
2023 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 16, 2023**

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 2023 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 16, 2023**. 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 for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	jd.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Jonathan Kinsey	jonathan.kinsey@virginiahousing.com	(804) 584-4717
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Lauren Dillard	lauren.dillard@virginiahousing.com	(804) 584-4729
Pamela Freeth	pamela.swartzenberg-freeth@virginiahousing.com	(804) 343-5563
Jaki Whitehead	jaki.whitehead@virginiahousing.com	(804) 343-5861

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2023 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
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- Tab S: Supportive Housing Certification and/or Resident Well-being
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- 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: 3/29/2023

1. Development Name: John Early Apartments

2. Address (line 1): 718 Blue Ridge Avenue

Address (line 2):

City: Bedford State: VA Zip: 24523

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 Bedford 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: 501.01

7. Development is located in a Qualified Census Tract..... TRUE Note regarding DDA and QCT

8. Development is located in a Difficult Development Area..... FALSE

9. Development is located in a Revitalization Area based on QCT FALSE

10. Development is located in a Revitalization Area designated by resolution FALSE

11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE

(If 9, 10 or 11 are True, Action: Provide required form in TAB K1)

12. Development is located in a census tract with a poverty rate of..... Table with columns 3%, 10%, 12% and rows FALSE, FALSE, TRUE

Enter only Numeric Values below:

13. Congressional District: 5 Planning District: 11 State Senate District: 23 State House District: 19

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

The proposed development is the acquisition and rehabilitation of the 78-unit age-restricted apartment community known as John Early Apartments in Bedford, Virginia. It consists of 8 residential buildings and 1 non-residential building, which includes 64 1-bedroom units and 14 2-bedroom units. The community building will include a business center, fitness center, community gathering space and laundry facilities. Amenities at the project also include a dog park and gazebo with outdoor seating.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

3/29/2023

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: Bart Warner
 Chief Executive Officer's Title: Town Manager Phone: (540) 587-6001
 Street Address: 215 E. Main Street
 City: Bedford State: VA Zip: 24523

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Cathy Johnson, Bedford Redevelopment and Housing Authority

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

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

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

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

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

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

or

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

For Tax Exempt Bonds, where are bonds being issued?

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

Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

- a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2023.
- 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, 2023, 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:

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

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

5. Planned Combined 9% and 4% Developments

a. 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.

If true, provide name of companion development:

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

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

Total Units within 9% allocation request?	0
Total Units within 4% Tax Exempt Allocation Request?	0
Total Units:	0

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

6. Extended Use Restriction

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

Must Select One:

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 any payments due the Authority, including reservation fees and monitoring fees, by electronic payment (ACH or Wire).

In 2023, Virginia Housing began using a new Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions. An invoice for your application fee along with access information was provided in your development's assigned Procorem work center.

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: John Early Seniors Housing, L.P.

Developer Name: Virginia United Methodist Housing Development Corporation

Contact: M/M ▶ Mr. First: Lawrence MI: B Last: Dickenson

Address: 1706 Grandin Road, SW

City: Roanoke St. ▶ VA Zip: 24015

Phone: (540) 344-6861 Ext. Fax:

Email address: lbdickenson@gmail.com

Federal I.D. No. 873533982 (If not available, obtain prior to Carryover Allocation.)

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

Additional Contact: Please Provide Name, Email and Phone number.
Randy Spears, rspears.obx@gmail.com

- 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.

Names **	Phone	Type Ownership	% Ownership
VUM Bedford Housing LLC	(540) 344-6861	GP	0.010%
Virginia United Methodist Housing Dev Corp	(540) 344-6861	Mng Member of GC	100.000%
Community Equity Fund XXVIII, L.P. (CAHEC)	(919) 645-9869	ILP	99.990%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%

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

C. OWNERSHIP INFORMATION

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

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

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 select one or more of the following choices:

TRUE a. 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**)

TRUE b. 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 c. 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: Option

Expiration Date: 12/31/2023

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..... 12/31/2023 .

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: Bedford United Methodist Housing, L.P.

Address: 1706 Grandin Road, SW

City: Roanoke St.: VA Zip: 24015

Contact Person: Larry Dickenson Phone: (540) 344-6861

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>
Virginia United Methodist Hsng	(540) 344-6861	GP	0.01%
Momentum Housing, Inc.	(540) 344-6861	ILP	99.99%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

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

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

1. Tax Attorney:	Todd Brockmann	This is a Related Entity.	FALSE
Firm Name:	Brockmann Law	DEI Designation?	FALSE
Address:	17250 Lancaster Highway, Suite 608, Charlotte, NC 28277		
Email:	tbrockmann@brockmannlawfirm.com	Phone:	(980) 247-3014
2. Tax Accountant:	Kevin Rayfield	This is a Related Entity.	FALSE
Firm Name:	Forvis	DEI Designation?	FALSE
Address:	1829 Eastchester Drive, High Point, NC 27265		
Email:	kevin.rayfield@forvis.com	Phone:	(336) 822-4364
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	
4. Management Entity:	Joyce Martin	This is a Related Entity.	FALSE
Firm Name:	Amurcon Realty Company	DEI Designation?	FALSE
Address:	919 E. Main Street, Suite 1400, Richmond, VA 23219		
Email:	jamartin@amurcon.com	Phone:	(804) 729-6060
5. Contractor:	David Wall	This is a Related Entity.	FALSE
Firm Name:	Wall Construction, LLC	DEI Designation?	FALSE
Address:	161 Dillard Road, Madison Heights, VA 24572		
Email:	david@wallconstruction.biz	Phone:	
6. Architect:	Brooke Dooley	This is a Related Entity.	FALSE
Firm Name:	Hughes Associates	DEI Designation?	FALSE
Address:	656 Elm Avenue, SW, Roanoke, VA 24016		
Email:	Bdooley@hughesae.com	Phone:	(540) 239-7109
7. Real Estate Attorney:	Laura Lee Garrett	This is a Related Entity.	FALSE
Firm Name:	Hirschler	DEI Designation?	FALSE
Address:	2100 E. Cary Street, Richmod, VA 23223		
Email:	lgarrett@hirschlerlaw.com	Phone:	(804) 771-9525
8. Mortgage Banker:	Tina Neal	This is a Related Entity.	FALSE
Firm Name:	Perseverance Capital Advisors LLC	DEI Designation?	TRUE
Address:	4901 Dickens Road, Suite 100, Richond VA 23230		
Email:	tneal@perseverace-capital.com	Phone:	804-334-2507
9. Other:	Mike Kadilak	This is a Related Entity.	FALSE
Firm Name:	Kadilak Consulting	DEI Designation?	FALSE
Address:	38211 Audrey Court, Hamilton, VA 20158		
Email:	Kaddy29@comcast.net	Phone:	(571) 238-0224

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**
Action: If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal
- b. This development has received a previous allocation of credits..... **TRUE**
 If so, when was the most recent year that this development received credits? **2007**
- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... **FALSE**
- d. This development is an existing RD or HUD S8/236 development..... **FALSE**
Action: (If True, provide required form in **TAB Q**)

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

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

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ Owner

Name: Virginia United Methodist Housing Development Corp

Contact Person: Lawrence B. Dickenson

Street Address: 1706 Grandin Road, SW

City: Roanoke State: ▶ VA Zip: 24015

Phone: (540) 344-6861 Contact Email: lb dickenson@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: 100.0%

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

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

or indicate true if Local Housing Authority..... FALSE

Name of Local Housing Authority

B. 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

1. General Information

a. Total number of all units in development	<u>78</u>	bedrooms	<u>92</u>
Total number of rental units in development	<u>78</u>	bedrooms	<u>92</u>
Number of low-income rental units	<u>78</u>	bedrooms	<u>92</u>
Percentage of rental units designated low-income	<u>100.00%</u>		
b. Number of new units:.....	<u>0</u>	bedrooms	<u>0</u>
Number of adaptive reuse units:	<u>0</u>	bedrooms	<u>0</u>
Number of rehab units:.....	<u>78</u>	bedrooms	<u>92</u>
c. If any, indicate number of planned exempt units (included in total of all units in development).....			<u>0</u>
d. Total Floor Area For The Entire Development.....			<u>64,543.99</u> (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			<u>3,722.66</u> (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			<u>0.00</u>
g. Total Usable Residential Heated Area.....			<u>60,821.33</u> (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			<u>0.00%</u>
i. Exact area of site in acres	<u>12.130</u>		
j. Locality has approved a final site plan or plan of development.....			<u>FALSE</u>
If True, Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			<u>FALSE</u>

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	750.72	SF	64	64
2BR Elderly	912.50	SF	14	14
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			78	78

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

3. Structures

- a. Number of Buildings (containing rental units)..... 8
- b. Age of Structure:..... 45 years
- c. Maximum Number of stories:..... 2

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

e. Commercial Area Intended Use: Not applicable

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

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

i. Roof Type	▶ Sloped
j. Construction Type	▶ Frame
k. Primary Exterior Finish	▶ Vinyl

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities:	Office, Fitness center, Business center, community gathering area
-----------------------------------	---

m. Number of Proposed Parking Spaces	103
Parking is shared with another entity	FALSE

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

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	15.26%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	14.89%
Project Wide Absorption Period (Months)	0

J. ENHANCEMENTS

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

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

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

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

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

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

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. |
| 0.00% | b1. Percentage of brick covering the exterior walls. |
| 0.00% | b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations. |
| FALSE | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| TRUE | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| TRUE | e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| | f. <i>Not applicable for 2022 Cycles</i> |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| | or |
| FALSE | h. Each unit is provided free individual WiFi access. |
| TRUE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| | or |
| FALSE | j. Full bath fans are equipped with a humidistat. |
| FALSE | k. Cooking surfaces are equipped with fire prevention features |
| | or |
| TRUE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| | or |
| FALSE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| FALSE | o. All interior doors within units are solid core. |
| FALSE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| 0% | r. Percentage of development's on-site electrical load that can be met by a renewable energy electric system (for the benefit of the tenants) |

J. ENHANCEMENTS

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

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

FALSE a. All cooking ranges have front controls.

FALSE b. Bathrooms have an independent or supplemental heat source.

FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

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

2. Green Certification

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

The applicant will also obtain one of the following:

FALSE Earthcraft Gold or higher certification

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

FALSE U.S. Green Building Council LEED certification

FALSE Enterprise Green Communities (EGC) Certification

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

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

FALSE Zero Energy Ready Home Requirements

FALSE Passive House Standards

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


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

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

0% of Total Rental Units

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

If not, please explain:

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

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	26	32	0	0
Air Conditioning	0	11	12	0	0
Cooking	0	11	12	0	0
Lighting	0	0	0	0	0
Hot Water	0	18	20	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$66	\$76	\$0	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

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

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

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


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

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

TRUE

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.

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

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

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

TRUE

Elderly (as defined by the United States Fair Housing Act.)

FALSE

Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only

FALSE

Supportive Housing (as described in the Tax Credit Manual)

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

K. SPECIAL HOUSING NEEDS

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

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

3. Leasing Preferences

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

Organization which holds waiting list: **Bedford Redevelopment and Housing Authority**

Contact person: **Cathy Johnson**

Title: **Secretary, Bedford Redevelopment and Housing Auth**

Phone Number: **(540) 587-6021**

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

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

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

NOTE: Development must utilize a **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**)

4. Target Population Leasing Preference

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

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

First Name: **Joyce**

Last Name: **Martin**

K. SPECIAL HOUSING NEEDS

Phone Number: (804) 729-6060

Email: jamartin@amurcon.com

K. SPECIAL HOUSING NEEDS

5. Resident Well-Being **Action:** Provide appropriate documentation for any selection below (**Tab S**)

- FALSE a. Development has entered into a memorandum of understanding (approved by DBHDS) with a resident service provider for the provision of resident services (as defined in the manual).
- FALSE b. Development will provide licensed childcare on-site with a preference and discount to residents or an equivalent subsidy for tenants to utilize licensed childcare of tenant's choice.
- FALSE c. Development will provide tenants with free on-call, telephonic or virtual healthcare services with a licensed provider.

6. Rental Assistance

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

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

- FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.
- FALSE Section 8 New Construction Substantial Rehabilitation
- FALSE Section 8 Moderate Rehabilitation
- FALSE Section 811 Certificates
- TRUE Section 8 Project Based Assistance
- FALSE RD 515 Rental Assistance
- FALSE Section 8 Vouchers
*Administering Organization: _____
- FALSE State Assistance
*Administering Organization: _____
- FALSE Other: _____

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

FALSE

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

d. Number of units receiving assistance: 78
 How many years in rental assistance contract? 14.00
 Expiration date of contract: 9/1/2037
 There is an Option to Renew..... TRUE

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

e. How many of the units in this development are already considered Public Housing? 0

L. UNIT DETAILS

1. Set-Aside Election:

UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY

Note: In order to qualify for any tax credits, a development must meet one of three 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), (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), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are 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:

Warning: Greater than 50% of units does not increase bonus points.

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
78	100.00%	50% Area Median
0	0.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
78	100.00%	Total


Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
78	100.00%	50% Area Median
0	0.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
78	100.00%	Total

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

2. Unit Detail

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	50% AMI	64	6	653.10	\$840.00	\$53,760
Mix 2	2 BR - 1 Bath	50% AMI	14	2	815.99	\$900.00	\$12,600
Mix 3							\$0
Mix 4							\$0
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0

L. UNIT DETAILS

Mix 11									\$0
Mix 12									\$0
Mix 13									\$0
Mix 14									\$0
Mix 15									\$0
Mix 16									\$0
Mix 17									\$0
Mix 18									\$0
Mix 19									\$0
Mix 20									\$0
Mix 21									\$0
Mix 22									\$0
Mix 23									\$0
Mix 24									\$0
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Mix 64									\$0
Mix 65									\$0

L. UNIT DETAILS

Mix 66									\$0
Mix 67									\$0
Mix 68									\$0
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Mix 72									\$0
Mix 73									\$0
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Mix 92									\$0
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Mix 94									\$0
Mix 95									\$0
Mix 96									\$0
Mix 97									\$0
Mix 98									\$0
Mix 99									\$0
Mix 100									\$0
TOTALS			78		8				\$66,360

Total Units	78	Net Rentable SF:	TC Units	53,222.26
			MKT Units	0.00
			Total NR SF:	53,222.26

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,200
2. Office Salaries			\$59,700
3. Office Supplies			\$1,200
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$38,268
<u>4.81%</u> of EGI	<u>\$490.62</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$600
9. Auditing			\$14,500
10. Bookkeeping/Accounting Fees			\$11,112
11. Telephone & Answering Service			\$2,592
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$8,496
Total Administrative			\$137,668

Utilities

14. Fuel Oil			\$0
15. Electricity			\$10,200
16. Water			\$11,100
17. Gas			\$2,200
18. Sewer			\$12,960
Total Utility			\$36,460

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$1,200
21. Janitor/Cleaning Contract			\$300
22. Exterminating			\$8,280
23. Trash Removal			\$7,980
24. Security Payroll/Contract			\$17,700
25. Grounds Payroll			\$0
26. Grounds Supplies			\$800
27. Grounds Contract			\$18,900
28. Maintenance/Repairs Payroll			\$56,100
29. Repairs/Material			\$1,500
30. Repairs Contract			\$2,200
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$4,600
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$3,100
35. Decorating/Payroll/Contract			\$1,500
36. Decorating Supplies			\$1,500
37. Miscellaneous			\$1,740
Totals Operating & Maintenance			\$127,400

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$24,852
39. Payroll Taxes	\$8,856
40. Miscellaneous Taxes/Licenses/Permits	\$485
41. Property & Liability Insurance	\$24,084
42. Fidelity Bond	\$0
43. Workman's Compensation	\$1,452
44. Health Insurance & Employee Benefits	\$17,592
45. Other Insurance	\$200
Total Taxes & Insurance	\$77,521

Total Operating Expense	\$379,049
--------------------------------	------------------

Total Operating Expenses Per Unit	\$4,860	C. Total Operating Expenses as % of EGI	47.60%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$19,500
---	-----------------

Total Expenses	\$398,549
-----------------------	------------------

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	12/1/2022	Larry Dickenson
b. Site Acquisition	9/15/2023	Larry Dickenson
c. Zoning Approval	10/7/2022	Mike Kadilak
d. Site Plan Approval	3/30/2023	Mike Kadilak
2. Financing		
a. Construction Loan		
i. Loan Application	5/1/2023	Tina Neal
ii. Conditional Commitment	8/1/2023	Tina Neal
iii. Firm Commitment	8/15/2023	Tina Neal
b. Permanent Loan - First Lien		
i. Loan Application	5/1/2023	Tina Neal
ii. Conditional Commitment	8/1/2023	Tina Neal
iii. Firm Commitment	8/15/2023	Tina Neal
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List	FHLB	Tina Neal
ii. Application	3/31/2023	Tina Neal
iii. Award/Commitment	8/1/2023	Tina Neal
2. Formation of Owner	11/1/2021	Laura Lee Garrett
3. IRS Approval of Nonprofit Status	8/31/1982	Larry Dickenson
4. Closing and Transfer of Property to Owner	9/1/2023	Laura Lee Garrett
5. Plans and Specifications, Working Drawings	3/21/2023	Brooke Dooley
6. Building Permit Issued by Local Government	9/15/2023	Mike Kadilak
7. Start Construction	9/15/2023	Mike Kadilak
8. Begin Lease-up	10/15/2023	Joyce Martin
9. Complete Construction	11/15/2024	Mike Kadilak
10. Complete Lease-Up	11/15/2024	Joyce Martin
11. Credit Placed in Service Date	12/1/2023	Jonathan Peterson

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

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

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
Must Use Whole Numbers Only!				
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	3,310,093	0	3,310,093	0
c. Non Residential Structures	231,000	0	231,000	0
d. Commercial Space Costs	0	0	0	0
<input type="checkbox"/> e. Structured Parking Garage	0	0	0	0
Total Structure	3,541,093	0	3,541,093	0
f. Earthwork	75,525	0	75,525	0
g. Site Utilities	143,875	0	143,875	0
<input type="checkbox"/> h. Renewable Energy	0	0	0	0
i. Roads & Walks	194,274	0	194,274	0
j. Site Improvements	132,466	0	132,466	0
k. Lawns & Planting	76,900	0	76,900	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
Total Land Improvements	623,040	0	623,040	0
Total Structure and Land	4,164,133	0	4,164,133	0
r. General Requirements	206,499	0	206,499	0
s. Builder's Overhead	135,583	0	135,583	0
(3.3% Contract)				
t. Builder's Profit	135,583	0	135,583	0
(3.3% Contract)				
u. Bonds	85,518	0	85,518	0
v. Building Permits	14,219	0	14,219	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: _____	0	0	0	0
z. Other 2: _____	0	0	0	0
aa. Other 3: _____	0	0	0	0
Contractor Costs	\$4,741,535	\$0	\$4,741,535	\$0

O. PROJECT BUDGET - OWNER COSTS

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

MUST USE WHOLE NUMBERS ONLY! Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	0	0	0	0
b. Architecture/Engineering Design Fee \$2,040 /Unit)	159,150	0	159,150	0
c. Architecture Supervision Fee \$662 /Unit)	51,650	0	51,650	0
d. Tap Fees	0	0	0	0
e. Environmental	2,600	0	2,600	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	12,100	0	12,100	0
i. Market Study	4,000	0	4,000	0
j. Site Engineering / Survey	15,000	0	15,000	0
k. Construction/Development Mgt	72,000	0	72,000	0
l. Structural/Mechanical Study	54,452	0	54,452	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest (0.0% for 0 months)	432,590	0	432,590	0
o. Taxes During Construction	24,000	0	24,000	0
p. Insurance During Construction	19,500	0	19,500	0
q. Permanent Loan Fee (0.0%)	66,625	0	66,625	0
r. Other Permanent Loan Fees	104,768	0	104,768	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	15,000	0
u. Accounting	0	0	0	0
v. Title and Recording	60,000	0	60,000	0
w. Legal Fees for Closing	65,000	0	65,000	0
x. Mortgage Banker	178,377	0	178,377	0
y. Tax Credit Fee	38,906			
z. Tenant Relocation	95,000	0	95,000	0
aa. Fixtures, Furnitures and Equipment	23,805	0	23,805	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	82,965	0	82,965	0
ad. Contingency	510,647	0	510,647	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	102,500			
(1) Other* specify: Loan Draw Admin	24,000	0	24,000	0
(2) Other* specify: Bond Costs of Issuance	235,040	0	235,040	0
(3) Other* specify: Energy Study	16,254	0	16,254	0
(4) Other* specify: City Fees Misc	1,000	0	1,000	0
(5) Other* specify: Tax Counsel	40,000	0	40,000	0
(6) Other* specify: Tax Credit App Fee	4,000	0	4,000	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$2,510,929	\$0	\$2,369,523	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$7,252,464	\$0	\$7,111,058	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	1,250,000	0	1,250,000	0
4. Owner's Acquisition Costs				
Land	545,000			
Existing Improvements	4,435,000	4,435,000		
Subtotal 4:	\$4,980,000	\$4,435,000		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$13,482,464	\$4,435,000	\$8,361,058	\$0

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

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$1,408,597

Proposed Development's Cost per Sq Foot
Applicable Cost Limit by Square Foot:

\$132 **Meets Limits**
\$192

Proposed Development's Cost per Unit
Applicable Cost Limit per Unit:

\$109,006 **Meets Limits**
\$222,528

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	13,482,464	4,435,000	8,361,058	0

2. Reductions in Eligible Basis

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

3. Total Eligible Basis (1 - 2 above)

4,435,000	8,361,058	0
-----------	-----------	---

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	2,508,317	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	0
c. For Green Certification (Eligible Basis x 10%)		0

Total Adjusted Eligible basis	10,869,375	0
--------------------------------------	------------	---

5. Applicable Fraction

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

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

4,435,000	10,869,375	0
-----------	------------	---

7. Applicable Percentage

4.00%	4.00%	4.00%
-------	-------	-------

(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)

8. Maximum Allowable Credit under IRC §42
(Qualified Basis x Applicable Percentage)

\$177,400	\$434,775	\$0
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(Must be same as BIN total and equal to or less than credit amount allowed)

\$612,175 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. FHA Loan	05/01/23	08/01/23	\$5,125,000	Tina Neal
2. Tax-Exempt Bonds	12/01/22	07/01/23	\$6,715,000	Tina Neal
3.				
Total Construction Funding:			\$11,840,000	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. FHA Loan	5/1/2023	8/1/2023	\$5,125,000	\$338,381	6.00%	40	40
2. Seller Note	3/1/2023	3/1/2023	\$800,000	\$31,659	2.50%	40	40
3. FHLB Sponsor Loan	3/31/2023	8/1/2023	\$750,000	\$0	0.00%	40	40
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$6,675,000	\$370,040			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$6,715,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$0
g.	HOME Funds	\$0
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$0
k.	Other:	\$750,000
	FHLB	
l.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$5,125,000
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: **50.33%**

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

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

[Empty text box for describing 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. **TRUE** **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 text 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	\$1,155,000	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$690,602	(Note: Deferred Developer Fee cannot be negative.)
iv. Other: <u>Int Earnings Funds</u>	\$304,851	

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 \$2,150,453

2. Equity Gap Calculation

a. Total Development Cost	\$13,482,464
b. Total of Permanent Funding, Grants and Equity	- \$8,825,453
c. Equity Gap	\$4,657,011
d. Developer Equity	- \$464
e. Equity gap to be funded with low-income tax credit proceeds	\$4,656,547

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	▶ CAHEC/ Community Affordable Housing Equity Corporation		
Contact Person:	Jonathan Peterson	Phone:	(919) 645-9869
Street Address:	7700 Falls of Neuse Road, Suite 200		
City:	Raleigh	State:	NC
		Zip:	27615

b. Syndication Equity

i. Anticipated Annual Credits	\$541,513.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.860
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	\$541,459
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$4,656,547

c. Syndication:	<u>Private</u>
d. Investors:	<u>Corporate</u>

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$4,656,547

5. Net Equity Factor

Must be equal to or greater than 85% 86.0000166436%

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>\$13,482,464</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u><u>\$8,825,453</u></u>
3. Equals Equity Gap		<u>\$4,657,011</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u><u>86.0000166436%</u></u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$5,415,128</u>
Divided by ten years		<u><u>10</u></u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$541,513</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$612,175</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$541,513</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$6,942.4744</u>	
Credit per LI Bedroom	<u>\$5,886.0109</u>	
	Combined 30% & 70% PV Credit Requested	<u>\$541,513</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	\$66,360
Plus Other Income Source (list): <input type="text"/>	\$0
Equals Total Monthly Income:	\$66,360
Twelve Months	x12
Equals Annual Gross Potential Income	\$796,320
Less Vacancy Allowance <input type="text" value="0.0%"/>	\$0
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$796,320

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): <input type="text"/>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <input type="text" value="0.0%"/>	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$796,320
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$796,320
d. Total Expenses	\$398,549
e. Net Operating Income	\$397,771
f. Total Annual Debt Service	\$370,040
g. Cash Flow Available for Distribution	\$27,731

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	796,320	812,246	828,491	845,061	861,962
Less Oper. Expenses	398,549	410,505	422,821	435,505	448,570
Net Income	397,771	401,741	405,671	409,556	413,392
Less Debt Service	370,040	370,040	370,040	370,040	370,040
Cash Flow	27,731	31,701	35,631	39,516	43,352
Debt Coverage Ratio	1.07	1.09	1.10	1.11	1.12

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	879,202	896,786	914,721	933,016	951,676
Less Oper. Expenses	462,028	475,888	490,165	504,870	520,016
Net Income	417,174	420,897	424,556	428,146	431,660
Less Debt Service	370,040	370,040	370,040	370,040	370,040
Cash Flow	47,134	50,857	54,516	58,106	61,620
Debt Coverage Ratio	1.13	1.14	1.15	1.16	1.17

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	970,710	990,124	1,009,926	1,030,125	1,050,727
Less Oper. Expenses	535,617	551,685	568,236	585,283	602,841
Net Income	435,093	438,439	441,691	444,842	447,886
Less Debt Service	370,040	370,040	370,040	370,040	370,040
Cash Flow	65,053	68,399	71,651	74,802	77,846
Debt Coverage Ratio	1.18	1.18	1.19	1.20	1.21

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 8

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

Bldg #	BIN if known	NUMBER OF		Please help us with the process: DO NOT use the CUT feature DO NOT SKIP LINES BETWEEN BUILDINGS					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
		Street Address 1	Street Address 2	City	State	Zip														
1.	10			718 Blue Ridge Ave,	Bldg M	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	11/11/23	4.00%	\$52,470				\$0
2.	10			718 Blue Ridge Ave,	BLDG N	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	12/23/23	4.00%	\$52,470				\$0
3.	10			718 Blue Ridge Ave,	BLDG P	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	01/27/24	4.00%	\$52,470				\$0
4.	10			718 Blue Ridge Ave,	BLDG R	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	03/02/24	4.00%	\$52,470				\$0
5.	10			718 Blue Ridge Ave,	BLDG S	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	04/06/24	4.00%	\$52,470				\$0
6.	10			718 Blue Ridge Ave,	BLDG T	Bedford	VA	24523	\$535,233	09/15/23	4.00%	\$21,409	\$1,311,759	05/18/24	4.00%	\$52,470				\$0
7.	8			718 Blue Ridge Ave,	BLDG U	Bedford	VA	24523	\$409,581	09/15/23	4.00%	\$16,383	\$1,003,806	06/29/24	4.00%	\$40,152				\$0
8.	10			718 Blue Ridge Ave,	BLDG V	Bedford	VA	24523	\$535,234	09/15/23	4.00%	\$21,409	\$1,311,760	08/03/24	4.00%	\$52,470				\$0
9.	0			718 Blue Ridge Ave,	Community	Bedford	VA	24523	\$278,787	09/15/23	4.00%	\$11,151	\$683,255	09/14/24	4.00%	\$27,330				\$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

78 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

\$4,435,000

\$177,400

\$10,869,375

\$434,775

\$0

\$0

Number of BINS: 8

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

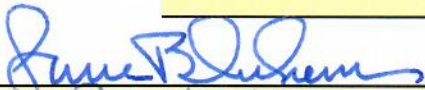
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: John Early Seniors Housing L.P.
by VUM Bedford Housing LLC, G.M.

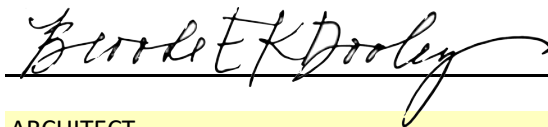
By: 
Its: President
(Title)

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:	Brooke Emlen Karius Dooley
Virginia License#:	0401016384
Architecture Firm or Company:	Hughes Associates Architects and Engineers

By: 
Its: ARCHITECT
(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:

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

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

1. READINESS:

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

Y	0 or -50	0.00
N	0 or -25	0.00
N	0 to 10	0.00
N	0 or 10	0.00
N	0 or 15	0.00
N	0 or 15	0.00
Total:		0.00

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development provided priority letter from Rural Development
- h. Dev. located in area with increasing rent burdened population

N	0 or up to 5	0.00
N	0 or 20	0.00
0.00%	Up to 40	0.00
N	0 or 5	0.00
Y	0 or 10	10.00
12%	0, 20, 25 or 30	20.00
N	0 or 15	0.00
N	Up to 20	0.00
Total:		30.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			16.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	0.00
or c. HUD 504 accessibility for 10% of units	Y	0 or 20	20.00
d. Provides approved resident services or eligible childcare services	N	0 or 15	0.00
e. Provides telephonic or virtual health services	N	0 or 15	0.00
f. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
g. Development will be Green Certified	N	0 or 10	0.00
h. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
i. Developments with less than 100 low income units	Y	up to 20	8.80
j. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			<u>44.80</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$78,900	\$71,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	0.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	100.00%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	100.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	100.00%	Up to 50	0.00
Total:			<u>50.00</u>

5. SPONSOR CHARACTERISTICS:

a. Experienced Sponsor - 1 development in Virginia	Y	0 or 5	5.00
b. Experienced Sponsor - 3 developments in any state	Y	0 or 15	15.00
c. Developer experience - life threatening hazard	N	0 or -50	0.00
d. Developer experience - noncompliance	N	0 or -15	0.00
e. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
f. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
g. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
h. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
i. Socially Disadvantaged Principal owner 25% or greater	N	0 or 5	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
k. Experienced Sponsor partnering with Local Housing Authority pool applicant	N	0 or 5	0.00
Total:			<u>20.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	38.47
b. Cost per unit		Up to 100	100.00
Total:			<u>138.47</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	Y	0 or 5	5.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
Total:			<u>70.00</u>

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

TOTAL SCORE:

353.27

Enhancements:

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	0.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	1.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. % of renewable energy electric systems	10	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>16.00</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>

Total amenities: 16.00

X. Development Summary

Summary Information 2023 Low-Income Housing Tax Credit Application For Reservation

Deal Name: John Early Apartments

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$541,513
Allocation Type: Acquisition/Rehab **Jurisdiction:** Bedford County
Total Units: 78 **Population Target:** Elderly
Total LI Units: 78
Project Gross Sq Ft: 64,543.99 **Owner Contact:** Lawrence Dickenson
Green Certified? FALSE

Total Score
353.27

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$6,675,000	\$85,577	\$103	\$370,040
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$4,164,133	\$53,386	\$65	30.89%
General Req/Overhead/Profit	\$477,665	\$6,124	\$7	3.54%
Other Contract Costs	\$99,737	\$1,279	\$2	0.74%
Owner Costs	\$2,510,929	\$32,191	\$39	18.62%
Acquisition	\$4,980,000	\$63,846	\$77	36.94%
Developer Fee	\$1,250,000	\$16,026	\$19	9.27%
Total Uses	\$13,482,464	\$172,852		

Total Development Costs	
Total Improvements	\$7,252,464
Land Acquisition	\$4,980,000
Developer Fee	\$1,250,000
Total Development Costs	\$13,482,464

Proposed Cost Limit/Sq Ft: \$132
Applicable Cost Limit/Sq Ft: \$192
Proposed Cost Limit/Unit: \$109,006
Applicable Cost Limit/Unit: \$222,528

Income	
Gross Potential Income - LI Units	\$796,320
Gross Potential Income - Mkt Units	\$0
Subtotal	\$796,320
Less Vacancy %	0.00%
Effective Gross Income	\$796,320

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	64
# of 2BR	14
# of 3BR	0
# of 4+ BR	0
Total Units	78

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$137,668	\$1,765
Utilities	\$36,460	\$467
Operating & Maintenance	\$127,400	\$1,633
Taxes & Insurance	\$77,521	\$994
Total Operating Expenses	\$379,049	\$4,860
Replacement Reserves	\$19,500	\$250
Total Expenses	\$398,549	\$5,110

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	78	78
60% AMI	0	0
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$796,320
Total Expenses	\$398,549
Net Income	\$397,771
Debt Service	\$370,040
Debt Coverage Ratio (YR1):	1.07

Income Averaging? FALSE

Extended Use Restriction? 30

i. Efficient Use of Resources

Credit Points for 9% Credits:

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	\$612,175	
Credit Requested	\$541,513	
% of Savings	11.54%	
Sliding Scale Points		38.47

Cost Points:

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

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

Total Costs Less Acquisition	\$8,502,464	
Total Square Feet	64,543.99	
Proposed Cost per SqFt	\$131.73	
Applicable Cost Limit per Sq Ft	\$192.00	
% of Savings	31.39%	
Total Units	78	
Proposed Cost per Unit	\$109,006	
Applicable Cost Limit per Unit	\$222,528	
% of Savings	51.01%	
Max % of Savings	51.01%	Sliding Scale Points 100.00

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

Tab A:

Organizational Documents, developer fee agreement and Org Chart for this deal
(MANDATORY)

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (this "Agreement") is made effective as of March 7, 2023, by and between VIRGINIA UNITED METHODIST HOUSING DEVELOPMENT CORPORATION, INC., a Virginia nonprofit corporation (the "Developer"), and JOHN EARLY SENIORS HOUSING LP, a Virginia limited partnership (the "Partnership").

WITNESSETH:

WHEREAS, the Partnership has been formed for the purposes, *inter alia*, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of certain real property together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements are known as John Early Seniors Apartments in Lynchburg, Virginia, and will be collectively referred to as the "Project"), which Project is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") as well as any other state credits or incentives; and

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

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

Section 1. Obligations of the Developer. The Developer shall have the following duties:

- (a) to assist, advise and consult on the selection of and provide coordination and supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for the Project and the renderings, drawings and specifications for construction of Improvements (the "Plans and Specifications");
- (b) to be cognizant of and advise the Partnership with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;
- (c) to assist, coordinate and supervise the obtaining of all necessary building permits and approvals for and in connection with the development and construction of the Project;
- (d) to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;

- (e) to cooperate and coordinate with the construction contractors appointed by the Partnership;
- (f) to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Project on a timely basis and within the contemplated budget;
- (g) to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Partnership; and
- (h) to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

Certain of the duties listed above may have been performed prior to the date of this Agreement, however, all such duties were performed in contemplation of this Agreement and in order to affect the development of the Project for the benefit of the Partnership. To the extent such duties have been performed prior to the date of this Agreement, such duties are hereby ratified and confirmed by the Partnership.

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

Section 2. Development Fee. In consideration of the performance by the Developer of the development services described herein, the Partnership shall pay to the Developer a development fee (the "Development Fee") in the amount set forth on Exhibit A attached hereto. The Partnership and the Developer acknowledge that specific portions of the Development fee shall be earned by Developer as certain benchmarks are satisfied as more particularly described on Exhibit A, but in any event all of the Development Fee shall be earned upon the receipt by the Partnership of the final certificate of occupancy for the last building in the Project. All amounts due and payable hereunder shall be paid subject to the requirements of the Partnership's lenders and equity investors in accordance with the schedule reasonably determined by the Partnership and the Developer from time-to-time. Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Project, obtaining an allocation of federal and/or state low-income housing tax credits or securing Project financing other than construction financing, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the managing member of the Partnership and/or consultants or others engaged by the Partnership.

Section 3. Termination of Duties and Responsibilities of Developer. The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Project and completion of all punch list items. The Developer's duties, responsibilities and rights hereunder shall not be terminated by the Partnership except for "cause" as finally determined by a court of competent jurisdiction. For

purposes hereof, "cause" shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days prior notice and opportunity to cure.

Section 4. Miscellaneous.

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

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

(j) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(k) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

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

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

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

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

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

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

Section 5. Notice. Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in writing by each party and delivered to the Partnership. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed

from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

Section 6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 7. Responsibilities of the Partnership. In order for the Developer to perform duties described herein, the Partnership shall:

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

Section 8. Independent Contractor. The parties hereto do not intend to create a partnership or any similar association for any purpose. The Developer shall be an independent contractor for all purposes.

Section 9. Reimbursement. The Partnership hereby unconditionally promises to reimburse the Developer for any and all costs incurred by the Developer on behalf of the Partnership in the development of the Project, whether incurred prior to or subsequent to the date of this Agreement. The Partnership agrees to cause such reimbursement in conjunction with the closing and funding of any construction loan or tax credit equity financing for the Project. The Partnership and the Developer acknowledge and agree that the provisions of this section shall serve as the reimbursement agreement for purposes of the carryover allocation and cost certifications for the Project.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has executed this Development Services Agreement on the date and year first above written.

VIRGINIA UNITED METHODIST HOUSING
DEVELOPMENT CORPORATION, INC.,
a Virginia nonprofit corporation

By: 

Name: Lawrence B. Dickenson

Title: President

IN WITNESS WHEREOF, the Partnership has executed this Development Services Agreement on the date and year first above written.


JOHN EARLY SENIORS HOUSING LP,
a Virginia limited partnership

By Its General Partner:

VUM BEDFORD HOUSING LLC,
a Virginia limited liability company

By Its Manager:

VIRGINIA UNITED METHODIST HOUSING
DEVELOPMENT CORPORATION, INC.,
a Virginia nonprofit corporation

By: 

Name: Lawrence B. Dickenson

Title: President

EXHIBIT A
EARN OUT SCHEDULE

Total Development Fee (not to exceed) \$ 1,250,000.00

The Development Fee shall be earned in accordance with the following schedule:

To Be Determined with Input of ILP

AGREEMENT OF LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (“Agreement”) is made effective as of November 1, 2021, by and between VUM BEDFORD HOUSING LLC, a Virginia limited liability company (“General Partner”), and MOMENTUM HOUSING, INC., a Virginia nonprofit corporation (“Limited Partner”).

WITNESSETH:

WHEREAS, JOHN EARLY SENIORS HOUSING LP, a Virginia limited partnership (the “Limited Partnership”), was formed by the filing of a certificate of limited partnership with the State Corporation Commission of the Commonwealth of Virginia on or about November 1, 2021 (the “Certificate of Limited Partnership”); and

WHEREAS, General Partner acquired the general partnership interest of the Limited Partnership, and Limited Partner acquired the limited partnership interest of the Limited Partnership as of the date hereof; and

WHEREAS, the parties agree to the operation of the Limited Partnership pursuant to the Virginia Revised Uniform Limited Partnership Act and this Agreement.

NOW THEREFORE, the parties hereby agree as follows:

1. The name of the Limited Partnership is JOHN EARLY SENIORS HOUSING LP.
2. The name and address of the agent for service of process shall be as set forth on the Certificate of Limited Partnership from time-to-time.
3. The names, addresses, and initial capital contributions of the partners in the Partnership are as follows:

General Partner:

VUM BEDFORD HOUSING LLC
1706 Grandin Road SW
Roanoke, VA 24015-2816

Capital Contribution

\$1.00

Limited Partner:

MOMENTUM HOUSING, INC.
1706 Grandin Road SW
Roanoke, VA 24015-2816

Capital Contribution

\$99.00

4. The term of the Limited Partnership shall be as set forth in the certificate of limited partnership from time-to-time. General Partner may, in its discretion, dissolve the Limited Partnership sooner.

5. The character of the business and purposes of the Limited Partnership will be to acquire, own, invest in, hold, construct, reconstruct, operate and/or manage the real property known as John Early Seniors Apartments in Bedford, Virginia (the "Project").

6. The principal place of business of the Limited Partnership is located at such place of business as General Partner determines.

7. The shares of profits and losses from the day-to-day operations of the Limited Partnership shall be allocated 0.01% to General Partner and 99.99% to Limited Partner, for and during the term of the Partnership, unless amended as herein provided. All gains, profits, and losses from the sale, exchange or other disposition of all or part of the Limited Partnership property shall be allocated as follows: (i) 0.01% to General Partner; and (ii) 99.99% to Limited Partner. All proceeds from the sale, exchange, other disposition, liquidation, liquidation in kind or refinancing of all or part of the Limited Partnership property, and after the payment of all liabilities and reserves established in the sole discretion of General Partner, shall be distributed as follows: (i) General Partner shall be paid an amount equal to the value of the capital contribution General Partner theretofore made to the Limited Partnership; (ii) Limited Partner shall be paid an amount equal to the value of capital contribution Limited Partner theretofore made to the Limited Partnership; and (iii) the balance, if any, shall be distributed 0.01% to General Partner and 99.99% to Limited Partner.

8. The Net Cash Flow from the annual operation of the Limited Partnership shall be allocated and distributed as determined by General Partner among all the partners as follows: 0.01% to General Partner and 99.99% to Limited Partner. Net Cash Flow shall equal all operating income of the Limited Partnership reduced by all operating expenses, including debt service payments.

9. Except as otherwise provided herein, there is no agreement herein as to the time that the Limited Partner's contributions shall be returned prior to the termination of the Limited Partnership.

10. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

11. This Agreement may be amended from time-to-time by the parties hereto in accordance with the terms hereof.

12. The Limited Partnership shall elect the accrual method of accounting and a calendar year end for purposes of reporting its items of income, deduction, loss, gain and credit under the Internal Revenue Code of 1986, as amended.

13. Notwithstanding any clause or provision in the Certificate of Limited Partnership or this Agreement to the contrary, and so long as the United States Department of Housing and Urban

Development ("HUD") or its successors or assigns, insures or holds any loan to the Partnership ("the HUD-insured Loan"), including the loan secured by a mortgage lien on the Project the following provisions shall apply:

The terms listed below shall have the following definitions:

"Borrower" means the Limited Partnership.

"Lender" means the entity identified as "Lender" in the first paragraph of the Security Instrument, or any subsequent holder of the HUD-insured Note.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time-to-time.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended, or modified.

"HUD-insured Note" means the Note executed by Borrower, and described in the Security Instrument, including all schedules riders, allonges and agenda, as such Note may be amended from time-to-time.

13.01 If any of the provisions of the Borrower's organizational documents conflict with the terms of the HUD-insured Note, Security Instrument, or HUD Regulatory Agreement ("HUD Loan Documents"), the provisions of the HUD Loan Documents shall control.

13.02 No provision required by HUD to be inserted into the organizational documents may be amended without HUD's prior written approval. Additionally, if there is a conflict between any HUD-required provisions inserted into this Agreement and any other provision of this Agreement, the terms of the HUD-required provisions will govern; and if there is a conflict between any of the provisions in the articles of organization and any HUD-required provisions of this Agreement, the HUD-required provisions will govern.

13.03 Unless otherwise approved in writing by HUD, the Borrower's business and purpose shall consist solely of the acquisition, ownership, operation and maintenance of the Project and activities incidental thereto. Borrower shall not engage in any other business or activity. The Project shall be the sole asset of the Borrower entity, which shall not own any other real estate other than the aforesaid Project.

13.04 None of the following will have any force or effect without the prior written consent of HUD:

- (a) Any amendment that modifies the term of Borrower's existence;
- (b) Any amendment that triggers application of the HUD previous participation certification requirements (as set forth in Form HUD2530, Previous Participation Certification, or 24 CFR § 200.210, et seq.);

- (c) Any amendment that in any way affects the HUD Loan Documents;
- (d) Except as permitted under Section 10.10 below, any amendment that would authorize any member, manager, partner, owner, officer or director, other than the one previously authorized by HUD, to bind the Borrower for any matters concerning the Project which require HUD's consent or approval;
- (e) A change that is subject to the HUD TPA requirements contained in Chapter 13 of HUD Handbook 4350.1 REV-1;
- (f) Any change in guarantor of any obligation to HUD (including those obligations arising from violations of the HUD Regulatory Agreement); and
- (g) Any grant of a security interest in any of Borrower's assets or mortgaged property.

13.05 Borrower is authorized to execute a Note and Security Instrument in order to secure a loan to be insured by HUD and to execute the HUD Regulatory Agreement and other documents required by the Secretary in connection with the HUD-insured loan.

13.06 Any incoming partner of the Limited Partnership must, as a condition of receiving an interest in the Limited Partnership, agree in writing to be subject to the HUD Loan Documents and all other documents required in connection with the HUD-insured loan, to the same extent and on the same terms as the partners.

13.07 Upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person or entity that is not bound by the HUD Regulatory Agreement in a manner satisfactory to HUD.

13.08 The key principals of the Borrower identified in the HUD Regulatory Agreement are liable in their individual capacities to HUD to the extent set forth in the HUD Regulatory Agreement.

13.09 Borrower shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

13.10 Borrower has designated LAWRENCE B. DICKENSON as its official representative for all matters concerning the Project that require HUD consent or approval. The signature of this representative will bind Borrower entity in all such matters. Borrower may, from time-to-time appoint a new representative to perform this function, provided that the individual so appointed is 2530 Previous Participation Certified, and within three business days of doing so, will provide HUD with written notification of the name, address, and telephone number of its new representative. When a person other than the person identified above has full or partial authority with respect to management of the Project, Borrower will promptly provide HUD with the name of that person and the nature of that person's management authority.

13.11 Any obligation of the Limited Partnership to provide indemnification under this Agreement shall be limited to (i) amounts mandated by state law, if any, (ii) coverage afforded under any liability insurance carried by the Limited Partnership and (iii) available "surplus cash" of the Borrower as defined in the HUD Regulatory Agreement. Until funds from a permitted source for payment of indemnification costs are available for payment, the Limited Partnership shall not (a) pay funds to any members, managers, partners, officers and directors, or (b) pay the deductible on an indemnification policy for any members, managers, partners, officers and directors.

13.12 The term of the Limited Partnership will continue until the Limited Partnership is dissolved in accordance with this Agreement.

13.13 So long as the Note is insured or held by the Secretary:

(a) The Limited Partnership shall not make, nor shall any partner receive and retain, any distribution of assets or income of any kind from the Project or Project funds, except in accordance with the HUD Regulatory Agreement; and

(b) The HUD financial requirements as to cash controls and distributions as set forth in the HUD Regulatory Agreement (including requirements which prohibit distributions more often than annually or semi-annually) shall supersede to the extent they are in conflict with any of the financial provisions of this Agreement.

(c) Neither the Limited Partnership nor its partners shall without HUD's prior written approval, grant a security interest in any of the Limited Partnership's or Project's assets (See Regulatory Agreement §36).

Any conflict between this Section 13 and this Agreement shall be resolved in favor of this Section 13. The execution of this Agreement by the partners shall serve as their consent for the Limited Partnership to enter into, and perform, the Loan. This Agreement may be executed in counterparts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, this Agreement of Limited Partnership was executed as of the day and year first above written.

GENERAL PARTNER:

VUM BEDFORD HOUSING LLC,
a Virginia limited liability company


By Its Manager:

VIRGINIA UNITED METHODIST
HOUSING DEVELOPMENT CORPORATION,
a Virginia nonprofit corporation

By: 
Name: Lawrence B. Dickenson
Title: President

LIMITED PARTNER:

MOMENTUM HOUSING, INC.,
a Virginia nonprofit corporation

By: 
Name: Lawrence B. Dickenson
Title: President

**OPERATING AGREEMENT
OF
VUM BEDFORD HOUSING LLC**

THIS OPERATING AGREEMENT (“**Agreement**”) of VUM BEDFORD HOUSING LLC, a Virginia limited liability company (the “**Company**”), effective as of November 1, 2021, is entered into by and between the Company and VIRGINIA UNITED METHODIST HOUSING DEVELOPMENT CORPORATION, a Virginia nonprofit corporation, as the sole member of the Company (the “**Member**”).

RECITALS

WHEREAS, the Company has been organized as a Virginia limited liability company on November 1, 2021, named VUM BEDFORD HOUSING LLC by filing the articles of organization (the “**Articles of Organization**”) with the Commonwealth of Virginia State Corporation Commission (the “**SCC**”) pursuant to and in accordance with the Virginia Limited Liability Company Act, as amended from time to time (the “**Act**”); and

WHEREAS, the undersigned desires to execute this Agreement in order to set forth the terms and conditions under which the management, business, and financial affairs of the Company will be conducted.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, covenants, and conditions herein contained, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby covenants and agrees as follows:

**ARTICLE I
PURPOSE AND POWERS OF COMPANY**

1.1 **Purpose**. The Company’s purpose is solely to serve as the general partner of John Early Seniors Housing LP, a Virginia limited partnership, in the acquisition, ownership, operation and maintenance of the John Early Seniors Apartments located in Bedford, Virginia (the “**Project**”) and activities incidental thereto.

1.02 **Powers**. The Company has all the powers of a limited liability company organized under the Act, §13.1-1000, et seq., of the Code of Virginia of 1950, as amended and not prohibited by the Act, the Articles of Organization, or this Agreement.

1.03 **Tax-Exempt Controlled Entity**. The Company shall also be designated as a “tax-exempt controlled entity” pursuant to 26 U.S.C. Section 168(h) and shall make all tax elections to facilitate this status, including, without limitation, (i) electing to be taxed as an association for Federal tax purposes and (ii) making the election under 26 U.S.C. Section 168(h) to be treated as a “tax-exempt controlled entity” thereunder.

ARTICLE II
REGISTERED OFFICE AND REGISTERED AGENT

2.01 Registered Office. The address of the Company's registered office in the Commonwealth of Virginia shall be as set out in the Company's Articles of Organization or other filing on record with the SCC.

2.02 Registered Agent. The name of the Company's registered agent at the registered office for service of process in the Commonwealth of Virginia shall be set out in the Company's Articles of Organization or other filing on record with the SCC.

2.03 Principal Office. The address of the Company's principal office shall be as set out in the Company's Articles of Organization or other filing on record with the SCC, or such other location as Manager may from time to time designate.

2.04 Changes with the SCC. In the event of a change in the registered office, registered agent, or principal office of the Company, Manager shall promptly file a statement of change with the SCC in the manner provided by the Act.

ARTICLE III
MEMBERSHIP

3.01 Name and Address. The name, address, and Membership Interest (as defined below) of the Member are set forth on Exhibit A attached hereto. "Membership Interest" means the Member's ownership interest in the Company's capital, profits and loss, and other rights and obligations with respect thereto as set forth in this Agreement.

ARTICLE IV
MANAGEMENT

4.01 In General. The Company shall be managed by the Member ("Manager"). Manager shall have exclusive and complete authority and discretion to manage the operations and affairs of the Company and to make all decisions regarding the business of the Company. Any action taken by Manager shall constitute the act of and serve to bind the Company. Persons dealing with the Company are entitled to rely conclusively on the power and authority of Manager as set forth in this Agreement. Manager shall have all rights and powers under the Act to manage the Company, and shall have such authority, rights, and powers in the management of the Company to do any and all other acts and things necessary, proper, convenient, or advisable to effectuate the purposes of this Agreement.

ARTICLE V
LIABILITY OF MEMBERS AND MANAGERS

5.01 Elimination of Liability. In any proceeding brought by or in the right of the Company or brought by or on behalf of its members, no member or manager shall be liable to the

Company or its members for any monetary damages with respect to any transaction, occurrence, course of conduct, or otherwise, except for liability resulting from such member's or manager's having engaged in willful misconduct or a knowing violation of criminal law, except as otherwise expressly provided by applicable law or this Agreement.

5.02 Indemnification. Except as otherwise limited by applicable law, the Company shall indemnify each of its members and managers (including advancing and reimbursing expenses and obtaining insurance) if such member or manager is made a party to a proceeding, whether such member or manager is serving the Company or, at its request, any other entity, to the extent that such member or manager conducted himself/herself in good faith and believed his/her conduct was in the best interests of the Company, and in the case of a criminal proceeding, if the member or manager also had no reasonable cause to believe his/her conduct was unlawful. The Company may indemnify its other employees and agents (including advancing and reimbursing expenses and obtaining insurance) if such employees or agents are made a party to a proceeding, to the extent and under the procedures authorized by the Company and permitted by law. The foregoing shall not be construed to create rights of indemnification other than those expressly provided by the law, and all procedures required by law to be complied with as a condition to such indemnification rights be complied with in full.

ARTICLE VI **TERM**

6.01 Duration. The Company will continue perpetually until such time as the Company is dissolved or otherwise terminated in Accordance with the Act.

ARTICLE VII **CAPITAL CONTRIBUTIONS**

7.01 Member Capital Contributions. The Member, upon execution of this Agreement, shall have contributed as the Member's Capital Contribution, the cash and/or other property set forth on Exhibit A attached hereto.

ARTICLE VIII **DISSOLUTION AND TERMINATION**

8.01 Dissolution. The Company will be dissolved upon the written consent of the Member or as required by the Act.

8.02 Liquidation. Upon the dissolution of the Company, it shall commence to wind up its affairs and distribute its assets in accordance with the Act. In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of assets of the company in an orderly manner), and the assets of the Company shall be applied as follows: (i) first, to creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); and (ii) second, to the Member.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.01 Governing Law. This Agreement shall be construed, enforced, and interpreted in accordance with the laws of the Commonwealth of Virginia, without regard to conflicts of law provisions and principles thereof.

9.02 Amendments. No amendment or modification of this Agreement will be effective unless approved in writing by the Member.

9.03 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application thereof will not be affected and will be enforceable to the fullest extent permitted by law.

9.04 Heirs, Successors, and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained are binding upon, and inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors, and assigns.

9.05 Creditors. None of the provisions of this Agreement are for the benefit of, or enforceable by, the creditors of the Company.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the date first written above.

COMPANY:

VUM BEDFORD HOUSING LLC,
a Virginia limited liability company

By Its Manager:

VIRGINIA UNITED METHODIST
HOUSING DEVELOPMENT CORPORATION,
a Virginia nonprofit corporation

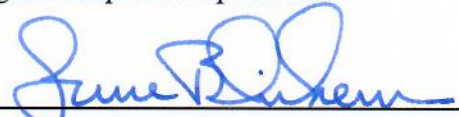
By: 

Name: Lawrence B. Dickenson

Title: President

MANAGER:

VIRGINIA UNITED METHODIST
HOUSING DEVELOPMENT CORPORATION,
a Virginia nonprofit corporation

By: 

Name: Lawrence B. Dickenson

Title: President

MEMBER:

VIRGINIA UNITED METHODIST
HOUSING DEVELOPMENT CORPORATION,
a Virginia nonprofit corporation

By: 

Name: Lawrence B. Dickenson

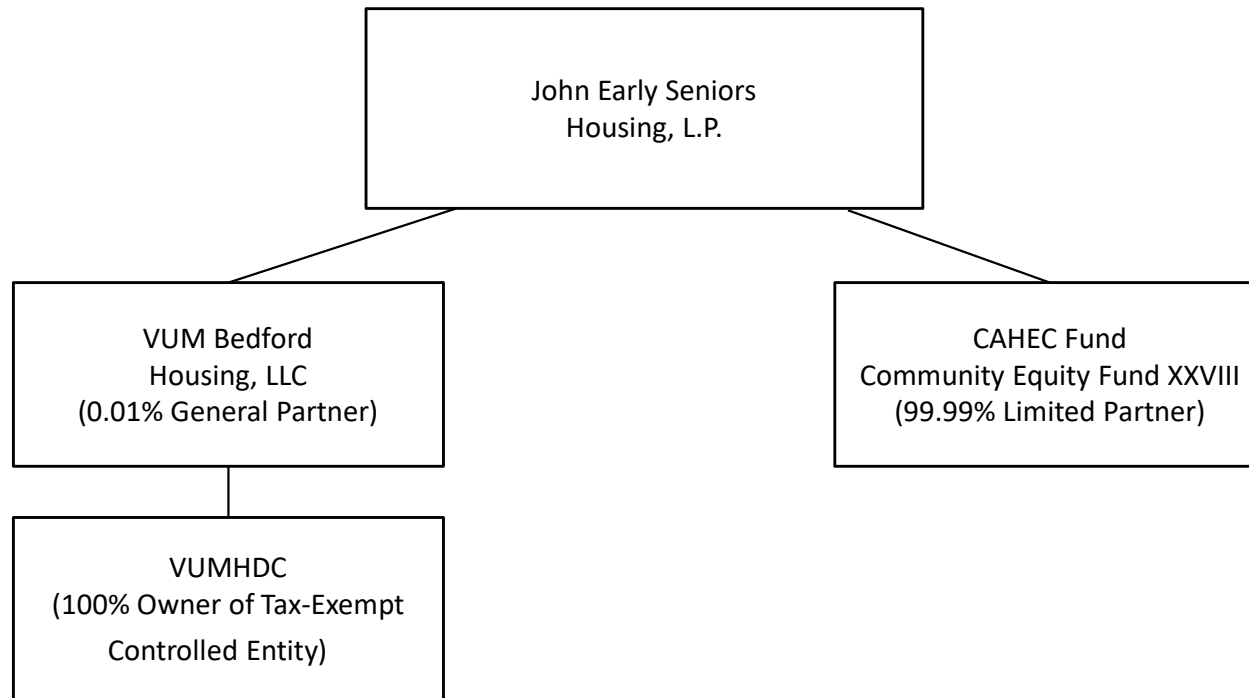
Title: President

EXHIBIT A

Name and Address of Member

Member Name and Address	Capital Contribution	Membership Interest
VUMHDC 1706 Grandin Road, SW Roanoke, Virginia 24015	\$100.00	100%

John Early Apartments



Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, November 1, 2021

This is to certify that the certificate of limited partnership of

John Early Seniors Housing LP

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

Effective date: November 1, 2021



STATE CORPORATION COMMISSION

Attest:

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

Clerk of the Commission

Limited Partnership - Certificate of Limited Partnership

Entity Information	
Entity Name:	John Early Seniors Housing LP
LLP Status:	No
Entity Type:	Limited Partnership
Business Type	
Industry Code:	0 - General
Duration	
Perpetual(forever)	

Registered Agent Information	
RA Type:	An Individual who is a resident of Virginia
RA Qualification:	Member of the Virginia State Bar
Name:	LAURA LEE GARRETT ESQ
Locality:	RICHMOND CITY
Email Address:	N/A
The limited partnership's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is:	
Registered Office Address:	2100 E Cary St, Hirschler Fleischer, RICHMOND, VA, 23223 - 7270, USA
Contact Number:	N/A

Principal Office Address
Address: 1706 Grandin Rd SW, Roanoke, VA, 24015 - 2816, USA

Principal Information		
Title	Name	Address
General Partner	VUM Bedford Housing LLC	1706 Grandin Rd SW, Roanoke, VA, 24015 - 2816, USA

Signature Information				
Date Signed: 11/01/2021				
Entity Name	Entity Type	Printed Name	Signature	Title
Virginia United Methodist Housing Development Corporation	Nonstock Corporation	Lawrence B. Dickenson	Lawrence B. Dickenson	President



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

November 1, 2021

Rebecca Heath
PO Box 500
Richmond, VA, 23218 - 0500

RECEIPT

RE: John Early Seniors Housing LP
ID: 11301196
FILING NO: 2111013823675
WORK ORDER NO: 202111012131085

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing a certificate of limited partnership with this office.

The effective date of the certificate is November 1, 2021.

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 Instructions

General Instructions:

The following certification:

- Must be completed, regardless of any principal's inclusion on the Developer Experience List.
- Must be signed by an individual who is, or is authorized to act on behalf of, the Controlling General Partner (if LP) or Managing Member (if LLC) of the Applicant, as designated in the partnership agreement. Virginia Housing will accept an authorization document, which gives signatory authorization to sign on behalf of the principals.
- Must be dated no more than 30 days prior to submission of the LIHTC Application.

Definitions:

Development - the proposed multifamily rental housing development

Participants - the principals who will participate in the ownership of the development

Principal - any person (including any individual, joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity) that (i) with respect to the proposed development, will own or participate in the ownership of the proposed development or (ii) with respect to an existing multifamily rental property, has owned or participated in the ownership of such property, all as more fully described herein below. The person who is the owner of the proposed development or multifamily rental property is considered a principal. In determining whether any other person is a principal, the following guidelines shall govern:

- In the case of a partnership which is a principal (whether as the owner or otherwise), all general partners are also considered principals, regardless of the percentage interest of the general partner;
- In the case of a public or private corporation or organization or governmental entity that is a principal (whether as the owner or otherwise), principals also include the president, vice president, secretary, and treasurer and other officers who are directly responsible to the board of directors or any equivalent governing body, as well as all directors or other members of the governing body and any stockholder having a 25% or more interest;
- In the case of a limited liability company (LLC) that is a principal (whether as the owner or otherwise), all members are also considered principals, regardless of the percentage interest of the member;
- In the case of a trust that is a principal (whether as the owner or otherwise), all persons having a 25% or more beneficial ownership interest in the assets of such trust;
- In the case of any other person that is a principal (whether as the owner or otherwise), all persons having a 25% or more ownership interest in such other person are also considered principals; and

Instructions, cont'd

- Any person that directly or indirectly controls, or has the power to control, a principal shall also be considered a principal.

Please follow guidelines below for listing principals.

- If the owner is a partnership, list the names of all GPs, regardless of % interest in the General Partnership
- If the owner is an LLC, list the names of all members regardless of % interest
- If the owner is a Corporation (public or private), Organization or Governmental Entity, list the names of officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder having a 25% or more interest
- If the owner is a Trust, list the names of all persons having a 25% or more beneficial ownership interest in the assets of the trust
- If the owner is an Individual, list the name of anyone having a 25% or more ownership interest of the named individual

If none of the above applies, list the name of any person that directly or indirectly controls or has the power to control a principal.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Previous Participation Certification

Development Name: John Early Apartments
Name of Applicant (entity): John Early Seniors Housing, L.P.
2023-TEB-76

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

Lawrence B. Dickenson

Printed Name

2/15/2023

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

2022

Tab D:

List of LIHTC Developments (Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: John Early Apartments
 Name of Applicant: John Early Seniors Housing, L.P.

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2007 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

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

Development #	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	William Watters House/Sterling, VA	William Watters House, L.P. 540-693-5996	Y	91	90	4/18/1991	2007	N
2	Meadowbrook Apartments (Now Wesley Apts)/Lynchburg, VA	Lynchburg United Methodist Housing, L.P. 540-693-5996	Y	150	150	8/1/2006	4/4/2007	N
3	John Early Apartments/Bedford, VA	Bedford United Methodist Housing, L.P.	Y	78	78	6/1/2007	12/15/2008	N
4	Enoch George Manor/Spotsylvania, VA	Asbury of Brittany Methodist Housing, L.P.	Y	60	60	10/17/2005	2006	N
5	Jesse Lee Moor/Petersburg, VA	Petersburg United Methodist Housing, L.P.	Y	108	108	10/31/2008	4/30/2009	N
6	Epworth Manor I/Louisa, VA	Lousia United Methodist Housing, L.P.	Y	61	61	12/27/2011	3/1/2012	N
7	Creekside Manor/Henrico, VA	Creekside Manor, LLC 281-292-1968	N	97	95	12/16/2016	6/5/2017	N
8	The Village at Rockbridge/Lexington, VA	The Village at Rockbridge, LLC 281-292-1968	N	64	64	10/17/2016	6/5/2017	N
	Springhill Village/Staunton, VA	Springhill United Methodist Housing, L.P.	Y	108	108	12/7/2017	6/17/2019	N
9	King William Place, Aylett, VA	King William Place, LLC 281-292-1968	Y(1)	84	84	2/28/2019 3/27/2019 4/16/2019	3/21/2020	N
10	King William Manor, Aylett, VA	King William Manor, LLC 281-292-1968	Y(1)	40	40	Pending	Pending	N
11	Brook Villas, Henrico County, VA	Brook Villas, LLC 281-292-1968	Y(1)	84	84	Pending	Pending	N
12	Ashlake Trails, Chesterfield County, VA	Ashlake Trails, LLC 281-292-1968	Y(1)	67	67	Pending	Pending	N
13								
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 1,092 1,089

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

Tab E:

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

OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement") made as of this 1st day of December, 2022 (the "Execution Date") by and between Bedford United Methodist Housing, L.P., a Virginia limited partnership ("Seller") and John Early Seniors Housing, L.P., a Virginia limited partnership ("Purchaser").

RECITALS:

A. Whereas Seller owns the John Early Apartments, a 78-unit multifamily housing facility located at 718 Blue Ridge Avenue, Bedford, Virginia 24523 (the "Property").

B. Seller desires to grant to Purchaser and Purchaser desires to obtain from Seller an irrevocable option to purchase the Property in accordance with the terms and provisions set forth in this Agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of One Hundred Dollars (\$100.00), the receipt and sufficiency of which is hereby acknowledged, and the mutual promises and covenants herein contained, it is mutually covenanted and agreed by the parties hereto as follows:

1. Option to Purchase Property.

A. Subject to the terms and conditions hereof, Seller hereby grants to Purchaser an irrevocable option to purchase the Property from Seller (the "Option").

B. Purchaser intends to refinance and rehabilitate the multi-family housing facility of 78 units. Purchaser will finance the acquisition of the property and the rehabilitation of the housing facility through the use of the Low Income Housing Tax Credit ("LIHTC") program and with mortgage financing through a HUD insured loan from CBRE.

C. Purchaser may exercise this Option by giving Seller reasonable advance written notice thereof, provided that Purchaser, in addition to the LIHTC tax credit reservation, shall have received a satisfactory financing commitment. This Agreement shall expire on December 31, 2023.

D. The purchase price ("Purchase Price") of the Property shall be Four Million One Hundred Thousand Dollars (\$4,980,000.00) with the Purchase Price to be paid at closing by wire transfer in cash.

2. Adjustments and Credits. The following pro-rations, adjustments and credits to the Purchase Price shall be made at the closing:

A. Real Estate taxes and all other governmental charges assessed against the Property shall be prorated to the date of closing.

B. Seller shall pay all grantor's taxes and the cost of the preparation of the deed and Purchaser shall pay all other recordation taxes to record the deed. Purchaser shall pay all other costs of closing, including the costs of (a) examination of title to the Property, (b) any title insurance premiums as to its purchase of the Property, (c) clerk's fees and other taxes for the recordation of the deed, (d) any appraisal of the Property and (e) having the Property surveyed.

C. Rents and all other charges and fees customarily prorated and adjusted in similar transactions shall be prorated and adjusted to the date of closing. In the event that accurate pro rations and other adjustments cannot be made at closing because current bills are not obtainable (as, for example, in the case of utility bills, if any), the parties shall prorate as of the date of closing on the best available information, subject to adjustment upon receipt of the final bill.

3. Conveyance. At closing, Seller shall convey to Purchaser the Property by general warranty deed with English Covenants of Title, free and clear of all encumbrances and exceptions to title, except as to current taxes and (ii) those recorded easements, restrictions and exceptions which do not adversely affect Purchaser's intended use of the Property as a multi-family housing project (the "Permitted Exceptions"). Purchaser shall notify Seller in writing of any matters affecting title to the Property not constituting Permitted Exceptions on or before sixty (60) days prior to the expected date of closing. Seller shall either cure within thirty (30) days after receipt of such title objection notice ("Title Response Deadline") or notify Purchaser that it is unable or unwilling to cure any such objection to title. If Seller is unable or unwilling to cure such exceptions, then Purchaser may, at its option, and as its sole remedy (i) terminate this Agreement by giving the Seller written notice of such termination within five (5) days after Title Response Deadline (with failure of Purchaser to provide such notice of termination within such time frame being deemed a waiver of such defects), (ii) cure such defects or objections at its own expense and proceed to closing with no reduction in the Purchase Price or (iii) waive such defects and proceed to closing with no reduction in the Purchase Price. Further, Seller agrees that from and after the Execution Date, Seller will not execute any instrument encumbering the Property in a manner that would materially and adversely affect Purchaser's intended continuing use of the Property as a multi-family housing project (the "Project"). In addition, Seller shall deliver such other tax reporting forms, lien waivers, and other documents as customarily delivered in similar transactions in the Commonwealth of Virginia.

4. Closing. Closing shall be by escrow in the offices of the Purchaser's title company, Richmond, Virginia, or at such other place as the parties may mutually agree, on or about December 1, 2023, unless the closing date is extended by the parties, in which event the closing date shall be extended to such date as the parties may mutually agree.

5. Possession. Possession of the Property shall be delivered as of date of closing, free and clear of any encumbrances but subject to tenant leases.

6. Seller's and Purchaser's Conditions. Purchaser's obligations hereunder are contingent upon obtaining a reservation of LIHTC tax credits and a financing commitment satisfactory to Purchaser, in its sole discretion.

7. Seller's Conditions, Representations, and Warranties:

In order to induce Purchaser to enter into this Agreement and to purchase the Property, Seller hereby makes the following representations, warranties and covenants as to the Property, each of which is relied upon by Purchaser, shall survive closing and shall not merge into the deed. If any of these representations is not true and correct on the date of this Agreement (and as of the closing date as if then made), Purchaser shall have the right, at its option, to elect to terminate this Agreement.

A. Pending Litigation. Seller has no knowledge of any pending or threatened litigation or governmental proceeding or investigation against Seller affecting the Property or any part thereof, which is, or if adversely resolved, would or might become a lien on any portion of the Property or would or might otherwise materially and adversely affect the Property or Purchaser's acquisition, development for the intended use, or occupancy of the Property thereon after closing.

B. No Defaults. Seller has no knowledge that the execution of this Agreement by Seller or the performance by Seller of its obligations hereunder will (i) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party, or by which it may be bound, and which would materially affect Purchaser's rights under this Agreement, including Purchaser's rights, title and interests in and to the Property, or (ii) result in the creation of any material lien, charge, or encumbrance upon the Property, except as permitted hereby.

C. No Special Taxes. Seller has no knowledge of, nor has it received any notice of, any special taxes or assessments relating to the Property.

D. Condemnation Proceedings: Roadways. Seller has no knowledge of, nor has it received notice of, any condemnation or eminent domain proceedings pending or threatened against the Property or any part thereof. Seller has no knowledge of, nor has it received any notice of, any change or proposed change in the route, grade or width of, or otherwise affecting, any street or road abutting the Property, which change would have a material adverse impact upon the Property.

E. No Contracts. Seller is not a party to and is not bound by any sales contract, option agreement, right of first refusal agreement or other contractual agreement providing for the sale or other conveyance of the Property or any portion thereof.

F. No Hazardous Materials. Seller has not caused, has no actual knowledge of and has received no written notice that any other person or entity has caused, any release, manufacture, production, treatment, storage or disposal of any substance or material on the Property, including the ground water or on, under, or about the Property, the generation, production, release, treatment, storage or disposal of which is regulated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"). 42 USC Sections 9601 et. seq., or any other substances, materials and waste which are or become

regulated under applicable local, state or federal law, or the United States of America government, or which are classified as hazardous or toxic under federal, state, or local laws and regulations ("Hazardous Materials"). Seller covenants during the period of this Agreement not to use, discharge or store any Hazardous Materials on the Property.

G. Zoning. Seller represents that the Property is zoned for 78 multi-family housing units.

H. Authorization. Seller (1) is duly organized and validly existing, and (i) has the authority (a) to execute and deliver this Agreement and all other documents and instruments to be executed and delivered hereunder, and (b) to perform its obligations hereunder and under such other documents and instruments in order to sell the Property in accordance with the terms and conditions hereof. All necessary actions have been taken by Seller to confer upon the persons executing this Agreement, and all documents that are contemplated hereby on Seller's behalf, the power and authority to do so.

8. Risk of Loss. All risk of loss as a result of any exercise of the power of eminent domain, or by reason of fire or other casualty, or for personal liability as to the Property, shall remain on Seller until closing except to the extent liability for personal injury may arise out of Purchaser's entry upon the Property or any part of it.

9. Access and Tests. Seller hereby grants to Purchaser and its agents, representatives, employees, contractors and subcontractors, a license to enter upon the Property for the purpose, at Purchaser's sole expense, of making engineering, boundary, topographical and drainage surveys and tests, conducting environmental tests, inspection of the physical condition of the Property, and investigating the Property with appropriate representatives of Bedford, the Commonwealth of Virginia and public utility companies. Sellers represents the availability and sufficiency of utility facilities to continue serving the Project. Purchaser shall indemnify and hold Sellers harmless against any loss, liability or expense, including attorney's fees, arising out of Purchaser's exercise of its rights under this section.

10. Notices. All notices and demands which, under the terms of this Agreement must or may be given by the parties hereto shall be delivered in person, or by overnight courier service, to the respective parties hereto as follows:

Seller: Bedford United Methodist Housing, L.P.
1706 Grandin Road, SW
Roanoke, Virginia 24015

Purchaser: John Early Seniors Housing, L.P.
1706 Grandin Road, SW
Roanoke, Virginia 24015
Attention: Lawrence B. Dickenson

Copy to: Laura Lee Garrett
Hirschler
2100 East Cary Street
Richmond, Virginia 23223

Notices shall be deemed to have been given when (A) delivered in person, upon receipt thereof by the person to whom notice is given, and (B) if by overnight courier within one (1) business day after the date deposited with the overnight courier service.

11. Exclusivity. Neither Seller nor Seller's representatives will market the Property, have any discussions or negotiations regarding the sale of the Property with any other party, and/or sell or agree to sell the Property to any other party, unless and until this Agreement is terminated by Purchaser in accordance with its terms.

12. Miscellaneous. This Agreement shall be governed by, construed and enforced under the laws of the Commonwealth of Virginia. This Agreement sets forth the entire agreement and understanding between the parties with respect to the transaction contemplated hereby and supersedes all prior agreements, arrangements, and understandings which led to the subject matter hereof. No representative, promise, inducement, or statement of intention has been made by Seller or the Purchaser which is not embodied in this Agreement.

13. Successor; Number; Gender. The terms and agreements hereof shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties. Wherever used herein, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all other genders.

14. The Captions and Counterparts. The captions and paragraph headings contained herein are for convenience only and shall not be used in construing or enforcing any of the provisions of this Agreement. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original hereof, but all of which, together, shall constitute a single agreement.

[remainder of page intentionally left blank, signature page on next page]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Option Agreement as of the day and date first above written.

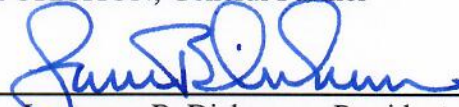
PURCHASER: JOHN EARLY SENIORS HOUSING, L. P.

By: VUM Bedford Housing, LLC, General Partner

By: 
Lawrence B. Dickenson, President

SELLER: BEDFORD UNITED METHODIST HOUSING, L.P.

By: UNITED METHODIST HOUSING DEVELOPMENT CORPORATION, General Partner

By: 
Lawrence B. Dickenson, President

Bedford County, Virginia

Tax Map #: 191 A 3A T Parcel Number(RPC): 80502204 Address: 718 BLUE RIDGE AVE

Parcel Information

Owner :	BEDFORD UNITED METHODIST HOUSING LP	Legal Acreage:	12.1300
Additional Owner:	ATTN TONY WEBB VHDA	PCDesc:	3 Multi-Family Residential
Owner Address:	PO BOX 5127 RICHMOND VA 23220	Legal Description:	N SIDE BLUE RIDGE AVE APTS M THRU V #121-198
		Document Number:	070001609

Valuation Information

Map : 191 A 3A T Deed Book/Page No Data
 Acreage: 12.1300

Year	Land Value	Improvement Value	Total Value
2019 Reass	\$323,200.00	\$2,625,700.00	\$2,948,900.00
2015 Reass	\$242,500.00	\$2,652,900.00	\$2,895,400.00
19	\$242,500.00	\$2,652,900.00	\$2,895,400.00
St. Bd. E&R	\$242,500.00	\$2,653,100.00	\$2,895,600.00
NC Add	\$242,500.00	\$2,514,900.00	\$2,757,400.00

Improvement

Building 1

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	3.0	Cooling :	Y
Foundation:	Full Crawl	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	5712
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 2

Exterior Information		Interior Information	
Structure use:	Single family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	1.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age

DISCLAIMER: This data is provided without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Any person, firm or corporation which uses this map or any of the enclosed information assumes all risk for the inaccuracy thereof, as Bedford County expressly disclaims any liability for loss or damage arising from the use of said information by any third party.

Roof Material:	Asphalt shingles	Finish Size Sq Ft:	3653
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 3

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 4

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 5

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 6

Exterior Information		Interior Information	
		Rooms Total:	0

DISCLAIMER: This data is provided without warranty of any kind, either expressed or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Any person, firm or corporation which uses this map or any of the enclosed information assumes all risk for the inaccuracy thereof, as Bedford County expressly disclaims any liability for loss or damage arising from the use of said information by any third party.

Structure use:	Multi-family	Bedrooms:	0
Building Type:	99 Other	Full Bathroom:	0
Frame Material:	Wood frame	Half Bathroom:	0
Exterior Cover :	Wood siding	Attic:	None
Exterior Cover:	No Data	Heating:	Heat pump
Year Built:	1980	Cooling :	Y
Stories :	2.0	Masonry Fireplace :	N
Foundation:	None	Condition:	normal for age
Roof:	Gable	Finish Size Sq Ft:	7440
Roof Material:	Asphalt shingles	Basement Sq Ft:	0
Garage Sq Ft:	No Data		
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 7

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 8

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N
Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

Building 9

Exterior Information		Interior Information	
Structure use:	Multi-family	Rooms Total:	0
Building Type:	99 Other	Bedrooms:	0
Frame Material:	Wood frame	Full Bathroom:	0
Exterior Cover :	Wood siding	Half Bathroom:	0
Exterior Cover:	No Data	Attic:	None
Year Built:	1980	Heating:	Heat pump
Stories :	2.0	Cooling :	Y
Foundation:	None	Masonry Fireplace :	N

Roof:	Gable	Condition:	normal for age
Roof Material:	Asphalt shingles	Finish Size Sq Ft:	7440
Garage Sq Ft:	No Data	Basement Sq Ft:	0
Detached Garage Sq Ft:	No Data		
DeckSq Ft:	0		

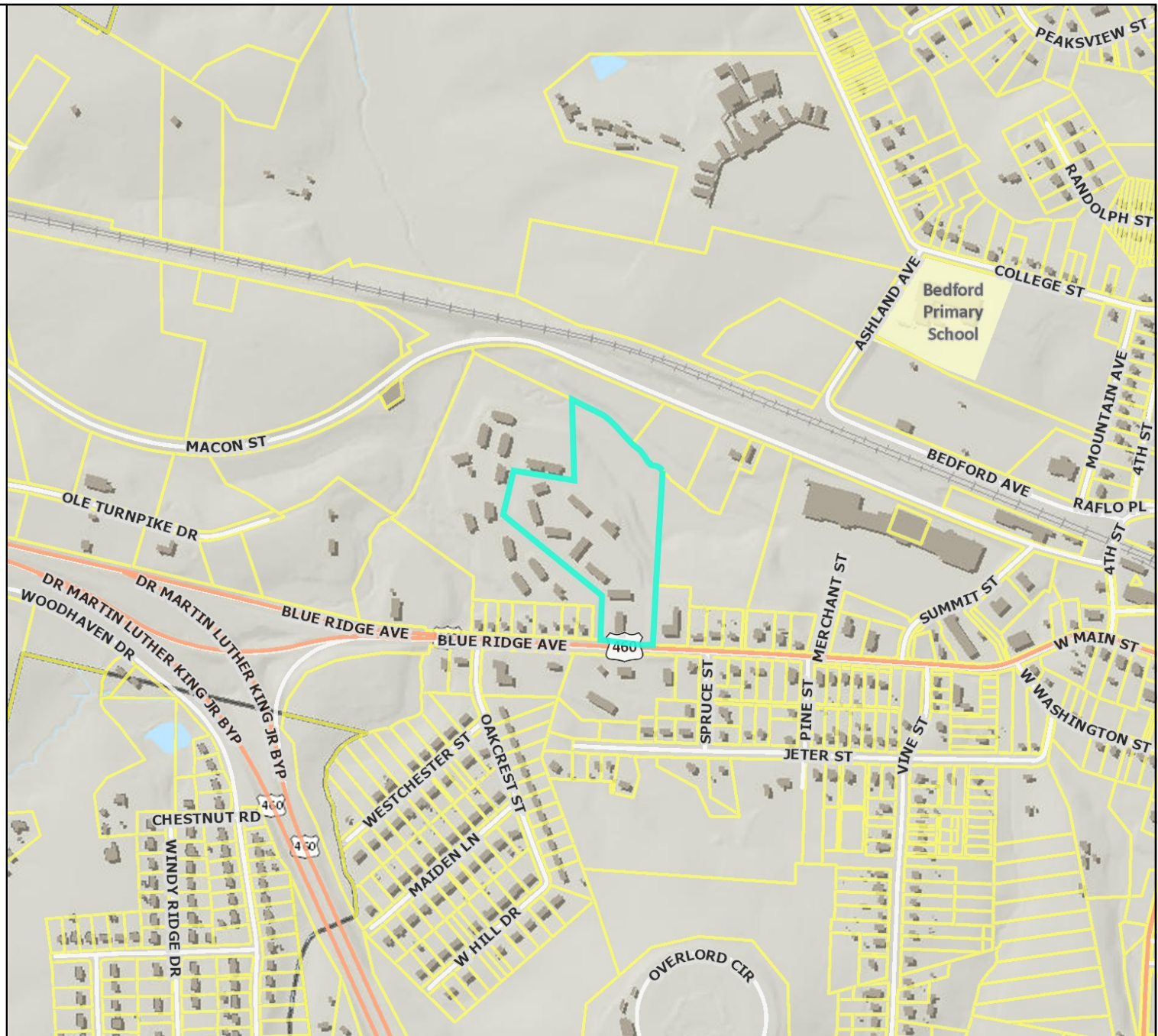
Current Owner	
Current Owner:	BEDFORD UNITED METHODIST HOUSING LP
Purchase Date:	01/01/2013
Purchase Price:	\$.00

Past Owner			
Name:	No Data	Name:	No Data
Purchase Date:	No Data	Purchase Date:	No Data
Purchase Price:	No Data	Purchase Price:	No Data

The Town of Bedford, VA

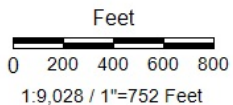
Legend

- Highway
 - Blue Ridge Parkway
 - US Primary
 - Virginia Primary
- Roads
- Parcels - County
- Parcels - Town
- Public School Boundary



Title: Parcels - Town

Date: 2/3/2023



DISCLAIMER: This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information, and data obtained from various sources, and Bedford County is not responsible for its accuracy or how current it may be.

Tab F:

RESNET Rater Certification (MANDATORY)

RESNET Rater Certification of Development Plans

Deal Name _____

Deal Address _____

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 Viridian's 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.

Additional Optional Certifications continued

- _____ **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 development's design meets the criteria for 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.**

Printed Name	Stacey Smith	3/24/23
	RESNET Rater	Date

Signature 

Resnet Provider Agency _____

Signature 

Provider Contact & Phone/Email _____

Home Energy Rating Certificate

Projected Report
Based on Plans

Rating Date:
Registry ID:
Ekotrope ID: kLZKeA0d

HERS® Index Score:

76

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

Annual Savings

\$504

*Relative to an average U.S. home

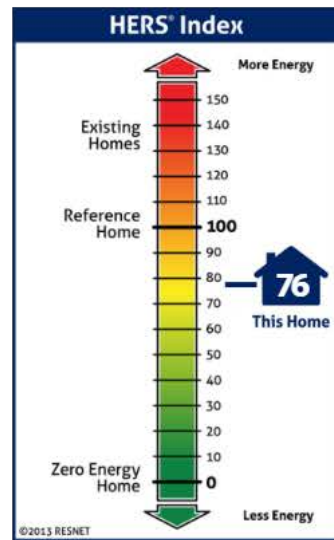
Home:
718 Blue Ridge Ave
Bedford, VA 24523

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	7.3
Cooling	1.5
Hot Water	4.7
Lights/Appliances	10.7
Service Charges	
Generation (e.g. Solar)	0.0
Total:	24.3

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	1 BR Top
Community:	N/A
Conditioned Floor Area:	707 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 16 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-13
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: Stacey Smith
RESNET ID: 2279319

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

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


Stacey Smith, Certified Energy Rater
Digitally signed: 3/24/23 at 2:39 PM



Home Energy Rating Certificate

Projected Report
Based on Plans

Rating Date:
Registry ID:
Ekotrope ID: 1231W6Md

HERS® Index Score:

71

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

Annual Savings

\$543

*Relative to an average U.S. home

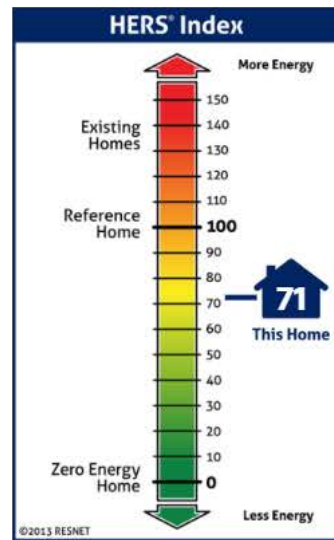
Home:
718 Blue Ridge Ave
Bedford, VA 24523

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	6.5
Cooling	1.2
Hot Water	4.7
Lights/Appliances	10.7
Service Charges	
Generation (e.g. Solar)	0.0
Total:	23.1

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	1 BR Bottom
Community:	N/A
Conditioned Floor Area:	707 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 16 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-13
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: Stacey Smith
RESNET ID: 2279319

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

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


Stacey Smith, Certified Energy Rater
Digitally signed: 3/24/23 at 2:39 PM



Home Energy Rating Certificate

Projected Report
Based on Plans

Rating Date:
Registry ID:
Ekotrope ID: bLbDGAEv

HERS® Index Score:

80

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

Annual Savings

\$590

*Relative to an average U.S. home

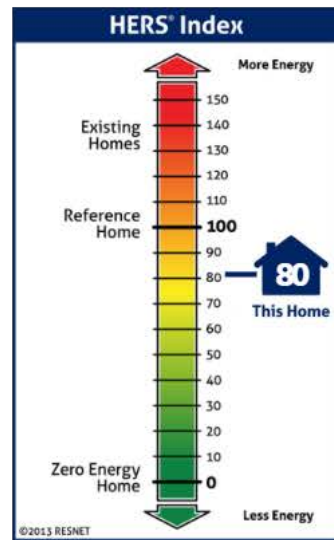
Home:
718 Blue Ridge Ave
Bedford, VA 24523

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	12.9
Cooling	2.0
Hot Water	6.1
Lights/Appliances	12.3
Service Charges	
Generation (e.g. Solar)	0.0
Total:	33.3

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:	1,761 ft ²
Number of Rooms:	2
Primary Heating System:	Air Source Heat Pump Electric 8. HSPF2
Primary Cooling System:	Air Source Heat Pump Electric 16 SEER
Primary Water Heating:	Residential Water Heater Electric 0.93 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM2L / 100 ft ²
Above Grade Walls:	R-13
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.3, SHGC: 0.27
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Stacey Smith
RESNET ID: 2279319

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

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

Stacey Smith, Certified Energy Rater
Digitally signed: 3/24/23 at 2:39 PM



Tab G:

Zoning Certification Letter (MANDATORY)



Zoning Certification

NOTE TO DEVELOPER: You are strongly encouraged to submit this certification to the appropriate local official **at least three weeks in advance of the application deadline** to ensure adequate time for review and approval.

General Instructions:

1. The Zoning Certification **must** be submitted on locality's letterhead or professional civil engineer's letterhead.
2. The Local Certification section **must** be completed by the appropriate local official or Civil Engineer.
3. The Engineer **must** be registered in the Commonwealth of Virginia.
4. 'Development Description' should be provided by the Owner.
5. 'Development Address' should correspond to I.A.2 on page 1 of the application.
6. 'Legal Description' should correspond to the site control document in the application.
7. 'Proposed Improvements' should correspond with I.B & D and III.A of the application.
8. 'Other Descriptive Information' should correspond with information in the application.
9. Any change in this Certification may result in disqualification of the application.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

Zoning Certification

DATE:

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

RE:

ZONING CERTIFICATION

Name of Development:

JOHN EARLY APARTMENTS

Name of Owner/Applicant:

BEDFORD UNITED METHODIST LP

Name of Seller/Current Owner:

BEDFORD UNITED METHODIST LP

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address:

718 BLUE RIDGE AVE.

BEDFORD VA

Legal Description:

TAX MAP - 191-A-3AT

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>78</u>	# Units	<u>9</u>	# Buildings	<u>64,544</u>	Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: R3 HIGH DENSITY RESIDENTIAL allowing a density of 12 units per acre, and the following other applicable conditions: REQUIREMENTS of section 906

Other Descriptive Information:
TOTAL AREA OF SITE IS 12.3 AC.

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.

Mary A Zirkle
Signature

Mary A. Zirkle
Printed Name

Zoning Administrator
Title of Local Official or Civil Engineer

540-587-6006
Phone:

October 7, 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.

Tab H:

Attorney's Opinion (MANDATORY)

BROCKMANN LAW
17250 Lancaster Highway, Suite 608
Charlotte, North Carolina 28277
www.brockmann.law

March 29, 2023

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

RE: 2023 Tax Credit Reservation Request

Name of Development: John Early Seniors Apartments
Name of Owner: John Early Seniors Housing LP

Ladies and Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. We have received a copy of and have reviewed the completed application package dated March 29, 2023 (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"). We have also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as we believe 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 we deem necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. The type of nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
6. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
7. *It is more likely than not that the representations made in the Rehab Information section of*

the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.

8. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

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

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

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

Very truly yours,



Todd C. Brockmann, Esq.

TCB/me

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: John Early Apartments
- Name of owner/applicant: John Early Seniors Housing, L.P.
- Name of non-profit entity: Virginia United Methodist Housing Development Corporation
- Address of principal place of business of non-profit entity:
1706 Grandin Road, SW, Roanoke, VA 24015
- Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- Date of legal formation of non-profit (must be prior to application deadline);
evidenced by the following documentation:
August 29, 1975 as evidence by the attached Certificate of Incorporation issued by the
State Corporation Commission
- Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application
deadline and copy must be attached):
August 31, 1982
- Describe exempt purposes (must include the fostering of low-income housing in its articles
of incorporation):
To provide affordable housing to low and moderate income families in the Commonwealth
of Virginia
- 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.)?
1 (one) How many part time, paid staff members? 0 (zero)

Describe the duties of all staff members:

Larry Dickenson acts as Executive Director and President, carrying out all of the operations
and development activities of the entity. He is the only paid staff member.

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
The nonprofit earns developer fees and operational excess cash flow from certain properties.

- 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.

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:

- (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?

In the LLC Operating Agreement

(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?

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:

- 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 acting as the Developer of the project and also the Manager of the LLC and will own 100% of the GP.

(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):

The non-profit will oversee the operations and compliance of the property throughout the compliance period and will manage the Property Management firm's contract and performance.

(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:

- 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.

- 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.

Non-profit Questionnaire, cont'd

- 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.

- 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:

- 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:

- 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.

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:
The non-profit exists to help advance affordable housing in the Commonwealth of Virginia.

- 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:
The non-profit has been a non-profit owner of the property in that location for over 10 years.

- 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:

- 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:
The non-profit has worked with the property over the years in attracting eligible tenants to the property. It has not received direct monetary contributions.

- 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:
No, but once approved there will be tenant meetings to discuss the renovations.

- 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 non-profit board meets by video conferencing or in-person at various locations around the state on a quarterly basis.
- 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:

- 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:

- 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).
List available upon request.

- 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).
See attached list.

- 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:

Non-profit Questionnaire, cont'd

5. Attachments

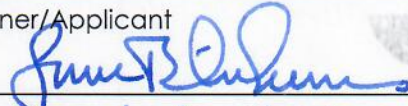
Documentation of any of the above need not be submitted unless requested by VHDA

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.

02/03/2023
Date

John Early Seniors Housing, L.P.

Owner/Applicant

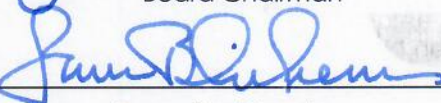
By: 

Its: President, of Sole Member
of VUM Bedford Housing, LLC, G.P.
Title

Virginia United Methodist Housing Development Corporation Non-profit

02/03/2023
Date

By: 
Board Chairman

By: 
Executive Director

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Relocation Plan

John Early Apartments

Ann Carey, Regional Manager / Relocation Consultant

804-644-1088 / ancarey@amurcon.com

Sara Taylor, Area Manager / Relocation Liaison

540-586-7347 / sjtaylor@amurcon.com

John Early Relocation Plan:

Overview → Project Overview

John Early Apartments is an existing 78-unit Section 8 & LIHTC layered property located at 718 Blue Ridge Avenue, Bedford, VA 24523. The property is comprised of 8, two-story garden style residential buildings with 64 one-bedrooms and 14 two bedrooms.

The property will be re-syndicated using 4% LIHTCs which will require all 78 units to be affordable at or below 60% AMI. The property will be fully renovated using tax credit equity (4%), seller note, deferred developer fee, earnings on bonds, operating cash flow, and a Section 221(d)(4) loan*.

The renovation of John Early Apartments will not cause the displacement of tenants that are currently under the tax credit income limit. At present we have existing tenants that are currently over the tax credit income limit and will be placed on a month-to-month lease when their current lease term ends, or they will be issued a non-renewal notice at the end of their current lease. The residents will be made aware of the impending rehab and existing tax credit financing restrictions and will agree to a 60-day notice.

Upon completion of the rehabilitation, current rental rates will be adjusted in accordance with the HUD Rent Schedule and will continue to be adjusted annually as approved by HUD. Rents cannot increase above the maximum allowable rents.

Unit Exteriors/ Interiors:

Building exteriors renovations include new roofing, siding, windows and exterior doors. All asphalt parking areas will be resurfaced and restriped. New landscaping will be installed throughout the community.

Building interiors renovations include new plumbing fixtures, lighting fixtures, appliances, cabinets, countertops, flooring and HVAC equipment. Ceilings walls and trim will be painted.

New Amenities and Upgrades:

Amenities and upgrades include accessible laundry facilities, pavilion/gazebo, business center, exercise room, renovated community room.

Tenant Notices and Communication

John Early Apartments understands the importance of open communication with tenants to help minimize rumors, misunderstandings and alleviate the stress of moving. Tenants will be informed of the renovation and relocation plans as indicated below. Interpreters will be arranged to assist non-English-speaking persons understand what is intended. Communication with tenants about the plans for the property will be conducted by the Relocation Liaison or other Amurcon Employees during group or one on one meetings, to ensure the residents are informed.

John Early Apartments will submit any necessary change to this relocation plan to HUD and the affected tenants when a change is necessitated.

120-Day Notice: 120-day advance prior to the construction start date, notice will be provided to the existing residents regarding the implementation of renovation plan. The notice will include an outline of the planned scope of work and general timeline of renovation plans.

90-Day Notice: 90-days prior to tenants relocating, the Liaison and Amurcon Staff will conduct one-on-one interviews with each tenant to qualify them for their move and at that time, take advantage of the opportunity to discuss the resident's individual needs with respect to their relocation. Based on their individual needs the relocation consultant will develop a specific plan to ensure their needs are met.

60-Day Notice: The Liaison will provide tenants with 60-days' notice prior to moving to their newly renovated apartment homes. Included in this notice, residents will be given the address of their newly renovated home and the date the unit will be available to move.

Planned Measures To Minimize the Impact of Construction

With respect to the units that will be rehabbed, the following measures will be taken to minimize the impact on the tenants: Prior to relocation, impacted residents will be given an advance notice detailing the day in which they will be relocated and to which on-site unit they will be temporarily relocated to. **(See Relocation Schedule: Attached)** This will take place prior to the start of any rehabilitation to ensure the building is vacant and ready for rehab.

Renovations will then begin once the tenant has been temporarily relocated on-site and the John Early Apartments Relocation Liaison or other Amurcon Employee have completed a move-out inspection to ensure the units are ready for rehab*.

Once those units are renovated, the John Early Apartments Relocation Liaison will complete a move-in inspection to ensure the work has been completed and is in satisfactory condition. Any deficiencies with the rehabbed units will be resolved and documented on an inspection form and signed by the resident on move in date.

John Early Apartments Will Provide The Following: → Relocation Schedule

Effective immediately, all units vacated prior to the start of renovations will not be re-rented when the existing tenant moves. We will continue to hold apartments until we have approximately ten vacancies. In order to vacate an entire building tenants may be moved to a non-rehabbed unit. The non-rehabbed units will be in a decent, safe and sanitary condition. Rehabilitation will take place over a 12-month period with each building being renovated one at a time. Rehabilitation per building is projected to take 5-weeks and temporarily relocated tenants will be given one-week to move back into their rehabbed units. This process will be repeated until all rehab work is completed. Once a building is renovated, tenants from the next building to be renovated will move to the newly

renovated building. Tenants will be able to move to a unit that is the same size of their current unit. This will be accomplished when like size buildings are renovated. Units will be held as construction continues at the time construction is approaching a building with different size units than the building that being renovated.

The management company will begin holding vacant units approximately 4 to 6 months before the start of construction to accumulate 10 vacant units. The units will be located in various buildings throughout the site. When construction starts we will select a building to be renovated, we will then relocate all of the tenants from the building being renovated to the existing vacant units located in the remaining 7 residential buildings on site. When the renovation is complete, we will then select the second building to be renovated and move the tenants from that building to the newly renovated building. The construction will then begin on the second building. The sequence will repeat until all units have been rehabbed.

Timetable → Relocation Budget

At the closing of the loan, \$58,500 will be utilized for moving all residents. We are assuming that the move will cost \$750 per unit. We anticipate that the amount is sufficient to cover all relocation expenses, but in the unlikely event that it proves insufficient to cover this cost the Owner will fund any shortfall.

John Early Apartments Will Provide The Following:

Relocation Assistance- John Early Apartments will provide boxes and or packing materials sufficient to enable each resident to pack their belongings prior to the move. On moving day, the contractor will provide movers to relocate their personal belongings to the newly renovated apartment. Packing boxes and materials will be free of charge to the resident. Cost to transfer utilities including phone, cable, etc. will be reimbursed timely once proof of charges are provided to the Relocation Liaison.

During the individual tenant meetings to avoid unnecessary stress and to protect their well-being and safety, we will consider a tenant's reasonable accommodation request to return to their current unit after the renovation has been completed.

Temporary Relocation Assistance if required – Temporary Relocation Assistance to an off-site location will be provided if needed and considered on a case-by-case basis. An off-site location would include providing a room at a local hotel to temporarily relocate the tenant household. If the off-site location does not include cooking facilities the tenant would be given a daily stipend for meals. The cost of the off-site location would be paid by John Early Apartments.

Security and Safety – John Early Apartments considers the security and safety of our residents and their property an important priority. To ensure the residents property is relocated to the new unit, all property and boxes will be clearly marked. Extreme care will be given to moving contents from one unit to another.

The General Contractor will provide a Safety Plan that focuses on the safety and security of the

property materials, equipment, their employees, and subcontractors during construction. The General Contractor will secure materials and equipment within locked Conex boxes. Dumpsters will be placed by the Conex boxes and will be removed when full. The owner will ensure that the areas undergoing renovation are secured and marked to protect the tenants.

Relocation Assistance - Relocation assistance and service will be made available to tenants during regular business hours or during evenings and weekends to accommodate tenant's schedules. John Early Apartments will provide relocation information to tenants with written materials and physical or translation services in their native languages if required. Additional attention will be given to tenants with special needs and circumstances.

Examples of the Relocation assistance and services to be provided include the following:

1. Reimbursing for utility transfer costs
2. Providing boxes and other packing materials
3. Moving possessions to the new apartment

Claims and Complaints - In the event of a reported incident, the Relocation Liaison will complete an incident report outlining the tenant information and their claim. Processing the claim will be completed within five (5) business days upon receipt of the claim. After the claim has been processed, the liaison will follow up to ensure a resolution has been achieved within five (5) business days up to ensure a resolution has been achieved in a timely manner. A copy of the report will be provided to the contractor and the owner.

Documentation of Compliance

John Early Apartments will maintain the files that document compliance with the above requirements and HUD MAP Guide A.3.5 which are attached to this Plan as an Addenda. The file shall include but are not limited to copies of the relocation plans, notices, canceled checks, and other items providing evidence of the compliance.

Management Credentials

Amurcon Realty Company is an experienced management agent and has professionally managed the relocation plan of their apartment communities during a property renovation project. The properties listed below underwent a renovation of all units and residents were relocated to their newly renovated homes.

- Springhill Village in Staunton, VA in 2018
- Enoch George Apartments in Spotsylvania in 2022

Ann Carey, Regional Manager/Relocation Consultant has over 39 years in property management experience with Amurcon Realty Company. Currently Ann oversees 965 units, which include multifamily and elderly housing. Amurcon's business philosophy has always been: the resident is our primary concern and resident satisfaction is of the utmost importance for success.

Sara Taylor, Area Manager/ Relocation Liaison has 9 years of experience with Amurcon Realty Company.

Sara is well versed in LIHTC and multifamily housing. Sara, like all Amurcon Employees follow the Amurcon business philosophy.










Plan submitted by,

Ann N. Carey

Regional Manager

Amurcon Realty Company

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names	5, '23							F
							M	T	W	T	F	S		
1	Renovations to John Early Apartments	261 days	Fri 9/1/23	Fri 8/30/24										
2	Notice to Proceed	0 days	Fri 9/1/23	Fri 9/1/23										
3	Mobilization	10 days	Fri 9/1/23	Thu 9/14/23	2									
4	Sitework	220 days	Mon 9/4/23	Fri 7/5/24										
5	Site Lighting	45 days	Mon 9/4/23	Fri 11/3/23										
6	Site Landscaping including Planter bed areas and tree plan	20 days	Mon 6/10/24	Fri 7/5/24	30									
7	Asphalt Paving	20 days	Mon 6/10/24	Fri 7/5/24	30									
8	Apartment Building R (10 units)	37 days	Fri 9/15/23	Mon 11/6/23										
9	Demo and Replace Asphalt Shingle Roof	5 days	Fri 9/15/23	Thu 9/21/23	3									
10	Install storm drainage system and regrade	5 days	Fri 9/22/23	Thu 9/28/23	9									
11	Landscaping	3 days	Fri 9/29/23	Tue 10/3/23	10									
12	Interior Demo and Framing	6 days	Fri 9/15/23	Fri 9/22/23	3									
13	MEP rough In	4 days	Mon 9/25/23	Thu 9/28/23	12									
14	Air Seal and Insulate	1 day	Fri 9/29/23	Fri 9/29/23	13									
15	Drywall	5 days	Mon 10/2/23	Fri 10/6/23	14									
16	Doors and Trim	1 day	Mon 10/9/23	Mon 10/9/23	15									
17	Paint	4 days	Tue 10/10/23	Fri 10/13/23	16									
18	Flooring	4 days	Mon 10/16/23	Thu 10/19/23	17									
19	Cabinets and Tops	3 days	Fri 10/20/23	Tue 10/24/23	18									
20	Hardware and Accessories	2 days	Mon 10/23/23	Tue 10/24/23	19FF									
21	MEP Trim Out	2 days	Tue 10/24/23	Wed 10/25/23	19FF+1 day									
22	Set Heat Pumps	3 days	Fri 9/29/23	Tue 10/3/23	11FF									
23	Final Cleaning	2 days	Thu 10/26/23	Fri 10/27/23	21									
24	Test, Inspect, Punchlist	2 days	Fri 10/27/23	Mon 10/30/23	23FF+1 day									
25	Relocation	5 days	Tue 10/31/23	Mon 11/6/23	24									
26	Apartment Building P (10 units) site concrete included	34 days	Tue 11/7/23	Fri 12/22/23	25									
27	Apartment Building N (10 units) site concrete included	30 days	Mon 12/25/23	Fri 2/2/24	26									
28	Apartment Building M (10 units) site concrete included	30 days	Mon 2/5/24	Fri 3/15/24	27									
29	Apartment Building S (10 units) site concrete included	30 days	Mon 3/18/24	Fri 4/26/24	28									
30	Apartment Building T (10 units) site concrete included	30 days	Mon 4/29/24	Fri 6/7/24	29									
31	Apartment Building V (10 units) site concrete included	30 days	Mon 6/10/24	Fri 7/19/24	30									
32	Apartment Building U (8 units) site concrete included	30 days	Mon 7/22/24	Fri 8/30/24	31									
33	Office Laundry Renovations	38 days	Mon 6/10/24	Wed 7/31/24	30									
34	Project Complete	0 days	Fri 8/30/24	Fri 8/30/24	32,33									

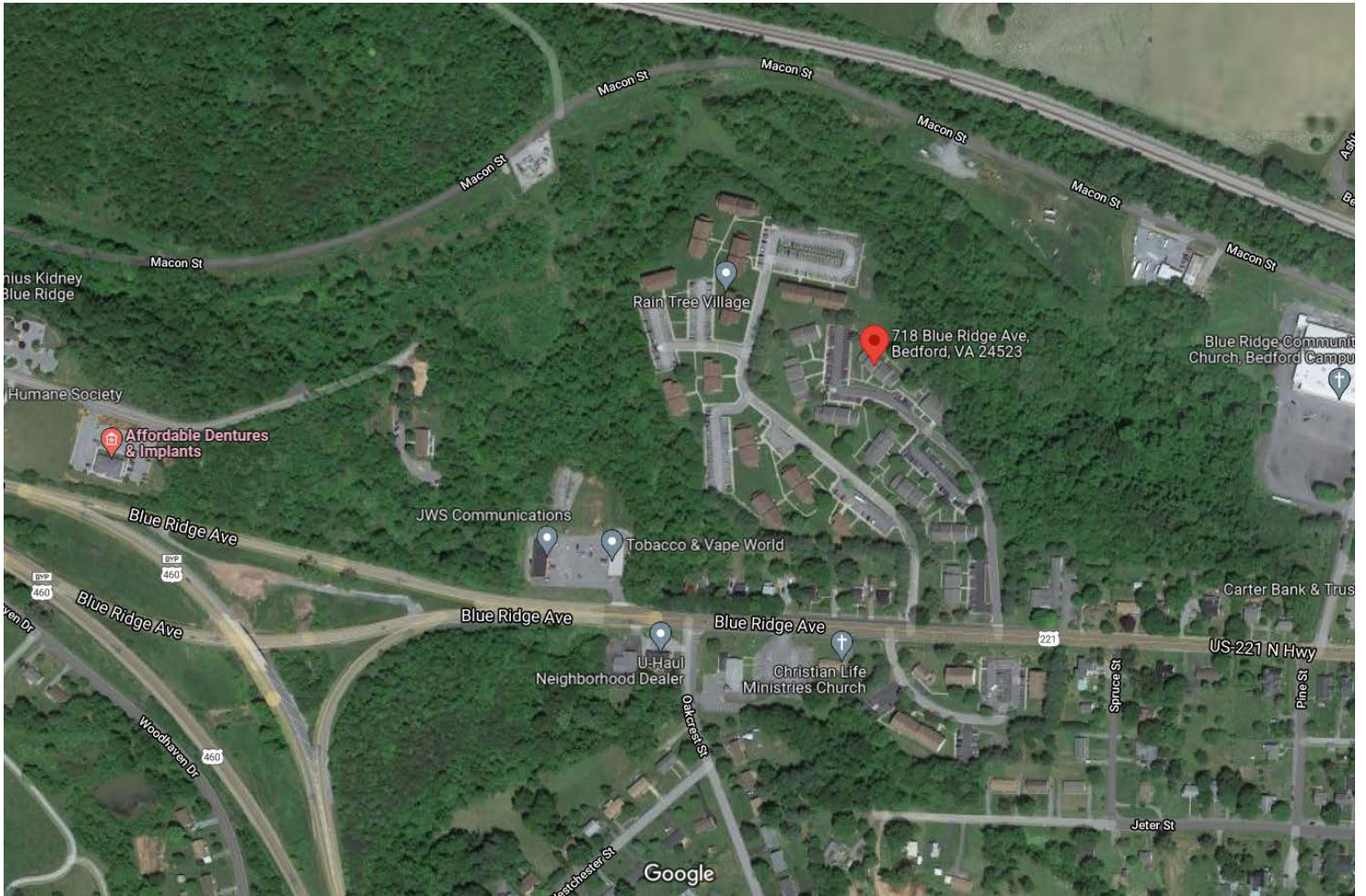
Project: CPM Schedule - Renovations Date: Mon 2/13/23	Task		Milestone		External Tasks	
	Split		Summary		External Milestone	
	Progress		Project Summary		Deadline	

Tab K:

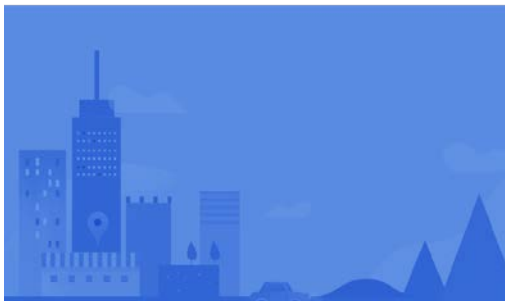
Documentation of Development Location:

Tab K.2

Location Map









Imagery ©2022 Commonwealth of Virginia, Maxar Technologies, USDA Farm Service Agency, Map data ©2022 200 ft



718 Blue Ridge Ave

Building

- 
Directions
- 
Save
- 
Nearby
- 
Send to your phone
- 
Share

 718 Blue Ridge Ave, Bedford, VA 24523

At this location

F & W Management Corporation
 5.0 ★★★★★ (1)
 Business management consultant ·
 718 Blue Ridge Ave



John Early Apartments
 3.9 ★★★★★ (13)



2/3/22, 11:10 AM

718 Blue Ridge Ave - Google Maps

Apartment building · 718 Blue Ridge Ave



Tab K.3

Surveyor's Certification of Proximity To Public
Transportation



Surveyor's Certification of Proximity to Transportation

DATE:

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

RE: 2022 Tax Credit Reservation Request

Name of Development: _____

Name of Owner: _____

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 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.

Firm Name

By: J. F. Schuppe, LS

Its: _____
Title

Tab L:

PHA / Section 8 Notification Letter

Tab L.

PHA/Section 8 Notification Letter



PHA or Section 8 Notification Letter

Development Name: John Early Apartments

Tracking #: 2023-TEB-76

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: February 3, 2023

TO: Cathy Johnson
Bedford Redevelopment and Housing
215 E. Main Street, Bedford, VA 2452

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: John Early Apartments
Name of Owner: John Early Seniors Housing, L.P.

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 December 1, 2023 (date).

The following is a brief description of the proposed development:

Development Address:
718 Blue Ridge Avenue, Bedford, VA 24523

Proposed Improvements:

<input type="checkbox"/> New Constr.:	_____ # units	_____ # Bldgs
<input type="checkbox"/> Adaptive Reuse:	_____ # units	_____ # Bldgs
<input checked="" type="checkbox"/> Rehabilitation:	<u>78</u> # units	<u>8</u> # Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ _____ / month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>840</u> / month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>900</u> / month
<input type="checkbox"/> 3 Bedroom Units:	\$ _____ / month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____ / month

Other Descriptive Information:

John Early Apartments consists of 78 age-restricted units in 8 buildings and a community center building. The proposed project will be to substantially renovate all of the units and replace major systems, including renovation of the community center to include the leasing office, a business and fitness center, laundry rooms and an outside gazebo and dog park. The project will continue to

PHA or Section 8 Notification Letter

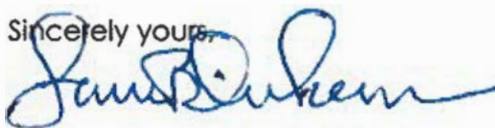
receive project based rental assistance in the form of a HAP contract which will have increased rents under the new contract.
These higher rents will not impact the tenants' rental payments as they will continue to be a percentage of their income as is
currently.

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (541)344-6861.

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

Sincerely yours,



Lawrence Dickenson

Name

President

Title

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

Seen and Acknowledged By:

Cathy D Johnson

Printed Name:

Cathy D Johnson

Title:

Town of Bedford Redevelopment and Housing Authority, Secretary

Phone:

540-587-6021

Date:

2/10/2023

Tab M:

Locality CEO Response Letter

215 E. MAIN STREET
BEDFORD, VA 24523



(P) 540.587.6001
(F) 540.587.6143

February 3, 2023

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

Virginia Housing Tracking Number:

Development Name:

John Early Apartments

Name of Owner/Applicant:

John Early Seniors Housing, L.P.

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 Bedford. Accordingly, the Town of Bedford supports the allocation of federal housing tax credits requested by the Owner for this development. John Early Apartments.

Yours truly,

A handwritten signature in black ink, appearing to read 'Bart Warner', written over a horizontal line.

Signature
Bart Warner

Town Manager

Tab O:

Plan of Development Certification Letter

Plan of Development Certification

DATE: March 27, 2023

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

Name of Development: John Early Apartments
Name of Owner/Applicant: John Early Seniors Housing, L.P.
Name of Seller/Current Owner: Bedford United Methodist Housing, L.P.

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the site plan of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming the status of plan of development or site plan approval of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address: 718 Blue Ridge Avenue, Bedford, VA 24523

Legal Description: See attached

Plan of Development Number: _____

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input checked="" type="checkbox"/> Rehabilitation:	78 # Units	9 # Buildings	64,993.994 Total Floor Area

Other Descriptive Information:


Rehab to include substantial renovations of interiors, new roofs and gutters, new flooring, cabinets, painting, HVAC, plumbing and electrical fixtures.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The proposed development described above has an approved final plan of development or site plan (as applicable to the site). No further plan of development or site plan approval is required before issuance of a building permit.
- The proposed development is an existing development with proposed renovations and no additional plan of development approval is needed.

The above plan of development approval is in effect until: issuance of building C/O



 Signed
 Mary A. Zirkle

 Printed Name
 Zoning Administrator

 Title
 540-587-6006

 Phone
 March 27, 2023

 Date

NOTES TO LOCALITY:

- Return this certification to the developer for inclusion in the tax credit application package.
- Any change in this form may result in a reduction of points under the scoring system. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

Tab P:

Developer Experience documentation and
Partnership agreements (Please submit this TAB as
a separate stand alone document)

Virginia Housing Experienced LIHTC Developers

Notes:

Updated: 3/09/2022

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

AHDC	Fitch, Hollis M.	Melton, Melvin B.
Alexander, Randall P.	Fore, Richard L.	Midura, Ronald J.
Arista, Roberto	Franklin, Wendell C.	Mirmelstein, George
Asarch, Chad	Franklin, Taylor	Nelson, IV, John M.
Ayd, Tom	Friedman, Mitchell M.	Orth, Kevin
Barnhart, Richard K.	Gardner, Mark E.	Page, David
Baron, Richard	Goldberg, Jeffrey	Parent, Brian
Bennett, Vincent R. 8	Gunderman, Timothy L.	Park, Richard A.
Burns, Laura P.	Hamilton, J. Ryan	Park, William N.
Chapman, Tim	Haskins, Robert G.	Pasquesi, R.J.
Cohen, Howard Earl	Hardee, Carl	Pedigo, Gerald K.
Connelly, T. Kevin	Heatwole, F. Andrew	Poulin, Brian M.
Connors, Cathy	Honeycutt, Thomas W.	Queener, Brad
Copeland, M. Scott	Hunt, Michael C.	Rappin, Steve
Copeland, Robert O.	Iglesias, Adrian	Ripley, F. Scott
Copeland, Todd A.	Jaeger, Jeffrey	Ripley, Ronald C.
Cordingley, Bruce A.	Jester, M. David	Ross, Stephen M.
Counselman, Richard	Johnston, Thomas M.	Salazar, Tony
Crosland, Jr., John	Jones Kirkland, Janice	Sari, Lisa A.
Curtis, Lawrence H.	Kirkland, Milton L.	Sciocchino, Richard
Daigle, Marc	Kittle, Jeffery L.	Sinito, Frank T.
Dambly, Mark H.	Koogler, David M.	Stockmaster, Adam J.
Deutch, David O.	Koogler, David Mark	Stoffregen, Phillip J.
Dischinger, Chris	Lancaster, Dale	Surber, Jen
Douglas, David D.	Lawson, Phillip O.	Taft, Sr., Thomas F.
Edmondson, Jim	Lawson, Steve	Uram, David
Edson, Rick	Leon, Miles B.	Valey, Ernst
Edwards, Jr Arthur W.	Lewis, David R.	Wilson, Stephen
Ellis, Gary D.28 Fekas,	Levitt, Michael	Woda, Jeffrey J.
William L.	Margolis, Robert B.	Wohl, Michael D.
	McCormack, Kevin	Wolfson, III, Louis
	McNamara, Michael L.	

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Atlantic Housing Foundation, Inc.
- 5 Better Housing Coalition
- 6 Buckeye Community Hope Foundation
- 7 Community Housing Partners
- 8 Community Housing, Inc.
- 9 ElderHomes (dba Project: Homes)
- 10 Enterprise Homes, Inc
- 11 Fairfax County RHA
- 12 Homes for America, Inc.
- 13 Humanities Foundation, Inc.
- 14 Huntington Housing, Inc.
- 15 LEDIC Realty Company, LLC
- 16 Newport News RHA
- 17 NHT Communities
- 18 Norfolk Redevelopment Housing Authority
- 19 People Incorporated
- 20 Piedmont Housing Alliance
- 21 Preserving US, Inc.
- 22 Portsmouth RHA
- 23 RHA/Housing, Inc.
- 24 Rush Homes
- 25 The Community Builders
- 26 Virginia Supportive Housing
- 27 Virginia United Methodist Housing Development Corporation
- 28 Wesley Housing Development Corporation

Tab Q:

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

Tab Q

John Early Apartments currently has a HAP contract in place which expires 9/1/37 with renewals, attached under Tab Q. The Applicant and Developer have submitted paperwork to assign this contract to the new entity, John Early Seniors Housing, L.P. and also for a new HAP contract at mark-to-market for a new 20 year period with renewals thereafter. The new contract is based on the Rent Comp Study attached in Tab Q. The 221d4 financing underway assumes the approval of said assignment and new contract. HUD is working on both the loan and the HAP contract processes to facilitate the acquisition and rehab of this community.

Part G - Information on Mortgagor Entity

Name of Entity

BEDFORD UNITED METHODIST HOUSING, L.P.

Type of Entity

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

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
• corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
• partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
• trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Virginia United Methodist Housing Development Corp.

General Partner

Name and Title

Boston Capital Corporate Tax Credit Fund XXVI

Limited Partner

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H - Owner Certification

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

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

Name and Title

Lawrence Dickenson - Secretary **President**

Authorized Official's Signature

08/30/2017

Date (mm/dd/yyyy)

Part I - HUD/Lender Approval

Addendum Number

HAP Contract Number VA360026015

Exhibit Number

Loan Servicer Signature

Date (mm/dd/yyyy)

Branch Chief/Lender Official Signature

8/30/17

Date (mm/dd/yyyy)

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

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

Project-based Section 8

**HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT
MULTI-YEAR TERM**

John Early Apartments (VA360026015)

OMB Control #2502-0587

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

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

DUNS# 832313006

(HUD-9637)

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

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

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: VA360026015

Section 8 Project Number of Expiring Contract: Same

FHA Project Number (if applicable): N/A

Project Name: John Early Apartments

Project Description:

John Early Apartments consists of 9 walk-up/garden style buildings with 64 one bedroom units and 14 two bedroom units. The property is located at 720 Blue Ridge Avenue, Bedford, Virginia 24523 in Bedford City County.

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Address of Contract Administrator

1827 1st Avenue North, Ste 100
Birmingham, AL 35203

Name of Owner⁵

Bedford United Methodist Housing, L. P.

Address of Owner

308 Wakefield Drive
Locust Grove, VA 22508

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 9/1/2017⁶ and shall run for a period of 20 (Twenty)⁷ years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ \$125,007⁸, an amount sufficient to

provide housing assistance payments for approximately 12⁹ months of the first annual increment of the Renewal Contract term.

- c** HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

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

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

-
- (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):

- (i) Using an OCAF; or

(ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

(b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

(a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).

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

(i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

(ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the

Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall

specify when the adjustment of contract rent is effective.

- (c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

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

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the

agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)
Name of Contract Administrator

Navigate Affordable Housing Partners

By: 

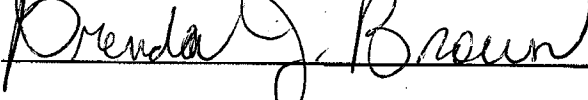
Signature of authorized representative

 Eric Strong, CEO

Name and official title

Date 8/30/17

U.S. Department of Housing and Urban Development

By: 

Signature of authorized representative

Authorized Agent -, U.S. Department of HUD

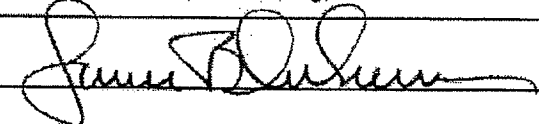
Name and official title Brenda J. Brown, Director

Date 9/12/2017 Asset Management Division

Owner

Name of Owner

Bedford United Methodist Housing, L. P.

By: 

Signature of authorized representative

Lawrence Dickenson - Secretary President

Name and title

Date Aug 30, 2017

(HUD-9637)

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

EXHIBIT A**IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS**

Section 8 Contract Number: VA360026015
FHA Project Number (if applicable): N/A
Effective Date of the Rent Increase (if applicable): 9/1/2017

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
<u>64</u>	<u>1 Bedroom, Elderly</u>	<u>\$ 609</u>	<u>\$ 65</u>	<u>\$ 674</u>
<u>14</u>	<u>2 Bedroom, Elderly</u>	<u>\$ 650</u>	<u>\$ 87</u>	<u>\$ 737</u>

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments: _____

EXHIBIT B
DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1** The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2** Any increased distribution as approved by HUD in accordance with the Guidebook.

NEWMARK VALUATION & ADVISORY

Market Rent Comparability Study

John Early Apartments
718 Blue Ridge Avenue
Bedford, Virginia 24523

NMK Job No.: 22-0176122
HAP Contract Number: VA360026015

Market Rent Study Report Prepared For:

Ms. Tara Franco
CBRE HMF, Inc.
1225 17th Street, Suite 3200
Denver, CO 80202
Tara.Franco@cbre.com

Prepared By:
Newmark Valuation & Advisory, LLC
2410 North Forest Road, Suite 204
Amherst, NY 14068

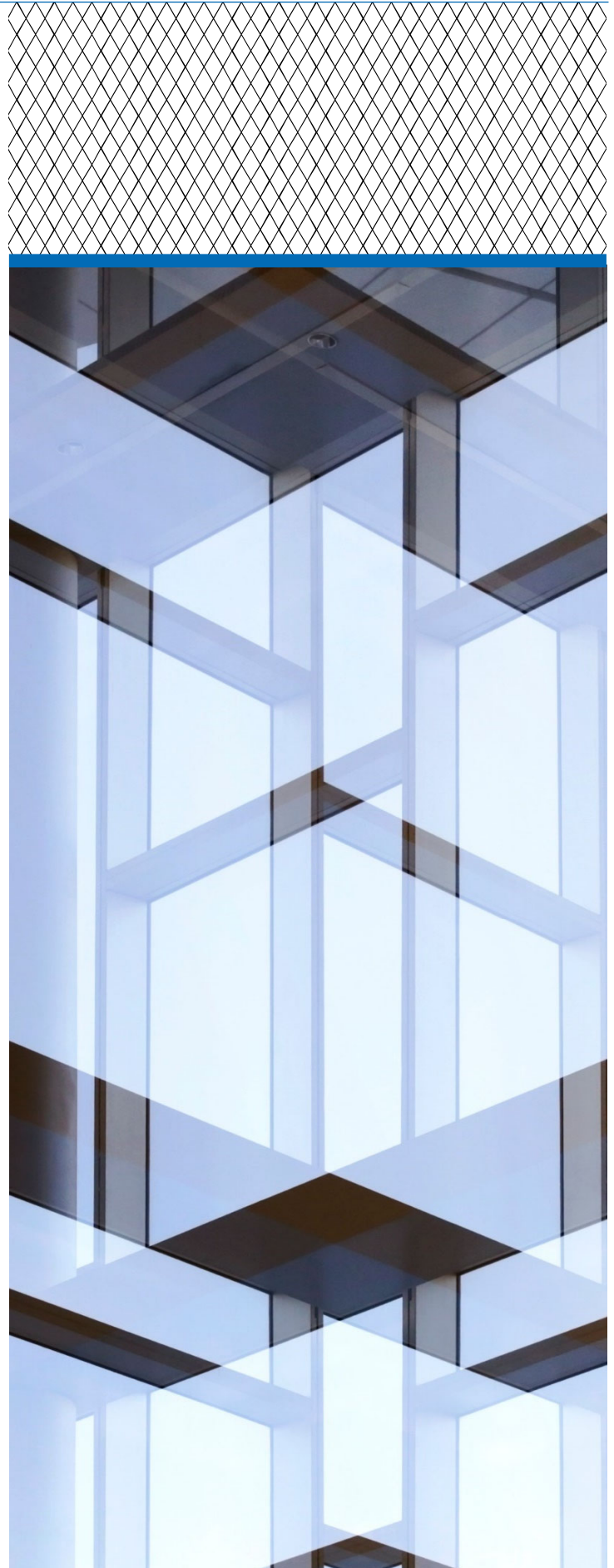
DATE OF INSPECTION

October 25, 2022

DATE OF REPORT

February 15, 2023

NEWMARK



NEWMARK VALUATION & ADVISORY

February 15, 2023

Ms. Tara Franco
CBRE HMF, Inc.
1225 17th Street, Suite 3200
Denver, CO 80202
Tara.Franco@cbre.com

RE: Market Rent Comparability Study – John Early
John Early Apartments
718 Blue Ridge Avenue
Bedford, Virginia 24523
HAP Contract Number: VA360026015
NMK Job No.: 22-0176122

Dear Ms. Franco:

Newmark Valuation & Advisory, has completed a Market Rent Comparability Study for an apartment complex known as the John Early Apartments. The property is located along Blue Ridge Avenue within the City of Bedford, Virginia. The development consists of an existing 78-unit Section 8 project constructed in 1978. The property is under operation as a deep subsidy (full project-based assistance) HUD development, and the HAP Contracts covers all 78 units.

The following analysis is presented in a self-contained written report that presents the findings, analysis and conclusions of the Market Rent Comparability Study. This report has been prepared for the specific use of the client for the property indicated herein. The conclusions do not apply to any other party or for any other property. The goal of this study is to establish Market Rent for the project in its **“Post Rehab”** condition as if it were unrestricted. It is important to recognize that the analysis is based on research completed in February 2023. Economic data, comparable information and the projections apply as of this timeframe.

The following analysis is presented in a self-contained written report that presents the findings, analysis and conclusions of the Market Rent Comparability Study. This report has been prepared for the specific use of the client for the property indicated herein. The conclusions do not apply to any other party or for any other property.

NEWMARK

Newmark Valuation & Advisory
2410 North Forest Road, Suite 204
Amherst, NY 14068
www.nmrk.com/valuation

It is important to recognize that the analysis applies as of February 2023 and all rental data and economic information applies as of this time frame. Economic data, comparable information and the projections apply as of this the current time frame.

The market rents were defined and estimated in accordance with Sections 9-7 through 13 of chapter 9 of the Section 8 Renewal Guide and the report was prepared in accordance with Sections 9-14 through 9-16 of Chapter 9.

A physical inspection of both the interior and exterior of the property in question and the surrounding neighborhood was completed on October 25, 2022 by Scott Allen, Executive Vice President.

The Subject Property

The subject consists of 8 garden style/2-story buildings. There are 78 apartments offering a mix of one and two-bedroom units, totaling nearly 64,544 sq. ft. of gross building area. The building is located on a 12.13-acre parcel located off of Blue Ridge Avenue in the City of Bedford, Virginia.

The current mix of tenancy includes the following types of occupants:

- 78 units are HUD Restricted Senior 62+ Head of Household or Disabled units.
- The tenants pay a portion of the rent based on a percentage of their income.

Below is the unit mix for the project coupled with different rent structures applicable to this analysis. The data is reflective of the approved increase that went into effect as of 9/1/2022.

UNIT MIX / RENT COMPARISON								
Unit Type	# of Units	(1) Sq. Ft.	(2) Current "As Is" Contract Rents	(3) Utility Allowance	(4) Current "As Is" Contract Rent	(5) HUD Fair Market Rents	(6) Adjusted "Post Rehab" Market Rents	
			Net		Gross	Gross	Net	Gross
1 BRM / 1 Bath	64	702	\$750	\$66	\$816	\$819	\$840	\$906
2 BRM / 1 Bath	14	863	\$875	\$76	\$951	\$930	\$900	\$976

- (1) Based on the floor layouts provided by management.
 (2) Current Net HUD Contract rents for the development effective as of September 1, 2022
 (3) Projects Current Utility Allowances.
 (4) Current Gross HUD Contract rents for the development effective as of September 1, 2022
 (5) Region wide 2023 HUD FMR's applicable to Bedford County, these are Gross Rents.
 (6) Apply "Post Rehab" market rates that are "unrestricted." These are on both a Net & Gross basis with adjustments. See 92273-S8 Forms

It should be noted that the rent structure is set where the tenants are responsible for payment of heat, hot water and electric. Ownership covers cold water, sewer, and trash.

The project reflects physical improvements that adequately serve the needs of the low-to-moderate income household population. The project would be attractive to market paying tenants and we have accounted for these attributes when comparing and contrasting the apartments in question to the marketplace. There was major rehabilitations and renovations undertaken in 2007 at the project in question and since then it has been adequately maintained over time and within the text of the report, we will present a summarization of major capital improvements. There are also updates applied at the time of typical tenant transition, which will be discussed.

The work effort associated with the completion of this Rent Comparability Study included the following:

- Physical inspection of the property in question and each of the unit types with Sara Taylor the Property Manager.
- Review of information provided, including the existing rent roll, operating history and the contractual arrangement.
- Physical inspection of the surrounding neighborhood.
- Research of the local market for comparable project types. For this Study, we will present details only for the projects used to establish an appropriately supported market rent and used for application to the HUD 92273-S8 Forms. Supporting documentation on other comparable projects has been retained in file. This data was used, however, in order to establish appropriate market averages, which will be discussed within the context of this review. All rent/economic data applies as of February 2023.
- A photograph of each of the comparable rental developments referenced was taken on October 25, 2022. We will discuss the selection of comparables later within the context of the document.
- Appropriate comparables were selected for application to the different unit types. The subject units are in garden style building. The comps include both a mix of elevator and garden style units as they are located in very close proximity to the subject.
- Completed the HUD Rental Adjustment Form (92273-S8 Forms).
- Provided a narrative summarization of findings and conclusions, supporting the adjustments and establishment of the market rent estimate.
- The HUD Certificate and Scope of Work are presented in the Addendum.

The conclusions, recommendations and financial projections contained herein are based on market conditions prevailing as of February 2023. Our analysis has been applied to the project in its "Post Rehab" condition.

The estimate of market rent was based upon an analysis of the rental information and necessary adjustments. The HUD 92273-S8-rental form was utilized in the comparative process. We have concluded the following market rents apply:

UNIT MIX & ADOPTED MARKET RENT "POST REHAB"					
Unit Type	# of Units	SF	Gross Rent	\$/Sq.Ft.	Grid
1 Bedroom	64	702	\$840	\$1.20	Y
2 Bedroom	14	863	\$900	\$1.04	Y
TOTALS (Income Producing Units)	78				

Consistent with the current operations, tenants will continue to be responsible for payment of heat, hot water and electric, ownership will pay cold water, sewer and trash. All units will be under a rental assistance program and we have prepared our analysis to include all unit types at the project.

The analyses and results of our investigations are submitted in the following narrative rent comparability report, which contains some of the information, limiting conditions, definitions, analyses, and reasoning upon which the market rent opinions were based. Acceptance of and/or use of this report constitutes acceptance of the statements of basic assumptions and limiting conditions, and special assumptions and conditions which follow.

Respectfully submitted,



M. Scott Allen, MAI
Executive Vice President
Specialty Practice Leader – HUD FHA/Affordable Housing
VA Cert. 4001014635
Email: scott.allen@nmrk.com

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Scope of Work

The RCS was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements in Chapter Nine of HUD's Section 8 Renewal Guide. Market Rents were defined and estimated in accordance with Sections 9-8 through 9-13 and Appendix 9-1-2 of the Chapter Nine guidance.

M. Scott Allen is State certified general appraisers employed by Newmark Valuation & Advisory, LLC (herein "Firm" or "NKF") oversaw and supervised all data collection and analysis and is the review analyst for this project. The following actions were taken to complete this RCS.

We have relied on the physical inspection of both the interior and exterior of the property in question and the surrounding neighborhood that was completed on October 25, 2022 by M. Scott Allen the main analyst for this report.

During February 2023, in separate phone interviews, M. Scott Allen or Brian Smith talked with the managers of the comparable properties to confirm all data and to collection additional information about each comparable, including size, age, and amenities, occupancy rates and general market information. An attempt was made in each case to interpret and obtain the square footage of the units used for comparison. The data relied on was a culmination of data available. To the general public (brochures or internet), or through the conversations with property management.

M. Scott Allen completed the data & adjustment columns of the Rent Comparability Grid using the instructions in Appendix 9-1 of Chapter Nine.

Introduction

Newmark Valuation & Advisory, has completed a Market Rent Comparability Study the John Early Apartments. The development consists of an existing 78-unit Section 8 project constructed in 1978. There are 8 garden style/2-story buildings. There are a mix of one and two-bedroom units, totaling nearly 64,544 sq. ft. of gross building area. The buildings are located on a 12.13-acre parcel located off of Blue Ridge Avenue in the City of Bedford, Virginia.

The property is under operation as a deep subsidy (full project-based assistance) HUD development, and the HAP Contracts covers all 78 units. The tenants pay 30% of adjusted gross income with the difference between HAP Contract Rent and the tenant paid portion covered by HUD.

The goal of this study is to establish applicable market rents for the project as if it were operating under the hypothetical assumption that there were no low-to-moderate income restrictions on the development. The analysis will provide supportable rents for review and determine an appropriate reimbursement for the project under the HUD guidelines.

The first section of this analysis will provide an overview of the project, including a description of the project and the demographics of the area. The second portion involves an interpretation of current supply within the market draw area that will be considered competitive with the subject development. Market rent will be established based on the information presented. The HUD Market Rent Form 92273-S8 has been utilized to establish adjustment factors.

No identity of interest exists between Newmark Valuation & Advisory and the client identified for this study. We certify that, to the best of my knowledge and belief, the following apply:

The statements of fact contained in this report are true and correct.

- The reported analysis, opinions and conclusions are limited only by the reported Assumptions and Limiting Conditions, and reflect a personal, professional analysis, opinions, and conclusions.
- We have no present or prospective interest in the subject property of this report.
- Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or use of this report.
- The analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Appraisal Foundation.

Summary of Findings

Market Rent Conclusions

The goal of this report is to establish an appropriate **“Post Rehab”** market rent for the project related to the review of the “mark up to market” process. A summarization of the market rent established based on the completed HUD 92273-S8 form, is overviewed in detail below. Also presented in the chart is an analysis of other rents that influence the project.

UNIT MIX / RENT COMPARISON								
Unit Type	# of Units	(1) Sq. Ft.	(2) Current "As Is" Contract Rents	(3) Utility Allowance	(4) Current "As Is" Contract Rent	(5) HUD Fair Market Rents	(6) Adjusted "Post Rehab" Market Rents	
			<i>Net</i>		<i>Gross</i>	<i>Gross</i>	<i>Net</i>	<i>Gross</i>
1 BRM / 1 Bath	64	702	\$750	\$66	\$816	\$819	\$840	\$906
2 BRM / 1 Bath	14	863	\$875	\$76	\$951	\$930	\$900	\$976

(1) Based on the floor layouts provided by management.

(2) Current Net HUD Contract rents for the development effective as of September 1, 2022

(3) Projects Current Utility Allowances.

(4) Current Gross HUD Contract rents for the development effective as of September 1, 2022

(5) Region wide 2023 HUD FMR's applicable to Bedford County, these are Gross Rents.

(6) Apply "Post Rehab" market rates that are "unrestricted." These are on both a Net & Gross basis with adjustments. See 92273-S8 Forms

Notes pertaining to the above chart include the following:

- It should be noted that the rent structure is set where the tenants are responsible for payment of heat, hot water and electric. Ownership covers cold water, sewer, and trash.
- The HUD Fair Market rents have been presented based on 2023.

Information was gathered as of February 14, 2023, which was the date used for analysis, the date of inspection was October 25, 2022. Review of the established rent levels indicates that the market rents in most cases are slightly above the HUD Fair Market Rent levels. Again, the rent projections apply to the project as if it were unrestricted based on the proposed **“Post Rehab”** condition and appeal.

Calendar Year 2022 Median Zip Code Rent Comparison

The US Department of Housing and Urban Renewal has issued a memo for Calendar Year 2022 Median Zip Code Rents for Rent Comparability Studies dated after March 17, 2022. This applies to Section 9-14 of the Section 8 Renewal Policy Guide providing instruction for comparing median rents as derived by the appraiser in the RCS with Census Bureau estimates of the median rents in the projects zip code. Should the rents exceed 140 percent of the median zip code rent, then HUD would secure a third party to create an RCS for comparison purposes.

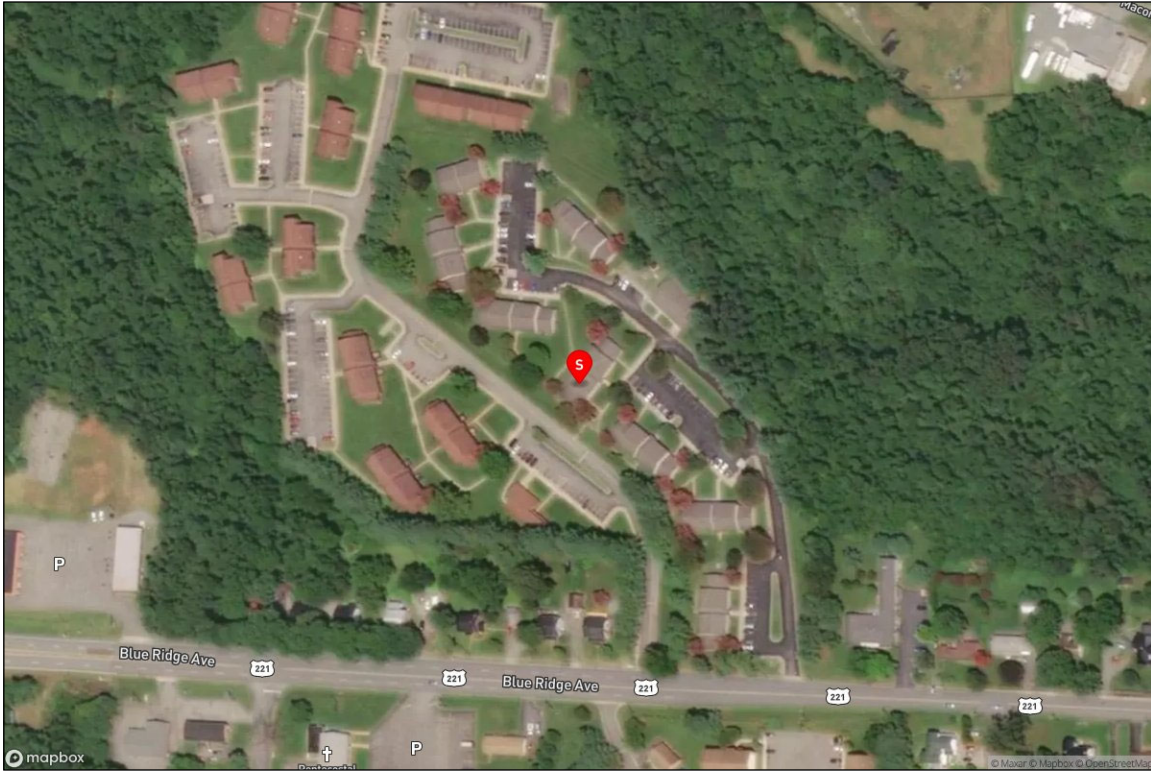
The RCS rents are presented on an **“Post Rehab” basis**.

MEDIAN GROSS RENT BY ZIP CODE COMPARISON CHART			
John Early Apartments			
Bedford , VA			
24523			
# of Bedrooms	# of Units	RCS Rents	Cumulative # of Units
1 BRM / 1 Bath	64	\$840	64
2 BRM / 1 Bath	14	\$900	78
Total # of Units	78		
Median # of Units	39		
Median RCS Subject Rents	\$840		
140% of Median Rent Zip Code	\$1,158		

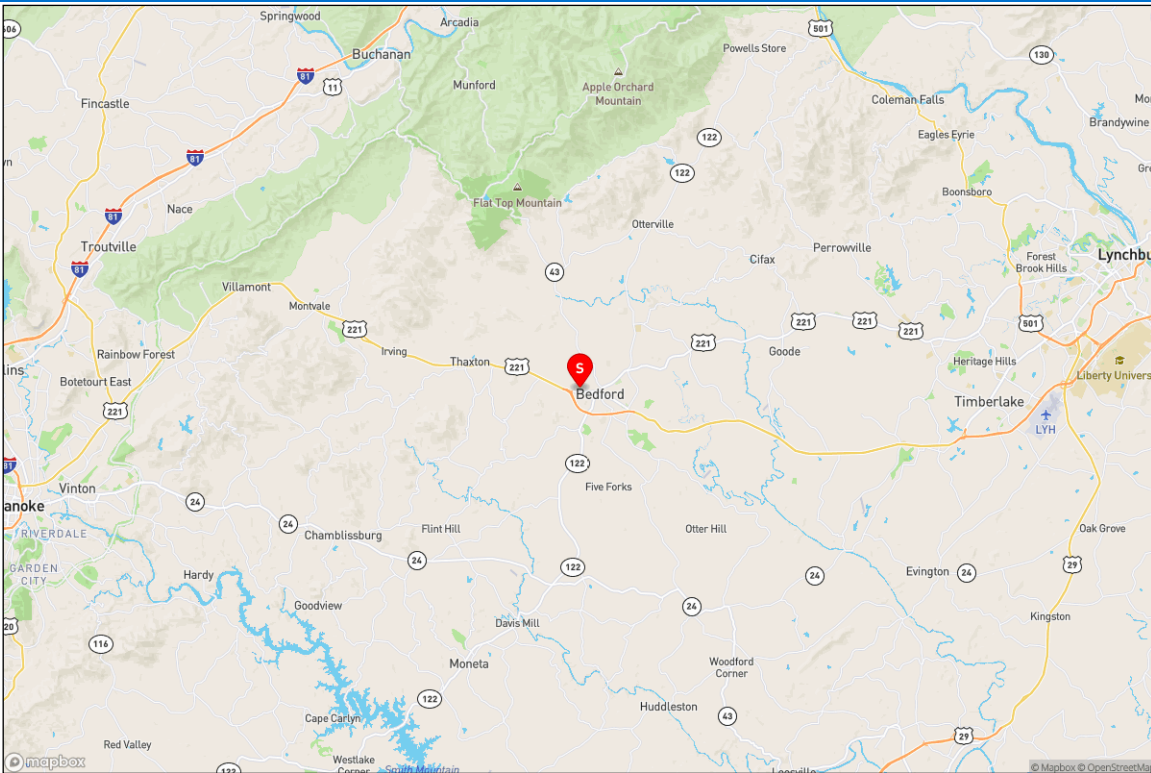
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8

In this case the 140% median zip code rent is \$1,158. The subject project offers a mix of one and two-bedroom units under the current HAP Contract, and the following comparison applies:

The Median Gross Adopted Subject Market rent “Post Rehab” (\$840) is less than the 140% of the Median Gross Rent (\$1,158) for the subject’s zip code.



Aerial Photo



Location Map



Typical Subject Building



Typical Subject Building



Typical Subject Building



Typical Subject Building (Rear)



Parking



Community Building (Exterior)



Community Room



Laundry Area



Stairway



Stairway



One-Bedroom Typical Kitchen



Two-Bedroom Typical Kitchen



One-Bedroom Living Area



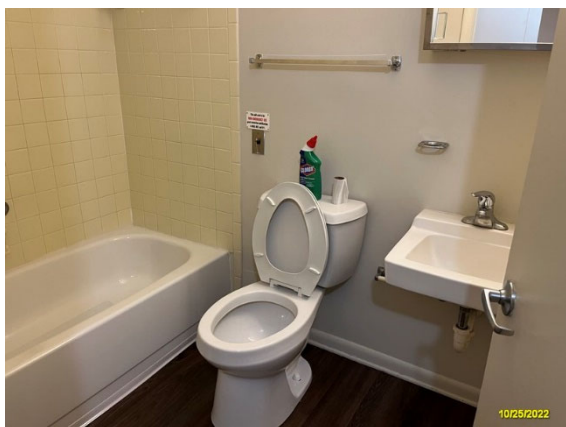
Two-Bedroom Living Area



One-Bedroom Typical Bedroom



Two-Bedroom Typical Bedroom



One-Bedroom Typical Bathroom



Two-Bedroom Typical Bathroom



Dining Area



In-Unit Mechanical



Standard Closet



Walk-In Closet

Project Description

The analysis applies to an age-restricted project known as the John Early Apartments. The project is restricted to households who are age 62 and above as head of household, as well as those with qualifying disabilities (who can occupy the handicap accessible units). This is a Section 8 development with a HAP Contract applicable to 78 income producing units. There is a total of 64 one-bedroom units and 14 two-bedroom units. The property is on a 12.13-acre site.

This is a senior-specific Section 8 development – with 8 2-story garden-style buildings and was built originally in 1978. The project is well-managed and well-maintained and capital improvements made to the development over time include updates to not only the interior of the apartments and the common areas, but the physical structure of the project as well.

Below is the unit mix for the project coupled with the different rent structures applicable to this analysis.

UNIT MIX / RENT COMPARISON								
Unit Type	# of Units	(1) Sq. Ft.	(2) Current "As Is" Contract Rents	(3) Utility Allowance	(4) Current "As Is" Contract Rent	(5) HUD Fair Market Rents	(6) Adjusted "Post Rehab" Market Rents	
			Net		Gross	Gross	Net	Gross
1 BRM / 1 Bath	64	702	\$750	\$66	\$816	\$819	\$840	\$906
2 BRM / 1 Bath	14	863	\$875	\$76	\$951	\$930	\$900	\$976

(1) Based on the floor layouts provided by management.

(2) Current Net HUD Contract rents for the development effective as of September 1, 2022

(3) Projects Current Utility Allowances.

(4) Current Gross HUD Contract rents for the development effective as of September 1, 2022

(5) Region wide 2023 HUD FMR's applicable to Bedford County, these are Gross Rents.

(6) Apply "Post Rehab" market rates that are "unrestricted." These are on both a Net & Gross basis with adjustments. See 92273-S8 Forms

Notes related to the above include:

- The 78 units are revenue producing and covered under the HAP contract.
- The tenant paid portion of the rent in a section 8 project is based on 30% of the tenant adjusted gross income. The development receives a subsidy rent payment to account for the difference/variation.
- In regard to *the utilities*, the rent structure is set where the tenants are responsible for payment of heat, hot water and electric. Ownership covers cold water, sewer, and trash.
- All units offer one bathroom.

- The current HAP contract rents are below market. The market rents “Post Rehab” have been supported by the HUD 92273-S8 forms included in the report. These are the forms used for Rent comparability studies that are used to support and allow for rent increases when they are below market. The assumption is that they will be applied and used for application to the re-financing effort.

Parking:	Currently there are 102 spots which is adequate on-site parking. Post rehab there will be 108 spots.
Building Area:	The building areas are from the survey data provided by the owner.
Total Gross Building Area:	64,544 square feet
Year Built:	1978
Year Renovated:	2007 and will be renovated in 2023
Property Manager:	Sara Taylor (540) 586-7347

Building Description

Unit Layout: The layout of the units includes the following:

- Living and dining areas, with open spaces to the kitchens. There is a separate dining area delineated by a light.
- Walk-in kitchen with vinyl flooring and appliances including stove (electric) and refrigerator. The cabinets and countertops were replaced in the 2007 renovations and will be replaced as part of the anticipated renovations.
- One full bathroom unit, which includes a tub/shower, wall sink and vinyl floor covering.
- Tile surround for the tubs and there are vinyl floor coverings in each of the bath units.
- Units are mostly similar in layout and design. The handicap accessible units vary slightly but the differences are slight.

Occupancy: Historically, the project operates at near 100% occupancy and has a waiting list for all unit types. At the time of analysis there were 3 vacancies, resulting from normal project turnover.

Wait List: The subject's management maintains wait lists based on typical turnover rates for each unit type. Currently there are 35 applicants on the waiting list.

Additional Unit Features:

- There is emergency pull cords in the living/dining area, bedrooms and bathroom.
- Windows are vinyl and thermopane glass.
- Lighting provided within the kitchen, dining area, bedrooms, and baths, as well as hallways.
- Walls are gypsum wallboard throughout and painted.
- In regard to unit layouts, the floor plans offer layout that is typical for senior units of this nature in the market.
- Unit sizes appear to be fairly typical of market rate units and larger than other HUD Project Based developments located throughout the area.

Common Areas:

Common areas are limited within the project, but include the following:

- There is one common area, coin-operated laundry facilities located in the community building. The equipment is separately owned, and the fees are \$1.60 for a load of wash and \$1.60 for a load of drying. Post Rehab typical in the market we are assuming that the split is 50/50 related to the revenues.
- There is a community room that is used for community events and parties.
- Management office

Services:

- Coordinated services include games and activities such as cards and Bingo. There are organized clubs and groups that meet in the community room.
- Exercise classes
- Religious services

Additional Information:

Building Features: Heating is provided by individual electric heating units. There is central air conditioning provided by individual units.

Elevators/Stairs: There are no elevators. There is a set of stairs in the center of each of the building.

Doors: Hollow core wood doors on the interior of each of the units.

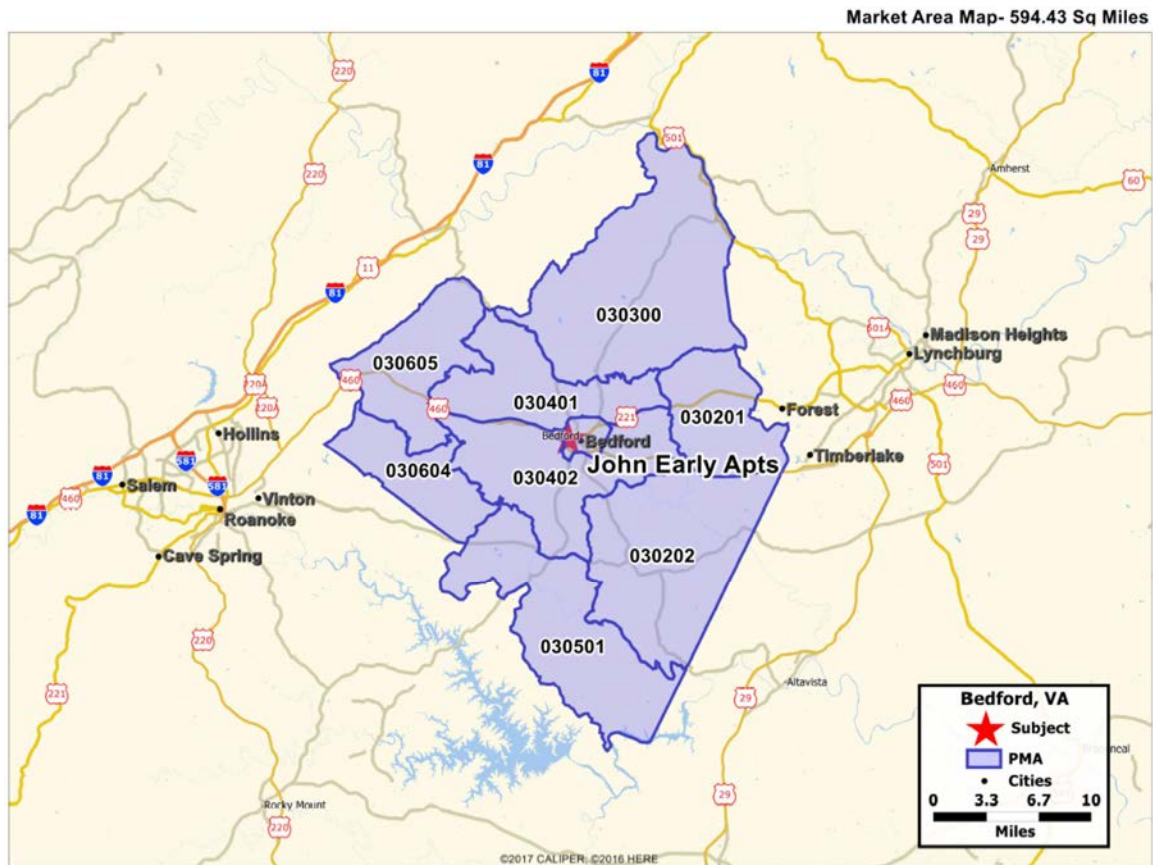
Sprinklers/Fire Detection: There are hard wire and battery smoke detectors. There are emergency pull cords in the living/dining areas, baths and the bedrooms for the units.

Overall Condition: The project is well maintained and reflects annual updates to the grounds, exterior and mechanicals. The Post rehab condition is considered superior to the older apartment complexes in the area but slightly inferior to some of the newer buildings.

Planned Renovations:

- New blinds.
- EnergyStar appliances.
- Replacing all kitchen and bath cabinets.
- Install HVAC system with high efficiency units.
- Reconfigure baths and kitchens in HUD 504 UFAS units. (8 units)
- Install water efficient plumbing fixtures (faucets, shower heads and toilet).
- Install EnergyStar water heaters.
- Install GFCI's in kitchen and bathroom.
- New Emergency Pull Cords
- Provide LED lighting.
- Improve/Replace landscaping

A complete narrative description of the renovations is in the addendum of this report.



The boundaries of the PMA that we have utilized are on the map above.

Market Draw Area:

The Primary Market Area (PMA) is defined by NCHMA guidelines as a “geographic area from which a property is expected to draw the majority of its residents.” We have considered the type of project in question, which will continue to target a family population.

The market draw area was based on a number of economic variables, physical barriers and boundaries, and local patterns and trends, which often involve historical perceptions or attributes/deficiencies of certain neighborhood characteristics.

In this case, as an existing development, we could also interview the management group in order to determine what area the tenants are moving from. They do not specifically keep census tract data or zip code information as to where the tenants relocate from, but we did interview the on-site manager, and other representatives of ownership/development group who indicated that the predominate tenants do come from neighborhoods and areas surrounding the periphery of the project. The market draw area for both affordable and market rate is perceived as similar. The draw for this type of project given its locational attributes, however, is 594 square miles and it extends based on geography and highway networks.

Economic Analysis

National Trends and Uncertainties

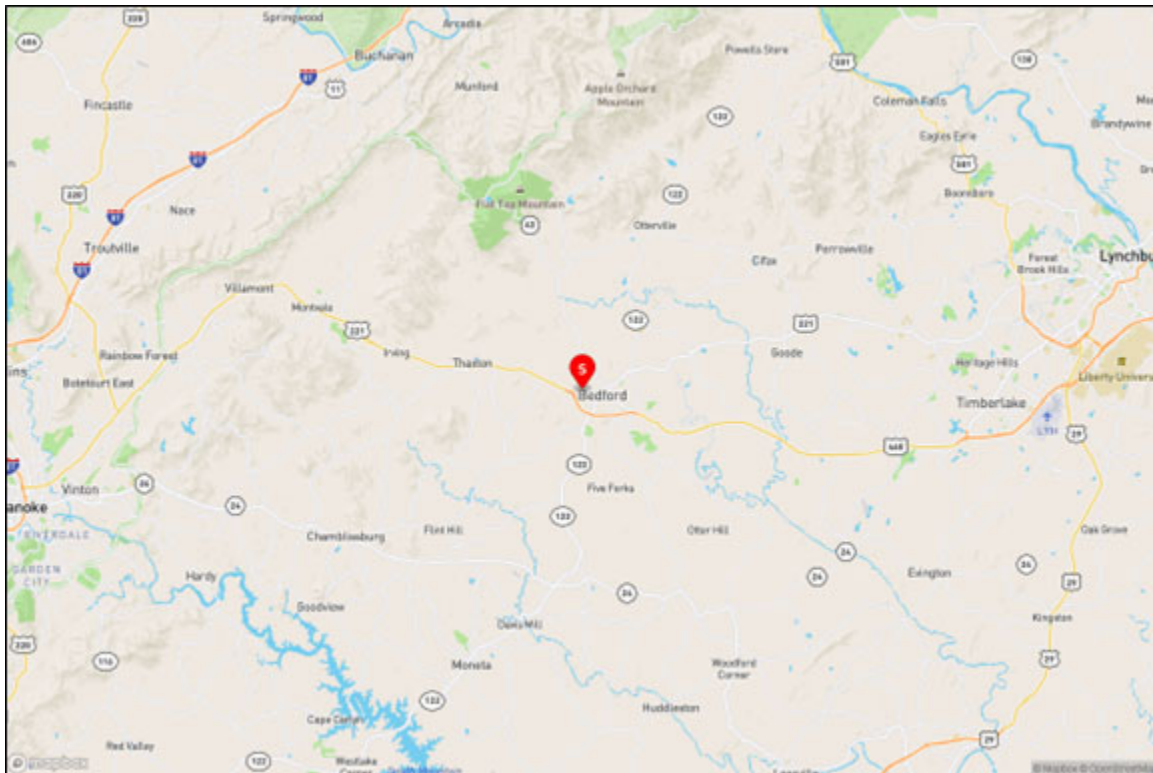
National and Global economies have experienced record setting inflation and interest rates are rising. Influences of the COVID pandemic on the economy have reduced but some fallout effects continue. The recession is still generally expected across surveys of business managers, economists and the populace at large as well as yield curve indicators. A recent Wall Street Journal poll of business and academic economics put the odds of recession at 61% - virtually unchanged since October, 2022's poll result of 63%.

In an effort to curtail inflation, The Fed has embarked on an aggressive strategy. As of February, 2023, the Federal Reserve has raised rates eight times for a total of 450 basis points over the course of 2022 into 2023. The Federal Reserve is targeting a range of 4.50% to 4.75% for the Federal Funds Rate – the highest since October 2007. The February increase was smaller at 25 basis points than the previous increases but the Fed signaled further increases will come. The effects of such a substantial increase in the cost of funds include increased mortgage rates but also investment rates.

We are cognizant that such significant changes have had an effect on Commercial Capital Markets activity and have driven changes in rent and expense growth. Commercial transaction volume was down 62% for the fourth quarter of 2022 compared to the same period in 2021. For the year, transaction volume was down 15% over 2021 implying that much of the volume reduction occurred late in the year as the debt market became illiquid as well as less favorable.

We have considered, and will address, these issues throughout this appraisal and report including in our determinations of overall capitalization rates, discount rates and growth of rents and expenses where applicable.

Area Analysis



Area Map

The subject is located within Bedford in Bedford County, Virginia. It is part of the Lynchburg metro area (Lynchburg MSA).

Moody’s Analytics’ Economy.com provides the following economic summary for the Lynchburg MSA as of April, 2022.

Moody's Analytics Précis® Metro Indicators: Lynchburg MSA												
2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
10.9	11.1	11.4	11.7	11.2	11.4	Gross metro product (C12\$ bil)	11.5	11.8	12.1	12.5	12.8	13.0
0.0	1.5	2.5	2.8	-4.7	2.2	% change	1.3	2.5	2.7	2.5	2.4	2.1
104.0	104.2	105.1	105.9	100.4	101.4	Total employment (ths)	104.0	105.5	106.2	106.7	106.9	107.2
-0.1	0.2	0.8	0.7	-5.1	0.9	% change	2.6	1.4	0.8	0.4	0.2	0.2
4.5	4.2	3.4	3.2	6.0	4.1	Unemployment rate (%)	3.1	3.1	3.4	3.5	3.6	3.7
0.8	3.6	4.0	2.4	7.5	6.1	Personal income growth (%)	0.9	5.2	4.8	4.3	4.1	3.9
49.9	50.9	54.0	57.7	58.2	60.2	Median household income (\$ ths)	60.6	62.7	64.9	66.9	69.1	71.2
260.5	261.8	262.9	263.6	264.1	264.9	Population (ths)	265.7	266.7	267.5	268.2	268.8	269.4
0.4	0.5	0.4	0.3	0.2	0.3	% change	0.3	0.4	0.3	0.2	0.2	0.2
1.3	1.7	1.7	0.9	1.0	1.5	Net migration (ths)	1.2	1.3	1.2	1.1	1.2	1.2
564	492	271	260	587	453	Single-family permits (#)	841	1,137	1,101	1,073	1,005	923
99	278	159	322	333	165	Multifamily permits (#)	340	415	402	378	344	326
182	186	193	201	211	236	FHFA house price (1995Q1=100)	271	275	276	275	274	271

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

Lynchburg MSA has more losses to recoup than regionally and nationally, but the metro area's recovery has accelerated in recent months. As of April, employment was still more than 2% below its pre-pandemic level, which is a worse showing than regionally and nationally. However, job growth over the past six months has bested that of the South and the U.S. Lynchburg MSA's core driver, manufacturing, has recouped all pandemic-induced losses, but protracted weakness in the public sector is holding back the recovery. The unemployment rate is nearing its early-2020 low, but this owes mostly to a sharp decline in the size of the labor force. Finally, the housing market is mixed. House price gains are besting Virginia's, but residential construction has not increased much during the pandemic.

Market Comparison

The following table illustrates key economic indicators and a comparison of the Lynchburg MSA to the regional grouping as a whole. As indicated, Lynchburg is projected to outperform the National Region Metros in two of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Lynchburg MSA Metro to National Region										
Indicator	Lynchburg MSA			Annual Growth		National			Annual Growth	
	2015	2020	2025	2015 - 2020	2020 - 2025	2015	2020	2025	2015 - 2020	2020 - 2025
Gross metro product (C12\$ bil)	10.9	11.4	12.8	0.8%	2.3%	17,390	18,385	21,880	1.1%	3.5%
Total employment (ths)	104.0	101.4	106.9	-0.5%	1.1%	141,804	142,252	156,087	0.1%	1.9%
Unemployment rate (%)	4.5%	4.1%	3.6%			5.3%	8.1%	4.0%		
Personal income growth (%)	0.8%	6.1%	4.1%			4.7%	6.5%	4.6%		
Population (ths)	260.5	264.9	268.8	0.3%	0.3%	320,739	329,484	337,256	0.5%	0.5%
Single-family permits (#)	564	453	1,005	-4.3%	17.3%	712,250	1,003,750	1,333,642	7.1%	5.8%
Multifamily permits (#)	99	165	344	10.8%	15.8%	394,500	392,833	476,081	-0.1%	3.9%
FHFA house price (1995Q1=100)	182	236	274	5.3%	3.0%	N/A	N/A	N/A	N/A	N/A
Lynchburg MSA outperforming National Region Metros										
Lynchburg MSA underperforming National Region Metros										

Source: Moody's Analytics Précis® US Metro; Compiled by Newmark

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

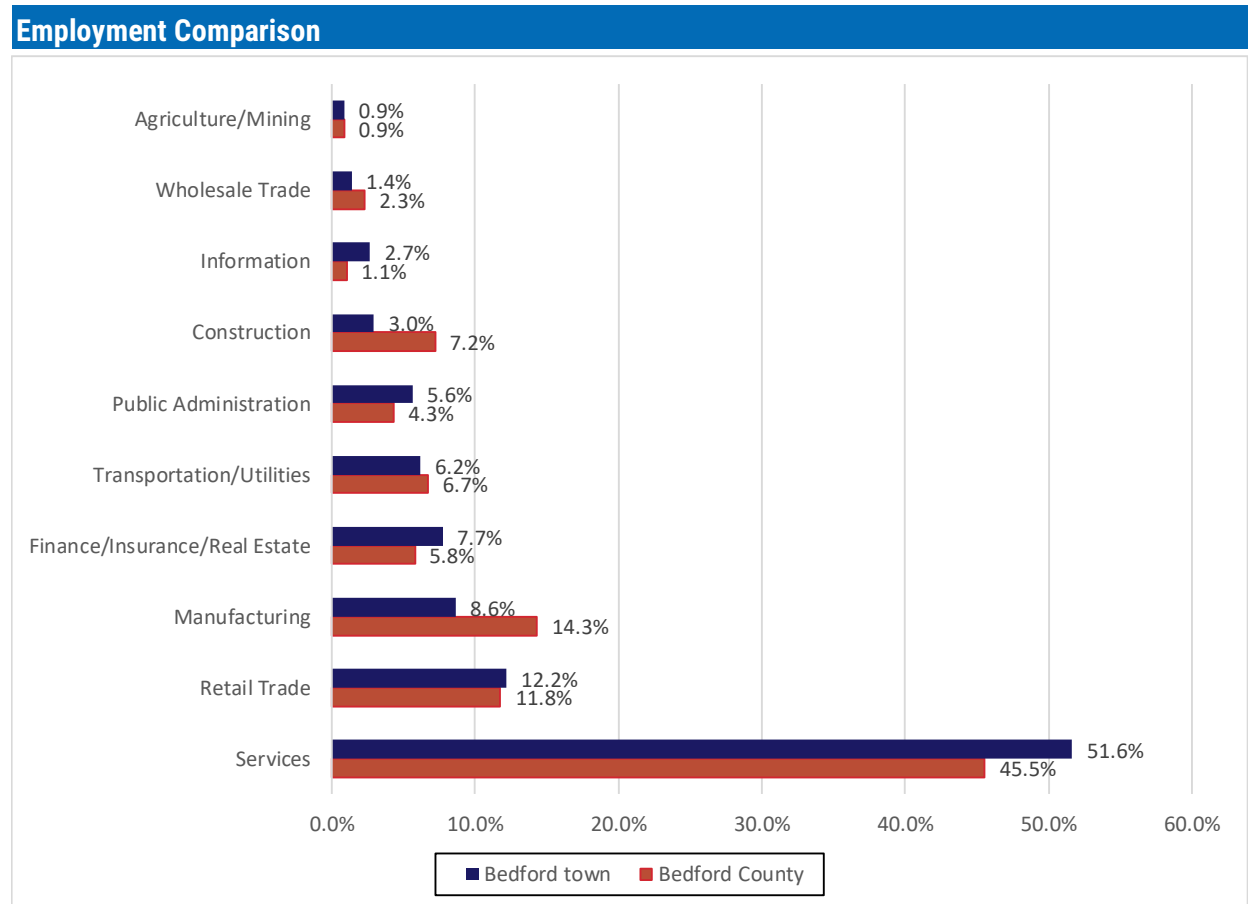
Current Employment by Occupation Sector										
Occupation Sector	24523		Bedford town		Bedford County		Lynchburg, VA MSA		Virginia	
White Collar	4,683	50.0%	1,596	55.6%	23,286	58.7%	73,417	58.0%	2,881,410	66.3%
Administrative Support	1,095	11.7%	365	12.7%	4,656	11.7%	14,735	11.6%	449,497	10.3%
Management/Business/Financial	969	10.3%	257	9.0%	5,618	14.2%	16,435	13.0%	850,736	19.6%
Professional	1,739	18.6%	745	26.0%	9,504	24.0%	31,409	24.8%	1,214,025	27.9%
Sales and Sales Related	880	9.4%	229	8.0%	3,508	8.8%	10,838	8.6%	367,152	8.4%
Services	1,813	19.4%	581	20.2%	6,147	15.5%	21,813	17.2%	656,055	15.1%
Blue Collar	2,867	30.6%	693	24.1%	10,248	25.8%	31,377	24.8%	811,029	18.7%
Construction/Extraction	269	2.9%	21	0.7%	1,773	4.5%	5,521	4.4%	201,556	4.6%
Farming/Fishing/Forestry	24	0.3%	0	0.0%	162	0.4%	561	0.4%	14,889	0.3%
Installation/Maintenance/Repair	473	5.1%	46	1.6%	1,723	4.3%	5,106	4.0%	122,377	2.8%
Production	686	7.3%	131	4.6%	2,646	6.7%	9,298	7.3%	174,769	4.0%
Transportation/Material Moving	1,415	15.1%	495	17.2%	3,944	9.9%	10,891	8.6%	297,438	6.8%
Total Employees (16+ Occupation Base)	9,363	100.0%	2,870	100.0%	39,681	100.0%	126,607	100.0%	4,348,494	100.0%

Source: ESRI; Compiled by Newmark

Current Employment by Industry Sector										
Industry Sector	24523		Bedford town		Bedford County		Lynchburg, VA MSA		Virginia	
Agriculture/Mining	80	0.9%	25	0.9%	349	0.9%	1,173	0.9%	33,070	0.8%
Construction	608	6.5%	85	3.0%	2,867	7.2%	8,627	6.8%	304,592	7.0%
Manufacturing	1,185	12.7%	248	8.6%	5,683	14.3%	16,295	12.9%	297,162	6.8%
Wholesale Trade	229	2.4%	40	1.4%	923	2.3%	2,312	1.8%	69,572	1.6%
Retail Trade	1,284	13.7%	349	12.2%	4,673	11.8%	14,689	11.6%	439,745	10.1%
Transportation/Utilities	566	6.0%	178	6.2%	2,674	6.7%	6,482	5.1%	227,819	5.2%
Information	142	1.5%	77	2.7%	419	1.1%	1,684	1.3%	72,978	1.7%
Finance/Insurance/Real Estate	461	4.9%	222	7.7%	2,299	5.8%	6,293	5.0%	284,527	6.5%
Services	4,309	46.0%	1,482	51.6%	18,069	45.5%	63,944	50.5%	2,228,479	51.2%
Public Administration	498	5.3%	162	5.6%	1,725	4.3%	5,108	4.0%	390,550	9.0%
Total Employees (16+ Occupation Base)	9,363	100.0%	2,870	99.9%	39,681	100.0%	126,607	100.0%	4,348,494	100.0%

Source: ESRI; Compiled by Newmark

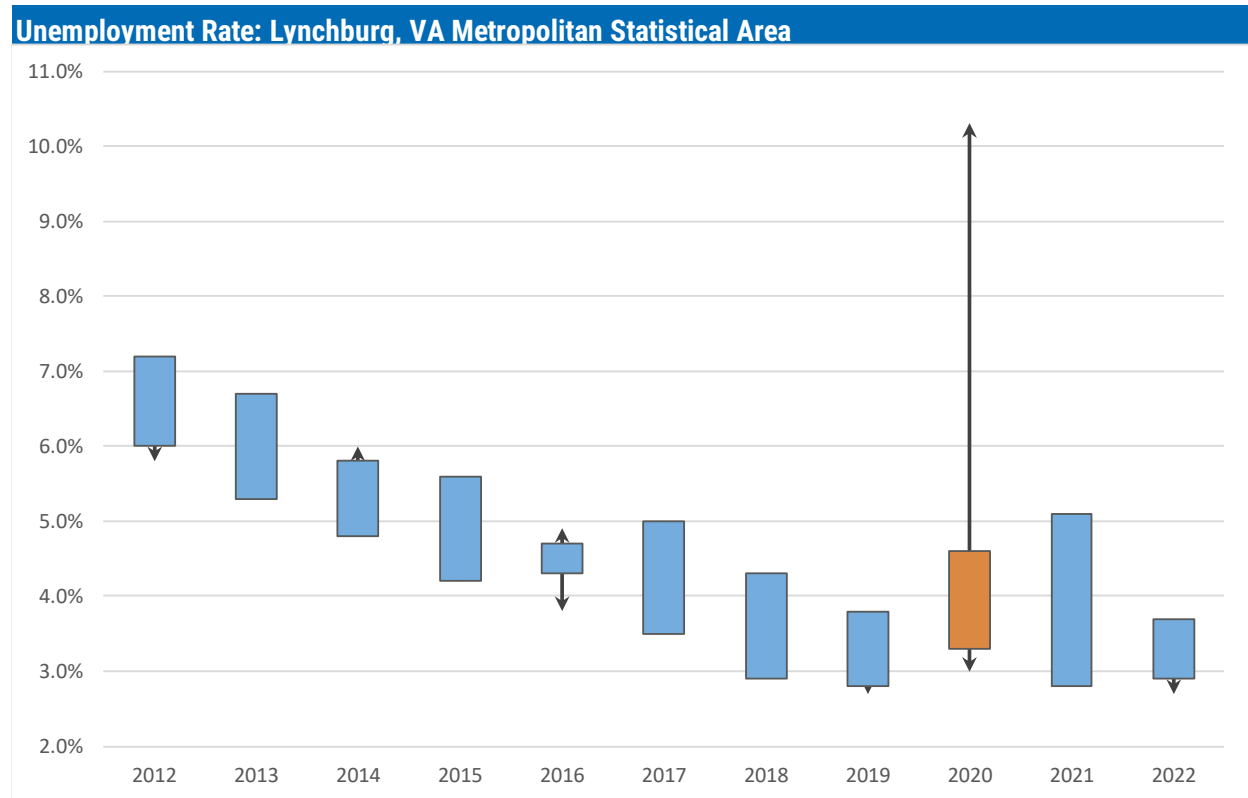
Comparing the industry sectors for the local market area (Bedford town) to Bedford County indicates the local market area is somewhat more heavily weighted toward the Services, Finance/Insurance/Real Estate, Information, Public Administration, and Retail Trade sectors. By contrast, the industry employment totals for Bedford County indicate somewhat higher proportions within the Manufacturing, Construction, Wholesale Trade, Transportation/Utilities, and Agriculture/Mining sectors. The following graphic further illustrates this comparison.



Source: ESRI; Compiled by Newmark

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the Lynchburg, VA Metropolitan Statistical Area is 2.9% (December 2022).



Bars represent beginning to end range of unemployment rates in each year
 Orange bars denote increasing unemployment from beginning to end of year
 Blue bars are declining unemployment from beginning to end of year
 Arrows are extent of unemployment rates over the year

Compiled by Newmark

Major Employers

The following table lists a number of major employers with the Lynchburg MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: Lynchburg MSA

Rank	Employer	Employees
1	Walmart Inc.	1350 - 2750
2	Centra Health	1,000
3	Babcock & Wilcox Nuclear	1,000
4	J. Crew Outfitters	1,000
5	Areva NP Inc.	1,000
6	Food Lion	700 - 1500
7	Abbott Laboratories	500 - 999
8	GNA Corp.	500 - 999
9	Lynchburg College	500 - 999
10	Kdc Lynchburg	500 - 999
11	Kroger	400 - 850
12	Central Virginia Community Services	350 - 700
13	Lowes' Home Centers Inc.	300 - 750
14	Harris Corp.	300 - 600
15	Glad Manufacturing Co.	250 - 499
16	Greif Packaging LLC	250 - 499
17	GP Big Island LLC	250 - 499
18	Elwood Staffing Services Inc	250 - 499
19	Mail America Communications	250 - 499
20	BGF Industries Inc.	250 - 499

Source: Moody's Analytics Précis® US Metro

Liberty University

This institution is one of the largest employers in the state and area. A summary of a 2018 (most recent) economic impact study is in the addendum and a general summary is on the following page.

Economic and Fiscal Contribution of Liberty University

Mangum Economic, LLC assessed the economic and fiscal contribution that Liberty University made to the Lynchburg MSA and the state of Virginia in academic year 2018-19. The report is located in the addendum. The principle findings from that assessment are as follows:

- Liberty University is Virginia’s largest and most rapidly growing institution of higher education:
 - In 2018-19, Liberty had an unduplicated annual headcount of 111,084 students, making it the largest institution of higher education in Virginia and the fifth largest in the country.
 - In 2018-19, Liberty University and its auxiliary enterprises were also Lynchburg’s largest employer, providing jobs for 7,987 individuals in the Lynchburg MSA, 8,665 in Virginia, and 11,336 worldwide.
- Liberty University makes a major economic and fiscal contribution to the Lynchburg MSA:
 - Liberty University’s 2018-19 regional spending was also responsible for supporting a total of 12,580 jobs within the Lynchburg MSA and generating \$428.3 million in labor income.
 - Local taxes paid by the university itself, associated enterprises, employees, students, and visitors contributed approximately \$16.5 million in tax revenue to the Lynchburg MSA in 2018-19.
- Liberty University makes a major economic and fiscal contribution to the state of Virginia as a whole:
 - In 2018-19 Liberty University, along with its associated enterprises, students, and visitors were responsible for contributing \$659.2 million in direct spending to the state.
- Liberty University makes a major contribution to growing Virginia’s human capital.
- Liberty University also makes many other contributions to the Lynchburg MSA and the state of Virginia:
 - Its students and employees provide more than \$3.5 million worth of volunteer service hours within the Lynchburg MSA each year.
 - It has made significant regional investments in economic revitalization.
- ***In sum, Liberty University is a rapidly growing institution that has a significant economic and fiscal impact on the Lynchburg MSA and the state of Virginia as a whole, and plays a very active and positive leadership role within its community and the state.***

Analysis

Further economic analysis from Moody's is detailed as follows:

Eds And Meds

Education/healthcare will add jobs at a faster rate than that of the nation in coming months. Liberty University anchors private education, and recent enrollment trends are bright. The university reported a large jump in new students on campus for the fall 2021 semester, and additional students will push demand for teaching and support staff higher. Employment in private education is already well above its pre-pandemic level despite declines regionally and nationally, and more gains will occur as Liberty and other universities in Lynchburg MSA add staff to keep pace with climbing enrollment.

Meanwhile, healthcare employment still has significant room to recover; payrolls are down by 8% relative to February 2020, compared to just 1% for the South. More lost jobs will be recouped in coming quarters thanks to gains in the outsize cohort of adults age 65 and older and as the fading pandemic eases labor force constraints.

Tourism

Lynchburg MSA's increasing popularity as a tourism destination will support consumer industries. Weekend travelers from Richmond and Washington DC, attendees of the area's abundance of festivals, and overnighters from the Blue Ridge Parkway, which connects Shenandoah National Park to Great Smoky Mountains National Park, will push tourist dollars into local restaurants, hotels and shops. As a result, net hiring in retail and leisure/hospitality will match that of the state over the next year. Gains in consumer industries will be good news given Lynchburg MSA's demographic challenges. A shrinking working-age population lessens the number of consumers in their prime spending years, while the metro area's outsize share of low-wage jobs reduces the amount of disposable income locally.

Demographics

Weak demographics and the lack of dynamic growth drivers will hamstring Lynchburg MSA's potential. Population growth is expected to slow in the near term and will advance at about one-third of the region's pace in the long run. Most of the population gains will come from the age 65 and older cohort given that the working-age population, which has declined since 2018, will continue to drop. The decline in working-age adults will limit business investment and restrict labor force growth. However, risks are weighted to the upside for demographic improvement. Lynchburg MSA boasts low living costs and an above-average quality of life thanks to an abundance of natural amenities, and this could increase Lynchburg MSA's attractiveness to remote workers.

Conclusion

Positive Attributes	Negative Attributes
— Presence of Liberty University and University of Lynchburg.	— Manufacturing is a shadow of former self.
— Defense contractors invest in Lynchburg.	— Dearth of high-wage jobs.
— Positive net migration.	— Very low per capita income.
— Low living and business costs.	

Lynchburg MSA's economy will remain a step behind its national peers in the months ahead. Education/healthcare will add jobs, but not by enough to make Lynchburg MSA a standout performer. Longer term, a poor manufacturing outlook and subpar demographics will relegate Lynchburg MSA to a below-average performer in both job and income growth.

Distance from Key Locations

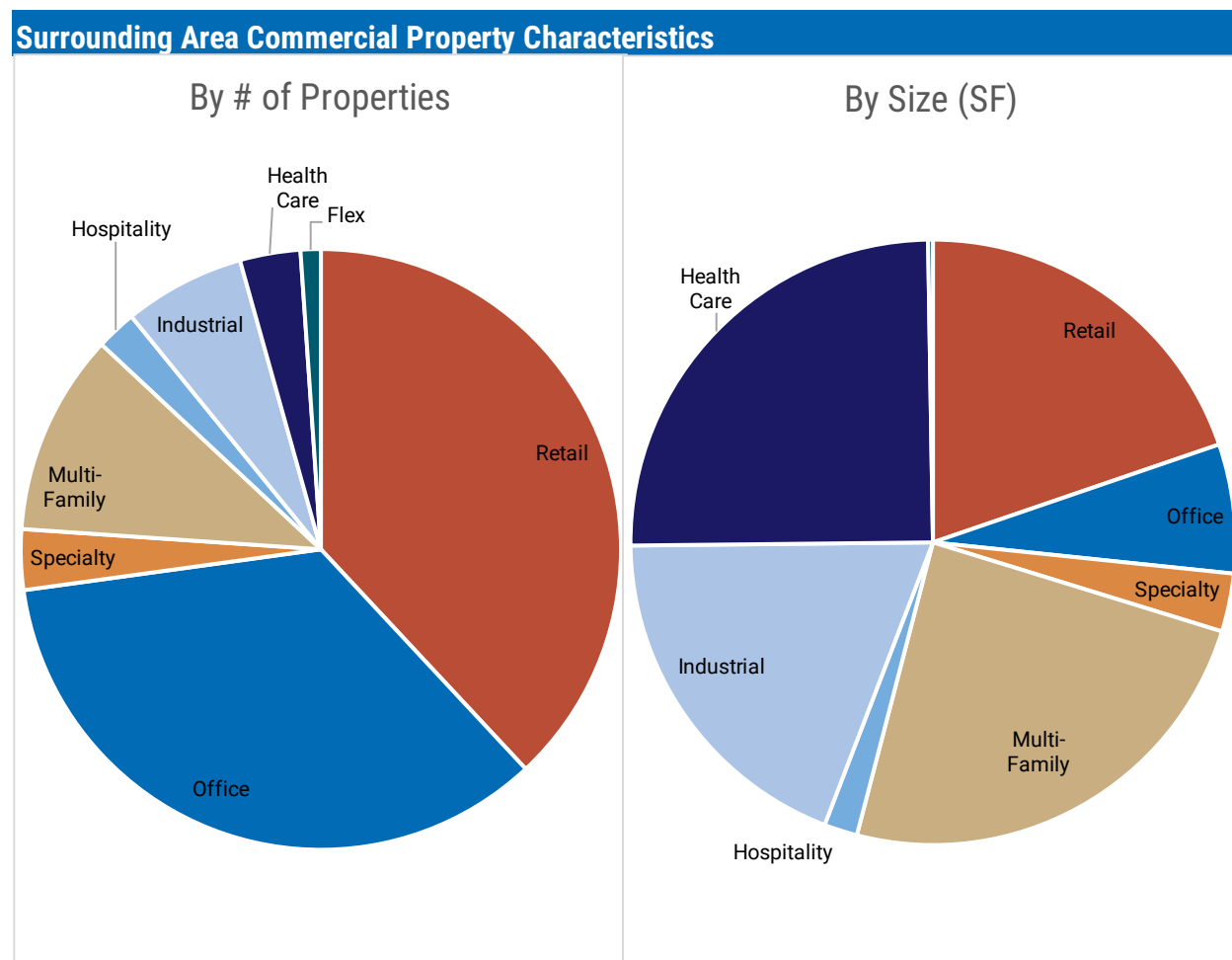
The commute to the Downtown Lynchburg is about thirty-five minutes and the drive to Lynchburg Regional Airport is about twenty-eight minutes. The following illustrates the 1-hour drive time from the subject.



Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding 1.5 mile radius around the subject.



Source: Costar; Compiled by Newmark

Within the immediate area of the subject, property uses include the following:

- A majority of the properties in the surrounding area are retail in nature.
- A majority of the square footage in the surrounding area is occupied by health-care, and multi-family space.
- Office, multi-family, retail, health care, industrial, and specialty uses are also evident in the surrounding area.

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	24523	Bedford town	Bedford County	Lynchburg, VA MSA	Virginia
Population								
2010 Total Population	2,518	9,227	13,003	19,307	6,623	74,886	252,634	8,001,024
2022 Total Population	2,620	9,249	13,005	19,186	6,676	80,041	262,377	8,744,590
2027 Total Population	2,696	9,322	13,050	19,176	6,766	80,878	263,675	8,856,660
Projected Annual Growth %	0.6%	0.2%	0.1%	0.0%	0.3%	0.2%	0.1%	0.3%
Households								
2010 Total Households	1,034	3,869	5,446	7,987	2,788	30,088	99,602	3,056,058
2022 Total Households	1,115	3,991	5,608	8,202	2,852	32,767	105,476	3,366,802
2027 Total Households	1,152	4,033	5,640	8,218	2,902	33,180	106,367	3,416,596
Projected Annual Growth %	0.7%	0.2%	0.1%	0.0%	0.3%	0.3%	0.2%	0.3%
Income								
2022 Median Household Income	\$38,821	\$52,110	\$55,936	\$58,965	\$45,010	\$75,161	\$60,652	\$82,443
2022 Average Household Income	\$51,960	\$68,821	\$75,088	\$77,328	\$60,306	\$100,465	\$85,166	\$121,628
2022 Per Capita Income	\$23,657	\$29,682	\$32,181	\$33,121	\$25,742	\$41,138	\$34,393	\$46,977
Housing								
2022 Owner Occupied Housing Units	43.8%	57.2%	63.9%	69.0%	47.5%	73.6%	63.0%	60.9%
2022 Renter Occupied Housing Units	46.2%	33.6%	26.9%	21.1%	41.8%	13.2%	25.5%	30.5%
2022 Median Home Value	\$226,200	\$229,944	\$228,204	\$226,300	\$220,655	\$277,765	\$221,959	\$342,622
Median Year Structure Built	1969	1971	1974	1976	1967	1987	1979	1982
Miscellaneous Data Items								
2022 Bachelor's Degree	14.4%	15.3%	14.5%	13.9%	14.5%	18.6%	18.3%	23.3%
2022 Grad/Professional Degree	3.7%	6.2%	6.8%	7.2%	5.0%	12.9%	11.6%	18.0%
2022 College Graduate %	18.1%	21.4%	21.3%	21.1%	19.5%	31.5%	29.9%	41.4%
2022 Average Household Size	2.24	2.22	2.25	2.29	2.21	2.43	2.37	2.53
2022 Median Age	45.0	46.6	47.2	47.3	44.8	47.0	41.8	39.2

Source: ESRI; Compiled by Newmark

Demographic Analysis

Population and Household Formation

Demographic Growth Rate Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	24523	Bedford town	Bedford County	Lynchburg, VA MSA	Virginia
Population								
2010 Total Population	2,518	9,227	13,003	19,307	6,623	74,886	252,634	8,001,024
2022 Total Population	2,620	9,249	13,005	19,186	6,676	80,041	262,377	8,744,590
2027 Total Population	2,696	9,322	13,050	19,176	6,766	80,878	263,675	8,856,660
Annual Growth - Past Period	0.3%	0.0%	0.0%	-0.1%	0.1%	0.6%	0.3%	0.7%
Annual Growth - Future Period	0.6%	0.2%	0.1%	0.0%	0.3%	0.2%	0.1%	0.3%
Households								
2010 Total Households	1,034	3,869	5,446	7,987	2,788	30,088	99,602	3,056,058
2022 Total Households	1,115	3,991	5,608	8,202	2,852	32,767	105,476	3,366,802
2027 Total Households	1,152	4,033	5,640	8,218	2,902	33,180	106,367	3,416,596
Annual Growth - Past Period	0.6%	0.3%	0.2%	0.2%	0.2%	0.7%	0.5%	0.8%
Annual Growth - Future Period	0.7%	0.2%	0.1%	0.0%	0.3%	0.3%	0.2%	0.3%

Source: ESRI; Compiled by Newmark

Income Distributions

Household Income Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	24523	Bedford town	Bedford County	Lynchburg, VA MSA	Virginia
2022								
Household Income <\$15,000	274 24.6%	503 12.6%	586 10.4%	748 9.1%	460 16.1%	2,170 6.6%	9,158 8.7%	231,843 6.9%
Household Income \$15,000-\$24,999	145 13.0%	420 10.5%	552 9.8%	734 8.9%	342 12.0%	1,969 6.0%	8,071 7.7%	208,768 6.2%
Household Income \$25,000-\$34,999	91 8.2%	475 11.9%	635 11.3%	916 11.2%	349 12.2%	3,016 9.2%	11,236 10.7%	222,882 6.6%
Household Income \$35,000-\$49,999	147 13.2%	529 13.3%	775 13.8%	1,134 13.8%	377 13.2%	3,989 12.2%	14,245 13.5%	336,960 10.0%
Household Income \$50,000-\$74,999	144 12.9%	578 14.5%	830 14.8%	1,277 15.6%	391 13.7%	5,190 15.8%	19,213 18.2%	526,950 15.7%
Household Income \$75,000-\$99,999	202 18.1%	740 18.5%	1,055 18.8%	1,652 20.1%	529 18.5%	5,458 16.7%	16,186 15.3%	434,339 12.9%
Household Income \$100,000-\$149,999	89 8.0%	507 12.7%	780 13.9%	1,136 13.9%	272 9.5%	5,735 17.5%	15,478 14.7%	598,206 17.8%
Household Income \$150,000-\$199,999	21 1.9%	173 4.3%	225 4.0%	335 4.1%	120 4.2%	2,544 7.8%	6,457 6.1%	345,999 10.3%
Household Income \$200,000+	1 0.1%	65 1.6%	171 3.0%	270 3.3%	13 0.5%	2,696 8.2%	5,430 5.1%	460,765 13.7%
Median Household Income	\$38,821	\$52,110	\$55,936	\$58,965	\$45,010	\$75,161	\$60,652	\$82,443
Average Household Income	\$51,960	\$68,821	\$75,088	\$77,328	\$60,306	\$100,465	\$85,166	\$121,628
Per Capita Income	\$23,657	\$29,682	\$32,181	\$33,121	\$25,742	\$41,138	\$34,393	\$46,977

Source: ESRI; Compiled by Newmark

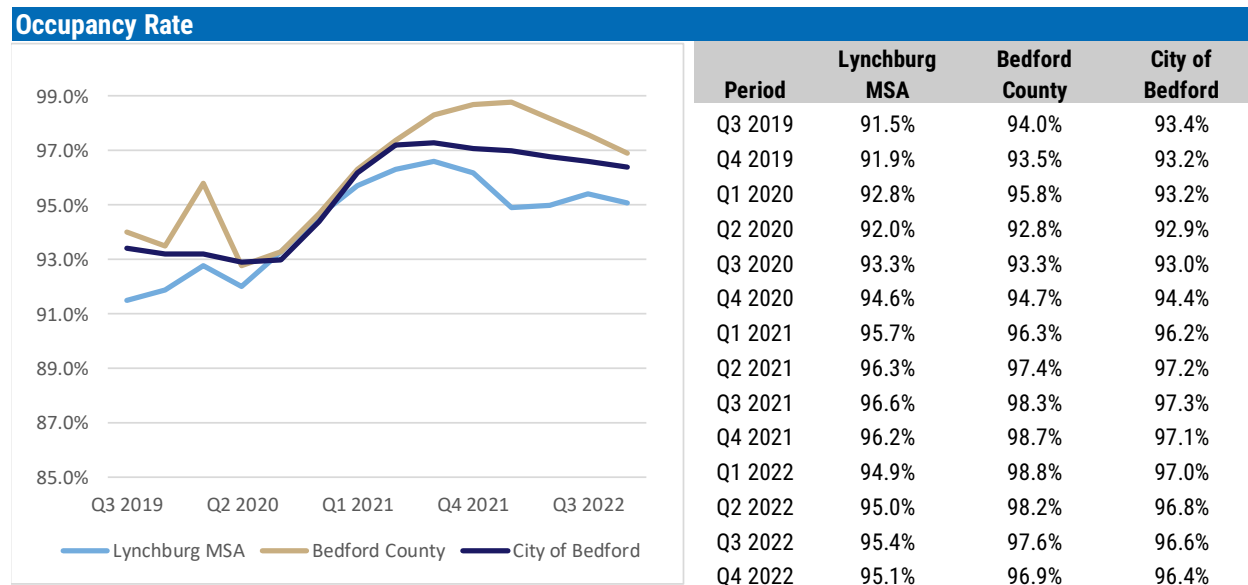
Multifamily Market Analysis

Classification

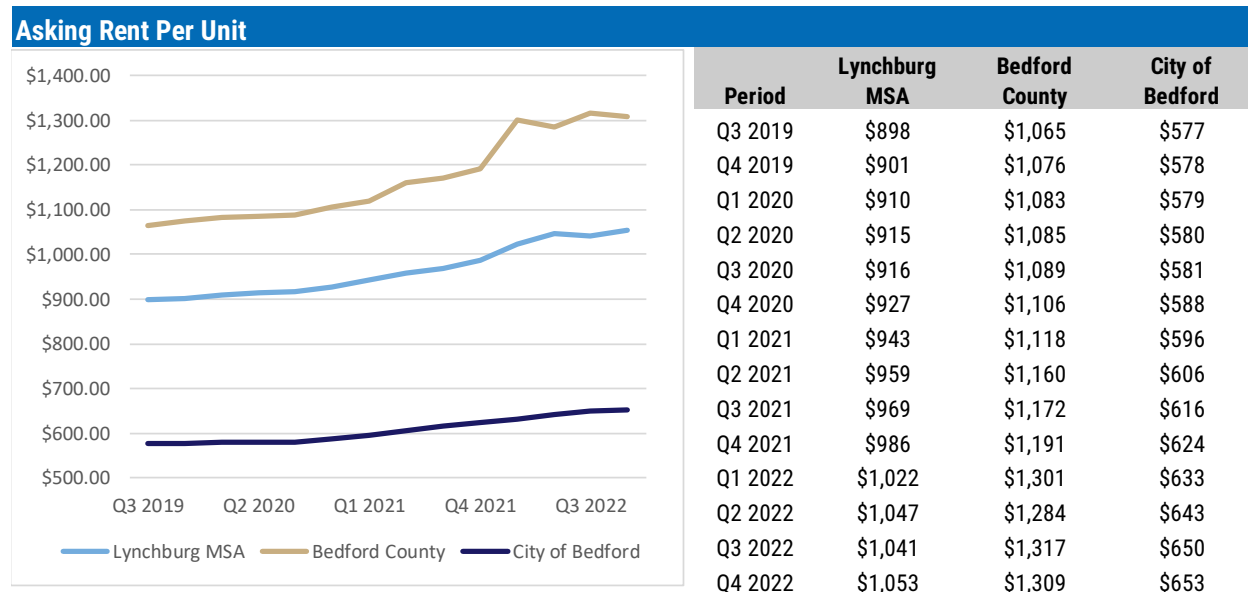
The subject is in the Bedford County submarket of the Lynchburg MSA market.

Multifamily Market Overview

The following discussion outlines overall market performance in the surrounding Multifamily market using Costar market metric data. Presented first are market statistics of the Lynchburg MSA area and the subject Bedford County submarket overall along with more closely focused statistics related specifically to the subject property and its market segment. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



Source: Costar; Compiled by Newmark Valuation & Advisory



Source: Costar; Compiled by Newmark Valuation & Advisory

Multifamily Market Statistics

Trailing Four Quarters Ended Q4 2022

Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
Lynchburg MSA	13,224	265	4.90%	104	\$1,053	\$1,049
Bedford County	1,329	0	3.10%	-23	\$1,309	\$1,306
City of Bedford	742	0	3.60%	-5	\$653	\$650

Source: Costar; Compiled by Newmark Valuation & Advisory

- The average vacancy rate for the subject submarket is lower than that of the overall market area.
- Approximately 2.0% of the market inventory, represents newer construction unlike the subject.
- Absorption for the last 12 months was positive for the overall market area and flat at the submarket level.

Market and Submarket Trends

Multifamily Market Trends								
	Lynchburg MSA				Bedford County			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q4 2020	12,681	0	5.4%	\$927	1,321	0	5.3%	\$1,106
Q1 2021	12,681	0	4.3%	\$943	1,321	0	3.7%	\$1,118
Q2 2021	12,951	270	3.7%	\$959	1,321	0	2.6%	\$1,160
Q3 2021	12,959	8	3.4%	\$969	1,329	8	1.7%	\$1,172
Q4 2021	12,959	0	3.8%	\$986	1,329	0	1.3%	\$1,191
Q1 2022	13,177	218	5.1%	\$1,022	1,329	0	1.2%	\$1,301
Q2 2022	13,177	0	5.0%	\$1,047	1,329	0	1.8%	\$1,284
Q3 2022	13,224	47	4.6%	\$1,041	1,329	0	2.4%	\$1,317
Q4 2022	13,224	0	4.9%	\$1,053	1,329	0	3.1%	\$1,309

* Forecast

Source: Costar; Compiled by Newmark Valuation & Advisory

- The overall market area and submarket have been declining with respect to occupancy over the past year.
- Over the past several years, effective rental rates have been following an increasing trend within the market and submarket.
- As shown above, the submarket is outperforming against the market overall.

Long Term Lynchburg MSA Market Metrics

The following provides a longer term view of the market.

Lynchburg MSA Market Metrics						
Period	Inventory (Units)	Vacancy %	Net Absorption (Units)	Completions (Units)	Asking Rent Per Unit	Effective Rent Per Unit
Q2 2020	12,685	8.0%	52	172	\$915	\$909
Q3 2020	12,681	6.7%	164	0	\$916	\$911
Q4 2020	12,681	5.4%	161	0	\$927	\$921
Q1 2021	12,681	4.3%	147	0	\$943	\$939
Q2 2021	12,951	3.7%	338	270	\$959	\$955
Q3 2021	12,959	3.4%	39	8	\$969	\$966
Q4 2021	12,959	3.8%	-49	0	\$986	\$983
Q1 2022	13,177	5.1%	42	218	\$1,022	\$1,018
Q2 2022	13,177	5.0%	3	0	\$1,047	\$1,043
Q3 2022	13,224	4.6%	109	47	\$1,041	\$1,037
Q4 2022	13,224	4.9%	-50	0	\$1,053	\$1,049
Y 2003	8,338	7.5%	15	72	\$720	\$715
Y 2004	8,413	7.5%	72	75	\$725	\$721
Y 2005	8,785	9.0%	211	372	\$737	\$727
Y 2006	8,859	6.9%	257	74	\$760	\$755
Y 2007	9,029	6.5%	192	170	\$784	\$780
Y 2008	10,122	7.4%	929	1,093	\$790	\$781
Y 2009	10,122	7.0%	48	0	\$765	\$761
Y 2010	10,431	7.1%	273	309	\$778	\$772
Y 2011	10,515	6.5%	145	84	\$785	\$780
Y 2012	10,543	6.4%	34	28	\$794	\$790
Y 2013	10,815	7.1%	185	272	\$803	\$798
Y 2014	11,027	6.5%	255	212	\$816	\$809
Y 2015	11,549	6.7%	470	522	\$840	\$831
Y 2016	11,725	6.9%	144	176	\$853	\$843
Y 2017	11,725	6.2%	77	0	\$868	\$859
Y 2018	11,756	5.6%	102	111	\$885	\$879
Y 2019	12,513	8.1%	400	757	\$901	\$897
Y 2020	12,681	5.4%	495	172	\$927	\$921
Y 2021	12,959	3.8%	475	278	\$986	\$983
5 Year Average	12,327	5.8%	310	264	\$913	\$908
10 Year Average	11,729	6.3%	264	253	\$867	\$861
15 Year Average	11,167	6.5%	282	279	\$838	\$832

Source: Costar; Compiled by Newmark Valuation & Advisory

Supply & Demand

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Lynchburg MSA	278	475	0.6	1,207	1,370	0.9	1,318	1,549	0.9
Bedford County	8	61	0.1	284	299	0.9	284	307	0.9
City of Bedford	0	20	0.0	0	23	0.0	0	22	0.0

Source: Costar; Compiled by Newmark Valuation & Advisory

- Absorption in the Bedford County submarket has kept pace with construction over the past five years as evidenced by the approximate one to one ratio of construction to absorption.

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Lynchburg MSA	4.90%	3.80%	8.10%	6.20%	7.10%
Bedford County	3.10%	1.30%	6.50%	4.20%	4.10%
City of Bedford	3.60%	2.90%	6.80%	6.40%	6.10%

Source: Costar, Newmark Valuation & Advisory

Conclusion

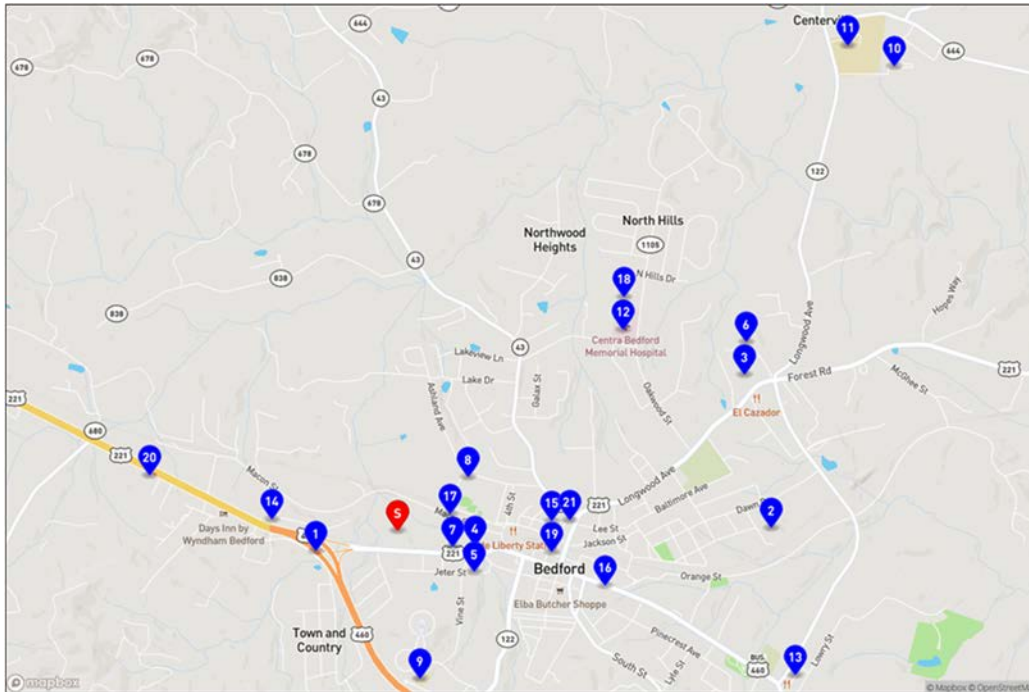
Occupancy Conclusions

Costar	
Lynchburg MSA	95.10%
Bedford County	96.90%
City of Bedford	96.40%

Source: Costar, Newmark Valuation & Advisory

Neighborhood Analysis

The following map shows the location and an analysis of the trade services/proximity to the site. The summary of corresponding trade services and locations is presented on the following page.



Community Service Map

COMMUNITY SERVICES				
	COMMUNITY SERVICES	NAME	Address	TRAVEL DISTANCE* FROM SITE (IN MILES)
1	MAJOR HIGHWAY(S)	Highway	460 Expressway	0.5
	PUBLIC BUS STOP	Bus Stop	Timberlake	15
	SUBWAY/RAIL STATION	Train Station	Lynchburg Kemper St	21
2	MAJOR EMPLOYERS / EMPLOYMENT CENTERS	Bedford Weaving Mills, Inc.	1211 Monroe St	1.8
3	PHARMACY	CVS Pharmacy	1515 Longwood Ave	1.8
4	CONVENIENCE STORE	Speedy Mart	510 Blue Ridge Ave	0.4
5	NEAREST MARKET	Elba Butcher	510 Blue Ridge Ave	0.4
6	NEAREST FULL SERVICE MARKET	Food Lion	1515 Longwood Ave	1.8
7	DISCOUNT DEPARTMENT STORE	Dollar General	558 Blue Ridge Ave	0.4
	SCHOOLS:			
8	ELEMENTARY	Bedford Primary School K-2	807 College St	0.4
9	INTERMEDIATE	Bedford Elementary 1-5	806 Tiger Trail	0.8
10	MIDDLE / JUNIOR HIGH	Liberty Middle 4-8	1237 Lacey Putney Way	3.3
11	HIGH	Liberty High 9-12	100 Liberty Minutemen Dr	3.2
12	HOSPITAL	Centra Bedford Memorial Hospital	1613 Oakwood St	1.4
13	URGENT CARE	Bedford Family Urgent Care	1368 American Way Court	2.1
14	POLICE	State Police	874 Blue Ridge Ave	0.7
15	FIRE	Bedford Volunteer Fire Dept	315 Bedford Ave	0.7
16	POST OFFICE	USPS	500 E Main St	1.1
17	BANK	Carter Bank & Trust	550 Blue Ridge Ave	0.3
18	SENIOR CENTER	Centra Bedford Adult Day Center	1617 Oakwood St	1.5
19	DAY CARE	Little Light Early Learning	217 W Depot St	0.8
20	RECREATION CENTER	Bedford Area Family YMCA	1111 Turnpike Rd	1.3
21	LIBRARY	Bedford Central Library	321 N Bridge St	0.8

* CALCULATED ALONG DEDICATED ROADWAYS

** Walk Score is 25

Subject Location – Immediate Neighborhood

The property is located on the north side of Blue Ridge Avenue, between Oakcrest Street and Spruce Street. Blue Ridge Avenue has a mix of commercial and residential properties and experiences moderate-to-heavy traffic volume.

Route 460 just south of the subject is a 2/4-lane East/West connecting route, which extends from Lynchburg to Roanoke.

The neighborhood reflects a mix of commercial and residential development, and is a mature, established district.

Surrounding Property Uses

Uses surrounding the subject property in various directions include:

Surrounding Property Uses		
Direction	Surrounding Use	Trends / Comments
To the North:	Vacant Land	No new development evident or anticipated.
To the South:	Mult-Family	None – non-influential and no new development evident.
To the West:	Mult-Family, Vacant Land.	None – non-influential and no new development evident.
To the East:	Vacant land and further east a retail plaza.	No new development evident, generally supportive of the subject’s current use.

The surrounding neighborhood appears to be very stable with a mix of some multi-family developments, single family residential and commercial uses. Typical of suburban area locations of this nature, the area is considered “Car-Dependent; the Walkscore Rating is 20.

Other Neighborhood Notes:

Transportation:

- **Bus services: No local bus service is available.**
- There is no commuter rail services available.
- **Highway/transportation linkages** are quickly and easily accessible. There is a means of ingress/ egress to the Route Highway Route 460.

Medical Facilities:

The nearest hospital is Centra Bedford Memorial Hospital located about 2.5 miles to the northeast. Bedford Family Urgent Care is 2.4 mile east just off of Main Street.

Crime

Bedford has an overall crime rate of 11 per 1,000 residents, making the crime rate here near the average for all cities and towns of all sizes in America. According to our analysis of FBI crime data, your chance of becoming a victim of crime in Bedford is 1 in 89. Compared to other communities of similar population size, Bedford has a crime rate that is noticeably lower than the average. This means that for comparably sized cities all across America, Bedford is actually safer than most according to Neighborhood Scout's exclusive analysis of FBI crime data.

<https://www.neighborhoodscout.com/va/bedford/crime#description>



Blue Ridge Avenue Facing East



Blue Ridge Avenue Facing West



Nearby Residential



Nearby Affordable Family Multi-Family Property



Nearby Commercial



Nearby Church

Supply Analysis

The Competitive Market

For this portion of the analysis it is not specifically necessary to establish a market draw area. Nonetheless, we have reviewed the general economics that influence the location in question. Through research of multi-tenant projects, including low-to-moderate income developments and market rate facilities, it is felt that the market draw for the area for the project in question would be the existing residents from City of Bedford and surrounding areas.

Competitive Set

Comp Selection

In any market there are a wide variety of projects that can be considered for use in a Rent Comparability Study. To begin with our search involved market rate developments with no rent or income restrictions. Variables that we have considered in the process of selection includes:

- Proximity to evaluate similar market conditions.
- Physicality. Garden/Elevator style, etc. Also, the age/condition and general vintage of the project was evaluated. Like kind projects offering similar features and amenities were also the focus of the search.
- Unit mix and types available.
- Availability of data. While there are a number of projects in a given market, not all have data that can be directly verified. So – some projects might be eliminated from consideration.

Market Rate projects in the Bedford and Lynchburg area. We have reviewed several properties, and have selected the most comparable to include:

- *Bedford Lofts*
- *Peaks Crossing Apartments*
- *Maple Tree Townhomes*
- *County Green Apartments*
- *Nottingham Apartments*

For the competitive set that we reviewed, we adopted and chose the most applicable and similar projects. In addition to proximity to the subject, the physical condition of the units, and the verification ability were the deciding factors behind comps that were adopted versus those that were not chosen for application to the forms – meaning that in order to apply them to the HUD forms, we felt that we needed firm and solid documentation from the owner. Notes include:

- When a rental indicates a range of rents for a specific unit type, an average rent was utilized for comparison, or the most similar/comparable unit type if available.
- If the rental unit indicates a range for the unit size, an average size was used for comparison.
- None of the comparables are owned or managed by entities having and identity-of-interest with the owner or management of the subject property.

We interviewed management at each comparable to try and verify the square footage of each unit type. We also used website information when available to verify or to determine the square footage of each unit type. For some of the rentals, we have relied on management’s estimates of square footage for the units Due to the lack of floor plans or unit layouts for the comparables, the appraisers must rely on and believe to be true the information obtained. When a rental indicates a range in square footage, we used the mid-point.

Job #: 23-181003
 Proj. Name: John Early Apts, Bedford, VA 2/2013
 Description: HUD RCS

Rent Summary for Market Rate Projects

Unit Type: 1 Bedroom										
Property Name	Municipality	Yr. Built	Occ.(Avg)	Utils*	Sq. Ft.	Rent Range	Rent(Mid)	\$/SF(Mid)	Gross Rent	Gross \$/SF
Powder Horn Apts.	Bedford	1986			588	\$658	\$ 658.00	\$ 1.12	\$ 768.00	\$ 1.31
Bedford Lofts	Bedford	2014	100%		540	\$965 - \$1115	\$ 1,040.00	\$ 1.93	\$ 1,150.00	\$ 2.13
Peaks Crossing Apts	Bedford	1965	100%		425	\$550	\$ 550.00	\$ 1.29	\$ 660.00	\$ 1.55
County Green Apts	Lynchburg	1976	100%		760	\$800	\$ 800.00	\$ 1.05	\$ 910.00	\$ 1.20
Nottingham Apts	Lynchburg	1973	100%		760	\$680	\$ 680.00	\$ 0.89	\$ 790.00	\$ 1.04
Mill’s Crossing	Lynchburg	2018	97%		755	\$999	\$ 999.00	\$ 1.32	\$ 1,109.00	\$ 1.47
1 Bedroom Averages:			99%		638.0		\$ 787.83	\$ 1.23	\$ 897.83	\$ 1.41

Unit Type: 2 Bedroom										
Property Name	Municipality	Yr. Built	Occ.(Avg)	Utils*	Sq. Ft.	Rent Range	Rent(Mid)	\$/SF(Mid)	Gross Rent	Gross \$/SF
Powder Horn Apts.	Bedford	1986			1003	\$689	\$ 689.00	\$ 0.69	\$ 819.00	\$ 0.82
Bedford Lofts	Bedford	2014	100%		735	\$1200	\$ 1,200.00	\$ 1.63	\$ 1,330.00	\$ 1.81
Bedford Lofts	Bedford	2014			765	\$1250	\$ 1,250.00	\$ 1.63	\$ 1,380.00	\$ 1.80
Peaks Crossing Apts	Bedford	1965	100%		900	\$575	\$ 575.00	\$ 0.64	\$ 705.00	\$ 0.78
Maple Tree Townhomes	Bedford	Circa 1990's	100%		1000	\$775	\$ 775.00	\$ 0.78	\$ 905.00	\$ 0.91
County Green Apts	Lynchburg	1976	100%		1100	\$885	\$ 885.00	\$ 0.80	\$ 1,015.00	\$ 0.92
Nottingham Apts	Lynchburg	1973	100%		900	\$745	\$ 745.00	\$ 0.83	\$ 875.00	\$ 0.97
Mill’s Crossing	Lynchburg	2018	97%		1105	\$1149	\$ 1,149.00	\$ 1.04	\$ 1,279.00	\$ 1.16
2 Bedroom Averages:			100%		938.5		\$ 908.50	\$ 0.97	\$ 1,038.50	\$ 1.11

* Utils: (H)eat, (E)lectric Paid by Landlord

2/9/2023

Market Rent Comparison

Outlined below is a summarization of market rents, market wide compared to the subject's projected rents "Post Rehab" but as if at market. It is critical to recognize that the market rents reflect simple averages, as opposed to adjusted rents to the specific subject units in question. The rents below have been adjusted to gross, where owner pays heat and electric. Factors such as location, condition and the size of the units have been considered in establishing rents used for analysis and application to the various analyses, which follow.

MARKET RENT COMPARISON (Gross Rents)			
<u>Unit Type:</u>	<u>Average Rent:</u>	<u>Average Sq. Ft.:</u>	<u>Rent/ Sq. Ft.:</u>
1 Bedroom – Market Averages	\$898	638	\$1.41
1 Bedroom – Subject	\$906	702	\$1.29
2 Bedroom – Market Averages	\$1,039	939	\$1.61
2 Bedroom – Subject	\$976	860	\$1.13

Notes:

- The market rents are a summary of the market rate projects used as comparables on the HUD 92273-S8 Forms reviewed in the area prior to adjustments.
- All market rents adjusted to Gross rents.

Rent Comparability Analysis

From the competitive set reviewed, we have chosen the most applicable comparables for direct comparison to the subject unit types. Outlined on the following page is a primary competitor map, followed by details of each of the primary competitors used in order to establish a market rate for the apartment project. Following the details of the projects are the “Post Rehab” HUD market rent forms applicable to the various unit types – the 92273-S8 Forms.

Narrative Explanation of Adjustments

Following the 92273-S8 Forms is the narrative explanation of the adjustments. The HUD guidelines request a narrative explanation of the adjustments for each of the unit types where a grid is prepared. We have applied our analysis this way for the different unit types and include the 92273-S8 forms and narrative explanation for each; one-bedroom and two-bedroom units

Explanation of Adjustments

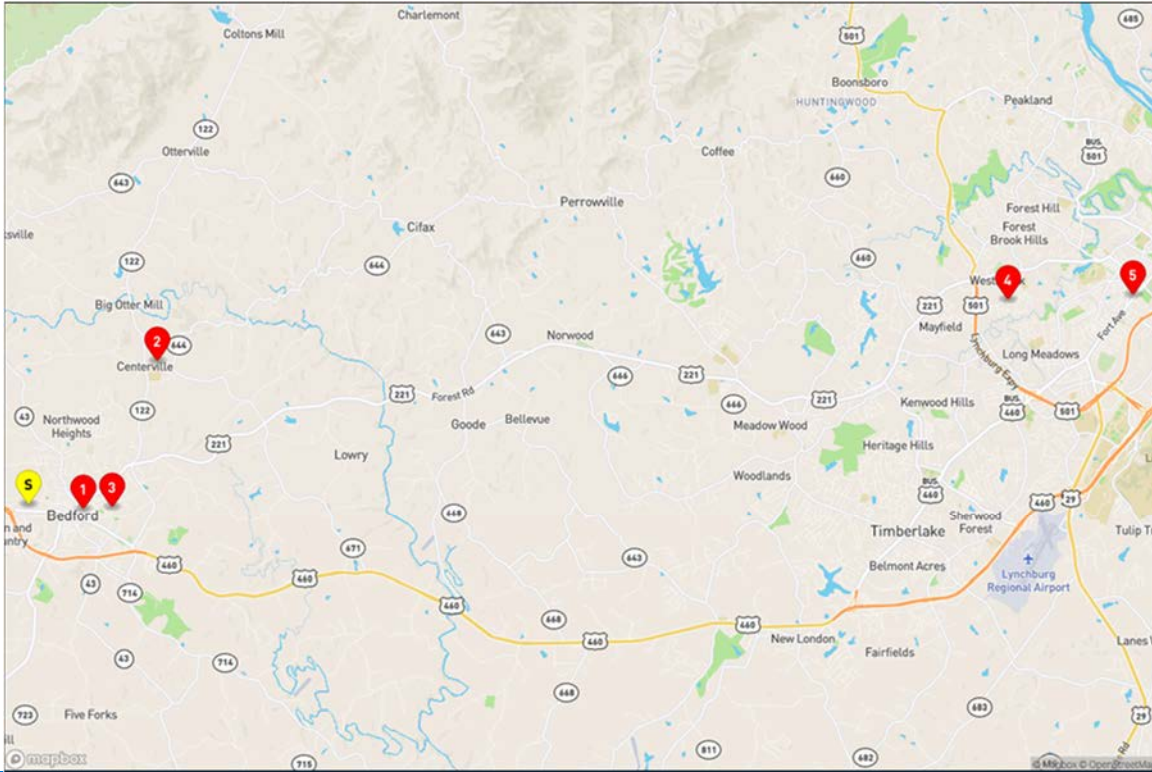
We will provide concise, complete explanations as to why the adjustments were made and how the dollar values were derived. We will explain why the adjustment was made, stating the reasons that justify an adjustment and explain if the adjustment is on a percentage basis of the existing rent when comparing qualitative adjustments or on a dollar amount when a comparable either has an amenity or not. We will then explain how the dollar value was derived by explaining the rationale for the amount of the adjustments. The adjustments can be supported through a paired analysis, from conversations with local rental agents/managers or our professional judgment based on prior work in the subject market area.

The HUD Chapter Nine Rent Comparability Studies guidelines state on page 21, that for “all adjustments exceeding a nominal amount, the RCS appraiser must present market data to support his/her conclusions, however “for minor adjustments (adjustments not exceeding nominal amounts), the RCS appraiser may state his/her subjective evaluation of why the observed differences would affect rent”. Nominal adjustment amounts are typically \$10 or less. Adjustments will reflect the local market and reflect the monthly rental value not the cost of construction or the cost of providing a service. We recommend that the reader review these guidelines at the HUD website: <https://portal.hud.gov/hudportal/documents/huddoc?id=Com-package-11-30-16.pdf>

For Line 2 Date Last Leased calls and verification to the comparable projects initiated at the time of project engagement and they were obtained at various times thru the advancement of the report. The effective date used for the subject is the appraisal date, rental data was obtained as reflective of the rents in place as of this date even though the specific verification and/ or comp advancement differs.

For Line 8 Condition/Street Appeal it is mandatory for the RCS appraiser to rate the subject and each comparable according to a five-point scale: Excellent, Good, Average, Fair, or Poor. No other classifications are acceptable. For the subject, and every comparable, the RCS appraiser must enter "E" for excellent, "G" for good, "A" for average, "F" for fair, or "P" for poor. Our comparable write-ups are marked on an A, B, C, D, E basis which would correlate to the following:

Excellent = A which equals E
Good = B which equals G
Average = C which equals A
Fair = D which equals F
Poor = E which equals P



Comparable Map

COMPARABLE PROJECTS		
MAP #	PROJECT NAME	Address
S	Subject - John Early Apts	718 Blue Ridge Ave
PRIMARY MARKET RATE COMPARABLE PROJECTS		
1	Bedford Lofts	412 Jackson St
2	Peaks Crossing Apts	1232 Centerville Rd
3	Maple Tree Townhomes	825 Judd St.
4	County Green Apts	401 Kerry Lane
5	Nottingham Apts	3463 Fort Ave

HUD Form – One-Bedroom Units

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid Unit Type → 1BR/1BA Subject's HAP #: VA360026015

Subject		Comp # 1		Comp # 2		Comp # 3		Comp # 4		Comp # 5	
John Early Apts 718 Blue Ridge Avenue, Bedford, VA		Bedford Lofts 412 Jackson St Bedford, VA		Peaks Crossing Apts 1232 Centerville Rd Bedford, VA		Maple Tree Townhomes 825 Judd St. Bedford, VA		County Green Apts 401 Kerry Lane Lynchburg, VA		Nottingham Apts 3463 Fort Ave Lynchburg, VA	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
Data		Data		Data		Data		Data		Data	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	Last Rent / Restricted?	\$1,040		\$550		\$775		\$800		\$680	
2	Date Last Leased (mo/yr)	2/9/2023		2/9/2023		2/9/2023		2/9/2023		2/9/2023	
3	Rent Concessions	No		No		No		No		No	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,040	1.93	\$550	1.29	\$775	0.78	\$800	1.05	\$680	0.89
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G/2	E/4 (\$25)	G/1		TH/2		G/2		G/2	
7	Yr. Built/Yr. Renovated	1978/Rehab 2007 & 2023	2014	1965	\$25	Circa 1990's	\$25	1976	\$25	1973	\$25
8	Condition /Street Appeal	Good	Excellent (\$42)	Average	\$22	Good		Average	\$32	Average	\$54
9	Neighborhood	Average	Average	Fair	\$22	Average		Good		Good	
10	Same Market? Miles to Subj	Y/1.2		Y/4.5		Y/1.6		N/21		N/24	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	Adj	Data	\$ Adj	Data	Adj	Data	Adj
11	# Bedrooms:	1	1	1		2	(\$75)	1		1	
12	# Baths	1	1	1		1		1		1	
13	Unit Interior Sq. Ft.	702	540 \$78	425	\$89	1000	(\$58)	760	(\$15)	760	(\$13)
14	Balcony/ Patio	No	No	No		Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
15	AC: Central/ Wall	Central	Central	Central		Central		Central		Central	\$5
16	Range/ refrigerator	RF	RF	RF		RF		RF		RF	
17	Microwave/ Dishwasher	No/No	Yes/Yes (\$5)	No/No		No/No		Yes/Yes	(\$5)	No/No	
18	Washer/Dryer	Common	W/D (\$25)	Common		HU	(\$10)	W/D	(\$25)	Common	
19	Floor Coverings	Yes	No	Yes		No		Yes		Yes	
20	Window Coverings	Yes	Yes	Yes		Yes		Yes		Yes	
21	Cable/ Satellite/Internet	C/I Avail	C/I Avail (\$50)	C/I Avail		C/I Avail		C/I Avail		C/I Avail	
22	Special Features	Y	N \$10	N	\$10	N	\$10	N	\$10	N	\$10
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	Surface \$0	Surface \$0	Surface \$0		None	\$10	Surface \$0		Surface \$0	
25	Extra Storage	No	No	No		No		No		No	
26	Security	Y	Y	Y		Y		Y		Y	
27	Clubhouse/Meeting Room	Yes	N \$5	N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/ Recreation Areas	No/No	No/No	No/No		No/No		Yes/Yes	(\$10)	No/No	
29	Business Ctr/ Nbrd Netw	N	N	N		N		N		N	
30	Service Coordination	N	N	N		N		N		N	
31	Non-shelter Services	EC	N \$15	N	\$15	N	\$15	N	\$15	N	\$15
32	Neighborhood Networks	N	N	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	No/Electric	No/- N/A	No/- N/A		No/- N/A		No/- N/A		No/- N/A	
34	Cooling (in rent?/ type)	N/Electric	No/Electric	No/Electric		No		No/Electric		No	
35	Cooking (in rent?/ type)	No	No	No		No		No		No	
36	Hot Water (in rent?/ type)	No/Electric	No/- N/A	No/- N/A		No/- N/A		No/- N/A		No/- N/A	
37	Other Electric	No	No	No		No		No		No	
38	Cold Water/ Sewer	Yes/Yes	Yes/Yes	Yes/Yes		No/No	\$60	No/No	\$60	No/No	\$60
39	Trash/ Recycling	Y	Y	Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	5	7		5	4	5	5	6	2
41	Sum Adjustments B to D	\$108	(\$147)	\$188		\$65	(\$153)	\$87	(\$65)	\$114	(\$23)
42	Sum Utility Adjustments					\$60		\$60		\$60	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjnts B to E	(\$39)	\$255	\$188	\$188	(\$28)	\$278	\$82	\$212	\$151	\$197
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,001		\$738		\$747		\$882		\$831	
45	Adj Rent/Last rent		96%		134%		96%		110%		122%
46	Estimated Market Rent	\$840	\$1.20	Estimated Market Rent/ Sq. Ft							

[Signature]
Appraiser's Signature

2/14/2023
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

HUD Form – One-Bedroom Units

Unit Type – Separate rent analysis are made for individual unit types. Four comparable 1-bedroom units will be used for analysis of the subject's 1-bedroom apartment units. Due to the lack of one-bedroom units in the area one two-bedroom comparable in Bedford was used.

Last Rent - All of the units have been rented at the rents listed on the grids. None of the comparable properties are under any kind of rent restrictions, so no adjustments were needed.

Date Last Leased - All comparables have had current leases signed at the stated asking rent levels, thus no adjustment was needed.

Concessions – None of the comparable rentals are currently offering rent concessions; therefore, no adjustments were necessary.

Occupancy – The HUD guidelines indicate that if the occupancy rate is less than 93%, then the owner may be trying to charge too high of a rent. All comparables have occupancy rates of 100%, no adjustments are needed.

Structure / Stories – The subject has eight 2-story garden-style apartment buildings with single story flats on the end of the buildings. Four comparables are similar garden-style complexes, requiring no adjustments. Comparable #1 is a 4-story elevator building, therefore a \$25 downward adjustment was made. Mid-rise projects are limited in the area, but it is felt that for senior specific projects that this moderate downward adjustment for walk-up buildings is necessary.

Year Built – The subject complex was completed with occupancy beginning in 1978, had renovations in 2007 and will undergo major renovations in 2023. The comparable properties have a wide range of ages dating between 1965 and 2014. As opposed to making large adjustments for year built we have made \$25 downward adjustments to four of the comps, variations between the overall appeal of the project will be accounted for a condition adjustment.

Condition / Street Appeal – It is felt that with the attention to routine maintenance being done and the anticipated Rehab that the “Post Rehab” condition will reflect a good quality apartment complex.

The comparables have been classified as “Excellent”, “Good” or “Average”. Adjustments were necessary in order to compare and contrast to the quality and integrity of the subject. Where the condition ratings are considered “Good”, no adjustments were made. Where the ratings were “Excellent”, a 4% downward adjustment was necessary. Where the ratings were “Average”, a 4% upward adjustment was necessary.

The condition rating generally accounts for the overall finishes, design and layout. For example, if granite countertops and higher-end cabinetry are used, it assists the condition rating. Floor coverings, overall finishes and features, and the appeal of the common area space and exterior of the building adds to the adjustment.

The condition rating designations and explanations for the adjustments are based on HUD guidelines in Chapter 9 of the Section 8 Renewal Guide (applicable to Rent Comp Studies). We recommend that the reader review these guidelines at the HUD website:

<http://www.hud.gov/offices/hsg/mfh/exp/guide/s8renew.pdf>

Neighborhood – The project is perceived to be located within a desirable setting for an apartment property, within close distance to places of work, transportation corridors and community services. Four of the comparables are considered to be in similar neighborhoods and required no adjustments. Comparable #2 is located approximately 5 miles north of the main Bedford business district, further away from places of work, transportation corridors and community services. Thus a 4% upward adjustment was made.

Same Market – Three of the comparables are considered to be in the same market, no adjustment needed. Two comparables are in Lynchburg which would be considered a different market, but the rents generally seem to be similar, thus no adjustment were made.

Number of Bedrooms – The category compares the number of bedrooms in the subject to the number of bedrooms in the comparables. Four of the comparables utilized have the same number of bedrooms and no adjustments were appropriate. Due to the lack of market rate one-bedroom units in the area one two-bedroom comparable in Bedford was used. A \$75 downward adjustment was made to comparable #3 to account for the additional bedroom. The adjustment was based on the chart below and our knowledge of the market.

Bedroom Adjustment Analysis			
Project	Rent Difference	Sq. Ft. Adjustment	Net Rent Difference
Bedford Lofts 1BR/1 BA vs 2BR/1 BA	\$160	\$104	\$79
Nottingham Apts 1BR/1 BA vs 2BR/1 BA	\$65	\$31	\$34
Country Green Apts 2BR/1 BA vs 3BR/1 BA	\$165	\$40	<u>\$125</u>
Average			\$79

Number of Baths – The subject units all include 1 full bath. No adjustment for any of the comparables since they have similar 1-bath unit types.

Sq. Ft. Area – In some cases, the subject units were larger than the market orientated apartments, but in others they were slightly smaller. Square footages for the different unit types are all generally consistent with one another; slight differences but typical layouts for each. We have used the HUD definition of square footage of the interior wall to interior wall for the subject calculation (please see the architect’s calculations in the addendum of this report).

One way to determine the variation in square footage is to take each comparables dollar per square foot rate multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. Then the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable.

Unit Square Footage Adjustment Analysis						
Project	Rent	Sq. Ft.	Rent /Sq. Ft.	25% of \$/SF	Sq. Ft. Difference	Adjustment
Bedford Lofts 1BR	\$1,040	540	\$1.93	\$0.48	162	\$78
Peaks Crossing 1BR	\$550	425	\$1.29	\$0.32	277	\$89
Maple Tree Townhomes 2BR	\$775	1,000	\$0.78	\$0.19	298	\$58
County Green Apts 1BR	\$800	760	\$1.05	\$0.26	58	\$15
Nottingham Apts 1BR	\$680	760	\$0.89	\$0.22	58	\$13

Balcony/Terrace/ Patio – The subject units do not have balconies/patios. Three of the comparables have balconies/patios. Where there are differences and variations between the comparables and the subject, \$10 downward adjustments were applied.

Air Conditioning - The subject does have central air conditioning. All of the comparable have central air, no adjustments were needed.

Range/ Refrigerator - The subject and comparables all include a range and refrigerator; therefore, no adjustments were necessary.

Microwave/ Dishwasher – The subject does not offer microwaves or dishwashers. Regarding microwaves, they do not seem to influence rent; rather it is a consensus decision by the management company to offer microwaves as an extra benefit to the tenants, thus, no adjustments necessary. In regard to dishwashers, where there are differences and variations between the comparables and the subject, \$5 downward adjustments were applied.

Washer/Dryer: Washer and dryer accounts for whether hookups and machines are provided. It also evaluates common area laundry availability. The subject offers common area laundry for all units. If a comparable offers in-unit washer/dryers, \$25 downward adjustments were needed. If a comparable offers washer/dryer hook-up, \$10 downward adjustments were needed. It is hard/difficult to empirically support specific adjustment amounts, we have relied on data from appliance rental companies, taken into account the cost of operating the machines and relied on our experience in the market to estimate the adjustments.

Floor Coverings - The subject units have good quality flooring. Since each of the comparable projects has adequate floor covering, no adjustments are necessary.

Window Coverings - Regarding window coverings, some of the comps offer window blinds; some do not. This does not seem to influence rent; rather it is a decision by the management company to maintain the visual integrity of the project by offering blinds. No adjustments were necessary.

Cable/ Internet - The subject and four of comparables have cable/internet available, but the cost is not included as part of the rental package, no adjustments were necessary. Comp #1 includes the cost of cable/internet in the rents, \$50 downward adjustments were made. It is hard/difficult to empirically support specific adjustment amounts, we have relied on data from data from local cable providers on cable/internet packages and relied on our experience in the market to estimate the adjustments.

Special Features - The subject offers planned events at the complex and outings. There are also weekly events such as exercise programs and other group events. These services are important to seniors who are generally not as mobile and rely on the facility to provide activities. None of the comparables offer these services and require upward adjustments of \$10.

Parking - The subject offers free off-street surface parking. Management indicated that there are an adequate number of spaces to accommodate residents that own vehicles – not one to one parking ratios but more than adequate for a senior development/project where not all tenants' own vehicles. Four of comparables have similar free on-site parking, no adjustments needed. Comparable #3 only has street parking, we have applied a \$10 upward adjustment for the availability of off-street parking.

Storage - Regarding storage, the subject does not offer any extra on-site storage. The comparables are all similar, no adjustments were necessary.

Security – The subject offers limited access with locked intercom doors and security cameras throughout the building, which is similar to all the comparables, no adjustments were needed.

Clubhouse/Meeting Room – The subject does have community/meeting room. None of the comparables offer a community room or building, \$5 upward adjustments were applied.

Pool/Recr. Area - The subject does not offer any kind of recreational area other than the community room which we have adjusted for on the previous line. This is generally similar to most of the comparables in the area and no adjustments were necessary. Comp #4 has a fitness center, playground, tennis court and a pool, a \$10 downward adjustment was needed.

Business Center – There is no Business Center at the subject or at any of the comparables, no adjustments were necessary.

Service Coordination - Service coordination is not provided at the subject property. None of the comparables offer any kind of service coordination, no adjustment was needed.

Non-Shelter Services – The subject property offers emergency call buttons in the living/dining area, bedrooms, and bathrooms. None of the comparables offer this services, upward adjustments of \$15 are considered necessary. Once again, it is hard/difficult to empirically support a specific adjustment amount for the availability of transportation and emergency call systems; therefore, we have made a general estimate of what the market would pay

Neighborhood Networks – None of the comparables or the subject offer neighborhood networks, thus no adjustment.

Utilities - The utility structure at the subject is set where the tenants cover the cost of providing all the utilities with the exception of Cold Water, Sewer and Trash.

Where there are variable differences adjustments were applied. The adjustment amounts are based on utility standards from Virginia Housing Development Authority.

Utility Allowance Chart							
Unit Size	Heat	Cooling	Cook	HW	Electric	Cold Water	Sewer
1BR	\$12	\$9	\$5	\$4	\$19	\$28	\$32

[file:///C:/Users/BS106800/Downloads/2Exposed-Walls%20\(1\).pdf](file:///C:/Users/BS106800/Downloads/2Exposed-Walls%20(1).pdf)

Heat/Type: Not included at the subject units. If needed the adjustments were applied based on utility allowances for the unit type in question. In the chart above.

Cook/Type: Not included at the subject units. If downward adjustments are needed, they were based on the chart above.

Electricity: Not included as part of the standard rent structure for the subject. If downward adjustments are needed, they were based on the chart above.

Hot Water: The subject does not include hot water in the rent. If downward adjustments are needed, they were based on the chart above.

Cold Water/Sewer: Cold water and sewer are included at the subject and two of the comparables. If upward adjustments are needed, they were based on the chart above.

Trash/Recycling: Included at the subject and all the comparables, no adjustments were applied.

Conclusions- Market Rents

In conclusion, we have provided weight to each of the various comparables when adopting and applying an average or standard rent for application to the subject development. A summary of the 92273-S8 charts is outlined below. These rents apply to the actual utility structure set for the subject. The market rents that are adopted are the achievable market rent.

MARKET RENT SUMMARY - NET RENTS						
<u>Unit Type</u>	<u>Comp Adjustment Range</u>			<u>Average Adjusted Rent</u>	<u>Median Adjusted Rent</u>	<u>Supported Market Rent</u>
1 Bedroom/1 Bath	\$738	-	\$1,001	\$840	\$831	\$840

HUD Form – Two-Bedroom Units

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid

Unit Type →

2BR/1 BA

Subject's HAP #:

VA360026015

Subject		Comp # 1		Comp # 2		Comp # 3		Comp # 4		Comp # 5	
John Early Apts 718 Blue Ridge Avenue, Bedford, VA		Bedford Lofts 412 Jackson St Bedford, VA		Peaks Crossing Apts 1232 Centerville Rd Bedford, VA		Maple Tree Townhomes 825 Judd St Bedford, VA		County Green Apts 401 Kerry Lane Lynchburg, VA		Nottingham Apts 3463 Fort Ave Lynchburg, VA	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,200		\$575		\$775		\$885		\$745	
2	Date Last Leased (mo/yr)	2/9/2023		2/9/2023		2/9/2023		2/9/2023		2/9/2023	
3	Rent Concessions	No		No		No		No		No	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,200	1.63	\$575	0.64	\$775	0.78	\$885	0.80	\$745	0.83
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G/2		E/4 (\$25)		G/1		TH/2		G/2	
7	Yr. Built/Yr. Renovated	1978/Rehab 2007 & 2023		2014		1965	\$25	Circa 1990's	\$25	1976	\$25
8	Condition /Street Appeal	Good		Excellent (\$48)		Average	\$23	Good		Average	\$35
9	Neighborhood	Average		Average		Fair	\$23	Average		Good	
10	Same Market? Miles to Subj	Y/1.2		Y/4.5		Y/1.6		N/21		N/24	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	Adj	Data	\$ Adj	Data	Adj	Data	Adj
11	# Bedrooms:	2		2		2		2		2	
12	# Baths	1		1		1		1.5 (\$25)		1	
13	Unit Interior Sq. Ft.	863	\$52	735		900 (\$6)		1000 (\$27)		1100 (\$47)	
14	Balcony/ Patio	No		No		No		Yes (\$10)		Yes (\$10)	
15	AC: Central/ Wall	Central		Central		Central		Central		Central	\$5
16	Range/ refrigerator	RF		RF		RF		RF		RF	
17	Microwave/ Dishwasher	No/No		Yes/Yes (\$5)		No/No		Yes/Yes (\$5)		No/No	
18	Washer/Dryer	Common		W/D (\$25)		Common		HU (\$10)		W/D (\$25)	
19	Floor Coverings	Yes		No		Yes		No		Yes	
20	Window Coverings	Yes		Yes		Yes		Yes		Yes	
21	Cable/ Satellite/Internet	C/I Avail		C/I Avail (\$50)		C/I Avail		C/I Avail		C/I Avail	
22	Special Features	Y		N	\$10	N	\$10	N	\$10	N	\$10
23											
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	Surface \$0		Surface \$0		Surface \$0		None	\$10	Surface \$0	
25	Extra Storage	No		No		No		No		No	
26	Security	Y		Y		Y		Y		Y	
27	Clubhouse/Meeting Room	Yes		N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/ Recreation Areas	No/Yes		No/No		No/No		No/No		Yes/Yes (\$10)	
29	Business Ctr/ Nhd Netwk	N		N		N		N		N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	EC		N	\$15	N	\$15	N	\$15	N	\$15
32	Neighborhood Networks	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	No/Electric		No/- N/A		No/- N/A		No/- N/A		No/- N/A	
34	Cooling (in rent?/ type)	N/Electric		No/Electric		No		No/Electric		No	
35	Cooking (in rent?/ type)	No		No		No		No		No	
36	Hot Water (in rent?/ type)	No/Electric		No/- N/A		No/- N/A		No/- N/A		No/- N/A	
37	Other Electric	No		No		No		No		No	
38	Cold Water/ Sewer	Yes/Yes		Yes/Yes		No/No	\$77	No/No	\$77	No/No	\$77
39	Trash/ Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	5	6	1	5	3	5	6	6	2
41	Sum Adjustments B to D	\$82	(\$153)	\$101	(\$6)	\$65	(\$47)	\$90	(\$122)	\$90	(\$18)
42	Sum Utility Adjustments					\$77		\$77		\$77	
Net/ Gross Adjmts B to E		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43		(\$71)	\$235	\$95	\$107	\$95	\$189	\$45	\$289	\$149	\$185
C. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,129		\$670		\$870		\$930		\$894	
45	Adj Rent/Last rent		94%		117%		112%		105%		120%
46	Estimated Market Rent	\$900		\$1.04 ←		Estimated Market Rent/ Sq. Ft					

[Signature]

2/14/2023

Appraiser's Signature

Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form

form HUD-92273-S8 (04/2002)

HUD Form – Two Bedroom Units

Unit Type – Separate rent analysis are made for individual unit types. Only comparable 2-bedroom units will be used for analysis of the subject's 2-bedroom apartment units.

Last Rent - All of the units have been rented at the rents listed on the grids. None of the comparable properties are under any kind of rent restrictions, so no adjustments were needed.

Date Last Leased - All comparables have had current leases signed at the stated asking rent levels, thus no adjustment was needed.

Concessions – None of the comparable rentals are currently offering rent concessions; therefore, no adjustments were necessary.

Occupancy – The HUD guidelines indicate that if the occupancy rate is less than 93%, then the owner may be trying to charge too high of a rent. All comparables have occupancy rates of 100%, no adjustments are needed.

Structure / Stories – The subject has eight 2-story garden-style apartment buildings with single story flats on the end of the buildings. Four comparables are similar garden-style complexes, requiring no adjustments. Comparable #1 is a 4-story elevator building, therefore a \$25 downward adjustment was made. Mid-rise projects are limited in the area, but it is felt that for senior specific projects that this moderate downward adjustment for walk-up buildings is necessary.

Year Built – The subject complex was completed with occupancy beginning in 1978, had renovations in 2007 and will undergo major renovations in 2023. The comparable properties have a wide range of ages dating between 1965 and 2014. As opposed to making large adjustments for year built we have made \$25 downward adjustments to four of the comps, variations between the overall appeal of the project will be accounted for a condition adjustment.

Condition / Street Appeal – It is felt that with the attention to routine maintenance being done and the anticipated Rehab that the “Post Rehab” condition will reflect a good quality apartment complex.

The comparables have been classified as “Excellent”, “Good” or “Average”. Adjustments were necessary in order to compare and contrast to the quality and integrity of the subject. Where the condition ratings are considered “Good”, no adjustments were made. Where the ratings were “Excellent”, a 4% downward adjustment was necessary. Where the ratings were “Average”, a 4% upward adjustment was necessary.

The condition rating generally accounts for the overall finishes, design and layout. For example, if granite countertops and higher-end cabinetry are used, it assists the condition rating. Floor coverings, overall finishes and features, and the appeal of the common area space and exterior of the building adds to the adjustment.

The condition rating designations and explanations for the adjustments are based on HUD guidelines in Chapter 9 of the Section 8 Renewal Guide (applicable to Rent Comp Studies). We recommend that the reader review these guidelines at the HUD website:

<http://www.hud.gov/offices/hsg/mfh/exp/guide/s8renew.pdf>

Neighborhood – The project is perceived to be located within a desirable setting for an apartment property, within close distance to places of work, transportation corridors and community services. Four of the comparables are considered to be in similar neighborhoods and required no adjustments. Comparable #2 is located approximately 5 miles north of the main Bedford business district, further away from places of work, transportation corridors and community services. Thus a 4% upward adjustment was made.

Same Market – Three of the comparables are considered to be in the same market, no adjustment needed. Two comparables are in Lynchburg which would be considered a different market, but the rents generally seem to be similar, thus no adjustment were made.

Number of Bedrooms – The category compares the number of bedrooms in the subject to the number of bedrooms in the comparables. All the comparables utilized have the same number of bedrooms and no adjustments were appropriate.

Number of Baths – The subject units all have 1 full bath. No adjustment for the comparables that have similar 1-bath units. Comps #4 has 1.5 baths; \$25 downward adjustments were needed. Only one of the comparables had units with the same number of bedrooms but different number of baths (see chart below). The adjustments are based on the chart and our experience in the subject market and markets of similar size.

Bathroom Adjustment Analysis			
Project	Rent Difference	Sq. Ft. Adjustment	Rent Difference
Bedford Lofts 2BR/1 BA vs 2BR/2 BA	\$50	\$12	\$38

Sq. Ft. Area – In some cases, the subject units were larger than the market orientated apartments, but in others they were slightly smaller. Square footages for the different unit types are all generally consistent with one another; slight differences but typical layouts for each. We have used the HUD definition of square footage of the interior wall to interior wall for the subject calculation (please see the architect’s calculations in the addendum of this report).

One way to determine the variation in square footage is to take each comparables dollar per square foot rate multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. Then the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable.

Unit Square Footage Adjustment Analysis							
Project	Rent	Sq. Ft.	Rent /Sq. Ft.	25% of \$/SF	Sq. Ft. Difference	Adjustment	
Bedford Lofts 2BR	\$1,200	735	\$1.63	\$0.41	128	\$52	
Peaks Crossing 2BR	\$575	900	\$0.64	\$0.16	37	\$6	
Maple Tree Townhomes 2BR	\$775	1,000	\$0.78	\$0.19	137	\$27	
County Green Apts 2BR	\$885	1,100	\$0.80	\$0.20	237	\$47	
Nottingham Apts 2BR	\$745	900	\$0.83	\$0.21	37	\$8	

Balcony/Terrace/ Patio – The subject units do not have balconies/patios. Three of the comparables have balconies/patios. Where there are differences and variations between the comparables and the subject, \$10 downward adjustments were applied.

Air Conditioning - The subject does have central air conditioning. All of the comparable have central air, no adjustments were needed.

Range/ Refrigerator - The subject and comparables all include a range and refrigerator; therefore, no adjustments were necessary.

Microwave/ Dishwasher – The subject does not offer microwaves or dishwashers. Regarding microwaves, they do not seem to influence rent; rather it is a consensus decision by the management company to offer microwaves as an extra benefit to the tenants, thus, no adjustments necessary. In regard to dishwashers, where there are differences and variations between the comparables and the subject, \$5 downward adjustments were applied.

Washer/Dryer: Washer and dryer accounts for whether hookups and machines are provided. It also evaluates common area laundry availability. The subject offers common area laundry for all units. If a comparable offers in-unit washer/dryers, \$25 downward adjustments were needed. If a comparable offers washer/dryer hook-up, \$10 downward adjustments were needed. It is hard/difficult to empirically support specific adjustment amounts, we have relied on data from appliance rental companies, taken into account the cost of operating the machines and relied on our experience in the market to estimate the adjustments.

Floor Coverings - The subject units have good quality flooring. Since each of the comparable projects has adequate floor covering, no adjustments are necessary.

Window Coverings - Regarding window coverings, some of the comps offer window blinds; some do not. This does not seem to influence rent; rather it is a decision by the management company to maintain the visual integrity of the project by offering blinds. No adjustments were necessary.

Cable/ Internet - The subject and four of comparables have cable/internet available, but the cost is not included as part of the rental package, no adjustments were necessary. Comp #1 includes the cost of cable/internet in the rents, \$50 downward adjustments were made. It is hard/difficult to empirically support specific adjustment amounts, we have relied on data from data from local cable providers on cable/internet packages and relied on our experience in the market to estimate the adjustments.

Special Features - The subject offers planned events at the complex and outings. There are also weekly events such as exercise programs and other group events. These services are important to seniors who are generally not as mobile and rely on the facility to provide activities. None of the comparables offer these services and require upward adjustments of \$10.

Parking - The subject offers free off-street surface parking. Management indicated that there are an adequate number of spaces to accommodate residents that own vehicles – not one to one parking ratios but more than adequate for a senior development/project where not all tenants' own vehicles. Four of comparables have similar free on-site parking, no adjustments needed. Comparable #3 only has street parking, we have applied a \$10 upward adjustment for the availability of off-street parking.

Storage - Regarding storage, the subject does not offer any extra on-site storage. The comparables are all similar, no adjustments were necessary.

Security – The subject offers limited access with locked intercom doors and security cameras throughout the building, which is similar to all the comparables, no adjustments were needed.

Clubhouse/Meeting Room – The subject does have community/meeting room. None of the comparables offer a community room or building, \$5 upward adjustments were applied.

Pool/Recr. Area - The subject does not offer any kind of recreational area other than the community room which we have adjusted for on the previous line. This is generally similar to most of the comparables in the area and no adjustments were necessary. Comp #4 has a fitness center, playground, tennis court and a pool, a \$10 downward adjustment was needed.

Business Center – There is no Business Center at the subject or at any of the comparables, no adjustments were necessary.

Service Coordination - Service coordination is not provided at the subject property. None of the comparables offer any kind of service coordination, no adjustment was needed.

Non-Shelter Services – The subject property offers emergency call buttons in the living/dining area, bedrooms, and bathrooms. None of the comparables offer this services, upward adjustments of \$15 are considered necessary. Once again, it is hard/difficult to empirically support a specific adjustment amount for the availability of transportation and emergency call systems; therefore, we have made a general estimate of what the market would pay

Neighborhood Networks – None of the comparables or the subject offer neighborhood networks, thus no adjustment.

Utilities - The utility structure at the subject is set where the tenants cover the cost of providing all the utilities with the exception of Cold Water, Sewer and Trash.

Where there are variable differences adjustments were applied. The adjustment amounts are based on utility standards from Virginia Housing Development Authority.

Utility Allowance Chart							
Unit Size	Heat	Cooling	Cook	HW	Electric	Cold Water	Sewer
2BR	\$15	\$13	\$6	\$5	\$24	\$36	\$41
file:///C:/Users/BS106800/Downloads/2Exposed-Walls%20(1).pdf							

Heat/Type: Not included at the subject units. If needed the adjustments were applied based on utility allowances for the unit type in question. In the chart above.

Cook/Type: Not included at the subject units. If downward adjustments are needed, they were based on the chart above.

Electricity: Not included as part of the standard rent structure for the subject. If downward adjustments are needed, they were based on the chart above.

Hot Water: The subject does not include hot water in the rent. If downward adjustments are needed, they were based on the chart above.

Cold Water/Sewer: Cold water and sewer are included at the subject and two of the comparables. If upward adjustments are needed, they were based on the chart above.

Trash/Recycling: Included at the subject and all the comparables, no adjustments were applied.

Conclusions- Market Rents

In conclusion, we have provided weight to each of the various comparables when adopting and applying an average or standard rent for application to the subject development. A summary of the 92273-S8 charts is outlined below. These rents apply to the actual utility structure set for the subject. The market rents that are adopted are the achievable market rent.

MARKET RENT SUMMARY - NET RENTS						
<u>Unit Type</u>	<u>Comp Adjustment Range</u>			<u>Average Adjusted Rent</u>	<u>Median Adjusted Rent</u>	<u>Supported Market Rent</u>
2 Bedroom/1 Bath	\$670	-	\$1,129	\$899	\$894	\$900

Conclusion - All

In regard to the concluding rent, it should be noted that we considered both the average adjusted rent and the median rent. The average is simply a mathematical equation, and we have used market judgment in regard to establishing appropriately supported rents. We feel that the adopted rent is supportable based on the array of data issued.

After making the appropriate adjustments, the following ranges and adopted market rents were applied for the different unit types.

MARKET RENT SUMMARY - NET RENTS						
<u>Unit Type</u>	<u>Comp Adjustment Range</u>			<u>Average Adjusted Rent</u>	<u>Median Adjusted Rent</u>	<u>Supported Market Rent</u>
1 Bedroom/1 Bath	\$738	-	\$1,001	\$840	\$831	\$840
2 Bedroom/1 Bath	\$670	-	\$1,129	\$899	\$894	\$900

MARKET RATE APARTMENT RENTAL No. 1

Property Name: Bedford Lofts
Street Address: 412 Jackson St
City, State: Bedford, VA
Date of Survey: 2/2023
Type of Project: Market Rate
No. of Units: 32
Year Built: 2014
Occupancy Rate: 100%
Rent Concessions: No
Cond. Rating:



Rental Data

<u>Unit Type</u>	<u>Baths</u>	<u>No. of Units</u>	<u>Sq. Ft.</u>	<u>Current Rent</u>	<u>Rent/Sq. Ft.</u>
1 Bedroom, Used on Grids	1	6	540	\$965 - \$1115	\$1.79 - \$2.06
2 Bedroom	2	N/A	765	\$1250	\$1.63
2 Bedroom, Used on Grids	1	6	735	\$1200	\$1.63
Studio	1	16	450		

Amenities: Units have Granite Countertops, hardwood floors, Satellite TV and High-Speed Internet Included in Rent, In-Unit Washer/Dryer, Dishwasher, Microwave, Ceiling fans and Central A/C. Property has Elevator service and On-Site Parking.

Utilities: **Heat:** Tenant Pays **Electric:** Tenant Pays

Comments: As of 2/2023 they are 94% occupied with 2 available units. Rents for a studio unit were unavailable. Square footages listed on CoStar are incorrect.

Apartment Features

- Separate Entrance(s)
- Balcony/Patio
- Carpets
- Drapes/Blinds
- Storage
- Coin Laundry Facility
- Washer/Dryer Hookups
- Washer/Dryer Units
Included
Amt:
- Cable Included in Rent
- Internet Service Included

Utilities

- Heat Included
- Cook Included
- Electricity Included
- Hot Water Included
- Cold Water Included
- Sewer

Equipment

- AC Type: central
- Stove
- Refrigerator
- Disposal
- Dishwasher
- Microwave

Other Features

- Elevator Pool Tennis
- Rec. Area - Type:
- Fireplace Community Room
- Alarm System Gated entrance: No

Security Features:

Parking Features

Surface: Yes **Enough for:** All

Extra Cost: No

Garage: No

Covered: No

Verification: Management - Heather
Web Site: <http://bedfordlofts.com/>

Contact Phone: (804) 223-0660

Verified On: 02/09/2023

MARKET RATE APARTMENT RENTAL No. 2

Property Name: Peaks Crossing Apts
Street Address: 1232 Centerville Rd
City, State: Bedford, VA
Date of Survey: 2/2023
Type of Project: Market Rate
No. of Units: 20
Year Built: 1965
Occupancy Rate: 100%
Rent Concessions: No
Cond. Rating: C



Rental Data

<u>Unit Type</u>	<u>Baths</u>	<u>No. of Units</u>	<u>Sq. Ft.</u>	<u>Current Rent</u>	<u>Rent/Sq. Ft.</u>
1 Bedroom, Used on Grids	1	16	425	\$550	\$1.29
2 Bedroom, Used on Grids	1	4	900	\$575	\$0.64

Amenities: Units have stove, refrigerator and central A/C. Property has on-site common laundry and off-street parking.

Utilities: **Heat:** Tenant Pays **Electric:** Tenant Pays

Comments: As of 10/2022 there are no available units.

Apartment Features

- Separate Entrance(s)
- Balcony/Patio
- Carpets
- Drapes/Blinds
- Storage
- Coin Laundry Facility
- Washer/Dryer Hookups
- Washer/Dryer Units

Amt:

- Cable Included in Rent
- Internet Service Included

Utilities

- Heat Included
- Cook Included
- Electricity Included
- Hot Water Included
- Cold Water Included
- Sewer

Equipment

- AC Type: central
- Stove
- Refrigerator
- Disposal
- Dishwasher
- Microwave

Other Features

- Elevator Pool Tennis
- Rec. Area - Type:
- Fireplace Community Room
- Alarm System Gated entrance: No

Security Features:

Parking Features

Surface: Yes **Enough for:** All

Extra Cost: No

Garage: No

Covered: No

Verification: Brownstone - Lauren

Contact Phone: (540) 583-3298

Verified On: 02/09/2023

Web Site:

MARKET RATE APARTMENT RENTAL No. 3

Property Name: Maple Tree Townhomes
Street Address: 825 Judd St.
City, State: Bedford, VA
Date of Survey: 2/2023
Type of Project: Market Rate
No. of Units: 10
Year Built: Circa 1990's
Occupancy Rate: 100%
Rent Concessions: No
Cond. Rating: B



Rental Data

Unit Type	Baths	No. of Units	Sq. Ft.	Current Rent	Rent/Sq. Ft.
2 Bedroom, Used on Grids	1	10	1000	\$775	\$0.78

Amenities: Units have stove, refrigerator, dishwasher, central A/C, washer/dryer hook-ups and patios. Street parking only.

Utilities: **Heat:** Tenant Pays **Electric:** Tenant Pays

Comments: As of 2/2023, there are no available units. No utilities are included in the rent

Apartment Features

- Separate Entrance(s)
- Balcony/Patio
- Carpets
- Drapes/Blinds
- Storage
- Coin Laundry Facility
- Washer/Dryer Hookups
- Washer/Dryer Units

Amt:

- Cable Included in Rent
- Internet Service Included

Utilities

- Heat Included
- Cook Included
- Electricity Included
- Hot Water Included
- Cold Water Included
- Sewer

Equipment

- AC Type: central
- Stove
- Refrigerator
- Disposal
- Dishwasher
- Microwave

Other Features

- Elevator Pool Tennis
- Rec. Area - Type:
- Fireplace Community Room
- Alarm System Gated entrance: No

Security Features:

Parking Features

Surface: No

Garage: No

Covered: No

Verification: Brownstone - Lauren

Contact Phone: (434) 385-1025

Verified On: 02/09/2023

Web Site:

MARKET RATE APARTMENT RENTAL No. 4

Property Name: County Green Apts
Street Address: 401 Kerry Lane
City, State: Lynchburg, VA
Date of Survey: 2/2023
Type of Project: Market Rate
No. of Units: 180
Year Built: 1976
Occupancy Rate: 100%
Rent Concessions: No
Cond. Rating: C



Rental Data

<u>Unit Type</u>	<u>Baths</u>	<u>No. of Units</u>	<u>Sq. Ft.</u>	<u>Current Rent</u>	<u>Rent/Sq. Ft.</u>
1 Bedroom, Used on Grids	1	52	760	\$800	\$1.05
2 Bedroom, Used on Grids	1½	96	1100	\$885	\$0.80
3 Bedroom	2	32	1300	\$1050	\$0.81

Amenities: Units have stove, refrigerator, dishwasher, in-unit washer/dryer, carpeting, central A/C and patio/balconies. Property has off-street parking, pool, playground, fitness center and tennis courts.

Utilities: **Heat:** Tenant Pays **Electric:** Tenant Pays

Comments: As of 2/2023 this property is 100% occupied. Tenants are charged a flat fee for cold water, sewer and trash: 1BR = \$25 2BR = \$35 3BR = \$45.

Apartment Features

- Separate Entrance(s)
- Balcony/Patio
- Carpets
- Drapes/Blinds
- Storage
- Coin Laundry Facility
- Washer/Dryer Hookups
- Washer/Dryer Units
Included
Amt:
- Cable Included in Rent
- Internet Service Included

Utilities

- Heat Included
- Cook Included
- Electricity Included
- Hot Water Included
- Cold Water Included
- Sewer

Equipment

- AC Type: central
- Stove
- Refrigerator
- Disposal
- Dishwasher
- Microwave

Other Features

- Elevator Pool Tennis
- Rec. Area - Type: Various: See Amenities
- Fireplace Community Room
- Alarm System Gated entrance: No

Security Features:

Parking Features

- Surface:** Yes **Enough for:** All
- Extra Cost:** No
- Garage:** No
- Covered:** No

Verification: Leasing - Cassie

Contact Phone: (434) 237-5732

Verified On: 02/09/2023

Web Site: <http://www.stewartlangleyproperties.com/countygreen>

MARKET RATE APARTMENT RENTAL No. 5

Property Name: Nottingham Apts
Street Address: 3463 Fort Ave
City, State: Lynchburg, VA
Date of Survey: 2/2023
Type of Project: Market Rate
No. of Units: 56
Year Built: 1973
Occupancy Rate: 100%
Rent Concessions: No
Cond. Rating: C



Rental Data

<u>Unit Type</u>	<u>Baths</u>	<u>No. of Units</u>	<u>Sq. Ft.</u>	<u>Current Rent</u>	<u>Rent/Sq. Ft.</u>
1 Bedroom, Used on Grids	1	40	760	\$680	\$0.89
2 Bedroom, Used on Grids	1	16	900	\$745	\$0.83

Amenities: Units have stove, refrigerator, mix of carpet and plank flooring, central A/C and patio/balconies. Property has common laundry and off-street parking.

Utilities: **Heat:** Tenant Pays **Electric:** Tenant Pays

Comments: As of 02/2023 this property is 100% occupied. Tenants are charged a flat fee for cold water, sewer and trash: 1BR = \$25 2BR = \$35.

Apartment Features

- Separate Entrance(s)
- Balcony/Patio
- Carpets
- Drapes/Blinds
- Storage
- Coin Laundry Facility
- Washer/Dryer Hookups
- Washer/Dryer Units

Amt:

- Cable Included in Rent
- Internet Service Included

Utilities

- Heat Included
- Cook Included
- Electricity Included
- Hot Water Included
- Cold Water Included
- Sewer

Equipment

- AC Type: central
- Stove
- Refrigerator
- Disposal
- Dishwasher
- Microwave

Other Features

- Elevator Pool Tennis
- Rec. Area - Type:
- Fireplace Community Room
- Alarm System Gated entrance: No

Security Features:

Parking Features

Surface: Yes **Enough for:** All

Extra Cost: No

Garage: No

Covered: No

Verification: Leasing - Cassie

Contact Phone: (434) 847-4317

Verified On: 02/09/2023

Web Site: <http://www.stewartlangleyproperties.com/nottingham>

Calendar Year 2022 Median Zip Code Rent Comparison

The US Department of Housing and Urban Renewal has issued a memo for Calendar Year 2022 Median Zip Code Rents for Rent Comparability Studies dated after March 17, 2022. This applies to Section 9-14 of the Section 8 Renewal Policy Guide providing instruction for comparing median rents as derived by the appraiser in the RCS with Census Bureau estimates of the median rents in the projects zip code. Should the rents exceed 140 percent of the median zip code rent, then HUD would secure a third party to create an RCS for comparison purposes.

The RCS rents are presented on an **“Post Rehab” basis**.

MEDIAN GROSS RENT BY ZIP CODE COMPARISON CHART			
John Early Apartments Bedford , VA 24523			
# of Bedrooms	# of Units	RCS Rents	Cumulative # of Units
1 BRM / 1 Bath	64	\$840	64
2 BRM / 1 Bath	14	\$900	78
Total # of Units	78		
Median # of Units	39		
Median RCS Subject Rents	\$840		
140% of Median Rent Zip Code	\$1,158		

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfhsec8

In this case the 140% median zip code rent is \$1,158. The subject project offers a mix of one and two-bedroom units under the current HAP Contract, and the following comparison applies:

The Median Gross Adopted Subject Market rent “Post Rehab” (\$840) is less than the 140% of the Median Gross Rent (\$1,158) for the subject’s zip code

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective, and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein,

is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A
Glossary of Terms

ADDENDA

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management,

unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.

- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental

adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.¹
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease; modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.
- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.

¹ The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.
- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

ADDENDA

- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B
HUD Certification

Appraiser Certification

Project Name: John Early Apartments

HAP Contract No. VA360026015

By my signature below, I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective financial interest in the above property, its ownership or management agent entity, or the principals of those entities. I am not an employee of those principals or entities, and I have no business or close personal/family interest with those parties that commonly would be perceived to create bias or a conflict of interest. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment unless listed here:
4. I have no bias with respect to the property that is the subject of this report or to the ownership or management parties involved with this assignment.
5. Our engagement in and compensation for this assignment were and are not contingent upon the reporting of a predetermined rent or direction in rent. My fee is my only compensation for this rent study assignment. There are no other side agreements or considerations.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and all applicable HUD procedures for performing Rent Comparability Studies for Section 8 contracts.
7. Scott Allen inspected the interior and exterior of the subject project. Brian Smith inspected the exteriors of the projects used as comparables in this report.
8. No one provided significant professional assistance to the persons signing this report except the persons listed here: Brian Smith. If anyone is listed here, his/her contribution is identified in the Scope of Work section of this report.
9. I am a certified general appraiser, licensed and in good standing with the state appraiser regulatory agency where the subject property is located, and we meet all the appraiser qualifications required in HUD's rent comparability procedures.
10. I am not debarred or suspended from doing business with the Federal Government. I also am not under a Limited Denial of Participation (LDP) imposed by the HUD Multifamily HUB or Program Center having jurisdiction over the Section 8 project. Any LDPs in effect now or in the past three years were imposed by the following HUD offices:
11. N/A.

ADDENDA

Warning: If you knowingly make a false statement on this form, you may be subject to civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000.00 for each violation.

Appraiser's Name: M. Scott Allen **Signature:**  **Date:** 2/15/2023

Permanent License No: 4001014635 **State:** VA **Expires:** 12/31/23

Did you prepare the RCS under a temporary license? No *If so, attach a copy of the temporary license.*

Addendum C

Scope of HUD Work

ADDENDA

The RCS was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements in Chapter Nine of HUD's Section 8 Renewal Guide. Market Rents were defined and estimated in accordance with Sections 9-8 through 9-13 and Appendix 9-1-2 of the Chapter Nine guidance.

M. Scott Allen is State certified general appraisers employed by Newmark Valuation & Advisory, LLC (herein "Firm" or "NKF") oversaw and supervised all data collection and analysis and is the review analyst for this project. The following actions were taken to complete this RCS.

We have relied on the physical inspection of both the interior and exterior of the property in question and the surrounding neighborhood that was completed on October 25, 2022 by M. Scott Allen the main analyst for this report.

During February 2023, in separate phone interviews, M. Scott Allen or Brian Smith talked with the managers of the comparable properties to confirm all data and to collection additional information about each comparable, including size, age, and amenities, occupancy rates and general market information. An attempt was made in each case to interpret and obtain the square footage of the units used for comparison. The data relied on was a culmination of data available. To the general public (brochures or internet), or through the conversations with property management.

M. Scott Allen completed the data & adjustment columns of the Rent Comparability Grid using the instructions in Appendix 9-1 of Chapter Nine.

Addendum D

HUD RENT SCHEDULE

Rent Schedule Low Rent Housing

SF/ Size Layout

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

Rents AVAL
W/ 1st TURN
ISSUE STATE

OMB Approval No. 2502-0012
(Exp. 10/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name JOHN EARLY/RAINTREE EAST	FHA Project Number N/A	Date Rents Will Be Effective (mm/dd/yyyy) 09/01/2022
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Part A — Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date mm/dd/yyyy) 09/01/2022	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 Bedroom, Elderly	64	750	48,000	66	816	0	0
2 Bedroom, Elderly	14	875	12,250	76	951	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
Total Units	78	Monthly Contract Rent Potential (Add Col. 4)* \$60,250				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$723,000				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B — Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

Range Dishwasher
 Refrigerator Carpet
 Air Conditioner Drapes
 Disposal Blinds

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)
 E=electric; G=gas; F=fuel oil or coal.

Heating E Hot Water E Lights, etc. E
 Cooling E Cooking E Water/Sewer

Services/Facilities (check those included in rent)

Parking Comm Room Nursing Care
 Laundry Trash P/U Linen/Maid Service
 Swimming Pool
 Tennis Courts

Part D — Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
		0
		0
		0
		0
		0
Total Rent Loss Due to Non-Revenue Units		\$ 0

Part E — Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft (Col. 2 divided by Col. 3)
			0
			0
			0
			0
	\$0		Total Commercial Rent Potential

Part C — Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00

Part F — Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender)	\$60,250
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Addendum E

Scope of Work for Renovations

John Early Budget for full renovation

12/16/2021

Number of apartments

78

		per unit	Cost
Parking lot stripe	100	\$ 25.00	\$ 2,500.00
Parking lot Mill and overlay	62375	\$ 2.50	\$ 155,937.50
curb cuts and dumpsters/ handicap spaces	1	\$ 25,000.00	\$ 25,000.00
Landscaping	1	\$ 25,000.00	\$ 25,000.00
Demolition	68000	\$ 2.00	\$ 136,000.00
Roofing	38000	\$ 3.50	\$ 133,000.00
Gutters and Downspouts	9	\$ 5,000.00	\$ 45,000.00
Drywall Repair	78	\$ 750.00	\$ 58,500.00
Doors entry	78	\$ 850.00	\$ 66,300.00
Paint	78	\$ 1,500.00	\$ 117,000.00
Flooring	78	\$ 2,500.00	\$ 195,000.00
Cabinets	78	\$ 3,500.00	\$ 273,000.00
Countertops	78	\$ 1,000.00	\$ 78,000.00
Toilet Accessories	78	\$ 500.00	\$ 39,000.00
Appliances	78	\$ 2,500.00	\$ 195,000.00
Mechanical	78	\$ 5,000.00	\$ 390,000.00
Electrical	78	\$ 3,500.00	\$ 273,000.00
LED Light Fixtures	78	\$ 1,500.00	\$ 117,000.00
Site Lighting to meet VH	1	\$ 60,000.00	\$ 60,000.00
Plumbing	78	\$ 8,000.00	\$ 624,000.00
Security system	1	\$ 75,000.00	\$ 75,000.00
Emergency call system	78	\$ 250.00	\$ 19,500.00
8 UFAS units	8	\$ 15,000.00	\$ 120,000.00
Renovate community center	1	\$ 250,000.00	\$ 250,000.00
Gazebo	1	\$ 5,000.00	\$ 5,000.00
Dog Park	1	\$ 3,000.00	\$ 3,000.00
Tenant Relocation	78	\$ 750.00	\$ 58,500.00
Subtotal Construction cost			\$ 3,539,237.50
General conditions			\$ 212,354.25
GC - OHP			\$ 283,139.00
Bond			\$ 48,416.77
Contingency			\$ 353,923.75
Total construction			\$ 4,437,071.27
unit cost			\$ 56,885.53
Architectural Fees		\$	175,000.00
Contract Administration			\$ 50,000.00
Management Fee 12 month schedule		\$	90,000.00
Total Project Cost		\$	\$ -
		\$	\$ 4,752,071.27

NARRATIVE AND PROJECT OUTLINE SPECIFICATION

PROPOSED DEVELOPMENT

The proposed development is the renovation of 78 apartment units, in 8 standalone buildings. All buildings are 2 story, except the community building, and are slab on grade foundations, with wood framed walls and wood framed floors and roofs. 8 units will be renovated to comply with the HUD Section 504 accessibility standard. There is an existing office and community space. The community space will be renovated to have fully ADA compliant bathrooms.

SITE

1. The site is 718 Blue Ridge Ave. Bedford, Virginia.
2. The site will be renovated according to the VUSBC, Virginia Housing Minimum Design and Construction Requirements (including a HERs rating of 80) the LIHTC application requirements, and Section 504 of the Rehabilitation Act.
3. Utilities on the site include electrical, telephone, cable TV and internet, domestic water, sanitary sewer, and storm water management system.
4. Landscape is mature with selected plantings to be replaced with native drought resistant plants to improve street appeal.
5. Landscape improvements include a dog park and community garden beds.
6. Improve dumpster screens with accessible dumpster access.
7. Install new curb cuts at the accessible route and parking spaces.
8. Install new UFAS handrails where required.
9. Provide accessible route to Blue Ridge Ave.

EXISTING APARTMENT UNITS

- Construction is wood frame with vinyl siding.
- Try and keep existing windows provided we can figure out the U-value and SHGC.
- The interior walls are gypsum wallboard with paint finish.
- Floors will be replaced with vinyl plank and carpet in bedrooms.
- The buildings are constructed with wood trusses, and wood floor framing.
- The roofs will be replaced, along with the fascia and gutter system.

LAUNDRY

None of the units have laundry hook-ups. There is a laundry room in the community building.

PLANNED UNIT IMPROVEMENTS

Eight units will be modified to comply with Rehabilitation Act Section 504 access requirements to the bathroom, bedrooms, kitchen, and entrance. Modifications to meet the HUD 504 access requirements include moving walls within the apartment units to provide the required accessible clearances. Bathrooms will be re-equipped with roll-in showers, grab bars, and new accessible fixtures. Kitchens will be provided

with roll under sinks and removable base cabinets, lowered cabinets, accessible workstations and front controlled ranges. Switches will be lowered, and receptacles raised where they do not comply.

Units will be improved to meet VHDA's Minimum Design and Construction Requirements and LIHTC application criteria. Among the improvements are:

- Minor re-grading where necessary to achieve a positive slope away from all buildings.
- Removal of overgrown and dead bushes, cut branches and trees within 10 feet of buildings.
- New blinds.
- EnergyStar appliances.
- Replacing all kitchen and bath cabinets.
- Install HVAC system with high efficiency units.
- Reconfigure baths and kitchens in HUD 504 UFAS units.
- Install water efficient plumbing fixtures (faucets, shower heads and toilet).
- Install EnergyStar water heaters.
- Install GFCI's in kitchen and bathroom.
- Provide LED lighting.

OUTLINE SPECIFICATIONS

Division 2 Site Construction

Demolition as required to perform the outlined project scope.

Plant replacement: Native and drought resistant.

Storm drain extensions from downspouts: 4-inch corrugated ABS plastic, 10 feet to daylight, or connect to foundation drains.

Accessible parking signage: Metal signs with wording complying with VUSBC.

Improve dumpster access and extend concrete pad.

Mill and overlay parking lot. Restripe.

Division 3 Concrete

Section includes cast-in-place concrete, including formwork & reinforcement, concrete materials, mix design, placement procedures and finishes for the following:

- H/C concrete curb cuts, truncated domes.
- Dumpster pads & aprons. Extend dumpster pads 12 feet. 6" thick with reinforcement.
- Concrete sidewalk, accessible route to dumpster.

Division 4 Masonry

Section includes the following:

- Replace existing dumpster screens with accessible dumpster screens.

Division 5 Metals

Section includes the following:

- Steel guardrails, handrails and railings, cane rails under stairs.
- Concrete filled metal pipe bollards at dumpsters.

Division 6 Wood and Plastic

Section includes the following:

- Framing with dimension lumber. Pressure treated for exterior applications.
- Framing with engineered wood products.
- Interior wood trim.
- Wood blocking, cants, and nailers.
- Composite wood.
- Wood furring.
- Roof sheathing repair as needed.
- Interior standing and running trim.
- Vanity cultured marble tops and sinks.
- Solid surface kitchen countertops.
- Engineered wood base and trim.

- Surfaces Behind Ranges: Washable plastic laminate.

Division 7 Thermal and Moisture Protection

Section includes the following:

- 40 year anti-fungal & microbial asphalt shingles over new underlayment.
- Ridge vents.
- Sheet metal flashing and trim.
- Replace fascia.
- Gutters, downspouts, counterflashing, drip edges.
- Existing roof insulation is R-38 and will remain.
- Joint sealants. Interior: low VOC Acrylic latex. Exterior: Polyurethane; ASTM C 920, Grade NS, Class 25, Uses M, G, and A; single component.

Division 8 Doors and Windows

Section includes the following:

- New storm doors @ 2-bedroom units.
- New door hardware, lever in UFAS units.

Division 9 Finishes

Section includes the following:

- Wallboard: Minimum ½-inch gypsum wallboard (5/8-inch type x for fire rated walls).
- Cement Board: ½-inch minimum around shower.
- Resilient Flooring: Vinyl plank flooring, 1/8" thick, through-color or LVT planks.
- Ceramic Tile: at roll-in showers.
- Paint Systems: low VOC.
 - Interior paint.
 - Walls
 - Ceiling
 - Trim
 - Doors (all 6 sides) & hinges
 - Exterior paint handrails.
 - Exterior paint.
- Exterior Woodwork (Opaque): New and Existing wood trim must be clad with vinyl, aluminum, or similar materials.
- Interior Gypsum Board:
 - Low VOC, low-Luster, Acrylic-Enamel Finish: 2 finish coats over a primer, 1 finish coat over existing latex, primer and 1 coat over existing oil-based paint.
Primer: Latex-based, interior primer applied at spreading rate

recommended by the manufacturer to achieve a total dry film thickness of not less than 1.2 mils.

- First and Second Coats: Low-luster (eggshell or satin), acrylic-latex, interior enamel applied at spreading rate recommended by the manufacturer to achieve a total dry film thickness of not less than 2.8 mils.
- Interior Woodwork (Opaque):
 - Semigloss, Alkyd-Enamel Finish: 2 finish coats over a primer, 1 finish coat over existing.
Primer: Alkyd or latex-based, interior enamel undercoat applied at spreading rate recommended by the manufacturer to achieve a total dry film thickness of not less than 1.2 mils.
 - First and Second Coats: Odorless, semigloss, alkyd, interior enamel applied at spreading rate recommended by the manufacturer to achieve a total dry film thickness of not less than 2.4 mils.

Division 10 Specialties

Section includes the following:

- Signage
- Toilet Accessories: grab bars, mirror, toilet paper holder, shower seat (where applicable), towel bar and curtain rod
- Mirrors: 10-year guarantee against spoilage.
- Other accessories: Residential grade, chrome plated.
- Wall mounted bathroom accessories must be screwed to solid wood blocking or installed with toggle bolts.
- Closet Shelving
- Fiberglass Shower surround
- New pull cords to replace existing in all units.

Division 11 Equipment

Appliances

- Refrigerator: Energy Star rating, Free-standing, top-mounted freezer, frost-free. Capacity: Total minimum storage of 14 cubic ft; minimum 20 percent freezer capacity. Finish: Porcelain enameled steel, color white or almond to match color of other fixtures. Side-by-side appliances shall be used in accessible units. Top and bottom units shall be used for typical units.
- Dishwasher: 24-inch width, Energy Star rating, under counter type, manual timer. Wash Levels: 3. Cycles: 4, including normal, rinse and hold, pot, and pan, and heavy. Include rinse aid dispenser, optional no-heat dry, and optional water temperature boost. Finish: Porcelain enameled steel, color white or almond to match color of other fixtures. (Difficult to fit dishwashers, will submit waiver to VH for removal of dishwasher requirement).

- Range: 30-inch width, self-cleaning oven, 4 elements, oven door window, porcelain enameled steel. Front controls for accessible units.
- Range Hood: 30 inches wide, variable speed, recirculating, cooktop light, and removable grease filter. Remote control switch for accessible units. Fire suppression feature (range queen). (TC Application)

Division 12 Furnishings

- Cabinets: solid wood/plywood casework compliant with VHDA's Minimum Cabinet Requirements for Type I cabinet. Use D-type pulls in UFAS units.
- Counters: For kitchen, solid surface counters.
- Counters: For bathroom, cultured marble tops and sinks.
- Blinds at all windows.
- All UFAS units will have removable base cabinets at kitchen and vanity sinks.

Division 15 Mechanical

Insulation

- Piping insulation: ½-inch fiberglass with vapor barrier cover. Insulate cold and hot water pipe: first two feet closest to the water heater tank.
- R-2 around all visible/accessible cold-water pipes and ≥ R-4 around all hot water pipes.

Mechanical Equipment

- HVAC Units: SEER – 15; HSPF – 8.5; AFUE rating of 90% or greater, variable speed air handler.
- Hookups for future dehumidification system
- Energy Star bathroom fans wired to light fixture. Protect intake until construction is complete.
- Relocation of HVAC equipment in UFAS unit modifications.

Plumbing Fixtures

- Water closets: Floor mounted, flush tank, vitreous china, maximum 1.28 gallons per flush, WaterSense certified. (TC Application)
- Bathroom sinks: rear-drain in HUD 504 UFAS units; Integral with counter.
- Faucets: WaterSense low flow, 1.5 gpm maximum at 60 psi. (TC Application)
- Shower heads: WaterSense low flow, 2.0 gpm maximum. (TC Application)
- Roll-in Showers: for HUD 504 UFAS units w/ low profile threshold. Provide slip-resistant textured finish.
- Step-in Showers: to replace bathtubs. Provide slip-resistant textured finish.
- Kitchen sink: Roll under, single bowl, self-rimming, rear-drain 22 x 33 x 71/4, 20 gage stainless steel.
- Water heater: 40-gallon EnergyStar type (minimum 0.93 EF).
- Relocation of kitchen plumbing.

Division 16 Electrical

Power

- GFCI circuits in bathrooms and kitchen.
- Lower electrical panels in HUD 504 UFAS units.
- Infrastructure for high-speed internet services in every unit. (TC Application)
- In HUD 504 UFAS units' switches will be lowered and receptacles raised where they do not comply.

Lighting

- Replace all interior lighting with LED.
- Kitchen light fixtures are LED and meet MDCR guidelines. (TC Application)
- Exterior Lighting: Photoelectric controls.
- Site lighting will meet Virginia Housing Minimum Design and Construction standards for foot candle levels throughout the site.
- Full bath fans are wired to primary light with delayed timer. (TC Application)

END

Addendum F

Architect Unit Mix / Square Footages

JOHN EARLY

Buildings	Bedrooms	NSF	combined Net	GSF	combined Gross	# of units	average GSF per unit type
BUILDING M	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING N	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING P	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING R	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING S	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING T	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING U							
	1 BEDROOM (first floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
BUILDING V	2 BEDROOM (end)	815.993	1631.986	863.486	1726.972	2.000	863.486
	1 BEDROOM (first floor)	653.101	2612.404	701.178	2804.712	4.000	701.178
	1 BEDROOM (second floor)	653.101	2612.404	702.119	2808.476	4.000	702.119
TOTAL 2 BR						14.000	test for unit count total TRUE
TOTAL 1 BR						64.000	

Addendum G

Qualifications of the Analyst



M. Scott Allen

MAI

*Executive Vice President
Specialty Practice Leader – HUD
FHA/Affordable Housing*

t 716-810-1221
m 716-523-0668
scott.allen@nmrk.com

YEARS OF EXPERIENCE

20+

AREAS OF SPECIALTY

Valuation & Advisory

Market Analysis

Multifamily

Land

HUD FHA/MAP

LIHTC Appraisals and Market
Studies

Scott Allen, MAI joined Newmark Valuation & Advisory in 2019 as an Executive Vice President of the company's Buffalo office. A 35-year industry veteran, Scott has prepared valuations and market analyses across a broad range of property types that includes residential housing, low-income housing projects, apartments, student apartments, historic preservation projects, senior housing projects, commercial property and vacant land.

Over the course of his career, Scott has focused on producing quality market analyses and appraisal work in a timely manner for mortgage lenders, corporations, non-profits, tax credit syndicators, private developers/investors, and government entities including HUD, Rural Development, and Fannie Mae/Freddie Mac.

Scott began his career as a certified general appraiser and currently focuses his efforts on market analysis and appraisal work related to multifamily and residential housing. Prior to joining Newmark, Scott was principal and partner of GAR Associates, a commercial real estate and advisory firm established in 1961.

Professional Affiliations

- Member and Past Chairperson, National Council of Housing Market Analysts (NCHMA)
- Board of Directors, National Housing & Rehabilitation Association (NH&RA)
- Member, Eastern & Western Lenders Association (HUD Lenders)
- Member, New York State Association for Affordable Housing (NYSFAFH)

Licenses and Designations

- MAI designation, Appraisal Institute
- Certified general real estate property appraiser, state of New York
- Certified general real property appraiser, states of Arizona, Connecticut, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Vermont, and Virginia
- Approved Market Analyst by New York State HCR and ADOH (Arizona Department of Housing)
- HUD MAP appraisal and market analysis, and instructor for the MBA HUD Lender training/appraisal principals and procedures

Education

Scott earned his Bachelor of Arts degree in materials and logistics management from Michigan State University's College of Business in 1986. He is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members and has been an approved instructor for the HUD MAP Underwriting Training Program since 2013.

COMMONWEALTH of VIRGINIA

Department of Professional and Occupational Regulation

9960 Mayland Drive, Suite 400, Richmond, VA 23233

Telephone: (804) 367-8500

EXPIRES ON
12-31-2023

NUMBER
4001014635

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER



SCOTT ALLEN
2410 N FOREST RD STE 204
GETZVILLE, NY 14068



Demetrius J. Melis
Demetrius J. Melis, Director

Status can be verified at <http://www.dpor.virginia.gov>

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

(DETACH HERE)

 COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation

REAL ESTATE APPRAISER BOARD
CERTIFIED GENERAL REAL ESTATE APPRAISER
NUMBER: 4001014635 EXPIRES: 12-31-2023

SCOTT ALLEN
2410 N FOREST RD STE 204
GETZVILLE, NY 14068



(FOLD)

Status can be verified at <http://www.dpor.virginia.gov>

DPOR-PC (02/2017)

Tab R:

Documentation of Operating Budget and Utility Allowances

9/1/2023 1 bedroom	840.00	64	53,760.00
2 bedroom	900.00	14	12,600.00
			66,360.00

Assumptions:

Annual Rent Increase	3%
Annual Expense Increase	4%

Changing Highlighted numbers will update budget

Tab T:

Funding Documentation

March 27, 2023

John Early Senior Housing, L.P.
c/o Tina Neal
Perseverance Capital Advisors, LLC
4901 Dickens Road, Suite 100
Richmond, VA 23230

**Re: John Early Apartments
Bedford, VA (the "Project")**

Dear Ms. Neal,

This letter sets forth the proposal upon which Community Equity Fund XXVIII Limited Partnership ("CEF XXVIII") or one or more of an affiliated group of funds ("Investor") will make an equity investment in John Early Senior Housing, L.P. ("Ownership Entity"). CAHEC Fund GP, LLC ("CAHEC") is the general partner of Investor.

This proposal is based on the information you have provided to us. Any material change in this information may affect Investor's offer. For purposes of this letter, the term "Ownership Entity" shall mean the limited partnership or limited liability company which is or will be the owner of the property and the term "Manager" shall mean the general partner or managing member, respectively, of such ownership entity.

SECTION A-OWNERSHIP ENTITY & DEVELOPMENT TEAM:

Ownership Entity:		John Early Senior Housing, L.P.
Ownership Interest:		
Investor(s):	99.99%	Community Equity Fund XXVIII Limited Partnership or affiliated fund
Manager(s):	0.01%	VUM Lynchburg Housing LLC
Developer:		Virginia United Methodist Housing Development Corporation
General Contractor:		To Be Determined
Management Agent:		Amurcon Realty Company
Accountant:		Forvis, LLP
Development Consultant:		Perseverance Capital Advisors, LLC
Architect:		Hughes Associates

Investor reserves the right to approve any of the above entities as well as other members of the development team including proposed Guarantor(s) and/or third-party professionals.



SECTION B-PROJECT & FINANCIAL DESCRIPTION:

Project: John Early Apartments
Location: 718 Blue Ridge Avenue, Bedford, VA

Equity Closing: June 1, 2023
Construction Start: June 1, 2023
Completion Date: September 1, 2024
100% Qualified Occupancy: September 30, 2024

of Units: 78 units in 8 buildings
Construction Type: Acquisition / Rehabilitation
Tenancy: Senior, 55+
Set-Aside: 40% at 60%

Unit Mix and Income Targeting:

Number of Bedrooms	Income Target (% of AMI)	Number of Units	Assumed Monthly Rent	Rental Assistance
1 Bedroom	50%	64	\$735*	None
2 Bedroom	50%	14	\$880*	None

**Anticipated to increase based on approval of new HAP contract*

Assumed Stabilized Occupancy: 93%

Bonus Depreciation Election: 60% based on the project being placed in service by December 31, 2024

LIHTC Annual Allocation: \$541,513 of Federal 4%
Credit Stage: 2021 Allocation

First Year of Credits: 2023

LIHTC Credit Flow: \$202,489 in year 2023 (3.74% of the total credits delivered)
\$411,920 in year 2024 (7.61% of the total credits delivered annually)
\$541,513 in years 2025 to 2032 (10% of the total credits delivered)
\$339,024 in year 2033 (6.26% of the total credits delivered)
\$129,593 in year 2034 (2.39% of the total credits delivered)

SECTION C- DEBT FINANCING:

The following debt sources are listed in order of priority:

CONSTRUCTION PERIOD:

Manager shall have sufficient construction funding, prior to the closing, to construct the Project.

PERMANENT PERIOD:

Source: HUD 221(d)(4)
Amount: \$4,300,000
Term: 40
Amortization: 40
Rate: 6.00%, estimated
DSCR after Reserves: minimum 1.15

Source: Sponsor Note
Amount: \$730,000
Term: 20
Amortization: 20
Rate: 4.50%, estimated
DSCR after Reserves: minimum 1.15

Source: Seller Note
Amount: \$880,000
Term: 20
Amortization: 20
Rate: 0.00%
DSCR after Reserves: minimum 1.15

Source: FHLB AHP
Amount: \$750,000
Term: 20
Amortization: 20
Rate: 0.00%
DSCR after Reserves: minimum 1.15

R4R Rollover, Investment Earnings on Bond Funds, Cash Flow from Operations, and Operating Cash on Hand shall also be utilized as a source of permanent financing, totaling \$1,529,851.

SECTION D- CAPITAL CONTRIBUTIONS:

Federal LIHTC price: \$0.86
Total Federal LIHTC credits: \$5,415,130
Federal LIHTC Equity calculation: $\$5,415,130 * 0.9999 * \$0.86 = \$4,656,546$

Summary of Federal Investor Capital Contribution:

	First Installment	Second Installment	Third Installment	Fourth Installment	Total
Construction	\$774,431	\$2,404,223	\$691,466	\$75,950	\$3,946,070

Cash Developer Fee	\$156,878	\$156,878	\$156,878	\$156,878	\$627,512
Operating Reserve	\$0	\$0	\$82,964	\$0	\$82,964
Lease Up Reserve	\$0	\$0	\$0	\$0	\$0
Total	\$931,309	\$2,561,100	\$931,309	\$232,828	\$4,656,546

SECTION E-PAY IN SCHEDULE:

The following is an outline of Capital Contribution benchmarks whose basis for timing and credit delivery is detailed in the financial projections:

1. "First Installment" 20% \$931,309 will be available upon the later of:
 - a) execution of the Ownership Entity operating document (limited partnership agreement or operating agreement)
 - b) funding of the construction loan
 - c) commitment of the permanent loan including rate lock
 - d) receipt of all building permits and approvals
 - e) receipt of an allocation of housing tax credits
 - f) receipt of all reporting requirements documentation currently due

2. "Second Installment" 55% \$2,561,100 will be available upon the later of:
 - a) completion of construction as evidenced by issuance and receipt of final certificates of occupancy for one hundred percent (100%) of units or if not legally available the architect's certificate of substantial completion
 - b) receipt and acceptance of lien waivers from all major contractors, subcontractors and materialman
 - c) accountant's certification that 50% of the aggregate basis of the Project was financed with tax-exempt bond proceeds
 - d) accountant's draft cost certification
 - e) receipt of all reporting requirements documentation currently due

3. "Third Installment" 20% \$931,309 upon the later of:
 - a) accountant's final cost certification
 - b) achievement of one hundred percent (100%) qualified occupancy
 - c) achievement of Break Even Operations (the achievement of income on a cash basis from normal operations that equals or exceeds all Operating Expenses on an accrual basis for the period, including, but not limited to, taxes, assessments, funding of the Replacement Reserve, Operating Reserve, and required debt service payments, plus any other expenses that may reasonably be expected to be paid in a subsequent period but will, on an accrual basis, be allocable equally per month over the fiscal year, including, but not limited to, insurance, real estate taxes, audit, tax, or accounting expenses (excluding deductions for cost recovery of buildings, improvements, and personal property and amortization of any financing fees), and any seasonal expenses (including snow removal) that may reasonably be expected to be paid in a subsequent period) for three (3) consecutive months
 - d) achievement of stabilized operations
 - e) receipt of the recorded extended use agreement

- f) receipt of an "as-built" survey
 - g) funding of the permanent loan
4. "Fourth Installment" 5% \$232,827 upon the later of:
- a) receipt of form(s) 8609, form(s) K-1 and allocating agency documents
 - b) receipt of all reporting requirements documentation currently due

The First Installment shall be based on development costs. All construction costs should be supported by independent construction reporting.

SECTION F-CREDIT ADJUSTER:

1. Adjustment of Credit Amount For each dollar of credit the Project does not generate, Investor will reduce its Capital Contribution by the relevant credit price as stated in Section D. For each dollar of credit the Project does generate above the projected annual amount of \$397,076, Investor will increase its Capital Contribution by the relevant credit price as stated in Section D, provided such increase does not exceed \$150,000 of the total equity as stated in Section D when combined with any upward credit timing adjusters as outlined in Section F(2). Any such increase in the Investor Capital Contribution is subject to availability of funds.
2. Adjustment of Credit Timing For each dollar of Federal LIHTC the Project has delayed from the first to the final year of credit delivery, Investor will reduce its Capital Contribution by forty-five percent (45%). For each dollar of Federal LIHTC the Project has delivered in excess of \$202,489 in 2023, with such amount accounting for excess basis, the Investor will increase its capital contribution by forty-five percent (45%) of the amount by which the actual Federal LIHTC generated is greater than the projected Federal LIHTC, provided such increase does not exceed \$150,000 of the total equity as stated in Section D when combined with any upward credit adjusters as outlined in Section F(1). Any such increase in the Investor Capital Contribution is subject to availability of funds.
3. Adjustment for Bonus Depreciation Reduction In the event that the bonus depreciation deduction available to the Ownership Entity as anticipated by the Investor ("Accelerated Depreciation Deductions") under IRS Code Section 168(k) for site improvements and personal property at the Project for 2024 are reduced due to some or all of the site improvements and/or personal property being placed in service in a subsequent year, the Investor will reduce its Capital Contribution by 0.75% for each year the Accelerated Depreciation Deduction applicable percentage is reduced.

In either case and to the extent possible, Investor will reflect the above adjustments out of future Capital Contributions. Adjustment amounts in excess of future Capital Contributions will be made according to the terms of Section L(10) below.

4. Adjustment for Credit Reductions In the event that the actual Federal LIHTC allocated to the Investor with respect to any year is less than the Projected Federal LIHTC for that year, and/or the Accountants determine that the Ownership Entity must recapture any of the Federal LIHTC allocated to the Investor that the Ownership Entity claimed in any previous year, the Investor's aggregate Capital Contribution shall be reduced by an amount equal to the Federal LIHTC reduction, plus any interest or penalties imposed by the IRS.

SECTION G-NET CASH FLOW:

Net Cash Flow (defined as the excess of the gross revenue over the sum of the operating expenses), to the extent available (and subject to the terms of any loan documents), shall be distributed and applied with

seventy-five (75) days after the close of each fiscal year and at such other times as determined by the Manager, in the following order of priority:

1. Investor for any loans made to the Ownership Entity;
2. Investor in the amount of \$4,600 as an asset management fee, which shall increase at three percent (3%) annually and shall accrue without interest if not paid. (The fee shall be earned beginning on the date which the project is placed in service and shall be prorated based on the number of full months that the project was in service for the fiscal year in which the project is placed in service.);
3. Project to replenish operating reserves to the required amount;
4. Developer as payment of any deferred developer fee then due (if applicable);
5. Pay any Management Fee that has been deferred according to Section L(6);
6. Manager to repay any development loans, operating deficit loans, asset management fee guaranty loans and any other loans made to the Ownership Entity;
7. Manager as an incentive management fee in the amount of ninety percent (90%) of remaining cash flow and;
8. Investor and Manager according to their percentage interests.

SECTION H-DEVELOPER FEE:

Estimated Developer Fee:	\$1,250,000
Paid from Capital Contribution:	\$627,511
Deferred to cash flow:	\$622,489

Subject to final underwriting, the Developer Fee will be paid as shown in the Summary of Capital Contributions table (“SCC Table”) outlined in Section D. The dollar amounts shown in the SCC Table are based on percentages using the current development budget. Any modification of the development budget or flow of funds may impact the dollar amounts and timing of Developer Fee shown.

Developer shall earn a developer fee equal to an amount that is no greater than the lesser of (i) the amount in the financial projections or (ii) the amount which the relevant state allocation agency allows to be included in the Project’s eligible basis. Developer Fee shall only be paid out of available Project funds. Any developer fee which remains unpaid after the final capital contribution installment has been funded shall be deferred and bear no interest. Such deferred fee shall be repayable out of available cash flow, but which must be paid no later than 13 years after the Project’s in-service date.

SECTION I-PUT AND CALL OPTION & RIGHT OF FIRST REFUSAL:

After the 15-year tax credit compliance period and for two (2) years thereafter, provided the Manager is not in material default, the Manager or an affiliate shall have the following rights if:

1. Manager is not a 501(c)(3) or 501(c)(4) organization The purchase will be for an amount equal to the greater of (i) the fair market value of the Investor’s interest as of the date of the closing of the purchase based on the amount of sales proceeds that would be received from a sale of the Ownership Entity assets for fair market value, assuming continued use of the Project for low-income housing for at least fifteen (15) years after the end of the compliance period; or (ii) the sum of all federal, state and local taxes payable by the Investor attributable to such sale.
2. Manager is a 501(c)(3) or 501(c)(4) organization The purchase will be for an amount equal to the sum of (i) the principal amount of all outstanding indebtedness; (ii) all federal, state and local taxes of the Ownership Entity and its partners/members attributable to such sale; provided however, that such price shall not be less than the minimum purchase price defined in IRS Code §42. Such right of first refusal shall be conditioned upon the Manager’s agreement that the Project will be maintained for low-income use for at least fifteen (15) years after the later of the end of the compliance period or the date of purchase.

3. Put and Call Option The Amended and Restated Partnership Agreement will provide language for an equitable exit strategy for both the Manager and Investor. At the Investor's option, any time following the compliance period, the Investor may offer to sell its interest to the Manager for \$1,000 per unit. If this offer is made and not accepted by the Manager, the Manager will agree to sell its interest to the Investor for \$100 per unit.

SECTION J-RESIDUAL ALLOCATIONS:

The net proceeds of a sale or refinancing of the Project shall be distributed in the following priority:

1. Investor to account for any outstanding amount due and/or any taxes (if applicable);
2. Investor to repay any loans made to the Project;
3. Manager to repay any development loans, operating deficit loans, asset management fee guaranty loans and other loans made to the Project;
4. To pay the balance to the Investor and Manager according to their percentage interests.

SECTION K-RESERVES:

1. OPERATING:

Amount: \$82,965 or higher if required by lender or relevant state allocating agency
Timing: funded from Third Installment
Authorization of Use: upon approval of Investor

2. REPLACEMENT:

Ongoing Deposits: \$350/unit/year increasing at 3%/unit/year or higher if required by lender or relevant state allocating agency
Timing: funded beginning in the month achievement of one hundred percent (100%) qualified occupancy or sooner, if required by any lender
Authorization of Use: upon approval of Investor

SECTION L-GUARANTEE OBLIGATIONS:

Virginia United Methodist Housing Development Corporation, and/or an entity/individual acceptable to the Investor (collectively the "Guarantor(s)") will make the following guarantees, whose obligations will be joint and several:

1. Unconditional Construction Completion Guaranty Manager and approved Guarantor(s) shall guarantee the due and punctual completion of construction and/or rehabilitation of the Project in accordance with the terms and requirements of the Agreement (including payment of Development Loans), the loan documents and project documents, free and clear of any liens or claims of liens in the manner and within the time necessary to comply with the Agreement, loan documents and project documents including all future amendments.
2. Stabilized Operations Manager and/or an approved Guarantor(s) shall guarantee (i) to achieve Completion of Construction, (ii) to operate at Breakeven Operations for three (3) consecutive months, (iii) to achieve 1.15 Debt Service Coverage for three (3) consecutive months, (iv) to achieve one hundred percent (100%) Qualified Occupancy, (v) to close all permanent loans identified in Section C and, (vi) to fund fully the Operating Reserve.
3. Development Loans Manager and/or approved Guarantor(s) shall in the event that there are insufficient proceeds to (i) achieve Stabilized Operations, (ii) arrive at Cost Certification, and (iii) make scheduled payments due under the construction loan or repay the construction loan in full.

shall loan funds to the Ownership Entity to pay costs and expenses that become due and payable

4. Operating Deficit Loans Manager and/or an approved Guarantor(s) shall if at any time or from time to time after achievement of Stabilized Operations, an Operating Deficit exists which is not funded from the Operating Reserve, shall loan funds to the Ownership Entity in an amount equal to the Operating Deficit.

The Operating Deficit Loan obligation shall continue until the qualifications of the final Investor Capital Contribution Installment have been satisfied and the Ownership Entity has achieved Breakeven Operations for at least five (5) years, provided, however, that the Operating Deficit Loan obligation shall indefinitely continue if the Operating Reserve is not fully funded as outlined in Section K.

The maximum aggregate Operating Deficit Loan amount shall be an amount equal to the greater of \$560,237 or six (6) months debt service, expenses, and reserves ("Deficit Cap"). Any repayment to the Guarantor(s) of the Deficit Guarantee shall be repaid by the Ownership Entity without interest out of excess operating cash flow or out of excess proceeds of a sale or refinancing after funding replacement reserves. In no event, however, shall the payment of operating deficits from any reserves reduce the Deficit Cap.

5. Developer Fee Guaranty Contributions Manager and/or approved Guarantor(s) shall agree to contribute to the Ownership Entity an amount sufficient to pay any outstanding deferred developer fee amounts at the end of such 13-year term.
6. Management Fees The Management Agent shall receive a management fee payable by the Ownership Entity. Any successor Management Agent shall be entitled to receive management fees in an amount and under terms acceptable to the Investor, the lender(s) (if applicable), and any relevant governmental authority. If the Management Agent is the Manager, Developer, or an affiliate of either, the Management Agent will defer payment of the management fee to the extent necessary to prevent default under the term loan(s) or to prevent an operating deficit from occurring. Any deferred management fee shall be paid from Net Cash Flow in accordance with Section G.
7. Asset Management Fee Manager and/or approved Guarantor(s) shall guarantee the payment of the annual Asset Management Fee. The Asset Management Fee shall be earned beginning on the date in which the Project is placed in service for purposes of Section 42 of the Code and shall be prorated based on the number of full months that the Project was in service for the fiscal year in which the Project is placed in service. The Asset Management Fee shall be paid from Net Cash Flow annually after the close of the fiscal year for which the services were rendered. If Net Cash Flow is not sufficient to pay the Asset Management Fee for any fiscal year, the Manager shall make an Asset Management Fee Guaranty Loan in the amount of the shortfall and the balance of the Asset Management Fee shall be paid from the proceeds of the Asset Management Fee Guaranty Loan.
8. Net Assets and Liquidity Guarantor(s) will maintain a minimum net worth of \$5,000,000 and a minimum liquidity of \$1,000,000 during the Project's compliance period. Jointly held assets may be discounted. Accurate and current documentation of net assets and liquidity will minimize discounting in the threshold analysis.
9. Repurchase After the closing of Investor's investment in the Ownership Entity, if the Project fails to satisfy any of the following material conditions, the Manager or Guarantor(s) shall be required, at Investor's election, to repurchase Investor's interests in the Ownership Entity at a price equal to Investor's then current equity in the Project:

- a) the Company failed to finance at least 50% of the aggregate basis of the Project with tax exempt bond proceeds;
 - b) the Company has not met all state allocating agency requirements for IRS Form(s) 8609 and has not submitted all applicable IRS Form(s) 8609 application and certification documents to the state allocating agency by March 1 of the year that the tax return will be filed claiming the Federal LIHT Credit;
 - c) the amount of Federal LIHT Credit reflected on the IRS Form(s) 8609 is less than seventy percent (70%) of the Anticipated Federal LIHT Credit;
 - d) the Project fails to achieve the minimum set-aside test or the rent restriction test under Section 42(g) of the Code prior to the end of the first year of the Federal LIHT Credit Period;
 - e) Stabilized Operations has not occurred within eighteen (18) months following the Completion of Construction; or
 - f) at any time before Stabilized Operations, an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction and/or rehabilitation of the Project or any commitment for the Term Loans is withdrawn and is not replaced by a comparable commitment acceptable to the Investor within a reasonable period of time.
10. Credit Adjuster Contribution If any adjustment in accordance with Section F exceeds the amount of all subsequent Capital Contribution Installments of the Investor, the Manager shall make a Credit Adjuster Contribution to the Ownership Entity equal to the amount of the shortfall and the Ownership Entity shall thereafter make a special distribution to the Investor, neither to reduce nor to be limited by Net Cash Flow, equal to the amount. The Manager's obligation to make a Credit Adjuster Contribution shall be guaranteed by the approved Guarantor(s).

SECTION M-REPORTING:

The Manager shall furnish at the end of each calendar month a monthly construction reports and documentation in the form provided by the Investor. The Manager shall furnish the Investor with certain financial and compliance reports during the compliance period. Financial reports typically include but are not limited to annual Manager audited financial statements, Ownership Entity audited financial statements, tax returns and K-1's, trial balance and operating budget. Copies of all required relevant state allocating agency compliance reports shall be furnished consistent with the State's required frequency. During the qualification period the type and frequency of standard report submission is typically greater. The Ownership Entity operating document shall also contain a provision for assessing a fine in the amount of \$150 per day for non-compliance with reporting requirements. The Investor reserves the right to remove and replace the Project Accountant upon failure to perform its duties relative to assisting the Manager in adhering to the reporting requirements.

SECTION N-DUE DILIGENCE AND CLOSING PROCESS:

Upon receipt of an executed copy of this letter, the parties shall agree upon a schedule for completing a due diligence review of the Project and preparing and executing the necessary transaction documents.

SECTION O-SYNDICATION FEE AND CLOSING COSTS:

CAHEC will not charge a Syndication Fee. Each party shall pay its own costs and expenses associated with the Project (including, without limitation, attorneys' fees). If Investor does not close its investment in the Project upon terms substantially similar to this proposal for any reason beyond Investor's control, Investor shall be reimbursed for its costs and expenses associated with the Project (including, without limitation, attorney's fees).

SECTION Q-ADDITIONAL CONDITIONS:

Manager and Investor will make best effort to share construction reviews and reporting. In the event the Investor cannot rely upon the plan and costs review and/or independent inspections reports prepared for lender(s), the project will pay the cost for providing the Investor with an acceptable plan and cost review and monthly construction reports until the project is placed in service and secured final certificates of occupancy or equivalent local jurisdiction approval.

Manager and/or Guarantor(s) will execute all applicable individual and corporate authorizations for credit, criminal and other background checks as deemed necessary by CAHEC and/or the Investor.

Closing of Investor's investment in the Ownership Entity shall be conditional upon, but not limited to, the review and acceptance of (i) Guarantor(s) financial condition; (ii) the general contractor obtaining a payment and performance bond; (iii) satisfactory construction plan and cost review; (iv) the Manager and/or other entity acceptable to Investor indemnifying the Investor against losses and damages associated with environmental hazards; (v) organizational structure; (vi) environmental reports including but not limited to a current Phase I, Lead Based Paint Report (built pre-1979), and Asbestos Report as may be applicable; (vii) market study report ordered by Investor must support financial structure and underwriting of the project; (viii) 50% bond test as may be applicable for 4% bond transactions (ix) review of insurance policies that conform to CAHEC's insurance requirements and; (x) any other information requested by Investor.

Upon closing, the Project will be eligible to participate in CAHEC Foundation's *Community Investment* designed to invigorate and support historically underserved households and neighborhoods.

SECTION P-MISCELLANEOUS:

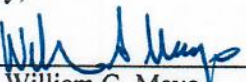
The Manager acknowledges that it will control the Project, the land upon which the Project is to be built, and shall control the allocation(s) of Federal LIHTCs to such Project, and expects to do so through the completion of the transaction contemplated herein. The Manager acknowledges that no agreement exists, written or otherwise, which would adversely affect its ability to enter into this agreement, and to timely complete the transaction contemplated herein. Investor anticipates incurring expenses and foregoing other opportunities while proceeding toward closing its entry into the Ownership Entity. Investor does so with the understanding that once this commitment has been executed, Manager will not entertain any other proposals regarding the Project (or any substantially similar undertaking) and that all information, terms and materials relating to this transaction will remain confidential. Manager further warrants that, with respect to the Project it has terminated negotiations with competing investment proposals.

In consideration of Investor's investment in the Project, should the transaction close, Manager agrees to give Investor the right of first refusal to invest in the tax credit equity of any tax credit project built or rehabilitated by the Manager or an affiliate on any contiguous land and/or within a three mile radius of the Project within two years after the closing.

Except for the Miscellaneous section, the parties acknowledge that nothing herein, or in any other communication between the parties shall create any legally binding or enforceable rights between the parties regarding the Project or Investor's proposal to invest in the Project unless and until Investor has (i) received Project approval by its investment committee to become an Investor; (ii) has completed its due diligence review of the Project to its satisfaction and all transaction documents have been fully executed by authorized officers of all necessary parties and; (iii) received signed and executed Ownership Entity operating document.

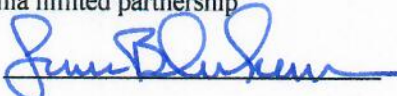
This letter shall be open for your consideration until April 10, 2023. If the general terms and conditions outlined in this letter are acceptable, please confirm your agreement of the foregoing by executing this document and returning it to the undersigned.

Sincerely,

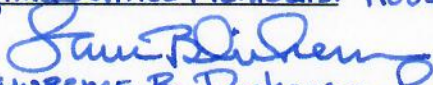
By 
William G. Mayo
Vice President, Acquisitions
Community Affordable Housing Equity Corp.

ACCEPTED AND AGREED:

John Early Senior Housing, L.P.
A Virginia limited partnership

By 
Its Manager
Date 03/28/2023

ACCEPTED AND AGREED:

Virginia United Methodist Housing Development Corp.
Guarantor 
By LAWRENCE B. Dickenson, President
Date 03/28/2023



Mollie Means
Senior Vice President

CBRE, Inc.
Capital Markets
Debt & Structured Finance | Multifamily & Healthcare

1420 5th Avenue
Suite 1700
Seattle, WA 98101

+1 206 830 6496 Tel
+1 206 953 8363 Cell

mollie.means@cbre.com
www.cbre.com/fha

November 1, 2022

Mr. Lawrence Dickenson
President
Virginia United Methodist Housing Development Corporation
1706 Grandin Road SW
Roanoke, VA 24015

Re: **JOHN EARLY – BEDFORD, VA
PROPOSED CONSTRUCTION AND PERMANENT LOAN FINANCING
SECTION 221(d)(4) SUBSTANTIAL REHAB FHA MORTGAGE INSURANCE**

Dear Mr. Dickenson:

This agreement ("Agreement") is between **Virginia United Methodist Housing Development Corporation** (individually or collectively, the "Applicant") and CBRE HMF, Inc. ("CBRE") to provide construction and permanent loan financing (the "Loan") under Section 221(d)(4) of the National Housing Act for **John Early** located in **Bedford, VA** (the "Project"). The terms of our working relationship are outlined below and on the attached Financing Summary (the "Financing Summary").

CBRE is a U.S. Department of Housing and Urban Development (HUD) approved Multifamily Accelerated Processing ("MAP") Lender as well as an approved issuer ("Issuer") of Government National Mortgage Association (GNMA) mortgage-backed securities (MBS) (the "Securities").

SERVICES PROVIDED BY CBRE

In strict accordance with HUD's Multifamily Accelerated Processing Program ("MAP Program"), we agree to use our best business efforts to obtain the most favorable financing terms available with its issuance to us of a HUD firm commitment to insure the mortgage loan ("Firm Commitment"). CBRE's sole obligation hereunder is to provide the services described herein.

CBRE will process and underwrite the proposed mortgage loan to standards published by HUD.

CBRE will obtain, review, analyze, and submit specific third party reports and convey those reports and analyses to HUD, as more fully described below.

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CBRE will collect and submit all HUD-required fees and expenses from you and submit these funds to HUD.

CBRE will assist and advise Applicant in the Applicant's collection of Project information, prospective ownership documents and required submission exhibits to complete the Loan Application. Following submission of the Application to HUD, CBRE will liaison between the Applicant and HUD to resolve issues raised by HUD in connection with these documents.

Throughout HUD's review, CBRE will monitor the progress of the Application and will consult with Applicant and your representatives, including your attorney, surveyor and title agent, as needed.

CBRE will serve as your advocate with HUD during all phases of the Application processing and closing.

MUTUAL AGREEMENTS

Upon your execution of this Agreement, you agree to the following terms and considerations:

- 1) CBRE shall have the exclusive right to represent Applicant and its related affiliates and assigns to HUD for the purpose of obtaining Section 221(d)(4) mortgage insurance for the Loan. This Agreement shall not be assignable by either of the parties hereto without the prior written consent of the other party.
- 2) Applicant agrees that the processing of the Application is subject to timelines and that the intended purpose of this Agreement can be accomplished only with the full and prompt cooperation of the principal(s) and other professional service providers employed by Applicant. Applicant agrees to secure the cooperation of such parties and to ensure that they make available promptly and in proper form such exhibits, statements, and other documents required by CBRE or HUD.
- 3) In connection with the due diligence reports required to submit the Application, Applicant understands and agrees that it shall be solely responsible for the payment of all third party reports required which may include some or all of the following: an Appraisal, a Market Study, an Architectural and Engineering/Cost Report, a Zoning Report ("PZR Report"), a Phase I Environmental Report, a HUD 2530 Consultant and, when required due to site conditions, (a) a Phase II Environmental Report, (b) a seismic study, or (c) other consultant reports that may be identified as necessary during processing or required by HUD. Applicant agrees to deposit an escrow as stated in the Financing Summary with CBRE to pay for these reports and to remit promptly to CBRE any additional actual costs that exceed the amount collected. CBRE agrees to credit any unused funds towards other unpaid fees and expenses at closing.

4) Applicant agrees to post with CBRE at the time of closing, the HUD required working capital deposit in an amount equal to two percent (2%) of the Loan. Further, Applicant agrees to post with CBRE at the time of closing the additional HUD required working capital construction contingency deposit in an amount equal to two percent (2%) of the Loan which may be used for construction cost overruns and approved change orders. All required working capital escrows may be funded with either: (i) cash; or (ii) an unconditional and irrevocable Letter of Credit in accordance with HUD and GNMA requirements at the time of closing.

5) During underwriting, should HUD or CBRE determine that an Initial Operating Deficit ("IOD") Escrow is required, Applicant agrees to post the amount required by the Firm Commitment with CBRE at closing. The Operating Deficit Escrow may be in the form of (i) a cash escrow; or, (ii) an unconditional and irrevocable Letter of Credit in accordance with HUD and GNMA requirements at the time of closing.

6) Applicant's contractor will be required to post with CBRE either an Assurance of Completion Agreement comprised of 100% Payment and 100% Performance Bonds or 15% (25% for high-rise properties) unconditional and irrevocable Letter of Credit from an acceptable bonding source or an Assurance of Completion Fund. The Assurance of Completion Fund may be in the form of (i) a cash escrow; or, (ii) an unconditional and irrevocable Letter of Credit in an amount determined by HUD in accordance with HUD and GNMA requirements at the time of closing.

7) In the event the identities of the Applicant and the actual borrower under the Loan ("Borrower") are different, references to the Applicant shall, as appropriate, be deemed to include the actual Borrower under the Loan and the Applicant hereby represents and warrants that it has the full power and authority to execute this Agreement and the HUD application as the act of, and to bind, the Applicant and/or the actual Borrower under the Loan.

8) Borrower/Project Contractors will be required to comply with Davis Bacon wage requirements in the payment of laborers and mechanics who work on the Project. For more information regarding Davis Bacon wage requirements, please see:
<http://www.wdol.gov/dba.aspx>.

LOAN FINANCING, PLACEMENT AND SERVICING FEES

CBRE/HUD/GNMA FEES AND EXPENSES:

- 1) **Application Processing Fee:** Applicant agrees to pay CBRE an Application Processing Fee as stated in the Financing Summary upon the execution and return of this Agreement. This fee is nonrefundable.
- 2) **Financing Fee and Placement Fee:** Applicant agrees to pay CBRE Financing and Placement Fees as stated in the Financing Summary (estimated based upon the target loan amount). These fees are earned and payable at the closing and funding of the Loan.
- 3) **Legal Fees and Costs:** Applicant agrees to pay the legal fees and related closing costs incurred by CBRE in connection with the Initial and Final Endorsement of the Loan. A deposit of **\$10,000** towards the payment of these fees and expenses is due at the earlier of (a) the engagement of CBRE's attorney with the prior consent of the Applicant or (b) the issuance of the Firm Commitment. In highly complex transactions, Applicant agrees to provide additional legal deposits during Loan Application processing if requested by CBRE.
- 4) **HUD Fees:** Applicant agrees to pay the following fees charged by HUD as further described in the Financing Summary: (i) the FHA Application Fee, of which Fifty Percent (50%) is due to HUD upon the filing of the Pre-Application and the remaining Fifty Percent (50%) is due to HUD upon the filing of the Application for Firm Commitment; (ii) the FHA Mortgage Insurance Premium ("MIP") and (iii) the FHA Inspection Fee.
- 5) **GNMA Securities Costs and Servicing and Guaranty Fees:** CBRE intends to fund the Loan through the issuance of GNMA Securities. Applicant will be responsible for paying a GNMA Commitment Authority Fee. The Loan's target interest rate, as stated in the Financing Summary, is inclusive of the CBRE Servicing and GNMA Guaranty Fee.
- 6) **Final Endorsement Extension Fees:** If Final Endorsement (permanent loan closing) of the Loan does not occur within the time specified in the subsequent loan commitment to be issued by CBRE (see Loan Funding provisions later in this Agreement), Applicant agrees to pay construction loan extension fees to be detailed in the loan commitment each month or portion thereof that elapses prior to Final Endorsement. An entity or individual pre-approved by CBRE and who is other than the Borrower Entity must guarantee the payment of these construction loan extension fees.
- 7) Applicant agrees to pay all costs in connection with and incidental to processing the Application, closing and servicing of the Loan, which shall include legal costs incurred by CBRE, costs related to title insurance, survey, recording and filing fees, warehousing fees, ongoing tax service contracts, flood certificates, insurance reviews, and any other out-of-pocket or third party expenses payable in connection with this Agreement, closing and ongoing servicing of the Loan. All

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such costs incurred shall be payable by Applicant at the time of closing or as incurred during servicing of the Loan.

LOAN FUNDING AND GNMA SECURITIES PROVISIONS:

This Agreement is not a commitment to provide a Loan in the amount or terms described in the Financing Summary. Applicant acknowledges and agrees that (a) CBRE has not made any representations or warranties regarding the results of the HUD Mortgage Insurance processing, and (b) the loan amount reflected in this Agreement represents what CBRE reasonably believes HUD will be willing to insure given the information provided to us, current market area data available to us, and the criteria generally applied by HUD in determining an insurable Loan amount under the National Housing Act. Applicant acknowledges that the Application will include an estimated interest rate and that such estimated interest rate is not a representation by CBRE of interest rates that may be available in the marketplace at the time of issuance of the HUD Firm Commitment and CBRE's subsequent issuance of a loan commitment.

Following submission of the Application, it is anticipated that a Firm Commitment will be issued by HUD to CBRE that will provide HUD's requirements to obtain mortgage insurance for the Loan. The HUD Firm Commitment is a condition precedent to CBRE issuing a loan commitment and offering GNMA Securities in the Secondary Market for purchase. Please be advised that, despite our expertise and best efforts, CBRE can make no assurances that HUD will issue a Firm Commitment to facilitate the financing of the Project. Only after the Applicant has reviewed the terms of the HUD Commitment and has authorized CBRE to offer the Securities for purchase may the interest rate be determined, and the loan terms finalized by CBRE ("Rate Lock").

Due to the necessary review and processing times between the commitment to purchase the Securities, the HUD closing and the issuance of the Securities, purchasers of Securities ("Investor") require a Good Faith Deposit in the amount of one-half of one percent (0.50%) of their committed purchase amount to assure timely delivery. If the Applicant authorizes the sale of the Securities, and the Loan is not closed, thereby prohibiting issuance and delivery of the Securities, the Good Faith Deposit is non-refundable. Upon Loan closing, CBRE agrees to refund the Good Faith Deposit to the Applicant upon the delivery of the Securities to the Investor which occurs approximately thirty (30) days following Loan closing.

Applicant is advised that if the interest rate has been locked, and CBRE subsequently fails to deliver an acceptable Security to the Investor, CBRE will suffer certain damages for taking a position in the financial market in reliance on its agreement with you. Therefore, Applicant agrees to be responsible for payment of any damages suffered by CBRE in the event that the Applicant decides not move forward after the interest rate has been locked.

After the Investor has committed to buy the Securities, CBRE shall have HUD amend the Firm Commitment to reflect the final Loan terms.

REPRESENTATIONS AND MISCELLANEOUS MATTERS

Applicant understands and agrees that CBRE will rely upon the factual statements and other information provided by Applicant in the processing of this Application, and hereby affirms that all material information and statements heretofore given (and to be provided hereafter) are (or will be) true, complete and accurate as of the date of their submittal. Applicant further agrees to notify CBRE in writing immediately of any material change in the information provided to us or any other party for this Application.

This Agreement shall be enforced and construed under and be subject to the laws of the State of Texas. If any provision of this Agreement shall for any reason be held invalid, then, to the extent permitted by applicable law, such provisions shall be deemed severable from the remaining provisions of this Agreement and in no way shall affect the validity or enforceability of the other provisions of this Agreement.

Upon closing the Loan, Applicant agrees that CBRE may issue press releases, advertisements, and other promotional materials describing in general terms or in detail CBRE's participation in the transaction. Such press releases shall non-exclusively include the property name and description, Loan amount, term, and amortization. The provisions of this paragraph shall survive closing.

This Agreement is an integration of all of the promises, agreements, conditions, understandings, warranties and representations, oral or written, expressed or implied, between the parties hereto, and there are no other promises, agreements, conditions, understandings, warranties, and representations, oral or written, expressed or implied, between them with respect to the terms of this Agreement. CBRE may reasonably request the right to sell, transfer or assign its rights and obligations under this Agreement, but only with the consent of the Borrower and with no additional expense to the Borrower.

This Contract is subject to the requirements of 41 CFR 60-1.4 and 29 CFR part 471, Appendix A to Subpart A, which are incorporated into this order/contract by reference, **as applicable**. In addition, this order/contract is subject to the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), which are incorporated herein by reference, **as applicable**. **The latter two regulations prohibit discrimination against qualified individuals on the basis of protected veteran status and disability and require affirmative action to employ and advance in employment protected veterans and qualified individuals with disabilities.** The regulations that are cited in these provisions also involve equal employment opportunity and affirmative action related to race, ethnicity, gender, persons with disabilities, certain categories of veterans; and, union-employee notice requirements.

Thank you for providing CBRE with this opportunity to help you achieve your financing objectives. We appreciate your business, and if you have any questions or require any assistance

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FHA Engagement Letter
John Early
Page 7

whatsoever regarding the financing of **John Early**, please feel free to contact Mollie Means at (206) 830-6496 or mollie.means@cbre.com.

If the terms and conditions of this Agreement are acceptable to you, please execute in the space provided below and return one executed copy by **November 11th, 2022**, to our office at this address:

Mollie Means
Senior Vice President
CBRE HMF, Inc.
1420 5th Avenue, Suite 1700
Seattle, WA 98101

At the same time, the CBRE Application Processing Fee and Third Party Report Deposit, as stated in the Financing Summary, should be remitted using the attached wiring instructions.

Regards,

CBRE HMF, INC.



By: Mollie Means
Its: Senior Vice President

ACCEPTED AND AGREED TO:

BY: 

ITS: President

DATE: Nov 2, 2022



FINANCING SUMMARY

SYNOPSIS OF LOAN TERMS:

FHA Insurance Program:	Section 221(d)(4) of the National Housing Act.
Target Loan Amount:	\$6,924,100 , to be determined based on FHA Firm Commitment.
Target Interest Rate:	To be determined based upon the final FHA Firm Commitment. The Target Loan Amount is based on an estimated Loan note rate of 5.20% , which includes Loan servicing and Ginnie Mae guaranty fees but excludes the annual FHA Mortgage Insurance Premium.
Prepayment Options:	To be determined based upon final interest rate and market conditions prevailing at Rate Lock.
Construction Loan Term:	Up to 14 months interest only (Contractor's construction period plus two months).
Permanent Loan Amortization and Term:	Up to 40 years.
Security:	The Loan shall be secured by a first lien encumbering all land and improvements constituting the Project, and a perfected, first security interest in all personal property related to the Project and the Loan.
Non-Recourse Loan:	The Loan will be non-recourse, subject to FHA standard non-recourse carve outs.
Assumption:	The Loan is assumable, subject to prior approval of CBRE and FHA.
Closing:	Date of Initial or Final Endorsement of the Loan note for mortgage insurance by FHA.
FHA Application Fee:	0.30% of the Loan amount.
FHA Inspection Fee:	0.50% of the Loan amount, payable at closing.
FHA Mortgage Insurance Premium ("MIP"):	0.25% of the Loan amount, payable at Initial Endorsement and upon the first anniversary of the Initial Endorsement date; subject to the prevailing FHA MIP schedule at the time of Firm Commitment issuance.

Third Party Reports
Deposit:

Applicant shall deposit funds with CBRE, upon CBRE's request, for the actual cost of third party technical reports in advance of CBRE's engagement of such third parties. The total cost of third party reports is estimated at **\$74,000**.

Financing Fee:

A fee equal to **0.75%** of the Loan amount set forth in the FHA Firm Commitment, due to CBRE as compensation for originating, underwriting and processing the Loan and the FHA Application.

Placement Fee:

An estimated fee equal to **0.74%** of the Loan amount set forth in the FHA Firm Commitment, due to CBRE as compensation for structuring the permanent financing, funding and closing the Loan. The Placement Fee also includes the CBRE Application Fee, Lender Legal Fee, GNMA Commitment Authority Fee and Escrow Monitoring Services listed below:

Placement Fee:	0.74%
Application Fee:	\$7,500
Lender Legal Fee:	\$37,500
GNMA Commitment Authority Fee:	\$1,700
Escrow Monitoring Services (estimated):	\$4,400

Application Fee: A non-refundable fee of **\$7,500**, payable to CBRE at the time of execution of the Application.

Lender Legal Fee: A minimum fee equal to **\$27,500**, payable to CBRE at the time of FHA's Initial Endorsement of the Loan and a minimum fee equal to **\$10,000**, payable to CBRE at the time of FHA's Final Endorsement of the Loan, for CBRE's legal expenses and third party costs associated with Loan closing.

GNMA Commitment Authority Fee: A fee equal to \$500 for the first \$1,500,000 of loan proceeds and thereafter an additional \$200 per million or part thereof.

Escrow Monitoring Services: A fee equal to **\$2,000** for the pre-funding insurance review, payable to CBRE at the time of Initial Endorsement; a fee of **\$1,200** for the real tax service monitoring for the construction period, payable to CBRE at the time of Initial Endorsement; a fee equal to **\$600** for flood review (if required); a fee equal to **\$1,200** for insurance review for the permanent loan payable at time of Final Endorsement; and any additional fees that

maybe encountered due to specificity of the project. The real estate tax service fee will be higher for projects with multiple properties or for projects with more than five parcels.

Good Faith Deposit: An amount equal to **0.50%** of the Loan amount set forth in the FHA Firm Commitment, required to lock the interest rate.

Maximum Loan to Cost: 90%

Minimum Debt Service Coverage: 1.11x

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FHA Engagement Letter
John Early
Page 11

**WIRING INSTRUCTIONS FOR
UNDERWRITING/TRUST ACCOUNT**

Bank: JPMorgan Chase Bank
4 New York Plaza
Floor 15
New York, NY 10004

ABA Number: 021000021

Account name: CBRE Capital Markets
Underwriting Deposit Account

Account Number: 1890759762

Reference: (Deal 440779/John Early)

Telephone advice to: Wendy Ortega
(832) 839-5082

Third Party Report Deposit:	\$69,158
<u>Nonrefundable Application Fee:</u>	<u>\$7,500</u>
Total to be Wired:	\$76,658

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Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

FREE RENTER EDUCATION

ACKNOWLEDGEMENT FORM

By signing below, I acknowledge that I can access free renter education from Virginia Housing's website, Renter Educational Tools and Resources, at: virginiahousing.com/renters/education. If I need assistance in retrieving the information I can ask the Resident Manager at the leasing office for help, or I can review the one at the Leasing Office.

By: _____

Name (Print):

Date:

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

Article XIII
Put Option, Call Option, and Right of First Refusal

13.01 Put Option.

Beginning on the date that is three (3) years following the end of the Federal LIHT Credit Period, the Limited Partner shall have the option to send Notice (the “*Put Notice*”) to the General Partner of the election of the Limited Partner to sell the entire Interest of the Limited Partner in the Partnership to the General Partner (the “*Limited Partner Put*”). The Put Notice shall include the purchase price as reflected in Exhibit A, Section 8(g)(1) (the “*Put Price*”) and shall state the anticipated date of the closing. The General Partner shall have ninety (90) days to accept or to reject the Limited Partner Put in writing. If the General Partner accepts the Limited Partner Put, the closing shall take place in accordance with Section 13.03.

13.02 Call Option.

If the General Partner does not respond to the Put Notice within ninety (90) days or if the General Partner rejects the Limited Partner Put, the Limited Partner shall have the option to send Notice (the “*Call Notice*”) to the General Partner of the election of the Limited Partner to purchase the entire Interest of the General Partner in the Partnership (the “*Limited Partner Call*”). The Call Notice shall include the purchase price as reflected in Exhibit A, Section 8(g)(2) (the “*Call Price*”) and shall state the anticipated date of the closing. If the General Partner accepts the Limited Partner Call, the closing shall take place in accordance with Section 13.03. If the General Partner does not respond within ninety (90) days of the Call Notice or if the General Partner rejects the Limited Partner Call, the General Partner shall be deemed to have committed a Wrongful Act and shall be subject to removal in accordance with Section 8.02(a).

13.03 Closing.

The closing of the sale of the Interest of the Limited Partner in the Partnership in accordance with the Limited Partner Put shall occur within ninety (90) days after the General Partner accepts the Put Notice. The entire Put Price shall be paid to the Limited Partner at the closing in cash or immediately available funds. The General Partner shall pay the Put Price and shall pay all other costs related to the purchase of the Interest of the Limited Partner from the assets of the General Partner and not from the assets of the Partnership.

The closing of the sale of the Interest of the General Partner in the Partnership in accordance with the Limited Partner Call shall occur within ninety (90) days after the General Partner accepts the Call Notice. The entire Call Price shall be paid to the General Partner at the closing in cash or immediately available funds. The Limited Partner shall pay the Call Price and shall pay all other costs related to the purchase of the Interest of the General Partner from the assets of the Limited Partner and not from the assets of the Partnership.

13.04 Right of First Refusal.

(a) **General.** The Partnership will not transfer, sell, alienate, assign, give, bequeath, or otherwise dispose of the Project or any portion thereof to any Person without first offering the Project for a period of ninety (90) days to Virginia United Methodist Housing Development

Corporation, a Virginia non-profit corporation, for an amount equal to the sum of: (i) the principal amount of all outstanding indebtedness secured by the Project including any accrued interest and (ii) the sum of all federal, state, and local taxes payable by the Limited Partner or its partners attributable to the sale; provided, however, that the price shall not be less than the minimum purchase price defined in Section 42(i)(7)(B) of the Code.

(b) ***Limitations on Right.*** This right of first refusal shall apply only if Virginia United Methodist Housing Development Corporation qualifies as a permitted purchaser pursuant to Section 42(i)(7)(A) of the Code (e.g., a low-income housing organization exempt from tax under Sections 501(c)(3) or 501(c)(4) of the Code, a government agency, or a resident management corporation). The right of first refusal shall be further conditioned upon the agreement of Virginia United Methodist Housing Development Corporation that if the Project is acquired pursuant hereto, the Project will be maintained for low-income use for at least fifteen (15) years after the later of the end of the Compliance Period under Section 42 of the Code or the date of the purchase, and that the restriction with regard to low-income use shall be recorded as a restriction against the Project.

Tab W:

Internet Safety Plan and Resident Information Form (if internet amenities selected)

RESIDENT INTERNET SERVICE - Acknowledgement of Responsibilities

By signing below, I acknowledge that I have thoroughly reviewed the Internet Security Plan and understand the general rules of operation prior to use. I understand my responsibility as a user of the Internet and I agree to abide by the following Rules of Operation at all times.

Rules of Operation

- Computer usage for the purpose of illegal activity is absolutely NOT permitted and will be reported to authorities.
- Do not access pornographic or illicit sites via the internet.
- No smoking in the community room or business center.
- No profanity will be tolerated on-line or in-person.
- No rough-housing in the community room or business center.
- Surf at your own risk.

By: _____

Name (Print):

Date

JOHN EARLY
APARTMENTS

INTERNET SECURITY PLAN

The internet service at John Early Apartments will have a rotating password that is only accessible to residents. The network router will be located in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



Internet Safety

Playing it safe while playing online



Hi there! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself.



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



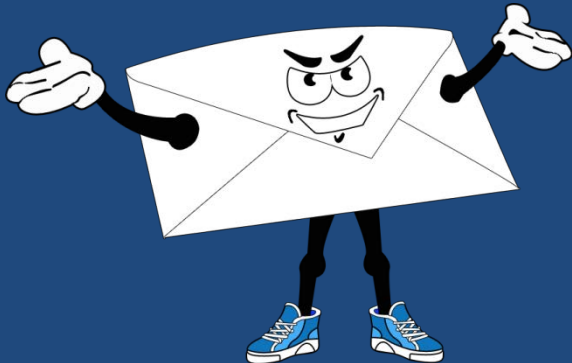
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

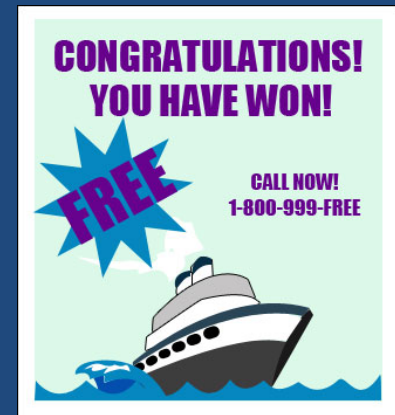
Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



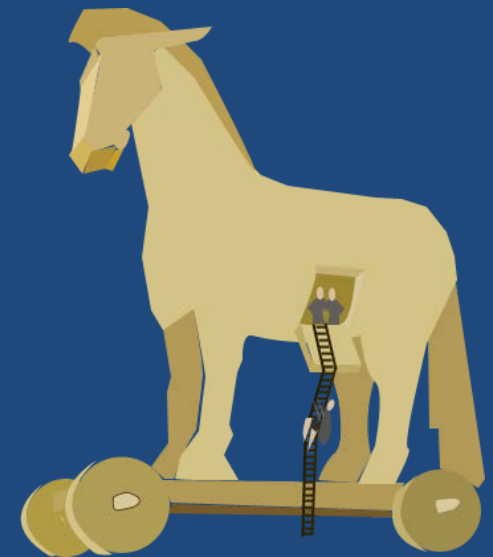
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/12/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov

If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General
202 North Ninth Street
Richmond, Virginia 23219
(804) 786-2071
www.ag.virginia.gov

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

John Early Apartments Accessible Unit Marketing Plan

Management must assign the accessible apartments to residents/applications in the **following order:**

1. The current resident household whose member has a disability requiring the accessibility features of the vacant apartment.

If none, then consider Step 2:

2. The next eligible qualified applicant whose member has a disability requiring the accessibility features of the vacant apartment. Applicants on the waiting list with a household member(s) who has a disability requiring the accessible features of the vacant apartment will be given priority over applicants who do not need the accessible features of the unit.
3. Finally, if there is not a resident or an applicant household whose member(s) has a disability requiring the accessible features of the vacant apartment, and management has marketed the accessible unit for no less than 60 days, then management may offer the vacant apartment with accessibility features to the next qualified applicant on the waiting list. Management will document efforts to market accessible units to families with a household member(s) having a disability requiring the accessible features of the vacant apartment.
4. Residents who do not need the accessible features of the apartment must sign an agreement to move at their own expense when an applicant or resident needs the accessible features of the apartment.
5. Management will maintain contact with sources/agencies in the community who provide services to persons with disabilities so that, when accessible units become available, persons in need of these units may have the opportunity to apply for occupancy.
6. In the absence of waiting applicant, management will update information on the property web site to encourage those applicants in need of an accessible unit to apply directly to the property.
7. In the absence of waiting list applicant, management will advertise in local newspaper to encourage those applicants in need of an accessible unit to apply directly to the property.
8. The property will also be listed at virginiahousingsearch.com.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

**INDUCEMENT RESOLUTION
REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE
BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION,
REHABILITATION, AND EQUIPPING OF JOHN EARLY APARTMENTS
LOCATED IN THE TOWN OF BEDFORD, VIRGINIA**

WHEREAS, there have been described to the Harrisonburg Redevelopment and Housing Authority (the "Authority") the plans by John Early Seniors Housing LP, a Virginia limited partnership, or an affiliated entity (the "Borrower") to acquire, construct, renovate, rehabilitate, and equip an approximately 78-unit multifamily residential rental housing project for seniors known as John Early Apartments, consisting of 7 two-story residential buildings and one one-story community building, and other site work and community-related improvements (the "Project"), all located on approximately 12.13 acres of land in the Town of Bedford, Virginia, at 718 Blue Ridge Avenue, Bedford, Virginia 24523; and

WHEREAS, the Project shall be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Authority is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), to issue its bonds for the purpose, among others, of financing the acquisition, construction, renovation, rehabilitation, and equipping of multifamily residential rental apartment projects such as the Project; and

WHEREAS, the Borrower has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$6,715,000 (the "Bonds"), the proceeds of which will be used to finance costs to be incurred in acquiring, constructing, renovating, rehabilitating, and equipping the Project and the costs of issuing the Bonds (collectively, the "Plan of Finance"), all as permitted under the Act; and

WHEREAS, a public hearing (the "Public Hearing") has been held on December 21, 2022, with respect to the Plan of Finance and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code, as applicable to housing authorities,.

NOW, THEREFORE, BE IT RESOLVED BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. It is hereby found and determined that the acquisition, construction, renovation, rehabilitation, and equipping of the Project by the Borrower will further the

public purposes of the Act by assisting in providing housing to "persons of low income" and "persons of moderate income" (as each such term is defined in the Act).

3. It is hereby found and determined that the Project will constitute a "housing project" as that term is defined in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate, and equip the Project and maintain the Project as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Plan of Finance, in each case only as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) its multifamily housing revenue bonds therefor in the maximum principal amount not to exceed \$6,715,000 upon the terms and conditions to be mutually agreed upon between the Authority and the Borrower. The Bonds shall be issued in form and pursuant to terms to be set by the Authority.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition, construction, renovation, rehabilitation, and equipping of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the acquisition, construction, renovation, rehabilitation, and equipping and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of Bonds or a purchaser for the Bonds, pursuant to terms to be mutually agreed upon.

8. All costs and expenses in connection with the Bonds, including but not limited to the fees and expenses of the Authority, bond counsel, and counsel for the Authority, shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

9. In adopting this resolution, the Authority intends to evidence its "official intent" to reimburse the Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2, including, without limitation, such expenditures with respect to the Project as are incurred prior to the issuance of the Bonds but not more than sixty (60) days before the date of this Resolution.

10. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts, and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City of Harrisonburg, Virginia (the "City") (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

11. The Authority (including its officers, commissioners, employees, and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project for any reason, including but not limited to, the failure of the City Council of the City (the "City Council") to approve the issuance of the Bonds.

12. The Authority recommends that the City Council approve the issuance of the Bonds and hereby directs the Chair or the Vice Chair of the Authority to submit to the City Council a reasonably detailed summary of the comments, if any, expressed at the public hearing, the fiscal impact statement required by Virginia law, and a copy of this Resolution.

13. The Authority hereby authorizes the Chair, the Vice Chair or the Executive Director of the Authority to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

14. No Bonds may be issued pursuant to this resolution until such time as (a) the issuance of the Bonds has been approved by the City Council and (b) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder.

15. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Project or the Borrower.

16. All other acts of the officers of the Authority, which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Bonds, are hereby approved and confirmed.

17. This resolution shall take effect immediately upon its adoption.

Adopted: December 21, 2022


CERTIFICATE OF VOTES

Record of the roll-call vote by the Harrisonburg Redevelopment and Housing Authority, upon reading on a resolution titled " **INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION, AND EQUIPPING OF JOHN EARLY APARTMENTS LOCATED IN THE TOWN OF BEDFORD, VIRGINIA**" taken at a meeting of the Authority held on December 21, 2022:

	AYE	NAY	ABSTAIN	ABSENT
Dany Fleming, Chair	✓			
Christine Fasching Maphis	✓			✓
Kevin Coffman				
Luciano Benjamin	✓			
Gil Colman	✓			
Shonda Green	✓			

Dated: December 21, 2022

(SEAL)



Michael G. Wong, Executive Director
Harrisonburg Redevelopment and Housing
Authority

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

SWAM CONTRACT CERTIFICATION
(TO BE PROVIDED AT TIME OF APPLICATION)

LIHTC Applicant Name John Early Seniors Housing, L.P.

Name of SWaM Service Provider Perseverance Capital Advisors, LLC

Part II, 13VAC10-180-60(E)(5)(e) of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (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, provides that an applicant may receive five (5) points toward its application for Credits for entering into at least one contract for services provided by a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's Small, Women-owned, and Minority-owned Business certification program (SWaM Program). Any applicant seeking points from Part II, 13VAC10-180-60(E)(5)(e) of the Plan must provide in its application this certification together with a copy of the service provider's certification from the Commonwealth of Virginia's SWaM Program. The certification and information requested below will be used by the Authority in its evaluation of whether an applicant meets such requirements.

Complete a separate form for each SWaM Service Provider.

INSTRUCTIONS:

Please complete all parts below. Omission of any information or failure to certify any of the information provided below may result in failure to receive points under Part II, 13VAC10-180-60(E)(5)(e) of the Plan.

1. The SWaM Service Provider will provide the following services and roles eligible for points under the Plan:
- consulting services to complete the LIHTC application;
 - ongoing development services through the placed in service date; as financial advisor
 - general contractor;
 - architect;
 - property manager;
 - accounting services; or
 - legal services.

2. Please describe in the space below the nature of the services contracted for with the SWaM certified service provider listed above. Include in your answer the scope of services to be provided, when said services are anticipated to be rendered, and the length of the contract term.

ADVISOR

3. Attach to this certification a copy of the service provider's current certification from the Commonwealth of Virginia's SWAM Program.
4. The undersigned acknowledge by their signatures below that prior to the Authority's issuance of an 8609 to the applicant, the undersigned will be required to certify that the SWaM service provider successfully rendered the services described above, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, and that the undersigned service provider is still a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM) Program.

[Contract Certification and signatures appear on following page]

CONTRACT CERTIFICATION

The undersigned do hereby certify and acknowledge that they have entered into with each another at least one contract for services as described herein, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, that the undersigned service provider is a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM Program, and that it is the current intention of the undersigned that the services be performed (i.e., the contract is *bona fide* and not entered into solely for the purpose of obtaining points under the Plan). The undersigned do hereby further certify that all information in this certification is true and complete to the best of their knowledge, that the Authority is relying upon this information for the purpose of allocating Credits, and that any false statements made herein may subject both the undersigned applicant and the undersigned service provider to disqualification from current and future awards of Credits in Virginia.

APPLICANT:

John Early Seniors Housing, L.P.

Name of Applicant

WOMEN-OWNED
SWaM


Signature of Applicant

Lawrence B. Dickenson, President
of Virginia United Methodist Housing
Development Corporation, the 100%
owner of VUM Bedford Housing, LLC,
the General Partner

Printed Name and Title of Authorized Signer

SWAM CERTIFIED SERVICE PROVIDER:

Perseverance Capital Advisors, LLC

Name of SWaM Certified Service Provider


Signature of SWaM Certified Service Provider

Tina K. Neal, Principal and CEO

Printed Name and Title of Authorized Signer

COMMONWEALTH OF VIRGINIA



DEPARTMENT OF SMALL BUSINESS & SUPPLIER DIVERSITY

101 N. 14th Street, 11th Floor
Richmond, VA 23219

PERSEVERANCE CAPITAL ADVISORS LLC

is a certified Small, Women Owned
Business meeting all the requirements set forth under the Code of Virginia Section 2.2-16.1 et seq.
and Administrative Code 7VAC 13-20 et seq.

Certification Number: 705326

Valid Through: Feb 23, 2027

Accordingly Certified

A handwritten signature in blue ink, appearing to read "Tracey G. Wiley".

Tracey G. Wiley, Director

