(a) The Company has entered into a Development Agreement (materially in the form of **Exhibit A** attached hereto) of even date herewith with the Developer for its services in connection with the development and construction of the Project. In consideration for such services, a Development Fee in a total amount equal to \$675,268 shall be payable by the Company, in accordance with the terms of the Development Agreement and Article XI of this Agreement. In no event shall full payment of the Development Fee be later than the fifteenth anniversary of placement in service.

(b) [Intentionally Omitted]

#### 8.13 [Intentionally Omitted]

#### 8.14 Withholding of Fee Payments.

(a) Conditions for Withholding. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement, or under the limited liability company agreement with respect to an Affiliated Company, after Notice from the Investor Member and the State Credit Investor of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (ii) any Project Lender shall have declared the Company to be in default under any Project Loan or under any of the mortgage loans as to an Affiliated Company, or (iii) foreclosure proceedings shall have been commenced against the Project or against an Project owned by the Affiliated Company, then (A) the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any installment of fees and/or allowance payable pursuant to Sections 4.02(s), 8.12 and/or 8.13 and payment of any loans from the Managing Member to the Company, and (B) the Managing Member shall be liable for the Company's payment of any and all installments of the Development Fee payable pursuant to Section 8.12.

(b) Release of Fees. All amounts so withheld by the Company under this Section 8.14 shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member and the State Credit Investor.

8.15 Selection of Management Agent; Terms of Management Agreement. The Company shall engage such person, firm or company as the Managing Member may select, and as the Investor Member and the State Credit Investor may approve, which approval shall not be unreasonably withheld (hereinafter referred to as "Management Agent") to manage the operation of the Project during the rent up period and following Final Closing. The Management Agent must be a VHDA certified property manager. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Special Member, but in no event will the annual management fee be greater than six percent (6.0%) of the annual gross revenues of the Project. The contract between the Company and the Management Agent and the management plan for the Project shall be in the form set forth in Exhibit G, with such changes acceptable to the Agency and/or the Project Lenders, if required, and reasonably acceptable to the Special Member. Such contract shall provide, among other things, that it shall be cancelable upon thirty (30) days' prior Notice from the Company, and that the Management Agent will accrue the management fee to the extent necessary at any time to prevent a default under any Project Loan. Whenever the management agent for the Project is the Managing Member or an Affiliate of the Managing Member, the management agreement shall provide that it is immediately terminable at the election of the Investor Member, the State Credit Investor or Special Member in the event of (a) the removal or withdrawal of the Managing Member, or (b) any material breach of or noncompliance with any provision of this Agreement by the Managing Member or any Affiliate of the Managing Member. Any other agreement entered into by the Company and any Managing Member or any Affiliate thereof shall specifically provide that such agreement shall be immediately terminable at the election of the Investor Member, State Credit Investor or Special

Member if the Managing Member is removed or withdraws. J & J Realty is approved by the parties hereto as the initial Management Agent.

8.16 Removal of the Management Agent. The Managing Member:

(a) may, upon receiving any required approval of the Project Lenders and the Investor Member, dismiss the Management Agent as the entity responsible for the Project under the terms of the contract between the Company and the Management Agent, and

(b) shall, at the request of the Investor Member and the State Credit Investor, remove the Management Agent if the Special Member and the State Credit Investor determines that the same is necessary to protect the interest of the Company or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Company and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Project, or the Project Lenders-approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of LIHTC.

8.17 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which is not an Affiliate of the Managing Member shall be named by the Managing Member, subject to the approval of the Project Lenders, if required, and the approval of the Investor Member and the State Credit Investor.

8.18 Loans to the Company The Company is authorized to receive Operating Deficit Loans and MM Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received an Operating Deficit Loan, or MM Loan to pay such amounts, then the Company may borrow such funds as are needed from a Person or organization, other than a Member or an Affiliate of a Member, in accordance with the terms of this Section 8.18, for such period of time and on such terms as the Managing Member, the Investor Member and the State Credit Investor may agree; provided, however, that no such additional loans shall be secured by any mortgage or other

encumbrance on the property of the Company without the prior approval of the Investor Member and the State Credit Investor except that such approvals shall not be required in the case of the hypothecation of personal property purchased by the Company and not included in the security agreements executed by the Company at the time of Initial Closing. Nothing in this Section 8.18 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

8.19 Affiliate Guaranty. Concurrently with the execution of this Agreement, the Managing Member shall deliver to the Investor Member and the State Credit Investor (a) the Affiliate Guaranty fully executed by each Affiliate Guarantor, (b) a pledge and security agreement executed by the Managing Member in the form of **Exhibit E** attached hereto (the "Managing Member Pledge"), wherein the Managing Member pledges and grants a security interest in its Managing Member interest in the Company and in each Affiliated Company to secure its obligation under this Agreement, and (c) an opinion of counsel to the Affiliate Guarantors in form satisfactory to the Investor Member regarding the Affiliate Guaranty and the Managing Member Pledge.

8.20 [Intentionally Omitted]

8.21 Accounting Fee. An accounting fee shall be paid to Virginia Housing Capital Corporation under the Agreement to Provide Accounting and Reporting Services, the form of which is attached hereto as **Exhibit J**.



8.22 Public Relations. The Managing Member shall provide written and timely Notice of any groundbreaking, ribbon-cutting or other public relations ceremonies for the Project to the Investor Member and the State Credit Investor, and recognize the Investor Member and the State Credit Investor, and their respective members at such public relations ceremonies.

ARTICLE IX  
TRANSFERS AND RESTRICTIONS ON TRANSFERS  
OF INTERESTS OF INVESTOR MEMBERS AND STATE CREDIT INVESTOR

9.01 Restrictions on Transfer of Investor Members' Interests and State Credit Investor Interests.

(a) Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Investor Member Interest or State Credit Investor be permitted unless the Managing Member, in its sole discretion, shall have Consented thereto, and the Project Lenders, if required, also shall have Consented thereto, provided however, that the Managing Member shall not unreasonably withhold its Consent to the pledge by the Investor Member of its Investor Member Interest or a transfer of its right to receive distributions hereunder, or to the pledge by the State Credit Investor of its State Credit Investor Interests or a transfer of its right to receive distributions hereunder, so long as no pledgee or transferee shall have any right to become a Substitute Investor Member in the Company or exercise any voting rights of the Investor Member.

(b) The Investor Member or State Credit Investor whose interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer.

(c) Nothing in this Section 9.01 shall limit the authority of the Investor Member to sell, transfer and/or assign interests within the Investor Member or to transfer Interests of the Investor Member to (i) any Affiliate of the Investor Member or Special Member, in the sole discretion of the Investor Member, at any time and from time to time, or (ii) to any other Person once during the term of this Agreement upon Notice to the Managing Member(s). Nothing in this Section 9.01 shall limit the authority of the State Credit Investor to sell, transfer and/or assign interests within the State Credit Investor or to transfer Interests of the State Credit Investor to any Affiliate of the State Credit Investor, the Investor Member or Special Member, at any time and from time to time, as long as such sale, transfer or assignment will not affect the rights or ability of the Company or the Members to claim Rehabilitation Credits. The foregoing transfer rights remain subject to any approval rights of VHDA or the Project Lenders (other than any Affiliate of the Managing Member which is a Project Lender).

9.02 Admission of Substitute Investor Members or State Credit Investor.

(a) Subject to the other provisions of this Article IX, an assignee of the Interest

of an Investor Member or State Credit Investor which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member or Substitute State Credit Investor of the Company only upon the satisfactory completion of the following:

(i) Consent of the Managing Member (which may be withheld in its sole discretion), and the consent of the Project Lenders, if required, shall have been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amended Agreement and/or Articles of Organization evidencing the admission of such Person as an Investor Member or State Credit Investor pursuant to the requirements of the Act, provided, however, that no Consent shall be required for any sale, transfer or assignment pursuant to Section 9.01 (c);

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may require in order to effect the admission of such Person as an Investor Member or State Credit Investor;

(iii) an amended Agreement and/or Articles of Organization evidencing the admission of such Person as an Investor Member or State Credit Investor shall have been filed for recording pursuant to the requirements of the Act;

(iv) if the assignee is a corporation, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel for the Company of its authority to become an Investor Member or State Credit Investor under the terms and provisions of this Agreement; and

(v) the assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment.

(b) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member or Substitute State Credit Investor shall be treated as having become, and as appearing in, the records of the Company as a Member upon his signing of an amendment to this Agreement agreeing to be bound hereby.

(c) If the Managing Member has determined it will Consent to the admission, the Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member or Substitute State Credit Investor by preparing the documentation required by this Section and making all official filings and publications. In such event, the Company shall take all such action, including the filing, if required, of any amended Agreement and/or Articles of Organization evidencing the admission of any Person as an Investor Member or State Credit Investor, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member or State Credit Investor of the

conditions contained in this Article IX to the admission of such Person as an Investor Member or State Credit Investor of the Company. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Investor Member or State Credit Investor.

9.03 Rights of Assignee of Company Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member or State Credit Investor of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member's Interest or State Credit Investor's Interest, but does not become a Substitute Investor Member or Substitute State Credit Investor, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Investor Member or State Credit Investor desiring to make an assignment of its Interest.

ARTICLE X  
RIGHTS AND OBLIGATIONS OF INVESTOR MEMBER AND STATE CREDIT  
INVESTOR

10.01 Management of the Company. No Investor Member or State Credit Investor shall take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, no Investor Member or State Credit Investor shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Investor Member or State Credit Investor shall have any power or authority with respect to the Company except insofar as the consent of any Investor Member and State Credit Investor shall be expressly required and except as otherwise expressly provided in this Agreement.

10.02 Limitation on Liability of Investor Member and State Credit Investor. The liability of each Investor Member and State Credit Investor is limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Member or State Credit Investor shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall any Investor Member or State Credit Investor be personally liable for any obligations of the Company, except as and to the extent provided in the Act. No Investor Member or State Credit Investor shall be obligated to make loans to the Company.

10.03 Other Activities. Any Investor Member or State Credit Investor may engage in or possess interests in other ventures of every kind and description for its own account, including without limitation, serving as general partner or managing member of other limited liability

companies or partnerships which own, either directly or through interests in other limited liability companies or limited partnerships, government-assisted housing projects similar to the Project. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

ARTICLE XI  
PROFITS, LOSSES AND DISTRIBUTIONS

11.01 Allocation of Profits and Losses Other Than From Capital Transactions.

(a) Manner of Determination. Profits, Losses and credits for all purposes of this Agreement shall be determined in accordance with the definition of the same under Article II of the Agreement (as applicable) and in accordance with the accrual accounting method and in accordance with applicable Code sections and Treasury Regulations governing same.

(b) Allocations. All Profits and Losses, except any income or profit from the sale or transfer of the VHRC, except those items in Sections 11.02, 11.05 and 11.07 below, shall be allocated to the Members in accordance with their Percentage Interests. Every item of income, gain, loss, deduction, or tax preference entering into the computation of such Profits and Losses, or applicable to the period during which such Profits and Losses were realized, shall be considered allocated to each Member in the same proportion as Profits and Losses are allocated to such Member. Any income or profit from the same or transfer of the VHRC will be allocated 25% to the Managing Member and 75% to the State Credit Investor.

(c) Special Member Allocation. Notwithstanding any provisions in the Agreement to the contrary, in no event shall the Special Member be allocated more than its Percentage Interest, determined as of the date hereof, of any item of Company income, gain, loss, deduction, credit or basis.

11.02 Allocation of Profits and Losses from Capital Transactions. Except to the extent provided in Sections 11.07, Profits and Losses recognized by the Company upon a Capital Transaction shall be allocated in the following manner:

(a) Profits shall be allocated (i) first, to the Members with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Capital Accounts in the Company; provided that no gain shall be allocated under this Section 11.02(a)(i) to a Member once such Member's Capital Account is brought to zero and (ii) second, gains in excess of the amount allocated under (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members' respective Capital Accounts so that the proceeds distributed under Section 11.04(e) and (g) will be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Members' Capital Accounts, and (ii) second, any remaining loss to the Members in accordance with the manner in which they bear the economic risk of loss associated with such loss or, if none, to the Members in accordance with their Membership Interests.

(c) Any portion of the Profits treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Recapture Amount had been previously allocated.

#### 11.03 Distributions: Net Cash Flow.

(a) Determination of Net Cash Flow. Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative. Wherever there is a reference to the distribution of Net Cash Flow pursuant to the provisions of this Agreement, Net Cash Flow shall be deemed to be limited to Surplus Cash available for distribution. Income received by the Company from the period commencing with the date of receipt of the initial certificate of occupancy with respect to the Project and ending on the date of the Final Closing shall not be distributed during such period and shall be treated as Net Cash Flow with respect to the first Payment Date following Final Closing.

(b) Manner of Distribution. Subject to the approval of the Project Lenders, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) first, to the Investor Member and the State Credit Investor until the aggregate amount of distributions made to the Investor Member and the State Credit Investor under this Section 11.03(b)(i) for the current and all prior years equals the Assumed Investor Member Tax Liability and Assumed State Credit Investor Liability, respectively, for the current and all prior years;

(ii) second, to the Investor Member and State Credit Investor in an amount equal to any LIHTC Reduction Guaranty Payment, Credit Reduction Guaranty Payment, or Unpaid LIHTC Shortfall, or any amount owed to either Member under Section 8.11(c) hereof, pro rata based on the outstanding respective balances of each;

(iii) third, for Net Cash Flow relating to the period beginning at the start of the Sixth Post-PIS Year, to the Managing Member until the aggregate amount of distributions made to the Managing Member under this Section 11.03(b)(iii) for the current and all prior years equals the Assumed Managing Member Tax Liability for the current and all prior years;

(iv) fourth, to the Developer until all amounts due under the Development

Agreement have been paid in full;

(v) fifth, to make payments of accrued interest and then principal under the sponsor loans from CCDC described in Exhibit F hereto, pro rata based on the outstanding principal balance of each;

(vi) sixth, to the pro rata payment of any outstanding Operating Deficit Loans, Completion Loan, and MM Loans, based upon the respective outstanding balances of each;

(v) seventh, to replenish the Operating Reserve up to a balance of \$145,333, or to provide additional capital to the Operating Reserves and other Reserves as may be deferred later by mutual agreement of the Managing Member, Investor Member and State Credit Investor;

(vii) thereafter at any time prior to the beginning of the Sixth Post-PIS Year), ninety-eight and ninety-nine hundredths percent (98.99%) to the Investor Member; nine thousandths percent (0.009%) to the Managing Member; one thousandth percent (0.001%) to the Special Member; and one percent (1.0%) to the State Credit Investor, and thereafter at any time after the beginning of the Sixth Post-PIS Year, ten percent (10%) to the Investor Member; eighty-eight and ninety-nine hundredths percent (88.99%) to the Managing Member; and one percent (1.0%) to the State Credit Investor.

Notwithstanding anything to the contrary contained herein, if the amount of the distribution to the Investor Member under Section 11.03(b) is less than 10% of the Net Cash Flow of the Project, then the Investor Member shall receive a priority distribution before any distributions under Section 11.03(b)(vii) in an amount such that, when added to the sum distributable to the Investor Member under Section 11.03(b), shall equal 10% of the Cash Flow.

(c) Distributions to be Subject to Regulatory Restrictions. Notwithstanding the foregoing, during such time as regulations of the Project Lenders are applicable to the Project, the total amount of Net Cash Flow which may be so distributed to the Members with respect to any fiscal year shall not exceed such amounts as such regulations permit to be distributed.

11.04 Distributions: Capital Transactions and Liquidation of Company. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to any Project Loan and all expenses of the Company incident to any such sale or refinancing), excluding (1) debts and liabilities of the Company to Members or any Affiliates, and (2) all unpaid fees owing to the Managing Member under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Member and the State Credit Investor, an amount equal to any outstanding LIHTC Reduction Guaranty Payment, or any Unpaid LIHTC Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal); (ii) to the Investor Member, an amount equal to any Special Additional Capital Contribution; (iii) to the payment of any outstanding MM Loans and loans made by the Managing Member pursuant to Section 8.11(a)(i) and/or 8.11(a)(ii) pro rata based on their respective outstanding balances, if applicable; (iv) amounts due under the Development Agreement; (v) amounts due with respect to Operating Deficit Loans, if any; and (vi) any other such debts and liabilities;

(d) one percent (1%) of the gross proceeds of the Capital Transaction to the Special Member, or its assignee as a Capital Transaction Administrative Fee;

(e) to the Managing Member, the State Credit Investor and Investor Members in proportion to the relative amounts of Net Projected Tax Liabilities of the Managing Member, the State Credit Investor and the Investor Member's members or partners and their respective members or partners until they each have received, cumulatively, an amount equal to their respective Net Projected Tax Liabilities;

(e) to payment of the Guarantor LIHTC Compliance Loan (or, if funds provided are a capital contribution under Section 8.11(c)(v), as a return of such capital); and

(f) at any time prior to the beginning of the Sixth Post-PIS Year), ninety-eight and ninety-nine hundredths percent (98.99%) to the Investor Member; nine thousandths percent (0.009%) to the Managing Member; one thousandth percent (0.001%) to the Special Member; and one percent (1.0%) to the State Credit Investor, and at any time after the beginning of the Sixth Post-PIS Year, ten percent (10%) to the Investor Member; eighty-eight and ninety-nine hundredths percent (88.99%) to the Managing Member; and one percent (1.0%) to the State Credit Investor.

Written determination of the proposed distributions of proceeds of Capital Transactions, showing all relevant calculations and assumptions, shall be delivered to the Investor Member and Special Member not later than twenty (20) days prior to the Company entering into any agreement for a Capital Transaction, and written confirmation or any revision thereof shall be delivered to the Investor Member and Special Member not later than twenty (20) days prior to the making of any such distribution. Distributions hereunder shall be made within five (5) days of the Company's receipt of such proceeds.

#### 11.05 Distributions and Allocations: General Provisions.

(a) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all profits and losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable

under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee ratably on the basis of the number of monthly periods in such year before, and the number of monthly periods on and after, the first day of the month during which such Person is admitted as a substitute Member.

(b) The Company shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Project Lenders, distribute Net Cash Flow not less frequently than annually in the manner provided in Section 11.03(b).

(c) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(d) Any time after the beginning of the Sixth Post-PIS Year, in the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the IRS with respect to a taxable year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Operating Deficit Loans pursuant to Section 8.11(b), any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) Any income attributable to the Capital Contribution of the Managing Member will be allocated to the Managing Member.



(i) At any time after the beginning of the Sixth Post-PIS Year, any income attributable to the modification of any of the Project Loan(s) shall be allocated 100% to the Managing Member.

#### 11.06 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the income and gain for tax purposes of the Company, including income or gain exempt from tax; and there shall be charged against each Member's Capital Account the amount of all cash flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any sale or refinancing of the Project distributed to such Member, and such Member's distributive share of the losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. § 1.704-1(b)(2)(iv).

(b) Deficit Capital Accounts; Regulatory Liquidation. In the event that the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall make Capital Contributions in the amount of such deficit in compliance with Treas. Reg. § 1.704-1(b)(2)(ii)(b)(3). In the event that the Investor Member's Capital Account should have a deficit balance at such time, it shall have no obligation to fund or otherwise contribute capital to the Company in connection with such deficit. Notwithstanding the foregoing, in the event the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g) but no event has occurred under Section 12.01 to dissolve the Company, the Company assets shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have contributed all of its assets and liabilities to a new limited liability company in exchange for an interest in the new limited liability company. Immediately thereafter, the terminated Company shall be deemed to have distributed interests in the new limited liability company to the Members of the terminated Company in proportion to their respective interests in the terminated Company in liquidation of the terminated Company.

11.07 Special Allocations. Notwithstanding anything to the contrary contained in Section 11.01(a) or (b), the following special allocations in all events apply in determining the allocation

of Profits and Losses among the Members and are made prior to the allocations required under Sections §11.01(a) and (b):

(a) Depreciation and LIHTC.

(i) Depreciation (cost recovery) deductions and LIHTC are allocated to the Members in accordance with their Percentage Interests.

(ii) Any recapture of LIHTC is allocated to the Members that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction and LIHTC associated therewith.

(iii) 100% of the VHRC will be allocated to the State Credit Investor. Any income or profit from the sale or transfer of the VHRC shall be allocated 25% to the Managing Member and 75% to the State Credit Investor.

(b) Limitation on Allocations of Losses.

(i) To the extent the allocation of any Losses to a Member would cause that Member to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Company, then those Losses will not be allocated to that Member, but rather will be specially allocated to the remaining Members in proportion with their relative interests in the Company.

(ii) In the event some but not all of the Members would have Adjusted Capital Account Deficits due to an allocation of Losses, the limitation set forth in this Section 11.07(b) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member who is not a Managing Member under Treas. Reg. §1.704-1(b)(2)(ii)(d). All Losses in excess of the limitation set forth in this Section 11.07(b) shall be allocated to the Managing Member.

(c) Profit Chargeback. To the extent any Losses are specially allocated to a Member in accordance with Section 11.07(b), then Profits will thereafter first be specially allocated to such Member in proportion to and in an amount (1) up to but not exceeding the amount of any such special allocation of Losses away from such Member under such subparagraph (b) but (2) not to the extent that Losses or depreciation deductions would be allocated to the remaining Members in excess of the amount permitted by 11.07(b).

(d) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their Percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member or Members that bear the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(b)(4) and Treas. Reg. §1.704-

2(i).

(f) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Member shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(g)(2). In the event that such net decrease in the Company's Minimum Gain occurs in connection with the disposition of all or any portion of the Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(f) shall be determined in accordance with and only to the extent required by Treas. Reg. §1.704-2(f) and (j)(2)(i).

(g) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's Minimum Gain during any taxable year with respect to a Member Nonrecourse Debt, the Member bearing the Economic Risk of Loss with respect to such Member Nonrecourse Debt shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(i)(4). In the event that such net decrease in the Member's Minimum Gain occurs in connection with the disposition of all or any portion of Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(g) shall be determined in accordance with and only to the extent required by the provisions of Treas. Reg. §1.704-2(i) and (j)(2)(ii).

(h) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Company income or gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Member as quickly as possible. The special allocations required pursuant to this subparagraph (h) are made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 11 have been tentatively made as if this subparagraph (h) were not in the Agreement. This subparagraph (h) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

(i) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Member must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and

§ 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 11.07(i) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article XI have been tentatively made as if this Section 11.07(i) and Section 11.07(h) hereof were not in the Agreement.

(j) §754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company Property undertaken pursuant to §734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Members under Treas. Reg. §1.704-1(b)(2)(iv)(m), then the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the regulations.

(k) Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 11.07(h) through (i), subsequent income, loss or items thereof shall be allocated (subject to the provisions of Sections 11.07(h) and (i)) to the Members so that, to the extent possible in the judgment of the Managing Member, the net amount of allocations shall be equal to the amount that would have been allocated had Section 11.07 not been applied. Notwithstanding the foregoing, the allocation of depreciation deductions will be governed by Section 11.07(a) and this Section 11.07(k) shall not apply to allocations of depreciation deductions.

(l) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treas. Reg. §1.752-3(a)(3), the Members' respective interests in Company Profits and deduction shall equal their Percentage Interests (determined without regard to Section 11.07(a)-(k)).

(m) Authority to Vary Allocations to Preserve and Protect Members' Intent

(i) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article XI, the Managing Member, shall upon the direction in writing of the Special Member, allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI as necessary to ensure that all allocations of income, gain, loss, deduction or credit (or item thereof) to the Members are permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.07 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or approval of any Member shall be required.

(ii) In making any allocation (the "new allocation") under Section 11.07(m)(i), the Managing Member is authorized to act only upon the direction in writing of the Special Member, the State Credit Investor or the Investor Member.

(iii) If the Managing Member receives a recommendation from the Accountants to make any new allocation in a manner less favorable to the Investor Member or State Credit Investor than is otherwise provided for in this Article XI, then the Managing Member shall do so only with the Investor Member's, State Credit Investor's or the Special Member's Consent and only after having given the Investor Member, the State Credit Investor and the Special Member the opportunity to discuss such allocation with the Accountants, and only after the Managing Member has been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Member and the State Credit Investor as nearly as possible to the allocations thereof otherwise contemplated by this Article XI.

(n) Grant Income. At any time after the beginning of the Sixth Post-PIS Year, any income recognized as a result of any receipt of grants by the Company shall be allocated one hundred percent (100%) to the Managing Member. However, if the Managing Member is exempt from federal income taxation under Code Section 501(c)(3) or any other Code provision, then the allocations to the Managing Member under this Section 11.07(n) shall be limited to the highest percentage of the Company's property treated as tax-exempt use property, as reflected in the Projections.

11.08 Designation of Partnership Representative. The Managing Member shall be the partnership representative of the Company pursuant to Section 6223 of the Code ("Partnership Representative"), and shall engage in such undertakings as are required of the Partnership Representative of the Company, as provided in the Code and applicable Treasury Regulations. For each applicable tax year, the Managing Member shall cause the Company to appoint as the Designated Individual a person who is employed by the Managing Member or its Affiliate, has sufficient experience and authority to represent the Company in all dealings with the IRS, and is Consented to by the Investor Member or Special Member. If the Designated Individual is unable to perform the role required, no longer meets the requirements of the Code and Treasury Regulations or ceases to be employed by the Managing Member or its Affiliate, the Managing Member shall take all necessary action to cause such person to resign as the Designated Individual and to cause the Company to designate a successor representative that would otherwise qualify under this Agreement and under the Code and Treasury Regulations as a permissible Designated Individual. The Managing Member shall take any and all action required under the Code or Treasury Regulations (including on all applicable Company tax returns), as in effect from time to time, to cause the Company to designate the Managing Member as the Partnership Representative and the chosen person as the Designated Individual. The Managing Member shall cause the Designated Individual to agree to comply with all restrictions and obligations imposed on the Partnership Representative as set forth in this Agreement. In the event that the Special Member exercises its right to become a managing member and to assume duties of the Partnership

Representative, the pre-existing Partnership Representative will resign in accordance with Treas. Reg. § 301.6223-1(d)(1) and the Company will redesignate the new managing member as Partnership Representative in accordance with Treas. Reg. § 301.6223-1(d)(1).

Each Member, by its execution of this Agreement, Consents to such designation of the Partnership Representative by the Company and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

11.09 Authority of Partnership Representative .

(a) The Partnership Representative shall have and perform all of the duties required under the Code and Treasury Regulations, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Member to the IRS; and

(ii) Represent the Company in all dealings with the IRS and state and local taxing authorities in accordance with the obligations and restrictions imposed by this Agreement;

(iii) Within five calendar days after the receipt by the Managing Member or an Affiliate thereof or the Company of any correspondence or communication relating to the Company or a Member or an Affiliate of a Member from the IRS or state or local taxing authority, the Partnership Representative shall forward to each Member a photocopy of all such correspondence or communication(s). The Partnership Representative shall, within five calendar days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the IRS or state or local taxing authority.

(b) The Partnership Representative shall, upon request by the Investor Member and the State Credit Investor, permit the Investor Member and the State Credit Investor to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative appeals process.

(c) The Partnership Representative shall, solely upon request by the Investor Member, make an election pursuant to Sections 6221 or 6226 of the Code on behalf of the Company, provided the Company is permitted to make such election pursuant to the Code or Treasury Regulations thereunder.

(d) The Partnership Representative shall not without the Consent of the Special Member and the State Credit Investor:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount or character of any Company tax items);

(ii) Engage an accounting firm or counsel to represent the Company before the IRS;

(iii) Settle any audit with the IRS concerning the adjustment or readjustment of any Company item(s);

(iv) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request or select the forum for judicial review of any Internal Revenue Service determination;

(v) Initiate or settle any judicial review or action concerning the amount or character of any Company tax item(s);

(vi) Intervene in any action brought by any other Member for judicial review of a final Company administrative adjustment;

(vii) Make an election pursuant to Sections 6221(b) or 6226(a) of the Code on behalf of the Company;

(viii) Take action pursuant to Treasury Regulations promulgated under Section 6225(c); or

(ix) Take any other action not expressly permitted by this Section 11.09 on behalf of the Members of the Company in connection with any administrative or judicial tax proceeding.

(e) In the event of any Company-level proceeding instituted by the IRS pursuant to Sections 6221 through 6241 of the Code or by any other federal, state or local tax authority, the Partnership Representative shall consult with the Special Member regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding. The Partnership Representative also shall consult with the Special Member regarding the nature and content of any proceeding pursuant to Sections 6221 through 6241 of the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Company or otherwise). The Partnership Representative will provide the Investor Member and Special Member with notice reasonably in advance of any meetings or conferences with respect to any administrative or judicial proceedings relating to the determination of Company items at the Company-level (including any meetings or conferences with counsel or advisors to the Company with respect to such proceedings) and the Investor Member and Special Member shall have the right to participate, at the Investor Member's and Special Member's sole cost and expense, in any such meetings or conferences. In any such proceedings, the Partnership Representative shall take any action or omit to take any action, if reasonably requested by the Investor Member or Special Member.

(e) If, at any time, the Managing Member desires to accept a settlement offer or other proposed resolution of a tax dispute, and the Investor Member and Special Member do not, then, to the extent permitted by the Code and Treasury Regulations, the Special Member may elect to take control of such tax dispute (including by being appointed as the Partnership Representative for the relevant period) and resolve such tax dispute in the best interest of the Company, as reasonably determined by the Special Member. If exercised, this election shall apply only to such contested tax dispute and not to any other past, future, or pending dispute with a tax authority or other Company matter. Moreover, the exercise of this election shall not relieve the Managing Member of any of its other obligations under this Agreement, including its obligation to manage the Company.

(f) In the event that an election described in Code Section 6226(a) is not made with respect to any notice of final partnership adjustment, each Member shall be obligated to make a capital contribution in an amount equal to such Member's share of the imputed underpayment (and any associated interest and penalties) owed by the Company under Code Section 6225. For purposes of the preceding sentence, each Member's share of such imputed underpayment (and associated interest and penalties) shall be determined by taking into account (i) such Member's share of the income, gain, loss, deductions, basis and credits to which such adjustment and imputed underpayment relate, as determined by the Accountants; (ii) such Member's obligation (if any) to indemnify, defend, or hold harmless the Company or any other Member for such imputed underpayment (and any associated interest and penalties) under this Agreement; (iii) such Member's obligations and liabilities arising from or related to such Member's representations, warranties and covenants in this Agreement; and (iv) the obligations of the Managing Member(s) under Section 5.01(e) (relating to Tax Credit adjustments). For example, if an imputed underpayment were to relate to an adjustment or disallowance of Tax Credits previously allocated to the Investor Member, and such adjustment or disallowance would give rise to an obligation of the Managing Member to make a capital contribution under Section 5.01(e) (relating to Tax Credit adjustments), then such Managing Member, rather than the Investor Member, would be required to make the capital contribution described in this paragraph.

11.10 Expenses of Partnership Representative. The Company shall indemnify and reimburse the Partnership Representative for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the Managing Member. The Managing Member shall have the obligation to provide funds for such purpose to the extent that Company funds are not otherwise available therefor. The taking of any action and the incurring of any expense by the Partnership Representative in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Partnership Representative and the provisions on limitations of liability of the Managing Member and indemnification set forth in Section 8.08 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such. Sections 11.08, 11.09 and this Section 11.10 of the Agreement shall survive termination of any Member's interest



in the Company for any reason and shall be binding on all Members, including former Members.

ARTICLE XII  
SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 6.03, unless a majority in interest of the other Members, within ninety (90) days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company, subject to the provisions of Section 6.03;

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the Commonwealth of Virginia.

12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a Certificate of Cancellation shall be filed in such offices within the Commonwealth of Virginia as may be required or appropriate and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective positive Capital Account balances and in accordance with Treas. Reg. §1.704-1(b)(2)(ii)(b)(2). The Members believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02, 11.03 and 11.05, allocate the Company's gains, profits and losses in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances.

If the Company's gains, profits and losses are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE XIII  
BOOKS AND RECORDS, ACCOUNTING,  
TAX ELECTIONS, ETC.

13.01 Books of Account. The Managing Member shall keep proper and complete books of account for the Company. Such books of account shall be kept at the principal office of the Company and shall be open at all times for examination and copying by the Investor Member or its authorized representatives. The Managing Member shall retain such books of account for six years after the later of the termination of the Company or the end of all applicable compliance periods under the Regulations. All decisions as to the fiscal year and accounting methods to be used by the Company shall be made only with the prior written consent of the Investor Member and the State Credit Investor. In addition, the Managing Member shall comply with all record keeping and record retention requirements applicable to low-income housing projects under the Code and Regulations, and shall provide such information to the Members for their compliance.

### 13.02 Financial Reports.

(a) Agreement with VHCC. The Company shall enter into an agreement with Virginia Housing Capital Corporation (“VHCC”), essentially in the form attached hereto as **Exhibit J**, pursuant to which VHCC will provide certain accounting and reporting services to the Company.

(b) Monthly Reports. Within ten days after the end of each month, the Managing Member shall deliver to the Members with respect to such month a cash flow statement for the Company, with a detailed itemization of all Company receipts and expenses, and with such additional information as shall be reasonably requested by the Members (the foregoing, collectively, the "Cash Flow Report"). Notwithstanding the foregoing, if the Investor Member and the State Credit Investor believes that the Project is experiencing or may experience adverse operating results or any other material adverse condition, the Investor Member and the State Credit Investor, by Notice to the Managing Member, may require the delivery of Cash Flow Reports within five days after the end of each month, until such time as the Investor Member and the State Credit Investor believes that the adverse condition affecting the Project is no longer present or threatened. At Investor Member's and the State Credit Investor's request, copies of all proposed leases and tenant income certification information for the initial occupant of each dwelling unit shall be delivered concurrently with such Cash Flow Report prior to execution thereof by the Company.

(c) Governmental and Lender Reports. The Managing Member shall also deliver to the Investor Member and the State Credit Investor any financial or performance report required to be provided by the Company to any federal, state or local governmental agency or to any Company lender. Any such report shall be delivered to the Investor Member and the State Credit Investor within five days after such report is filed with any such governmental agency or Company lender.

13.03 Budgets and General Disclosure. The Managing Member shall prepare and deliver to the Investor Member and the State Credit Investor no later than the 60 days prior to the beginning of each fiscal year of the Company a detailed annual operating and capital improvements budget for the operation of the Project during such fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the Managing Member or its Affiliates. Such a budget shall be deemed "approved" for purposes of this Agreement only when such budget has been approved by the Investor Member and the State Credit Investor. The Managing Member shall keep the Investor Member and the State Credit Investor informed concerning the general state of the business and financial condition of the Company and shall, upon the reasonable request of the Investor Member and the State Credit Investor, furnish to the Investor Member and the State Credit Investor full information, accounts and documentation concerning the state of the business and financial condition of the Company. The Managing Member shall also provide the following statements or disclosures to the Investor Member and the State Credit Investor:

(a) Semiannual Reports. Semiannually, within 45 days after the end of the second and fourth fiscal quarters of the Company, until the later to occur of the following events: (i) all Capital Contribution installments of the Investor Member and the State Credit Investor have been made, or (ii) the Project is placed in service, a report on the status of the Company. Such report will include the following, and will contain updated and revised information if there has been any change in facts previously reported.

(i) a description of the Project, including the status of construction or rehabilitation to be performed in connection with the Project (which information shall be provided on the Project until construction or rehabilitation is complete);

(ii) a description of the financing for the Project, including mortgage financing, any state or local government loans, any operating deficit guaranty, the Investor Member's and the State Credit Investor's Capital Contributions to the Company and any other contributions or loans to the Company;

(iii) a description of any applicable rental subsidy for the Project;

(iv) the terms of any performance bonds, development cost guarantees, operating deficit guarantees and other credit enhancements provided in connection with the Project;

(v) the fees, and other financial incentives provided to the Managing Member and its Affiliates; and

(vi) any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(b) Annual Reports. Within 100 days after the end of each fiscal year of the Company, a statement prepared by the Managing Member, which statement shall include the following:

(i) a report summarizing the fees, commissions, compensation and other remuneration and reimbursed expenses paid by the Company for such fiscal year to the Managing Member or any Affiliates of the Managing Member and the services performed;

(ii) a report of the activities and investments of the Company during the period covered by the report; and

(iii) a comparison of actual and projected tax benefits for the year.

The statement will be accompanied by audited financial statements of any Affiliate Guarantor.

(c) Demands for Payment. Within three business days of the exercise thereof, any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(d) Notices of Default. Immediately upon notice of such a default, any default by the Company in any loan, including any state or local government loan or other financial obligation, of the Company or its Managing Member.

(e) Notices of IRS Proceedings. Immediately upon receipt of such notice, any notice of any IRS proceeding or any other audit, review or inspection by an federal, state or local governmental agency or Project Lender involving the Company.

13.04 Tax Information. The Managing Member shall file all necessary tax forms related to the formation of the Company, including, if required, Form 8264 (related to the registration of a tax shelter). VHCC shall also provide such federal tax information as required under its agreement with the Company as set forth on Exhibit J.

13.05 Selection of Accountants. The Investor Member and the State Credit Investor shall be entitled to select a firm of certified public accountants that are experienced in LIHTC and that will prepare the Company's year-end financial statements and the Company's annual tax returns. The fee of such accountants shall be paid by the Investor Member and the State Credit Investor out of the accounting fee payable to it pursuant to Section 8.21 of this Agreement.

13.06 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member or the State Credit Investor, the Company may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member and the State Credit Investor, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member and the State Credit Investor. Each Member agrees to furnish the Company with all information necessary to give effect to such election.

13.07 Fiscal Year and Accounting Method. The fiscal year of the Company shall be the fiscal year of the Investor Member, which ends at December 31; provided, however, that upon request from the Investor Member, the fiscal year of the Company shall become the calendar year. All Company accounts shall be determined on an accrual basis.

13.08 Late Report Penalties. In the event that the reports of information provided for in Sections 13.02(b) or 13.03 above are, at any time, not provided within the time frames set forth therein, the Managing Member shall be obligated to pay to the Investor Member and the State Credit Investor the sum of \$200.00 per day, as liquidated damages, for each day from the date upon which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided in form acceptable to the Investor Member and the State Credit Investor. In the event that the reporting requirements set forth in any of the above provisions of this Article XIII are not met, the Investor

Member and the State Credit Investor, in its reasonable discretion, may direct the Managing Member to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Investor Member and the State Credit Investor; provided, however, that if the Managing Member, the Investor Member and the State Credit Investor cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Member and the State Credit Investor in their sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Managing Member.

#### ARTICLE XIV AMENDMENTS

14.01 Proposal and Adoption of Amendments. This Agreement may be amended by the Managing Member with the Consent of the Investor Member and the State Credit Investor; provided that such Consent shall not be unreasonably withheld as to any proposed amendment which does not affect the obligations of the Managing Member or the rights of any of the Members under this Agreement; and further provided that, if the Investor Member or State Credit Investor proposes an amendment to this Agreement which either (a) increases or imposes upon the Investor Member or State Credit Investor the obligation to restore a deficit balance in its respective Capital Account, or (b) prospectively decreases the obligation of the Investor Member or the State Credit Investor to restore a deficit balance in its respective Capital Account in a subsequent Fiscal Year of the Company, the Managing Member shall effectuate the adoption of such amendment; provided, however, that the Managing Member shall not be liable to the Investor Member and the State Credit Investor for any adverse tax consequences that may result from any such increase or decrease.

#### ARTICLE XV CONSENTS, VOTING AND MEETINGS

15.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited.

15.02 Submissions to Investor Member and the State Credit Investor. The Managing Member shall give the Investor Member and the State Credit Investor Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the Investor Member and the State Credit Investor. Such Notice shall include any information required by the relevant provision or by law.

15.03 Meetings: Submission of Matter for Voting. A majority in Interest of the Investor Member and the State Credit Investor shall have the authority to convene meetings of the Company and to submit matters to a vote of the Members.

ARTICLE XVI  
GENERAL PROVISIONS

16.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

16.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16.04 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06 Liability of the Investor Member and the State Credit Investor. Notwithstanding anything to the contrary contained herein, neither the Investor Member, the State Credit Investor nor any of their respective members shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member and the State Credit Investor under this Agreement, except that the Investor Member and the State Credit Investor shall each be personally obligated to fund its Capital Contributions when, as and if required by this Agreement and subject to any defenses and offsets it may have with respect to the funding of such Capital Contributions. In the event that the Investor Member or State Credit Investor shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member or State Credit Investor, shall be either against the respective Interest of the Investor Member or State Credit Investor (whichever one is in default), and the capital contributions of the investor members of the Investor Member and State Credit Investor (either directly or through another Investor Member) allocated to, and remaining for investment in, the Company; provided, however, that under no circumstances shall the liability of the Investor Member or the State Credit Investor for any such default be in excess

of the amount of Capital Contribution payable by the Investor Member or the State Credit Investor to the Company, under the terms of this Agreement, at the time of such default, less the value of the Interest of the Investor Member or the State Credit Investor, if such Interest is claimed as compensation for damages.

16.07 Environmental Protection.

(a) The Managing Member warrants and represents that to the best of the Managing Member's knowledge, after diligent inquiry, there presently are not, in, on, or under the Project nor will there be, in, on, or under the Project, upon completion of the construction: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601, et seq., as amended ("CERCLA"), or any other hazardous or toxic substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to, petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous Substances"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the Project under any federal, state, or local law, rule, regulation, or ordinance.

(b) The Managing Member further represents and warrants that (i) neither it nor, to the best of its knowledge, any other party has been, is or will be involved in operations at or, pursuant to the Managing Member's best knowledge, near the Land, which operations could lead to (A) a determination of liability under the Hazardous Waste Laws as to the Company or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will use best efforts not to permit, any tenant or occupant of the Project to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Project.

(c) The Managing Member further warrants and represents to the best of the Managing Member's knowledge that the Project is in compliance with all applicable Hazardous Waste Laws, and the Managing Member has not received notice of any violations of the Hazardous Waste Laws. The Managing Member covenants and agrees to take all necessary action within its control to ensure that the Project is in compliance with the Hazardous Waste Laws at all times and that the Project remains free from the presence of any Hazardous Substances in, on or under the Project. The Managing Member will promptly deliver any notice it may receive of any violation of the Hazardous Waste Laws to the Investor Member, the State Credit Investor and the Special Member.

(d) The Managing Member agrees to indemnify and hold harmless the



Company, the Investor Member, the State Credit Investor, the Special Member, and any member of any such entities (the "Indemnified Parties") from and against all claims, actions, causes of action, liability, and expense (including, without limitation, attorneys' fees, court costs, and remedial and response costs) incurred or suffered by, or asserted by any person, entity, or governmental agency against the Indemnified Parties due to breach of the Managing Member of the Company's representations, warranties, or covenants, or a violation of the Hazardous Waste Laws, or the presence of Hazardous Substances in, on, or under the Project. The foregoing indemnification shall be a recourse obligation of the Managing Member and shall (to the full extent permitted by law) survive the dissolution of the Company and the death, dissolution, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the Managing Member.

(e) For purposes of this Agreement, the term "Hazardous Waste Laws" shall mean any governmental requirements pertaining to land use, air, soil, subsoil, surface water, groundwater (including the quality of, protection, clean-up, removal, remediation or damage of or to land, air, soil, subsoil, surface water and groundwater), including, without limitation, the following laws as the same may be from time to time amended: the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401 et seq., the Transportation Safety Act of 1974, portions of which are located at 49 U.S.C. § 1801 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., or any so-called "superfund" or "superlien" law, together with any other foreign or domestic laws (federal, state, provincial or local), common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, release or threatened releases of any Hazardous Substances into ambient air, land, soil, subsoil, surface water, groundwater, personal property or structures, or otherwise relating to the manufacture, processing distribution, use treatment, storage, disposal, transport, discharge or handling of any Hazardous Substances, now or at any time hereafter in effect.

16.08 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express (or another nationally recognized overnight delivery service) for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

(a) To the Investor Member or Special Member:

Housing Equity Fund of Virginia XXIII, L.L.C.  
RL State Preservation Fund 2019, L.L.C.  
VAHM, L.L.C.  
c/o Virginia Housing Capital Corporation

1840 West Broad Street, Suite 200  
Richmond, Virginia 23220-2151

with a copy to:

Applegate & Thorne-Thomsen, P.C.  
425 South LaSalle Street, Suite 1900  
Chicago, Illinois 60605  
Attention: Paul Davis

(b) To the Managing Member:

Ann Wingfield Commons LLC  
c/o Culpeper Community Development Corporation, Inc.  
602 S. Main Street  
Culpeper, Virginia 22701  
Attention: Executive Director

With a copy to:

Fray, Hudson, Clark & Walker, LLP  
115 S. West Street  
Culpeper, VA 22701  
Attention: Samuel R. Walker

(b) To the State Credit Investor:

RL State Preservation Fund 2019, LLC  
c/o Virginia Housing Capital Corporation  
1840 West Broad Street, Suite 200  
Richmond, Virginia 23220-2151

with a copy to:

Applegate & Thorne-Thomsen, P.C.  
425 South Financial Place, Suite 1900  
Chicago, Illinois 60605  
Attention: Paul Davis

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail, the time period in which a response to any such notice,

demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express (or another nationally recognized overnight delivery service) or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

16.09 Headings. All section headings are for convenience only and shall not be taken into consideration in interpreting or otherwise construing this Agreement.

16.10. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

16.11. VHDA Mortgage Requirements. Notwithstanding any other provision of this Agreement, this limited liability company and the Members shall be subject to regulation and supervision by the Virginia Housing Development Authority ("VHDA") in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of VHDA, and the Regulatory Agreement executed or to be executed by the Company for the benefit of VHDA and shall be further subject to the exercise by VHDA of the rights and powers conferred on VHDA thereby. Notwithstanding any other provision of this Agreement, VHDA may rely upon the continuing effect of this provision which shall not be amended, altered, waived, supplemented or otherwise changed without the prior written consent of VHDA.

16.12. Decisions by Investor Member and State Credit Investor. In the event this Agreement requires the consent or approval of, or that a decision be made by both the Investor Member and the State Credit Investor, the decision made by the Investor Member with respect to such matter shall control if there is a conflict.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement of Ann Wingfield Commons LLC as of the date first written above.

MANAGING MEMBER:

Ann Wingfield Management LLC,  
a Virginia limited liability company


By: Culpeper Community Development  
Corporation, Inc., a Virginia not-for-profit  
corporation, its sole member

By: Tony Hooper  
Name: Tony Hooper  
Title: President

INVESTOR MEMBER – HEF XXIII:


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

By: Virginia Housing Capital Corporation, a Virginia corporation, its managing member

By:   
Arild O. Trent, Vice President

SPECIAL MEMBER:


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

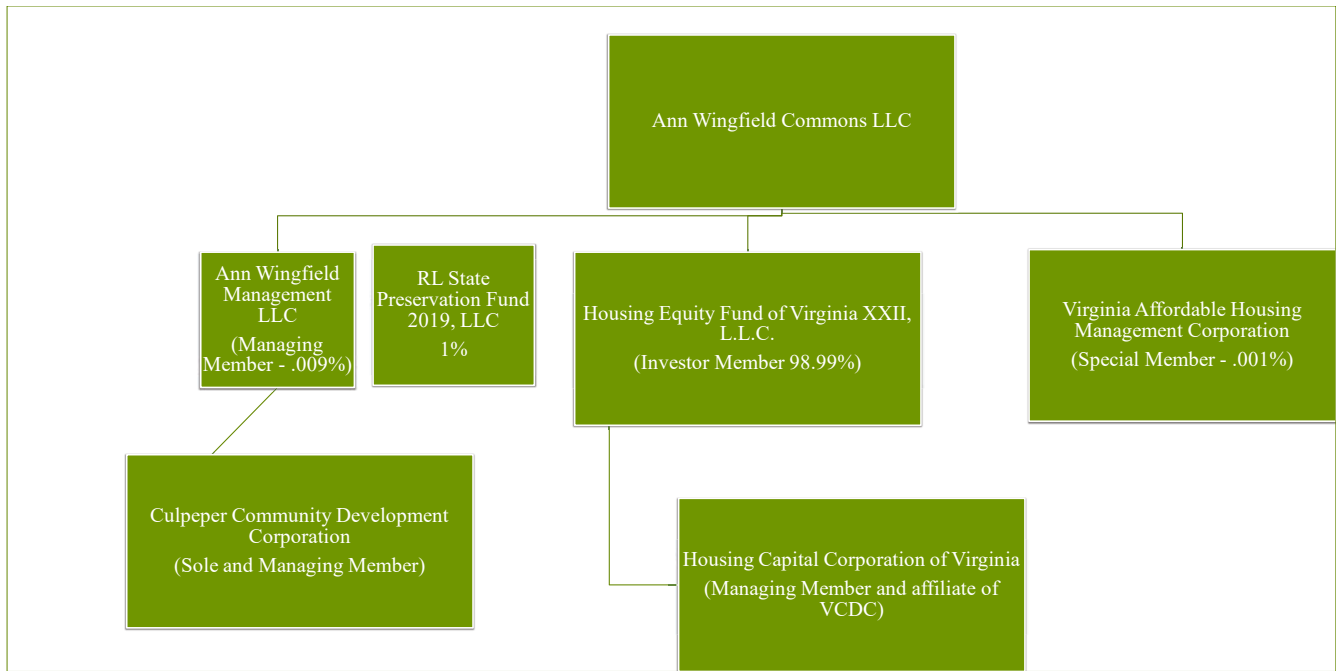
By:   
Arild O. Trent, Vice President

STATE CREDIT INVESTOR:

RL State Preservation Fund 2019, LLC, a Virginia limited liability company

By: Virginia Housing Capital Corporation, a Virginia corporation, its manager

By:   
Arild O. Trent, Vice President



# Low-Income Housing Credit Allocation and Certification

▶ Go to [www.irs.gov/Form8609](http://www.irs.gov/Form8609) for instructions and the latest information.

**Part I Allocation of Credit**

Check if:  Addition to Qualified Basis  Amended Form

<b>A</b> Address of building (do not use P.O. box) (see instructions) 201 N East Street Culpeper, VA 22701	<b>B</b> Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
<b>C</b> Name, address, and TIN of building owner receiving allocation Ann Wingfield Commons LLC 215 East Spencer Street Culpeper, VA 22701  TIN ▶ 83-0816498	<b>D</b> Employer identification number of agency 54-0921892  <b>E</b> Building identification number (BIN) VA0101001

<b>1a</b> Date of allocation ▶ 12/6/2019	<b>b</b> Maximum housing credit dollar amount allowable	<b>1b</b>	\$221,352
<b>2</b> Maximum applicable credit percentage allowable (see instructions)		<b>2</b>	9.00 %
<b>3a</b> Maximum qualified basis		<b>3a</b>	\$2,459,467
<b>b</b> Check here <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)			
		<b>3b</b>	1 0 5 %
<b>4</b> Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		<b>4</b>	0.00 %
<b>5</b> Date building placed in service	▶ 11/30/2020		
<b>6</b> Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized    b <input type="checkbox"/> Newly constructed and <b>not</b> federally subsidized    c <input type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized    e <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures <b>not</b> federally subsidized f <input checked="" type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

**Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only**

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	3.3.22 <small>Date</small>
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**Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period**

<b>7</b> Eligible basis of building (see instructions)	<b>7</b>
<b>8a</b> Original qualified basis of the building at close of first year of credit period	<b>8a</b>
<b>b</b> Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>9a</b> If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>b</b> For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>10</b> Check the appropriate box for each election. <b>Caution:</b> Once made, the following elections are irrevocable.	
<b>a</b> Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>b</b> Elect <b>not</b> to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes
<b>c</b> Elect minimum set-aside requirement (section 42(g)) (see instructions): <input type="checkbox"/> 20-50 <input type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)	
<b>d</b> Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	54-0921892 <small>Taxpayer identification number</small>	03/04/2022 <small>Date</small>
Tony Hooper <small>Name (please type or print)</small>	First year of the credit period	

**OPERATING AGREEMENT  
OF  
ANN WINGFIELD MANAGEMENT LLC**

This Operating Agreement made on the 27<sup>th</sup> day of July, 2018 is made and entered into between the Company and Culpeper Community Development Corporation, sole member of the Company.

**Article I**

**The Company**

1.1 **Name.** The name of the company is Ann Wingfield Management LLC (hereinafter "the Company").

1.2 **Purpose.** The exclusive purpose of the Company is to serve as Managing Member of Ann Wingfield Commons LLC, which company is to acquire, rehabilitate and operate an affordable housing project in the Town of Culpeper, Culpeper County, Virginia, known as Ann Wingfield Commons (hereinafter "The Project") and to engage in any lawful business necessary to accomplish that purpose.

1.3 **Term.** The term of the company shall continue perpetually in accordance with the Act and this agreement.

**Article II**

**Definitions**

Capitalized terms found elsewhere in this Agreement shall have the meanings given them in such text. Otherwise as used in this Agreement, the following terms shall have the meanings set forth below:

"Act" means the Virginia Limited Liability Company Act, Sections 13.1-1000 *et seq.* of the 1950 *Code of Virginia*, as amended.

"Agreement" means this operating agreement as initially executed or as amended from time to time, as context may require.



*"Capital Contribution"* means with, respect to Managing Member, the cash and the initial fair market value of any other property that the Managing Member (or its predecessor in interest) has contributed to the Company pursuant to the terms of this agreement.

*"Proceeds"* means the net cash proceeds realized by the Company from (a) refinancing of any mortgage, (b) a capital transaction, or (c) elimination of any unnecessary funded reserve previously established and maintained in connection with any mortgage or other Company financing.

*"Capital Transaction"* means the sale, exchange, liquidation, or other disposition of, or any condemnation, award, or casualty, loss, recovery with respect to all or any part of the Property.

*"Code"* means the Internal Revenue Code of 1986 as amended and any successor statute.

*"Company"* means Ann Wingfield Commons Management LLC.

*"Member"* means Culpeper Community Development Corporation, the Managing and Sole Member of the Company.

*"Mortgage"* means any company liability secured by real or personal property or any interest therein owned by the Company.

*"Notice"* means a writing containing all information as necessary to satisfy the purposes for which notice is being given, which is personally delivered, sent by postal or reputable overnight delivery service, or mailed, first class postage prepaid, addressed as applicable to a member at its address as it appears on the Company's records.

*"Profits"* means the excess of all income of the Company over all expenses of the Company (included the amount of any gains recognized by the Company on the sale or other disposition of property) during a fiscal year, all as determined in accordance with method of accounting utilized by the Company for Federal Income Tax Purposes.

*" Virginia Code"* means the 1950 Code of Virginia as amended.

## Article III

### GENERAL

**3.1. Principle Place of Business.** The Principle Place of Business of the Company shall be at 602 S Main Street, Suite 3, Culpeper, Virginia, 22701 or at such other location as designated by the Managing Member.

**3.2. Registered Office and Agent.** The initial Registered Agent and Office of the Company is Monica J. Chernin, 402 N. West Street, PO Box 1221, Culpeper, Virginia, 22701, in Culpeper County.

**3.3. Organizational Documents.** Company's Articles of Organization and this operating agreement shall constitute all organizational documents of the Company.

## Article IV

### Member and Capital Contributions

**4.1. Initial Capital Contribution.** Initial Capital Contributions of the Managing Member are set forth on Exhibit A, which is attached hereto and made a part hereof.

**4.2. Additional Capital Contributions.** The Managing Member shall not be required to make any additional capital contributions without written consent of the parties hereto.

**4.3. - Limited Liability.** The Managing member shall not be liable for the debts, liabilities, contracts, or other obligations of the Company. Except as provided by state law, the Managing Member shall be liable only to make its Capital Contribution and shall not be required to lend any funds to the Company or to make any additional contributions to the Company, except as provided hereinabove..

## **Article V**

### **Allocations and Distributions**

**5.1. Capital Accounts.** A Capital Account shall be established and maintained on the books of the Company for each member in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv).

**5.2. Distributions of Net Cash Flow.** Net cash flow of the Company shall be distributed to the Members at such time as agreed upon by both parties hereto.

**5.3. Distribution of Profits and Losses.** All profits and losses of the Company will be allocated to the Member according to its interest as set forth on Exhibit A hereto.

## **Article VI**

### **Management of the Company**

**6.1. Management.** The Company shall be managed by its Managing Member and the Managing Member shall have full charge of all affairs and business of the Company and of the management and control of the Company. The Managing Member shall have all the rights and powers as are conferred by law or as it deems necessary, advisable, or convenient in managing the business and the affairs of the Company. The Managing Member designates Tony Hooper as its authorized representative for all matters concerning the Project. The signature of Tony Hooper will bind the Company in all such matters.

**6.2. Action by Consent.** Any action required or permitted to be taken at a

**6.3. Purchase Option and Right of First Refusal.** The Company is expressly authorized to enter into an exclusive nonprofit Purchase Option and Right of First Refusal Agreement with Culpeper Community Development Corporation, a qualified nonprofit organization, per the requirements of section 42 of the Internal Revenue Code of 1986 as amended .

## **Article VII**

### **Indemnification**

**7.1. Indemnity.** Subject to the limitations of the Act, the Company shall indemnify and hold harmless to the full extent permitted by the Act, its Member and any partner, shareholder, director, officer, manager, agent, affiliate, professional, or other advisor of the Members (collectively the "Indemnified Persons"), from and against any and all loss, damage, and expense, (including without limitation, fees and expenses of attorneys and other advisors and any court costs incurred by any indemnified Person) or liability by reason of anything, any indemnified Person does or refrains from doing, or in connection with the business or affairs of the Company (INCLUDING ANY LOSS, DAMAGE, EXPENSE OR LIABILITY CAUSED BY OR ATTRIBUTABLE TO THE ORDINARY OR SIMPLE NEGLIGENCE AS OPPOSED TO GROSS NEGLIGENCE OF THE INDEMNIFIED PERSON), except to the extent that the loss, damage, expense, or liability results primarily from the indemnified person's gross negligence or willful breach of a material provision of this agreement which in either event causes actual material damage to the Company.

## **Article VIII**

### **Meetings**

**8.1 No Annual Meeting.** The Member is not required by the Act to have a meeting and no annual meeting shall be held.

**8.2 Action Without a Meeting.** Action may be taken by the Company by each Member consenting to such action in writing in lieu of a meeting as allowed by section 6.2 of this agreement and any such action so taken shall have the effect of a meeting and vote.

## **Article IX**

### **Dissolution.**

**9.1 Events Resulting in Dissolution.** The Company will be dissolved upon the earlier of the expiration of its term or the occurrence of any of the following: (a) the decision of the Member to dissolve the Company (b) as required by the Act or other provision of this agreement (c) upon the occurrence of any other event which under the laws of the Commonwealth of Virginia would otherwise cause the Company's dissolution winding up and liquidation.

**9.2 Winding Up and Distribution.** Upon the dissolution of the Company the Company's business shall be wound up by the payment of any outstanding liabilities and expenses of the Company including without limitation those liabilities and expenses related to the "Property" or such other interests as acquired by the Company which are not assumed by the successor in ownership. The Company shall thereafter establish such reserves for unknown or contingent liabilities as the member may deem appropriate or may otherwise determine necessary as of the date of dissolution. Any remaining balance shall be distributed to the member hereto according to its interest as more fully set forth in Exhibit A.

## Article X

### Miscellaneous

**10.1. Accounting Decisions.** All decisions as to accounting matters except as expressly provided in this agreement shall be made by the Managing Member.

**10.2. Bank Accounts.** All funds of the Company shall be deposited in its name at a financial institution approved by the Member and such checking and savings accounts or time deposits or certificates of deposit as shall be designated from time to time by the Member.

**10.3. Books and Records.** At all times during the term of the Company, the Company 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. The Member's designated representatives shall 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 Company shall keep at its personal office the following: (a) a current list of the full name and last known business address of the Member (b) a copy of the Articles of Organization, Certificate of Organization and all Articles of Amendment and Certificates of Amendment (c) copies of the Company's federal, state, and local Income Tax Returns and reports, if any (d) copies of this agreement as amended from time to time (e) financial statements of the Company.

**10.4. Custody of Company Funds.** The Managing Member shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Company whether or not in its immediate possession or control.

**10.5. Further Action.** The Member hereto shall execute and deliver such papers, documents, and instruments and perform such acts as necessary or appropriate to implement the terms hereof.

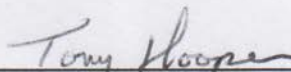
**10.6. Severability.** If any provision of this agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this agreement the legality, validity, and enforceability of the remaining provisions of this agreements shall not be effected thereby and if necessary, such provisions as are determined to be illegal, invalid, or unenforceable shall be amended as agreed upon by the Members to render them legal, valid, and enforceable.

**10.7 Governing Law.** This agreement is entered into in contemplation of the laws now existing in the Commonwealth of Virginia and the Commonwealth of Virginia shall govern the determination and validity of this agreement and the construction of its terms.

**10.8. Parties and Interests.** Subject to the provisions contained herein each and all of the covenants, terms, provisions, and agreements contained herein shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and assigns of the Member.

**10.9. Amendments to the Agreement.** This agreement may be amended by written action taken by the Member at any time.

IN WITNESS WHEREOF the Members have executed this agreement effective as of the date set forth hereinabove.



---

Managing Member  
Culpeper Community Development Corporation

Exhibit A

<b>Member</b>	<b>Percentage</b>	<b>Contribution</b>
Managing Member Culpeper Community Development Corporation 402 N. West Street Culpeper Virginia, 22701	100%	\$100

# **Tab Q:**

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



March 4, 2022



Mr. JD Bondurant  
LIHTC Program Director  
Virginia Housing Development Authority  
601 S. Belvidere Street  
Richmond, VA 23220-6500

Re: Parkside Apartments, LLC  
2022-ASH-01

Dear Mr. Bondurant:

The Rappahannock-Rapidan Community Services, Inc. is the Virginia Housing contracted administrator for the Housing Choice Voucher Program in a five county area including Orange, Culpeper, Rappahannock, Madison and Fauquier. We are pleased to work with the Culpeper Community Development Corporation to administer the \$850,000 grant from the PATH Foundation as project-based rental subsidy attached to the Parkside Apartments development at 250 Gardner Street in Culpeper.

Our staff will work with the property management team on the ground in qualifying potential applicants, maintaining resident files, and disbursing the subsidy. We will utilize the same criteria and guidelines that we currently employ for HCV applicants under the federal program.

We understand that the subsidy program will cover a minimum of 6 households at any one time living at the Parkside Apartments and that the subsidy is intended to last for the full 15 year initial compliance period.

Please don't hesitate to contact me if you should have any further questions about this commitment.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim LaGrafte', is written over a light blue horizontal line.

Jim LaGrafte  
Executive Director



## PATH FOUNDATION

Tony Hooper, President  
Culpeper Housing and Shelter Services  
215 E. Spencer St.  
Culpeper, VA 22701

Dear Mr. Hooper:

I am pleased to inform you that on January 20, 2022, the PATH Foundation Board of Directors provided conditional approval of grant funds in the amount of \$850,000 to Culpeper Housing and Shelter Services (CHASS). The purpose of these funds is to support a fifteen-year rental subsidy reserve at the 3.13 acre site between N.Kelly and Gardner Streets in Culpeper Virginia and where the future Parkside low-income housing units will be constructed. This rental subsidy reserve is designed to serve the same function as a Housing Choice Voucher Program that would normally be administered by a housing authority. Given the absence of a housing authority serving this area, the PATH Foundation is excited to be part of this creative solution.

This PATH Foundation funding is contingent upon:

1. CHASS receiving approval of their 2022 application to Virginia Housing for low income housing tax credits dedicated to the Parkside development.
2. Confirmation of the financial commitments of Virginia Housing, Virginia Department of Housing and Community Development, Rappahannock Rapidan Regional Commission and/or other funders that, combined with the PATH Foundation conditional commitment, meet the overall financial package required to make the Parkside development viable.

Once these contingencies are satisfied, PATH Foundation will grant funds in one or more installments that can begin sooner, but definitely no later, than needed to address the rental subsidy needs of the first subsidy-eligible residents to occupy the new units.

Thank you for bringing this opportunity to the PATH Foundation. We look forward to working with you to improve low income housing options for the residents of our communities. If you have questions, please contact Senior Program Officer, Andy Johnston.

Sincerely,

Christy Connolly  
President/CEO

# **Tab R:**

Documentation of Operating Budget and Utility Allowances

## Virginia Housing | Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

**Family Name:** \_\_\_\_\_  
**Unit Address:** \_\_\_\_\_

**Voucher Size\*:** \_\_\_\_\_ **Unit Bedroom Size\*:** \_\_\_\_\_

*\*Use smaller size to calculate tenant-supplied utilities and appliances.*

		<b>Unit Type: 2 Exposed Walls</b>				<b>Effective Date: 07/01/2021</b>			
<b>Utility</b>	<b>Usage</b>	Monthly Dollar Amount							
		<b>0 BR</b>	<b>1 BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>5 BR</b>	<b>6 BR</b>	<b>7BR</b>
<b>Appliance</b>	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
<b>Bottled Gas</b>	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$46.00	\$65.00	\$83.00	\$102.00	\$129.00	\$148.00	\$166.00	\$185.00
	Water Heating	\$19.00	\$27.00	\$34.00	\$41.00	\$53.00	\$61.00	\$68.00	\$76.00
<b>Electricity</b>	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00
	Cooling (A/C)	\$5.00	\$6.00	\$8.00	\$11.00	\$14.00	\$15.00	\$17.00	\$19.00
	Home Heating	\$19.00	\$25.00	\$33.00	\$39.00	\$50.00	\$57.00	\$64.00	\$71.00
	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
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$8.00	\$12.00	\$15.00	\$19.00	\$23.00	\$27.00	\$30.00	\$34.00
	Water Heating	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00
<b>Oil</b>	Home Heating	\$27.00	\$38.00	\$48.00	\$59.00	\$75.00	\$86.00	\$97.00	\$107.00
	Water Heating	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00
<b>Sewer</b>	Other	\$21.00	\$29.00	\$38.00	\$46.00	\$59.00	\$67.00	\$76.00	\$84.00
<b>Trash Collection</b>	Other	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
<b>Water</b>	Other	\$18.00	\$24.00	\$31.00	\$37.00	\$48.00	\$54.00	\$61.00	\$68.00
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$

# **Tab S:**

Supportive Housing Certification

# Virginia Housing Permanent Supportive Housing Services Certification

Permanent Supportive Housing is housing consisting of units designated for individuals or families that are homeless, at-risk of homelessness or who have multiple barriers to independent living.

Best practices are described by the U.S. Department of Health and Human Services:  
<http://store.samhsa.gov/shin/content/SMA10-4510/SMA10-4510-06-BuildingYourProgram-PSH.pdf>

For consideration, provide **all** of the following:

1. Attach a list of developments for which you've provided permanent supportive housing services. Describe the types of services that were provided.
2. A signed copy of an MOU with a local service provider agency(ies). If no MOU exists, the service provider must sign this certification. If neither is available, provide an explanation for the lack of demonstrated partnership and describe how the property will receive referrals and from whom the residents will receive services.

3. Describe your target population(s).

homeless or formerly homeless	very low income households
people with disabilities	

4. List the types of supportive services to be offered.

case management	job search services
budget counseling	life skills training
mental health counseling	housing search assistance

5. Who will be providing supportive services?

Rappahannock Rapidan Community Services	
Culpeper Housing and Shelter Services	

6. What percentage of the total number of units will be marketed to and held available for tenants in need of supportive services?

15 %

In addition, I/we certify the following:

## Services

**Tenant choice.** Supportive housing tenants will have choices in what support services they receive (i.e., not a limited menu of services). Individual Support Plans will reflect tenant-defined needs and preferences. As supportive service tenants' needs change over time, tenants can receive more or less intensive support services.

**Assertive outreach and engagement.** The service team will use a variety of outreach and engagement techniques to bring tenants into helping relationships.

**Case management.** Case managers will serve as the bridge between tenants and the supports that help them achieve stability and long-term tenancy.

**Recovery supports.** Services will include at least one of the following:

- Mainstream supports, e.g., income supports from public benefits programs, healthcare from hospitals and clinics and employment help from vocational agencies
- Specialized supports, e.g., life skills training, budgeting, medication management and behavioral health treatment
- Natural supports, e.g., connections with peers, family, community and faith communities

**Housing**

**Tenant choice.** Supportive housing tenants will be able to choose where they want to live. Tenants cannot be evicted from their housing for rejecting services.

**Access.** Supportive housing units will be available to people who are experiencing homelessness, are precariously housed and/or who have multiple barriers to housing stability, including disabilities and substance abuse.

**Quality.** Supportive housing units will be similar to other units in the project.

**Integration.** Supportive housing tenants with disabilities will have a right to receive housing and supportive services in the most integrated settings available, including in buildings that include neighbors who do not have disabilities and where there is access to an array of community services and resources used by people with and without disabilities.

**Rights of tenancy.** Supportive housing tenant leases or subleases will confer full rights of tenancy, including limitations on landlords' entry into the property and the right to challenge eviction in landlord-tenant court. Tenants can remain in their homes as long as the basic requirements of tenancy are met—paying the rent, not interfering with other tenants' use of their homes, not causing property damage, etc. House rules, if any, are similar to those found in other housing.

**Affordability.** Supportive housing tenants should pay no more than 30% of their incomes toward rent and basic utilities.

**Coordination between housing and services.** Property managers and support service staff will stay in regular communication and coordinate their efforts to help prevent evictions and to ensure tenants facing eviction have access to necessary services and supports.

**Delineated roles.** There will be a functional separation of roles, with the housing elements (rent collection, property maintenance, enforcement of responsibilities of tenancy) carried out by different staff than those providing services (case management, mental health treatment, wraparound services).

The undersigned Owner certifies that each of the above statements is true and correct.

I/We agree that the commitment to provide supportive housing will remain in place throughout the Compliance Period (as described in the Extended Use Agreement).

03/02/2022  
Date

Owner/Applicant

By: Tony Hooper

Its: President of CHASS, the Managing Member of the Managing Member

Title

RAPPANNOCK RIVIERA Community Services  
Service Provider

By: James LaGriffe

Its: Executive Director

Title

# **Tab T:**

Funding Documentation





## PATH FOUNDATION

Tony Hooper, President  
Culpeper Housing and Shelter Services  
215 E. Spencer St.  
Culpeper, VA 22701

Dear Mr. Hooper:

I am pleased to inform you that on January 20, 2022, the PATH Foundation Board of Directors provided conditional approval of grant funds in the amount of \$850,000 to Culpeper Housing and Shelter Services (CHASS). The purpose of these funds is to support a fifteen-year rental subsidy reserve at the 3.13 acre site between N.Kelly and Gardner Streets in Culpeper Virginia and where the future Parkside low-income housing units will be constructed. This rental subsidy reserve is designed to serve the same function as a Housing Choice Voucher Program that would normally be administered by a housing authority. Given the absence of a housing authority serving this area, the PATH Foundation is excited to be part of this creative solution.

This PATH Foundation funding is contingent upon:

1. CHASS receiving approval of their 2022 application to Virginia Housing for low income housing tax credits dedicated to the Parkside development.
2. Confirmation of the financial commitments of Virginia Housing, Virginia Department of Housing and Community Development, Rappahannock Rapidan Regional Commission and/or other funders that, combined with the PATH Foundation conditional commitment, meet the overall financial package required to make the Parkside development viable.

Once these contingencies are satisfied, PATH Foundation will grant funds in one or more installments that can begin sooner, but definitely no later, than needed to address the rental subsidy needs of the first subsidy-eligible residents to occupy the new units.

Thank you for bringing this opportunity to the PATH Foundation. We look forward to working with you to improve low income housing options for the residents of our communities. If you have questions, please contact Senior Program Officer, Andy Johnston.

Sincerely,

Christy Connolly  
President/CEO



March 9, 2022

Mr. Tony Hooper  
President  
Culpeper Community Development Corporation/Culpeper Housing and Shelter Services  
215 E Spencer Street  
Culpeper, VA 22902

Re: Parkside Apartments 2022-ASH-01

Dear Mr. Hooper:

Rappahannock -Rapidan Community Services (RRCS) is a political subdivision of the Commonwealth of Virginia with a Board of Directors appointed by five local governments comprising Planning District 9 (PD9) of Virginia. We are organized as a Virginia non-profit corporation with 501 c(3) designation from the IRS. RRCS provides counseling, case management, skill development and housing services to individuals with Behavioral Health, Intellectual/ Developmental Disabilities, Infants and toddlers with delayed developmental milestones and older adults. RRCS serves as the Community Services Board and Area Agency on Aging for PD9.

I am pleased to inform you that RRCS has agreed to provide below market rate financing to the Parkside Apartments project in the amount of \$800,000. The financing will be in the form of a loan at 0% interest with a 30-year term. The award of these funds is contingent upon approval of an allocation of low-income housing tax credits by the Virginia Housing Development Authority, and other financing necessary for the complete development of the property and is further subject to the normal review and approval as to the form and substance of the documentation by me as well as the statutorily required review by the political subdivision's counsel, John Bennett, who has been working closely with me.

We understand that our funds will be used for the new construction of 37 apartment units and related community space on property located at 250 Gardner Street in Culpeper Virginia. This badly needed affordable housing will be a critical component of a regional plan to address the issues of homelessness and housing insecurity.

Thank you for bringing this opportunity to the Rappahannock Rapidan Community Services, and we wish you luck in your applications for financing. We look forward to working with you on this exciting endeavor.



Sincerely,

A handwritten signature in blue ink, appearing to read "Jim LaGraffe", with a long horizontal flourish extending to the right.

Jim LaGraffe  
Executive Director  
Rappahannock-Rapidan Community Services



# Rappahannock-Rapidan

## REGIONAL COMMISSION

---

### OFFICERS

CHAIR  
MEAGHAN TAYLOR

VICE-CHAIR  
PAUL S. MCCULLA

TREASURER  
GREG WOODS

SECRETARY &  
EXECUTIVE DIRECTOR  
PATRICK L. MAUNEY

### COMMISSIONERS

CULPEPER COUNTY  
GARY DEAL  
JOHN EGERTSON

TOWN OF CULPEPER  
CHRIS HIVELY  
MEAGHAN TAYLOR

FAUQUIER COUNTY  
CHRISTOPHER T. BUTLER  
PAUL S. MCCULLA

TOWN OF THE PLAINS  
LORI B. SISSON

TOWN OF REMINGTON  
EVAN H. "SKEET" ASHBY

TOWN OF WARRENTON  
BRANDIE SCHAEFFER  
HEATHER SUTPHIN

MADISON COUNTY  
R. CLAY JACKSON  
JONATHON WEAKLEY

TOWN OF MADISON  
WILLIAM L. LAMAR

ORANGE COUNTY  
JAMES CROZIER  
THEODORE VOORHEES

TOWN OF GORDONSVILLE  
ROBERT COINER

TOWN OF ORANGE  
MARTHA B. ROBY  
GREG WOODS

RAPPAHANNOCK COUNTY  
GARREY W. CURRY, JR.  
DEBBIE DONEHEY

TOWN OF WASHINGTON  
FREDERIC CATLIN

February 28, 2022

Mr. Tony Hooper  
President  
Culpeper Housing and Shelter Services/Culpeper Community Development Corporation  
602 S. Main St #3  
Culpeper, VA 22701  
[nthooper@gmail.com](mailto:nthooper@gmail.com)

Re: Parkside Apartments, 250 Gardner Street, Culpeper, VA 22701

Dear Mr. Hooper,

Thank you for your interest and participation in the PDC Housing Development Program Grant process. Based on your application containing a proposed number of 37 housing units, we believe that your project meets the threshold criteria established by Virginia Housing for the PDC Housing Development Program.

We are pleased to share that your project has been selected by the Rappahannock Rapidan Regional Commission as a recipient of the PDC Housing Development Grant. The Rappahannock Rapidan Regional Commission (RRRC) has allocated grant funds in the amount of **\$380,000** to your organization for the Parkside Apartments.

Over the next several months, RRRC will work with your organization to develop written agreements as to the use of the funding, process for reimbursement, and additional program requirements.

Please note that the funds allocated to your organization are contingent upon, at minimum, successful award of other funding sources noted in your application to the PDC Housing Development Program. We will work with your organization to address these contingencies, to the extent that we are able.

Congratulations on this initial allocation of funds from the PDC Housing Development Program and we look forward to working with your organization to support construction of much-needed affordable housing units to benefit the citizens of the Rappahannock-Rapidan region.

Sincerely,



Patrick Mauney  
Executive Director

# **Tab U:**

Acknowledgement by Tenant of the availability of Renter  
Education provided by Virginia Housing

## Virginia Housing Renter Education Program

Whether it's a house, apartment, duplex or townhouse, renting can have its advantages over purchasing. Here are some resources to help you understand and explore your options for finding affordable rental housing in Virginia. As a renter, you have certain rights that protect you and your interests, but you also have responsibilities. Become familiar with what you need to know.

Virginia Housing provides Renters the opportunity to complete free courses and access other resources at their website. Renters are encouraged but not required to access this information.

To begin, Renters need to create an account on the VHDA website that is included in the links below. The eBook is a comprehensive resource that covers financial readiness, credit, searching for rentals, the application, the lease agreement, security deposit, tenant rights & responsibilities, housekeeping, and maintenance & repairs.

The online course is available in both English and Spanish. It is comprised of nine (9) standalone modules/chapters and is available 24 hours a day. A Certificate of Completion is made available at the completion of each chapter. Renters can download the certificate, print, save, and share by email if desired.

### Links for Assistance to Renters Before Taking the Renter Education Program:

<https://www.virginiahousing.com/renters>

<https://www.virginiahousingsearch.com/Resources.html>

<https://www.virginiahousing.com/renters/education>

Acknowledgment of Renter of \_\_\_\_\_ (Apartments):

Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Printed: \_\_\_\_\_

# **Tab V:**

Nonprofit or LHA Purchase Option or Right of First  
Refusal

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

**RIGHT OF FIRST REFUSAL AGREEMENT**  
**(Parkside Apartments)**

RIGHT OF FIRST REFUSAL AGREEMENT (the “Agreement”) dated as of [Closing Date] by and among **PARKSIDE APARTMENTS LLC**, a Virginia limited liability company (the “Owner” or the “Company”), , **CULPEPER COMMUNITY DEVELOPMENT CORPORATION/CULPEPER HOUSING AND SHELTER SERVICES**, a Virginia non-stock nonprofit corporation (the “Grantee”), and is consented to by **PARKSIDE APARTMENTS MANAGEMENT LLC**, a Virginia limited liability company (the “Managing Member”), **[INVESTOR ENTITY]**, a [[\_\_\_\_\_]\_\_\_\_\_] limited liability company (the “Investor Member”) and **[[\_\_\_\_\_] ] SPECIAL LIMITED PARTNER, L.L.C.**, a [\_\_\_\_\_]\_\_\_\_\_] limited liability company (the “Special Member”). The Managing Member, the Investor Member and the Special Member are sometimes collectively referred to herein as the “Consenting Members”. The Investor Member and Special Member are sometimes collectively referred to herein as the “Non-Managing Members”. This Agreement shall be fully binding upon and inure to the benefit of the parties and their successors and assigns to the foregoing.

Recitals

A. The Owner, pursuant to its [Amended and Restated] Operating Agreement dated on or about the date hereof by and among the Consenting Members (the “Operating Agreement”), is engaged in the ownership and operation of an 47-unit apartment project for families located in Culpeper, Virginia and commonly known as “Parkside Apartments” (the “Project”). The real property comprising the Project is legally defined on **Exhibit A**.

B. The Grantee is a member of the Managing Member of the Owner and is instrumental to the development and operation of the Project; and

C. The Owner desires to give, grant, bargain, sell and convey to the Grantees certain rights of first refusal to purchase the Project on the terms and conditions set forth herein;

D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Operating Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge, the parties hereby agree as follows:

Section 1. Right of First Refusal

The Owner hereby grants to the Grantee a right of first refusal (the “Refusal Right”) to purchase the real estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof and owned by the Company at the time (the “Property”), for the price and subject to the other terms and conditions set forth below. The Property will include any



reserves of the Partnership that is required by the Virginia Housing Development Authority (“Virginia Housing” or the “Credit Authority”) or any lender of a loan being assumed in connection with the exercise of the Refusal Right to remain with the Project.

Section 2. Exercise of Refusal Right; Purchase Price

A. After the end of the Compliance Period, the Company agrees that it will not sell the Property or any portion thereof to any Person without first offering the Property to the Grantee (the “Refusal Right”), for the Purchase Price (as defined in Section 3); *provided, however*, that such Refusal Right shall be conditioned upon the receipt by the Company of a “bona fide offer” (the acceptance or rejection of which shall not require the Consent of the Members). The Company shall give the notice of its receipt of such offer (the “Offer Notice”) and shall deliver a copy of the Offer Notice to the Grantee. Upon receipt by the Grantee of the Offer Notice, the Grantee shall have 90 days to deliver to Company a written notice of its intent to exercise the Refusal Right (the “Election Notice”). An offer made with the purchase price and basic terms of the proposed sale from a third party shall constitute a “bona fide offer” for purposes of this Agreement. Such offer (i) may be solicited by the Grantee or the Managing Member (with such solicitation permitted to begin at any time following the end of the fourteenth (14<sup>th</sup>) year of the Compliance Period provided that the Election Notice may not be sent until the end of the Compliance Period) and (ii) may contain customary due diligence, financing, and other contingencies. Notwithstanding anything to the contrary herein, a sale of the Project pursuant to the Refusal Right shall not require the Consent of the Non-Managing Members [or of Virginia Housing].

B. If the Grantee fails to deliver the Election Notice within ninety (90) days of receipt of the Offer Notice, or if such Election Notice is delivered but the Grantee does not consummate the purchase of the Project within 270 days from the date of delivery of the Election Notice (each, individually, a “Terminating Event”), then its Refusal Right shall terminate and the Company shall be permitted to sell the Property free of the Refusal Right.

Section 3. Purchase Price; Closing

A. The purchase price for the Property pursuant to the Refusal Right (the “Purchase Price”) shall equal the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, and any accrued interest on any of such debts and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners or members of the Non-Managing Members. Notwithstanding the foregoing, however, the Purchase Price shall never be less than the amount of the “minimum purchase price” as defined in Section 42(i)(7)(B) of the Code. The Refusal Right granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. In computing such price, it shall be assumed that each of the Non-Managing Members of the Owner (or their constituent partners or members) has an effective combined federal, state and local income tax rate equal to the maximum of such rates in effect on the date of Closing.

B. All costs of the Grantee’s purchase of the Property pursuant to the Refusal Right, including any filing fees, shall be paid by Grantee.

C. The Purchase Price shall be paid at Closing in one of the following methods:

(i) the payment of all cash or immediately available funds at Closing,  
or

(ii) the assumption of any assumable Loans if Grantee has obtained the consent of the lenders to the assumption of such Loans, which consent shall be secured at the sole cost and expense of Grantee; provided, however, that any Purchase Price balance remaining after the assumption of the Loans shall be paid by Grantee in immediately available funds.

#### Section 4. Conditions Precedent; Termination

A. Notwithstanding anything in this Agreement to the contrary, the right of the Grantee to exercise the Refusal Right and consummate any purchase pursuant thereto is contingent on each of the following being true and correct at the time of exercise of the Refusal Right and any purchase pursuant thereto:

(i) the Grantee or its assignee shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a “Qualified Beneficiary”); and

(ii) the Project continues to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

B. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in a writing signed by the Grantee and each of the Consenting Members:

(i) the transfer of the Property to a lender in total or partial satisfaction of any loan; or

(ii) any transfer or attempted transfer of all or any part of the Refusal Right by the Grantee, whether by operation of law or otherwise, except as otherwise permitted under Section 7 of this Agreement; or

(iii) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code, or

(iv) the Grantee fails to deliver its Election Notice or consummate the purchase of the Property within the timeframes set forth in Section 2 above.

#### Section 5. Contract and Closing

Upon determination of the purchase price, the Owner and the Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with the terms of this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Property is located, providing for a closing (the “Closing”) to occur in the [\_\_\_\_], Virginia not later than the timeframes set

forth in Section 2. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right.

Section 6. Conveyance and Condition of the Property

The Owner's right, title and interest in the Property shall be conveyed by quitclaim deed, subject to such liens, encumbrances and parties in possession as shall exist as of the date of Closing. The Grantee shall accept the Property "**AS IS, WHERE IS**" and "**WITH ALL FAULTS AND DEFECTS**," latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Property will be provided. It is a condition to Closing that all amounts due to the Owner and the Investor Member from the Grantee or its Affiliates be paid in full. The Grantee shall pay all closing costs, including, without limitation, the Owner's attorney's fees. Upon closing, the Owner shall deliver to the Grantee, along with the deed to the property, an ALTA owner's title insurance policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances and other exceptions then affecting the title.

Section 7. Transfer

The Refusal Right shall not be transferred to any Person without the Consent of the Investor Member, except that the Grantee may assign all or any of its rights under this Agreement to an Affiliate of Grantee (a "Permitted Assignee") at the election and direction of the Grantee or to any assignee that shall be a "qualified nonprofit organization" as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a "Qualified Beneficiary").

In the case of any transfer of the Refusal Right (i) all conditions and restrictions applicable to the exercise of the Refusal Right or the purchase of the Property pursuant thereto shall also apply to such transferee, and (ii) such transferee shall be disqualified from the exercise of any rights hereunder at all times during which Grantee would have been ineligible to exercise such rights hereunder had it not effected such transfer.

Section 8. Rights Subordinate; Priority of Requirements of Section 42 of the Code

This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the Mortgage Loans encumbering the Property. In addition, it is the intention of the parties that nothing in this Agreement be construed to affect the Owner's status as owner of the Property for federal income tax purposes prior to exercise of the Refusal Right granted hereunder. Accordingly, notwithstanding anything to the contrary contained herein, both the grant and the exercise of the Refusal Right shall be subject in all respects to all applicable provisions of Section 42 of the Code, including, in particular, Section 42(i)(7). In the event of a conflict between the provisions contained in this Agreement and Section 42 of the Code, the provisions of Section 42 shall control.

Section 9. Option to Purchase

A. The parties hereto agree that if the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant an “option to purchase” pursuant to Section 42(i)(7) of the Code as opposed to a “right of first refusal” without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then the parties shall amend this Agreement and the Owner shall grant the Grantee an option to purchase the Property at the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

B. If the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a “right of first refusal to purchase partner interests” and/or “purchase option to purchase partner interests” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner as owner of its project for federal income tax purposes (or the status of the Investor Member as a partner of the Company for federal income tax purposes) then the parties shall amend this Agreement and the Investor Members shall provide a right of first refusal and/or purchase option, as the case may be, to acquire their Interests for the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

#### Section 10. Notice

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given and received (i) two (2) business days after being deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) one (1) business day after being delivered to a nationally recognized overnight delivery service, (iii) on the day sent by telecopier or other facsimile transmission, answer back requested, or (iv) on the day delivered personally, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the other party:

(i) If to the Owner, at the principal office of the Company set forth in Article II of the Operating Agreement;

(ii) If to a Consenting Member, at their respective addresses set forth in Schedule A of the Operating Agreement;

(iii) If to the Grantee, Tony Hooper, President; and

#### Section 11. Severability of Provisions

Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

Section 12. Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 13. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 14. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of law. Notwithstanding the foregoing, Company, Investor Member and Grantee do not intend the Refusal Right in this Agreement to be a common law right of first refusal but rather intend it to be understood and interpreted as a mechanism authorized by Section 42 of the Code to allow non-profit entities to preserve affordable housing for low-income families in accordance with Grantee's charitable objectives.

Section 15. Headings

All headings in this Agreement are for convenience of reference only. Masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 16. Amendments

This Agreement shall not be amended except by written agreement between Grantee and the Owner with the consent of each of the Consenting Members [and Virginia Housing].

Section 17. Time

Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.

Section 18. Legal Fees

Except as otherwise provided herein, in the event that legal proceedings are commenced by the Owner against the Grantee or by the Grantee against the Owner in connection with this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover all reasonable attorney's fees and expenses.

Section 19. Subordination

This Agreement is and shall remain automatically subject and subordinate to any bona fide mortgage to (or assigned to) an institutional or governmental lender with respect to the Project and, in the event of a foreclosure of any such mortgage, or of the giving of a deed in lieu of foreclosure to any such mortgagee, this Agreement shall become void and shall be of no further force or effect.

Section 20. Rule Against Perpetuities Savings Clause

The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. If any provision of this Agreement is construed as violating and applicable “Rule Against Perpetuities” by statute or common law, such provision will be deemed to remain in effect only until the death of the last survivor of the now living descendants of any member of the 116th Congress of the United States, plus twenty-one (21) years thereafter. This Agreement and the Refusal Right herein granted are covenants running with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.

Section 21. Third Party Beneficiary; Virginia Housing Rights and Powers

The Virginia Housing Development Authority (“Virginia Housing”) shall be a third party beneficiary to this Agreement, and the benefits of all of the covenants and restrictions hereof shall inure to the benefit of Virginia Housing, including the right, in addition to all other remedies provided by law or in equity, to apply to any court of competent jurisdiction within the Commonwealth of Virginia to enforce specific performance by the parties or to obtain an injunction against any violations hereof, or to obtain such other relief as may be appropriate. The Authority and its agents shall have those rights and powers with respect to the Project as set forth in the Act and the Virginia Housing Rules and Regulations promulgated thereunder, including without limitation, those rights and powers set forth in Chapter 1.2 of Title 365 of the Code of Virginia (1950), as amended, and 13VAC10-180-10 et seq., as amended.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Right of First Refusal Agreement as of the date first stated above.

**OWNER:**

**PARKSIDE APARTMENTS LLC**, a [Virginia] limited liability company

By: Parkside Apartments Management LLC, a [Virginia] limited liability company, its managing member

By: Culpeper Community Development Corporation/Culpeper Housing and Shelter Services

By: Tony Hooper

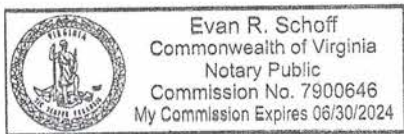
COMMONWEALTH OF VIRGINIA )  
CITY/COUNTY OF Stafford )

On March 2<sup>nd</sup>, 2022, before me, the undersigned, a notary public in and for said state, personally appeared Anthony Hooper, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as President of the managing member of the Parkside Apartments Management LLC, which is the managing member of **Parkside Apartments LLC** and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public

Commission expires: 06/30/2024

Registration No.: 7900646



**GRANTEE:**

Culpeper Community Development Corp.

, a Virginia non-stock nonprofit corporation

By: Tony Hooper  
Name: Tony Hooper  
Title: President

COMMONWEALTH OF VIRGINIA )  
CITY/COUNTY OF Stafford )

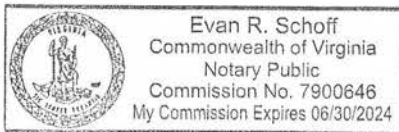
On March 2<sup>nd</sup>, 2022, before me, the undersigned, a notary public in and for said state, personally appeared [Anthony Hooper], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as President, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

Evan R. Schoff

Notary Public

Commission expires: 06/30/2024

Registration No.: 7900646





The undersigned hereby consents to the foregoing Right of First Refusal Agreement as of the date first set forth hereinabove.

**MANAGING MEMBER:**

**PARKSIDE APARTMENTS MANAGEMENT LLC**, a Virginia limited liability company

By: Culpeper Community Development Corporation/  
Culpeper Housing and Shelter Services

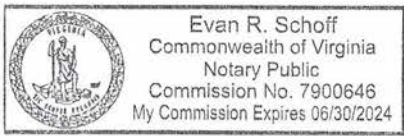
By: Tony Hooper

COMMONWEALTH OF VIRGINIA       )  
  )  
CITY/COUNTY OF Stafford             )

On March 2<sup>nd</sup>, 2022, before me, the undersigned, a notary public in and for said state, personally appeared [Anthony Hooper], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as President of Culpeper Community Development Corporation/Culpeper Housing and Shelter Services, the sole member of Parkside Apartments Management LLC, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.

[Signature]  
Notary Public

Commission expires: 06/30/2024  
Registration No.: 7900646





**EXHIBIT A**

**LEGAL DESCRIPTION**

[insert legal]

Legal Description from deed  
Parkside Apartments

ALL THAT certain tract or parcel of land, located between the east side of Kelly Street and the west side of Gardner Street Extended, in the Town and County of Culpeper, State of Virginia, containing 3.131 acres, more or less, according to a plat of survey made by Curry T. Guinn, Jr., on September 10, 1971, attached to and made a part of a deed recorded in Deed Book 225, Page 291.

TOGETHER WITH and subject to a certain roadway used for ingress/egress as shown on the above-mentioned plat of survey, also being described in a Right of Way Agreement dated February 3, 1958, and recorded in Deed Book 149, Page 492.

# **Tab W:**

Internet Safety Plan and Resident Information Form (if internet amenities selected)

# Draft Internet Security Plan

## Network Security:

### 1. Purpose

This standard specifies the technical requirements that wireless infrastructure devices must satisfy to connect to a (Owner) network. Only those wireless infrastructure devices that meet the requirements specified in this standard or are granted an exception by the InfoSec Team are approved for connectivity to the Owner's network.

Network devices including, but not limited to, hubs, routers, switches, firewalls, remote access devices, modems, or wireless access points, must be installed, supported, and maintained by an Information Security (Infosec) approved support organization.

### 2. Scope

All employees, contractors, consultants, temporary and other workers at Owner and its subsidiaries/affiliates, including all personnel that maintain a wireless infrastructure device on behalf of the Owner, must comply with this standard. This standard applies to wireless devices that make a connection the network and all wireless infrastructure devices that provide wireless connectivity to the network. Infosec must approve exceptions to this standard in advance.

### 3. Standard

#### 3.1 General Requirements:

All wireless infrastructure devices that connect to the Owner's network or provide access to the Owner Confidential, Owner Highly Confidential, or Owner Restricted information must:

- Use Extensible Authentication Protocol-Fast Authentication via Secure Tunneling (EAP-FAST), Protected Extensible Authentication Protocol (PEAP), or Extensible Authentication Protocol-Translation Layer Security (EAP-TLS) as the authentication protocol.
- Use Temporal Key Integrity Protocol (TKIP) or Advanced Encryption System (AES) protocols with a minimum key length of 128 bits.
- All Bluetooth devices must use Secure Simple Pairing with encryption enabled.4.2Lab and Isolated Wireless Device Requirements
- Lab device Service Set Identifier (SSID) must be different from the Owner's production device SSID.
- Broadcast of lab device SSID must be disabled.4.3 Home Wireless Device Requirements  
All home wireless infrastructure devices that provide direct access to the Owner's network, such as those behind Enterprise Teleworker (ECT) or hardware VPN, must adhere to the following:
- Enable WiFi Protected Access Pre-shared Key (WPA-PSK), EAP-FAST, PEAP, or EAP-TLS

- When enabling WPA-PSK, configure a complex shared secret key (at least 20 characters) on the wireless client and the wireless access point
- Disable broadcast of SSID
- Change the default SSID name
- Change the default login and password

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosec team will verify compliance to this policy through various methods, including but not limited to, periodic walk-thrus, video monitoring, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosec Team in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## Equipment

### 1. Purpose

The purpose of this policy is to outline the acceptable use of computer equipment at (Owner). These rules are in place to protect the employee and Owner. Inappropriate use exposes the Owner to risks including virus attacks, compromise of network systems and services, and legal issues.

### 2. Scope

This policy applies to the use of information, electronic and computing devices, and network resources to conduct the Owner's business or interact with internal networks and business systems, whether owned or leased by Owner, the employee, or a third party. All employees, contractors, consultants, temporary, and other workers at Owner and its subsidiaries are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources in accordance with Owner's policies and standards, and local laws and regulation. Exceptions to this policy are documented in section 5.2.

This policy applies to employees, contractors, consultants, temporaries, and other workers at Owner including all personnel affiliated with third parties. This policy applies to all equipment that is owned or leased by Owner.

### 3. Policy

#### 3.1 General Use and Ownership

3.1.1 Owner proprietary information stored on electronic and computing devices whether owned or leased by Owner, the employee or a third party, remains the sole property of the Owner. You must ensure through legal or technical means that proprietary information is protected in accordance with the Data Protection Standard.

3.1.2 You have a responsibility to promptly report the theft, loss or unauthorized disclosure of Owner proprietary information.

3.1.3 You may access, use or share Owner proprietary information only to the extent it is authorized and necessary to fulfill your assigned job duties.

3.1.4 Employees are responsible for exercising good judgment regarding the reasonableness of personal use. Individual departments are responsible for creating guidelines concerning personal use of Internet/Intranet/Extranet systems. In the absence of such policies, employees should be guided by departmental policies on personal use, and if there is any uncertainty, employees should consult their supervisor or manager.

3.1.5 For security and network maintenance purposes, authorized individuals within Owner may monitor equipment, systems and network traffic at any time, per Infosec's Audit Policy.

3.1.6 Owner reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

#### 3.2 Security and Proprietary Information

3.2.1 All mobile and computing devices that connect to the internal network must comply with the Minimum Access Policy.

3.2.2 System level and user level passwords must comply with the Password Policy. Providing access to another individual, either deliberately or through failure to secure its access, is prohibited.

3.2.3 All computing devices must be secured with a password-protected screensaver with the automatic activation feature set to 10 minutes or less. You must lock the screen or log off when the device is unattended.

3.2.4 Postings by employees from an Owner email address to newsgroups should contain a disclaimer stating that the opinions expressed are strictly their own and not necessarily those of the Owner, unless posting is in the course of business duties.



3.2.5 Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain malware.

### 3.3 Unacceptable Use

The following activities are, in general, prohibited. Employees may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., systems administration staff may have a need to disable the network access of a host if that host is disrupting production services).

Under no circumstances is an employee of Owner authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Owner-owned resources.

The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

#### 3.3.1 System and Network Activities

The following activities are strictly prohibited, with no exceptions:

- Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by Owner.
- Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which Owner or the end user does not have an active license is strictly prohibited.
- Accessing data, a server or an account for any purpose other than conducting Owner's business, even if you have authorized access, is prohibited.
- Exporting software, technical information, encryption software or technology, in violation of international or regional export control laws, is illegal. The appropriate management should be consulted prior to export of any material that is in question.
- Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).
- 6. Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
- Using an Owner computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user's local jurisdiction.
- Making fraudulent offers of products, items, or services originating from any Owner account.

- Making statements about warranty, expressly or implied, unless it is a part of normal job duties.
- Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service, and forged routing information for malicious purposes. 11. Port scanning or security scanning is expressly prohibited unless prior notification to Infosec is made.
- Executing any form of network monitoring which will intercept data not intended for the employee's host, unless this activity is a part of the employee's normal job/duty.
- Circumventing user authentication or security of any host, network or account.
- Introducing honeypots, honeynets, or similar technology on the <Company Name> network.
- Interfering with or denying service to any user other than the employee's host (for example, denial of service attack).
- Using any program/script/command, or sending messages of any kind, with the intent to interfere with, or disable, a user's terminal session, via any means, locally or via the Internet/Intranet/Extranet.
- Providing information about, or lists of, Owner's employees to parties outside Owner.

### 3.3.2 Email and Communication Activities

When using company resources to access and use the Internet, users must realize they represent the company. Whenever employees state an affiliation to the company, they must also clearly indicate that "the opinions expressed are my own and not necessarily those of the company". Questions may be addressed to the IT Department

- Sending unsolicited email messages, including the sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
- Any form of harassment via email, telephone or paging, whether through language, frequency, or size of messages.
- Unauthorized use, or forging, of email header information.
- Solicitation of email for any other email address, other than that of the poster's account, with the intent to harass or to collect replies.
- Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.
- Use of unsolicited email originating from within Owner's networks of other Internet/Intranet/Extranet service providers on behalf of, or to advertise, any service hosted by Owner or connected via Owner's network.
- Posting the same or similar non-business-related messages to large numbers of Usenet newsgroups (newsgroup spam).

### 3.3.3 Blogging and Social Media

1. Blogging by employees, whether using Owner's property and systems or personal computer systems, is also subject to the terms and restrictions set forth in this Policy. Limited and occasional use of Owner's systems to engage in blogging is acceptable, provided that it is done in a professional and responsible manner, does not otherwise violate Owner's policy, is not detrimental to Owner's best interests, and does not interfere with an employee's regular work duties. Blogging from Owner's systems is also subject to monitoring.
2. Owner's Confidential Information policy also applies to blogging. As such, Employees are prohibited from revealing any Owner confidential or proprietary information, trade secrets or any other material covered by Owner's Confidential Information policy when engaged in blogging.
3. Employees shall not engage in any blogging that may harm or tarnish the image, reputation and/or goodwill of Owner and/or any of its employees. Employees are also prohibited from making any discriminatory, disparaging, defamatory or harassing when blogging or otherwise engaging in any conduct prohibited by Owner's Non-Discrimination and Anti-Harassment policy.
4. Employees may also not attribute personal statements, opinions or beliefs to Owner when engaged in blogging. If an employee is expressing his other beliefs and/or opinions in blogs, the employee may not, expressly or implicitly, represent themselves as an employee or representative of Owner's Employees assume any and all risk associated with blogging.
5. Apart from following all laws pertaining to the handling and disclosure of copyrighted or export controlled materials, Owner's trademarks, logos and any other Owner intellectual property may also not be used in connection with any blogging activity

## 4. Policy Compliance

### 4.1 Compliance Measurement

The Infosecteam will verify compliance to this policy through various methods, including but not limited to, business tool reports, internal and external audits, and feedback to the policy owner.

### 4.2 Exceptions

Any exception to the policy must be approved by the Infosecteam in advance.

### 4.3 Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

## Internet Acceptable Use Policy (AUP)

All users of Internet services agree to and must comply with this Acceptable Use Policy (AUP). does not exercise editorial control or review over the content of any Web site, electronic mail transmission, paper printout, newsgroup, or other material created or accessible over or through the Services. However, may remove, block, filter, or restrict by any other means any materials that, in sole discretion, may be illegal, may subject to liability, or which may violate this AUP. may cooperate with legal authorities and/or third parties in the investigation of any suspected or alleged crime or civil wrong. Violation of this AUP may result in the suspension or termination of either access to the Services and/or account or other actions as detailed below.

The following constitute violations of this AUP (this list is intended to be illustrative and not exhaustive; other uses may violate the AUP and remains the sole and final arbiter of acceptable usage of its Services):

- **Illegal use:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that, intentionally or unintentionally, violates any applicable local, state, national or international law, or any rules or regulations promulgated there under.
- **Harm to minors:** Using the Services to harm, or attempt to harm, minors in any way.
- **Threats:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that threatens or encourages bodily harm or destruction of property.
- **Harassment:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that harasses another.
- **Fraudulent activity:** Using the Services to make fraudulent offers to sell or buy products, items, or services or to advance any type of financial scam such as "pyramid schemes", "Ponzi schemes", unregistered sales of securities, securities fraud and "chain letters."
- **Forgery or impersonation:** Adding, removing or modifying identifying network, message, or article header information in an effort to deceive or mislead is prohibited. Attempting to impersonate any person by using forged headers or other identifying information is prohibited. The use of anonymous remailers or nicknames does not constitute impersonation.
- **Unsolicited commercial email/Unsolicited bulk email:** Using the Services to transmit any unsolicited commercial email or unsolicited bulk email. Activities that have the effect of facilitating unsolicited commercial email or unsolicited bulk email, whether or not that email is commercial in nature, are prohibited. Using deliberately misleading headers in e-mails sent to multiple parties is prohibited.
- **Unauthorized access:** Using the Services to access, or to attempt to access, the accounts of others, or to penetrate, or attempt to penetrate, security measures of 's or another entity's computer software or hardware, electronic communications system, or telecommunications system, whether or not the intrusion results in disruption of service or the corruption or loss of data.
- **Copyright or trademark infringement:** Using the Services to transmit any material (by email, uploading, posting, or otherwise) that infringes any copyright, trademark, patent, trade secret, or other proprietary rights of any third party, including, but not limited to, the unauthorized copying of copyrighted material, the digitization and distribution of photographs from magazines, books, or other copyrighted sources, and the unauthorized transmittal of copyrighted software.
- **Collection of personal data:** Using the Services to collect, or attempt to collect, personal information about third parties without their knowledge or consent.
- **Reselling the services:** Reselling the Services without 's authorization.

- **Network disruptions and unfriendly activity:** Using the Services for any activity which adversely affects the ability of other people or systems to use Services or the Internet. This includes excessive consumption of network or system resources whether intentional or unintentional. This also includes "denial of service" (DoS) attacks against another network host or individual user. Interference with or disruption of other network users, network services or network equipment is prohibited. It is the users's responsibility to ensure that their system is configured, operated, and used in a manner to avoid excessive consumption of network or system resources. It is the users's responsibility to ensure that their system is configured in a secure manner. A user may not, through action or inaction, allow others to use their system for illegal or inappropriate actions. A user may not permit their system, through action or inaction, to be configured in such a way that gives a third party the capability to use their system in an illegal or inappropriate manner.
- **High Volume, Server Hosting, and non-traditional end user activities:** The Services are intended for an end user's periodic active use of email, instant messaging, browsing the World Wide Web, and other typical end user activities. High volume data transfers, especially sustained high volume data transfers, are prohibited. Hosting a web server, IRC server, or any other server is prohibited. Accordingly, maintains the right to terminate any user's connection following the detection of any high volume data transfer, server hosting, or non-traditional end user activity as determined by .

requests that anyone who believes that there is a violation of this AUP direct the information to the property manager.

If available, please provide the following information:

- The IP address used to commit the alleged violation
- The date and time of the alleged violation, including the time zone or offset from GMT
- Evidence of the alleged violation

When reporting an issue regarding unsolicited email please provide a copy of the email messages with full headers which typically provides all of the above data. Other situations will require different methods of providing the necessary information.

may take any one or more of the following actions, or other actions not listed, at 's sole discretion in response to complaints:

- Issue warnings: written or verbal
- Terminate the user's access
- Bill the user for administrative costs and/or reactivation charges
- Bring legal action to enjoin violations and/or to collect damages, if any, caused by violations.

reserves the right to revise, amend, or modify this AUP, and our other policies and agreements at any time and in any manner.

provides public access to the Internet. There are potentially serious security issues with any computer connected to the Internet without the appropriate protection. These security issues range from viruses, worms and other programs that can damage the user's computer to attacks on the computer by unauthorized or unwanted third parties. These parties, known commonly as "hackers" may attempt to penetrate the user's computer and download information from the user's computer. If the user has unprotected files on the computer, these files may be visible to hackers on the Internet, potentially

including parties with criminal intent. Hackers also exploit vulnerabilities in operating systems to cause malicious damage to a user's computer or even a whole company's network, up to and including the destruction or deletion of files or the re-formatting of drives. It is recommended that the user uses either a personal firewall or Virtual Private Network systems to protect this information.            advises the user that he/she should consult a security expert to determine whether there are any potential security holes in their computer's configuration.

SPECIFICALLY DISCLAIMS ANY LIABILITY FOR UNAUTHORIZED THIRD-PARTY SECURITY BREACHES OR THE RESULTS THEREOF.            PROVIDES ACCESS TO THE INTERNET AND THE NETWORK ON AN "AS IS" BASIS WITH ALL RISKS INHERENT IN SUCH ACCESS. BY CONNECTING TO THE            NETWORK, THE USER ACKNOWLEDGES THE RISKS ASSOCIATED WITH PUBLIC ACCESS TO THE INTERNET OR DOCUMENT PRINTING AND HEREBY RELEASES AND INDEMNIFIES            FROM ANY DAMAGES THAT MIGHT OCCUR.

Acknowledgment of Resident:

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

Printed: \_\_\_\_\_



The Internet might seem intimidating at first - a vast global communications network with billions of webpages. But in this lesson, we simplify and explain the basics about the Internet using a conversational non-technical style to make it understandable, useful, and enjoyable. There's no reason to be left out!

# Basic Internet Skills

Microsoft Windows PCs

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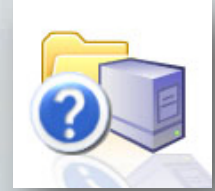
[www.NetLiteracy.org](http://www.NetLiteracy.org)





## What the Internet is:

The Internet, the web, cyberspace, and the 'net are all terms that generally mean the same thing, in this case, we will call it the Internet. The Internet is a **NET**work of computers, all over the world, **INTER**connected to each other and available to any individual. The Internet is used for many different activities including shopping, communicating, learning, and distributing information.



Unfortunately, you cannot open a door to a house and walk outside to “go into the Internet.” Computers are a primary tool you’ll utilize to use the Internet. The Internet is somewhat difficult to describe because you cannot touch it (in a way similar to software). It seems invisible—only computers can see it – and you can see it through a computer. Sometimes the Internet is best described in comparison to a library. The Internet is made up of many individual components, just like a library is made up of many books. The Internet’s components have even more individual parts, just like a book has pages.

## Changing Constantly:

The Internet is a useful source of information about news, sports, and entertainment because it changes along with the minute-by-minute events that occur in the world brings. This might seem confusing. However, it is not

necessarily so—the Internet can be thought of as a “dynamic” living organism that changes and adapts to its environment. The Internet changes very quickly—just watching a 24 hour news channel on the television. The content on some websites is updated every few seconds.

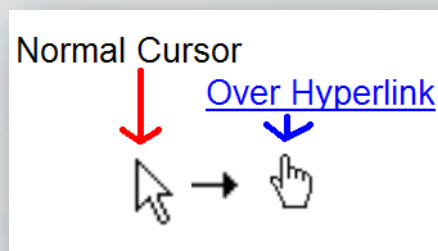




## Purpose / Content of Websites

On the Internet, there are many websites. These are usually made for one specific purpose; they range from informing you about the news to teaching you how to cook.

The best analogy of a website is a comparison to an entire book or an entire newspaper. Websites are made up of “pages,” just like newspapers and books.



Websites are usually independent, however sometimes they are linked together by hyperlinks (also called links) that allow you to jump from one website to another website. These links allow you to “turn the page,” and move around on the Internet. They are usually underlined and **blue**, however they can be any color and or even a picture. How

do you identify a hyperlink? When your mouse hovers over a hyperlink, the arrow changes into a pointing hand.

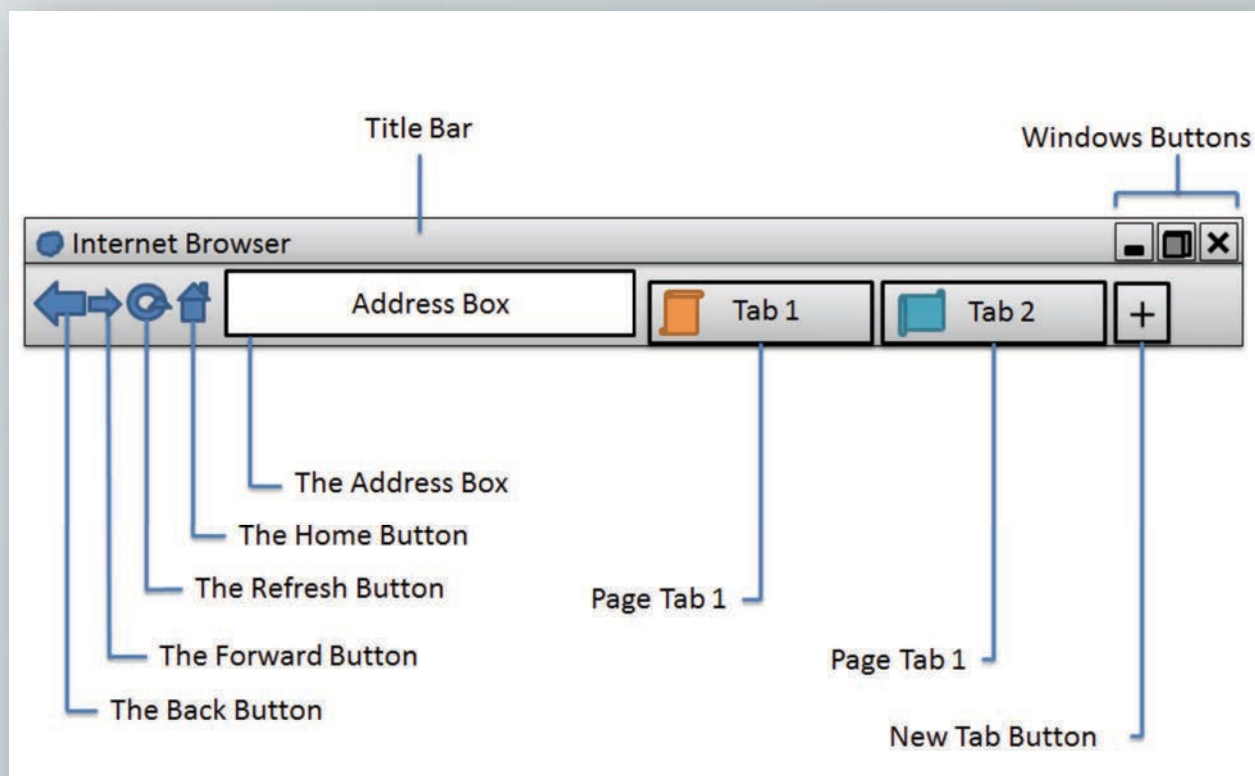
Webpages are what you see and read on the Internet. They are primarily made up of text (words), digital media (pictures, movies, and music), and hyperlinks. The Internet, unlike a book or newspaper, is in no order, and can seem slightly confusing at first. However, there are tools on the Internet that help organize it and will allow you to use it comfortably and easily.





## Applications to Access the Internet

On the computer, you use a program to see the Internet. The program is called a web browser — you “browse” the web with it. Some common brands of web browsers include Internet Explorer, Firefox, and Chrome. They serve the same purpose, navigating the internet, and also have many of the same buttons. For instance, we will take a look at a generic browser’s buttons. You will use these buttons to navigate around the Internet. Sometimes extra buttons might be added, while other times, buttons might have been moved around on the toolbar. If you cannot find a button, just ask someone (they seem to be pretty tricky when they hide from you).





## The Buttons

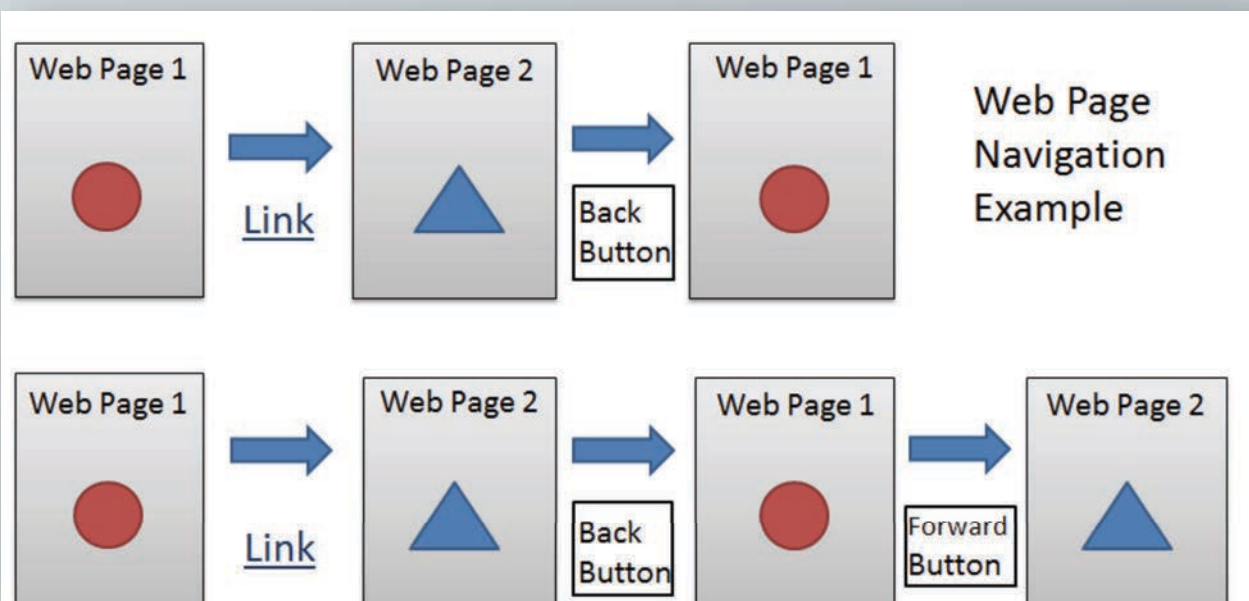
**The Back Button** – This button allows you to return to the last webpage that you last visited. It is most often used if you accidentally click on a link and wish to return to your previous page.

**The Forward Button** – If you clicked the back button, you don't have to hunt for the hyperlink on the webpage to return to the previous webpage. Just click on the forward button to return to the previous page that you were at before you pressed the back button.

Note: If the forward button is "grayed out" and when you click on it, nothing happens, this means that it is disabled.

**The Refresh Button** – This button is useful if you are looking at pages that contain content that is updated more frequently, such as the news, sports scores, or the weather. By clicking on the refresh button, the web page loads again, and is updated with the latest information.

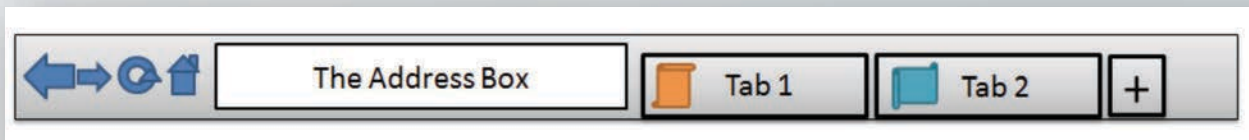
**The Home Button** - When you open your web browser, the first website that is displayed is your **homepage**. You can change your homepage to fit your preferences. When you click on the home button, it takes you to your homepage.





## The Address Box

**The Address Box** – This displays the URL of a webpage. URL stands for Universal Resource Locator, which is a unique address for each webpage – just like your own home’s address is unique. You can type a specific URL into the address box by left clicking in the box once and then typing. Although URLs are all different, they share common characteristics. The basic diagram of a URL is shown below.



# http://www.google.com

**Http://** - Begins most web addresses. Tells the internet browser what protocol to use.

**www**– Stands for “World Wide Web.” Most web addresses have it although it is not necessary. It indicates a web page.

**.(dot)**- Separates parts of the address so it does not all run together and the computer can distinguish the different parts of the address.

**Domain name**– Example: “Google” – A series of numbers, letters or hyphens “-” that identifies the owner of the address.

**“.” (dot)**- See previous Definition

**The Domain**- At the end of a web address. Tells what type of web page you are viewing.  
 .com – Commercial  
 .org – Non-For-Profit Organization  
 .edu – Education (Colleges/Universities)  
 .net – Internet Related  
 .mil – US Military  
 .gov – US Government  
 .us – United States  
 .uk – United Kingdom

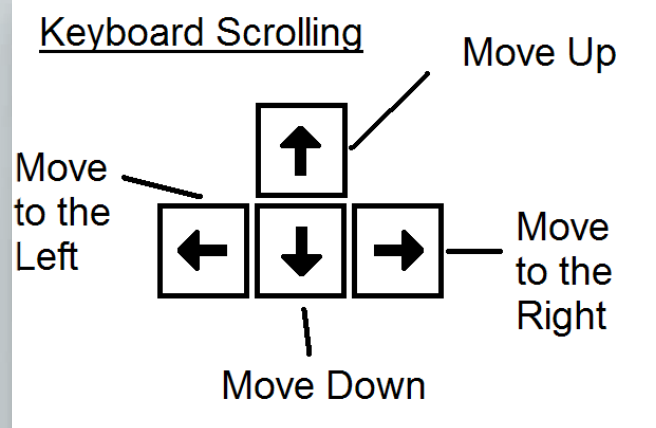
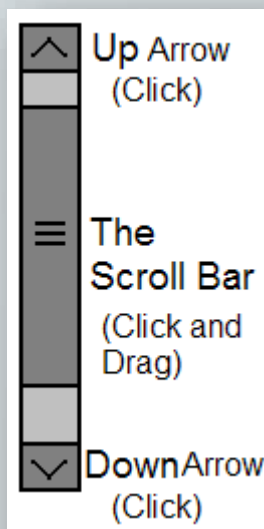
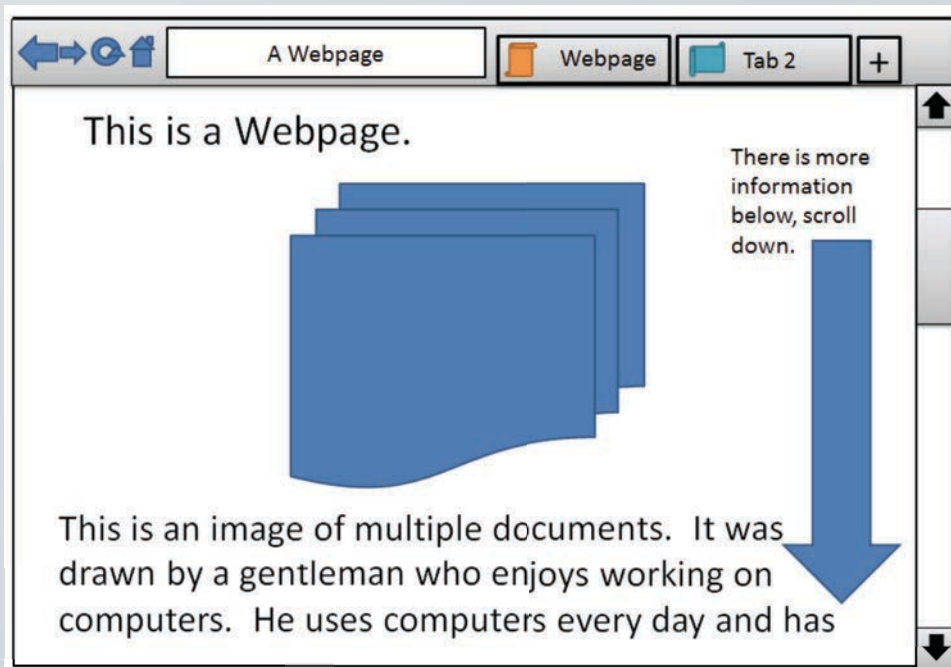
Important: Make sure you spell everything correctly. Addresses are very specific and if typed incorrectly, they will direct you to the wrong website. If this happens, simply use your back arrow to return to the previous webpage.





## Scrolling on Webpages

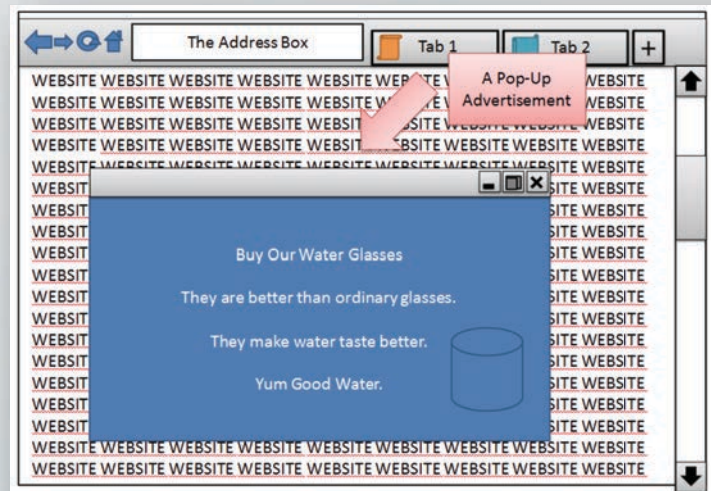
One thing to keep in mind when viewing the Internet is that a bunch of information might be displayed on a webpage, however, only a small portion can be seen immediately when you load the webpage. Thus, it is important to look at your scroll bars to the right and bottom to see if there is more information you are missing. If you are tired of using the mouse to scroll up and down, try using the arrow keys.



## Pop Up Advertisements



On the Internet, there are things that help you and things that can make you aggravated. One aggravation is the **Pop Up Ad**. These advertisements are created by aggressive marketers who want you to see their “amazing” product and buy it. Pop ups create their own window and usually appear on top of the information that you are interested in. If you click on a pop up ad, it will take you away from the information you are looking at. If you see a pop up ad, click the X at the top right of the window to close it.



Another type of advertisement is the **Banner**. Banner ads show up at the top of a website or on the side of a website. As a beginner, it's generally wiser to ignore banner advertisements unless you are familiar with the company.

### Searching the Internet

Because there are so many things on the Internet, it is

frequently hard to locate exactly what you are looking for. Search engines such as Google ([www.google.com](http://www.google.com)) are very helpful and allow you search the Internet.

A search engine is a Website used to search for information on the World Wide Web. Google first collects websites using a computer program (called a



wanderer, crawler, robot, worm, or spider). Then Google creates an index of these sites so they are searchable. There are many search engines that are available - we use Google for purposes of instruction because most people use it.

### Performing a search in Google (See Next Page for Picture)

1. Go to Google by typing [www.google.com](http://www.google.com) in the URL address box (see page 5). Google is also one of the fastest search engines and provides some of the best results.
2. Next type your topic or key words (words closely related to your topic) into the box under the Google logo.
3. Press Enter or click "Google Search"
4. The next page that will appear is your search results page. This page lists the first few results from your search. Click on one of the page title that has an interesting description or seems most relevant.
5. If you are not satisfied with that website, click the back button and try a different website. If you still cannot find a good website, try searching by using different terms in the search box at the top of the webpage.



### Google Searching Tips

Google will return pages that include all of your search terms. There is no need to include the word "and" between terms. For example, to look for information about parks in Cincinnati, simply type "Cincinnati parks."

Google is not case sensitive. Typing "United States" is the same as typing "UNITED STATES" or "united states."

The more words you include in your search, the more specific your search will be and the more relevant your search results will be.



## Internet Glossary

**Browser** – A software program that allows Internet documents (like webpages) to be viewed, also called a Web Browser.

**Cyberspace** – The world of computer networks.

**Domain Name** – A unique name that identifies a specific computer on the Internet.

**Download** – A term for transferring software or other files from one computer to another.

**Email** – Electronic Mail – Messages sent from one specific user to another using the Internet.

**Email address** – The way a specific user is identified so that they may receive email. An email address can be identified by the “@” sign. E.g., Support@seniorconnects.org

**Home Page** – The first page of a Website, similar to a table of contents.

**HTML** – HyperText Markup Language- A computer language used to make hypertext documents that are sent via the World Wide Web and viewed using a Browser.

**HTTP** – HyperText Transfer Protocol – The way that hypertext documents are transferred over the Internet.

**Hypertext** – A way of presenting information that allows words, pictures, sounds, and actions to be inter-linked so that you may jump between them however you choose.

**Link** – A word, phrase, or image that allows you to jump to another document on the World Wide Web.

**Search Engine** – A website that indexes and allows searching of information gathered from the Internet. Google is an example of this.

**URL** – Uniform Resource Locator – The entire address for a piece of information of the Internet. E.g., www.google.com

**Webpage** – A hypertext document available on the World Wide Web.

**Website** – A collection of webpages.

**World Wide Web** – A collection of resources available on the Internet using a web browser.



# **Tab X:**

Marketing Plan for units meeting accessibility  
requirements of HUD section 504

# Parkside Apartments LLC

## Culpeper, Virginia

Low Income Housing Tax Credit Application for Reservation

VHDA Accessibility Requirements for Section 504 of the Rehabilitation Act

### Marketing Plan

Parkside Apartments LLC is proposing to construct 6 townhouse/garden style buildings and a separate Community Facility on 3.1 acres of former farmland adjacent to Yowell Meadow Park in the Town of Culpeper. The new construction will result in a total of 37 one, two and three bedroom apartments and will utilize proceeds from the sale of Low Income Housing Tax Credits. This initiative is being undertaken in accordance with the requirements of VHDA's QAP for projects qualifying for the Accessible Supportive Housing set-aside of credits.

Six (6) apartments at the complex are designed to serve persons with physical disabilities. Accordingly, the following will apply:

- (1) Renovation and new construction on such apartments will conform to HUD regulations defining the accessibility requirements of Section 504 of the Rehabilitation Act.
- (2) Marketing for residents to occupy these units will be targeted to people with special needs. These fully accessible apartments will include zero step entrances, open floor plans, roll under sinks and counters, ranges with front controls, wide doors and hallways, and fully accessible bathrooms. All of the building amenities and services will be on accessible pathways.
- (3) People with intellectual and developmental disabilities will be given a first preference for occupancy.
- (4) Unless the unit is rented to a qualified disabled resident, units will be held vacant for a minimum of 60 days during which ongoing marketing efforts are documented and reported to VHDA's program compliance officer before being authorized to rent to non-disabled household.

Contacts will be made to the organizations below in advance of the completion of the rehabilitation project to insure that the apartments are occupied as quickly as possible by the people who need them.

Further, throughout the compliance period, regular contacts will be made with residents of such units to determine if their needs have changed. Contacts will also be made regularly to those local organizations at initial occupancy but also throughout the term of the lease.

- Rappahannock-Rapidan Community Services  
15361 Bradford Road  
Culpeper, Virginia 22701  
Ginger Mcalister, Housing Program Supervisor
- The ARC of North Central Virginia  
Marilyn McCombe, President  
P.O. Box 852  
Bealeton, Virginia 22712
- disability Resource Center  
409 Progress Street  
Fredericksburg, VA 22401

In addition to the above, the property will affirmatively market to the target population as follows:

- Registering Parkside Apartments and vacancies on VirginiaHousing Search.com
- Registering the Parkside Apartments and vacancies on accessva.org
- Registering the Parkside Apartments in the Virginia Housing Directory
- Communicating regularly with the appropriate personnel at the Virginia Department of Behavioral Health and Developmental Services Housing Team regarding vacancies at the property.
- Communicating regularly with the Asset Management staff at VHDA.

Not Applicable

**Tab Y:**

Inducement Resolution for Tax Exempt Bonds

# Not Applicable

## **Tab Z:**

Documentation of team member's Diversity, Equity and  
Inclusion Designation

Not Applicable

**Tab AA:**

Priority Letter from Rural Development

# Not Applicable

## **Tab AB:**

Socially Disadvantaged Population  
Documentation