
2022 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 10, 2022**

Tax Exempt Bonds

Applications should be received at VHDA at least one month before the bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds are *issued* (if bonds are not issued by VHDA)



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

INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.com 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	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Pamela Freeth	pamela.freeth@virginiahousing.com	(804) 343-5563
Aniyah Moaney	aniyah.moaney@virginiahousing.com	(804) 343-5518

TABLE OF CONTENTS

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

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

2022 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

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

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

4/20/2022

1. Development Name: City Line Apartments
2. Address (line 1): 155 #A Mytilene Drive
 Address (line 2): _____
 City: Newport News State: VA Zip: 23605
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: -76.42162 Latitude: 37.01952
 (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 Newport News City
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: 313.00
7. Development is located in a **Qualified Census Tract**..... TRUE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** TRUE
10. Development is located in a **Revitalization Area designated by resolution** FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 23
- State Senate District: 2
- State House District: 95

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

City Line Apartments is a multifamily property with 200 units within 19 buildings that also contain a mgmt. office and laundry facilities. After the substantial rehab, the property will enjoy community upgrades as well as new unit upgrades. There is an existing LIHTC LURA and a PBS8 contract covers 200 units.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

4/20/2022

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator) of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: McKinley L. Price
 Chief Executive Officer's Title: Mayor Phone: 757-926-8403
 Street Address: 2400 Washington Avenue, 10th Floor
 City: Newport News State: VA Zip: 23607

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

- 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, 2022.

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

3. Select Building Allocation type:

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

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

5. Planned Combined 9% and 4% Developments

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

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 count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

6. Extended Use Restriction

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

Must Select One:

Definition of selection:

Development will be subject to an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

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

C. OWNERSHIP INFORMATION

NOTE: Virginia Housing may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by Virginia Housing in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: City Line Community Partners, LP

Developer Name: CPP East, LLC

Contact: M/M ▶ Mr. First: Scott MI: Last: Fink

Address: 17782 Sky Park Circle

City: Irvine St. ▶ CA Zip: 92614

Phone: (443) 912-6020 Ext. Fax:

Email address: sfink@cpp-housing.com

Federal I.D. No. 881315711 (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.
Seth Gellis, sgellis@cpp-housing.com, 949-236-8280

- 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
Wilfred N. Cooper Jr.	(949) 236-8280	GP	50.000%
Paul T. Odland		GP	35.000%
Samantha Waton	(415)-715-4154	GP	2.500%
Joshua Plattner	(347)-618-6148	GP	12.500%
			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 only choose one of A, B or C **OR** select one or more of D, E and F.*

FALSE a. A principal of the controlling general partner or managing member for the proposed development has developed as a controlling general partner or managing member for (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments.

Action: Must be included on Virginia Housing Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts (**Tab P**)

FALSE b. A principal of the controlling general partner or managing member for the proposed development has developed at least three deals as principal and have at \$500,000 in liquid assets.

Action: Must be included on the Virginia Housing Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s (**Tab P**)

TRUE c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units).

Action: Must provide copies of 8609s and partnership agreements (**Tab P**)

FALSE d. The development has an experienced sponsor (as defined in the manual) that has placed at least one LIHTC development in service in Virginia within the past 5 years.

Action: Provide one 8609 from qualifying development. (**Tab P**)

FALSE e. The development has an experienced sponsor (as defined in the manual) that has placed at least three (3) LIHTC developments in service in any state within the past 6 years (in addition to any development provided to qualify for option d. above)

Action: Provide one 8609 from each qualifying development. (**Tab P**)

FALSE f. Applicant is competing in the Local Housing Authority pool and partnering with an experienced sponsor (as defined in the manual), other than a local housing authority

Action: Provide documentation as stated in the manual. (**Tab P**)

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact Virginia Housing before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract

Expiration Date: 8/31/2022

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

FALSE There is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

a. FALSE Owner already controls site by either deed or long-term lease.

b. 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..... 8/31/2022 .

c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

3. Seller Information:

Name: City Line Associates, LLC

Address: 546 5th Avenue, Room 6

City: New York St.: NY Zip: 10036

Contact Person: Tom Carbone Phone: (201) 232-9290

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

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:	Michael Graff	This is a Related Entity.	FALSE
Firm Name:	McGuireWoods LLP	DEI Designation?	FALSE
Address:	1750 Tysons Boulevard, Suite 1800, Tysons, VA 22102-4215		
Email:	mgraft@mcguirewoods.com	Phone:	(703) 712-5110
2. Tax Accountant:	Justin Gierth	This is a Related Entity.	FALSE
Firm Name:	Propp Christensen Caniglia, LLP	DEI Designation?	FALSE
Address:	9261 Sierra College Boulevard, Roseville, CA 95661		
Email:	jpgierth@pccplp.com	Phone:	(916) 751-2946
3. Consultant:	Ryne Johnson	This is a Related Entity.	FALSE
Firm Name:	Astoria, LLC	DEI Designation?	FALSE
Address:	3450 Lady Marian Ct Midlothian VA	Role:	Tax Credit Consultant
Email:	rynejohnson@astoriallc.com	Phone:	(804) 320-0585
4. Management Entity:	Kareem Slater	This is a Related Entity.	FALSE
Firm Name:	WinnResidential	DEI Designation?	FALSE
Address:	1101 30th Street, NW, Suite 302, Washington, DC		
Email:	kslater@winncocom	Phone:	(202) 871-7145
5. Contractor:	Kyle Weaver	This is a Related Entity.	FALSE
Firm Name:	Paragon Construction Company	DEI Designation?	FALSE
Address:			
Email:	kyle.weaver@paragonconstructionco.com	Phone:	(602) 695-5319
6. Architect:	Melissa Cox	This is a Related Entity.	FALSE
Firm Name:	Ebersoldt & Associates	DEI Designation?	FALSE
Address:	1214 Washington Ave., St. Louis, Missouri 63103		
Email:	mcox@epulsa-arch.com	Phone:	(314) 241-4566
7. Real Estate Attorney:	Richard Price	This is a Related Entity.	FALSE
Firm Name:	Nixon Peabody	DEI Designation?	FALSE
Address:	799 9th Street NW, Suite 500, Washington, DC 2001-5327		
Email:	rprice@nixonpeabody.com	Phone:	(202) 288-6137
8. Mortgage Banker:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
9. Other:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**
Action: If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal
- b. This development has received a previous allocation of credits..... **TRUE**
 If so, in what year did this development receive credits? **2005**
- 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..... **TRUE**
Action: (If True, provide required form in **TAB Q**)

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ _____

Name: _____

Contact Person: _____

Street Address: _____

City: _____ State: ▶ _____ Zip: _____

Phone: _____ Contact Email: _____

G. NONPROFIT INVOLVEMENT

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

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

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

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

Name of qualified nonprofit:

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

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

Do not select if extended compliance is selected on Request Info Tab
Action: Provide Homeownership Plan **(TAB N)**

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

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	200	bedrooms	300
Total number of rental units in development	200	bedrooms	300
Number of low-income rental units	200	bedrooms	300
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	200	bedrooms	300
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			170,804.00 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			4,804.00 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			166,000.00 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	12.374		
j. Locality has approved a final site plan or plan of development.....			FALSE
If True , Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	758.00	SF	100	100
2BR Garden	902.00	SF	100	100
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
			200	200

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)..... 18
- b. Age of Structure:..... 45 years
- c. Number of stories:..... 2
- d. The development is a scattered site development..... FALSE

e. Commercial Area Intended Use:

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

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

H. STRUCTURE AND UNITS INFORMATION

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

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

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

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

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Laundry Rooms, Leasing Office, Playground

m. Number of Proposed Parking Spaces 285
 Parking is shared with another entity FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE
 If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	2.80%
Project Wide Capture Rate - Market Units	
Project Wide Capture Rate - All Units	2.80%
Project Wide Absorption Period (Months)	

J. ENHANCEMENTS

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

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

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

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

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

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

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

- | | |
|--------|--|
| FALSE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 50.00% | 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. |
| FALSE | 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. |
| FALSE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| | or |
| TRUE | 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. |
| TRUE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| | r. <i>Not applicable for 2022 Cycles</i> |
| 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. |
|-------|--|

J. ENHANCEMENTS

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

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

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

- FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- 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 Gas Radiant
- b. Cooking Type Gas
- c. AC Type Central Air
- d. Hot Water Type Gas

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	0	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$0	\$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: No Utility Allowances

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.

FALSE

b. Any development in which ten percent (10%) of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

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

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

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

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

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

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

FALSE Supportive Housing (as described in the Tax Credit Manual)

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

K. SPECIAL HOUSING NEEDS

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

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

3. Leasing Preferences

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

Organization which holds waiting list:

Contact person:

Title:

Phone Number:

Action: Provide required notification documentation (TAB L)

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

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

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

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

3. Target Population Leasing Preference

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

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

First Name: Kareem

Last Name: Slater

Phone Number: (202) 871-7145 Email: kslater@wincco.com

4. Rental Assistance

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

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

0

d. Number of units receiving assistance: _____
 How many years in rental assistance contract? _____
 Expiration date of contract: _____
 There is an Option to Renew..... FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

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

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
200	100.00%	50% Area Median	100.00%
0	0.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
200	100.00%	Total	50.00%


Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
200	100.00%	50% Area Median	100.00%
0	0.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
200	100.00%	Total	50.00%

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

2. Unit Detail

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	50% AMI	50	5	741.00	\$1,545.00	\$77,250
Mix 2	2 BR - 1 Bath	50% AMI	50	5	775.00	\$1,685.00	\$84,250
Mix 3	1 BR - 1 Bath	50% AMI	50		884.00	\$1,545.00	\$77,250
Mix 4	2 BR - 1 Bath	50% AMI	50		919.00	\$1,685.00	\$84,250
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0

L. UNIT DETAILS

Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
Mix 34								\$0
Mix 35								\$0
Mix 36								\$0
Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
Mix 44								\$0
Mix 45								\$0
Mix 46								\$0
Mix 47								\$0
Mix 48								\$0
Mix 49								\$0
Mix 50								\$0
Mix 51								\$0
Mix 52								\$0
Mix 53								\$0
Mix 54								\$0
Mix 55								\$0
Mix 56								\$0
Mix 57								\$0
Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0
Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0
Mix 78								\$0
Mix 79								\$0
Mix 80								\$0

L. UNIT DETAILS

Mix 81								\$0
Mix 82								\$0
Mix 83								\$0
Mix 84								\$0
Mix 85								\$0
Mix 86								\$0
Mix 87								\$0
Mix 88								\$0
Mix 89								\$0
Mix 90								\$0
Mix 91								\$0
Mix 92								\$0
Mix 93								\$0
Mix 94								\$0
Mix 95								\$0
Mix 96								\$0
Mix 97								\$0
Mix 98								\$0
Mix 99								\$0
Mix 100								\$0
TOTALS			200	10				\$323,000

Total Units	200	Net Rentable SF:	TC Units	165,950.00
			MKT Units	0.00
			Total NR SF:	165,950.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$4,000
2. Office Salaries		\$41,600
3. Office Supplies		\$21,000
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$108,000
<u>2.93%</u> of EGI	<u>\$540.00</u> Per Unit	
6. Manager Salaries		\$52,000
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$3,000
9. Auditing		\$8,500
10. Bookkeeping/Accounting Fees		\$0
11. Telephone & Answering Service		\$4,200
12. Tax Credit Monitoring Fee		
13. Miscellaneous Administrative		\$7,400
Total Administrative		\$249,700

Utilities

14. Fuel Oil		\$0
15. Electricity		\$75,000
16. Water		\$68,000
17. Gas		\$50,000
18. Sewer		\$77,000
Total Utility		\$270,000

Operating:

19. Janitor/Cleaning Payroll		\$41,600
20. Janitor/Cleaning Supplies		\$4,000
21. Janitor/Cleaning Contract		\$5,000
22. Exterminating		\$4,800
23. Trash Removal		\$7,200
24. Security Payroll/Contract		\$20,800
25. Grounds Payroll		\$0
26. Grounds Supplies		\$1,200
27. Grounds Contract		\$19,200
28. Maintenance/Repairs Payroll		\$52,000
29. Repairs/Material		\$26,280
30. Repairs Contract		\$0
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$3,600
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$5,000
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$12,000
37. Miscellaneous		\$0
Totals Operating & Maintenance		\$202,680

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$275,000
39. Payroll Taxes	\$20,592
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$280,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$18,720
44. Health Insurance & Employee Benefits	\$26,400
45. Other Insurance	\$0
Total Taxes & Insurance	\$620,712

Total Operating Expense **\$1,343,092**

Total Operating Expenses Per Unit **\$6,715** **C. Total Operating Expenses as % of EGI** **36.40%**

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$60,000**

Total Expenses	\$1,403,092
-----------------------	--------------------

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	2/24/2022	Seth Gellis
b. Site Acquisition	8/31/2022	Seth Gellis
c. Zoning Approval	3/23/2022	Seth Gellis
d. Site Plan Approval	7/15/2022	Seth Gellis
2. Financing		
a. Construction Loan		
i. Loan Application	4/15/2022	Seth Gellis
ii. Conditional Commitment	4/17/2022	Seth Gellis
iii. Firm Commitment	4/20/2022	Seth Gellis
b. Permanent Loan - First Lien		
i. Loan Application	4/15/2022	Seth Gellis
ii. Conditional Commitment	4/17/2022	Seth Gellis
iii. Firm Commitment	4/20/2022	Seth Gellis
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	3/18/2022	Seth Gellis
3. IRS Approval of Nonprofit Status		
4. Closing and Transfer of Property to Owner	8/31/2022	Seth Gellis
5. Plans and Specifications, Working Drawings	4/6/2022	Melissa Cox
6. Building Permit Issued by Local Government	7/15/2022	Melissa Cox
7. Start Construction	8/31/2022	Seth Gellis
8. Begin Lease-up	8/31/2022	Seth Gellis
9. Complete Construction	8/31/2023	Seth Gellis
10. Complete Lease-Up	8/31/2022	Seth Gellis
11. Credit Placed in Service Date	8/31/2022	Seth Gellis

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"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	10,939,740	0	10,939,740	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
<input type="checkbox"/> e. Structured Parking Garage	0	0	0	0
Total Structure	10,939,740	0	10,939,740	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
<input type="checkbox"/> h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	0	0	0	0
k. Lawns & Planting	0	0	0	0
l. Engineering	150,000	0	150,000	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	150,000	0	150,000	0
Total Structure and Land	11,089,740	0	11,089,740	0
r. General Requirements	588,000	0	588,000	0
s. Builder's Overhead	588,000	0	588,000	0
(5.3% Contract)				
t. Builder's Profit	196,000	0	196,000	0
(1.8% Contract)				
u. Bonds	112,700	0	112,700	0
v. Building Permits	80,000	0	80,000	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: Contractor Liability Insurance	112,700	0	112,700	0
z. Other 2:	0	0	0	0
aa. Other 3:	0	0	0	0
Contractor Costs	\$12,767,140	\$0	\$12,767,140	\$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 \$886 /Unit)	177,100	0	177,100	0
c. Architecture Supervision Fee \$886 /Unit)	177,100	0	177,100	0
d. Tap Fees	0	0	0	0
e. Environmental	7,500	0	7,500	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	57,500	0	57,500	0
i. Market Study	7,500	0	7,500	0
j. Site Engineering / Survey	19,500	0	19,500	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	467,330	0	467,330	0
n. Construction Interest (5.5% for 24 months)	4,640,823	0	2,866,471	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	280,000	0	0	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	15,000	0	15,000	0
v. Title and Recording	255,126	0	255,126	0
w. Legal Fees for Closing	225,000	0	225,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	158,311			
z. Tenant Relocation	300,000	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	25,000	0	0	0
ac. Operating Reserve	849,000	0	0	0
ad. Contingency	200,000	0	200,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	0			
(1) Other* specify: Energy Audit	50,000	0	50,000	0
(2) Other* specify: Construction Monitoring	19,200	0	19,200	0
(3) Other* specify: Equity Bridge Loan Fees	75,000	0	75,000	0
(4) Other* specify: Lender Underwriting Fees	75,000	0	75,000	0
(5) Other * specify: Lender Legal	100,000	0	100,000	0
(6) Other* specify: Predevelopment Interest	75,000	0	75,000	0
(7) Other* specify: Cost of Issuance	476,832	0	0	0
(8) Other* specify:		0	0	0
(9) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$8,732,822	\$0	\$4,869,327	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$21,499,962	\$0	\$17,636,467	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	4,629,997	0	3,000,000	0
4. Owner's Acquisition Costs				
Land	1,645,078			
Existing Improvements	29,354,922	29,354,922		
Subtotal 4:	\$31,000,000	\$29,354,922		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$57,129,959	\$29,354,922	\$20,636,467	\$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:

\$4,629,997

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

\$153 **Meets Limits**
\$231

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

\$130,650 **Meets Limits**
\$225,968

2022 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	(B) Acquisition	"30 % Present Value Credit" (C) Rehab/ New Construction	(D) "70 % Present Value Credit"
1. Total Development Costs	57,129,959	29,354,922	20,636,467	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)		29,354,922	20,636,467	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>			6,190,940	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			26,827,407	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		29,354,922	26,827,407	0
7. Applicable Percentage <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		4.00%	4.00%	4.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$1,174,197	\$1,073,096	\$0
			\$2,247,293 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. Immediate Loan and EBL			\$45,893,010	
2. Developer Fee/NOI as Source			\$8,270,819	
3. Tax Credit Equity			\$2,966,130	
Total Construction Funding:			\$57,129,959	

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 <i>(Whole Numbers only)</i>	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. Immediate Loan			\$32,133,000	\$1,988,790	5.50%	40	
2. NOI as Source			\$3,640,823				
3. Deferred Developer Fee			\$1,579,959				
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:				\$37,353,782	\$1,988,790		

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	\$32,133,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

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

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **62.23%**

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

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

8. Other Subsidies

Action: Provide documentation (**Tab Q**)

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

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

c. **FALSE** Other _____

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

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit			
Amount of Federal historic credits	\$0	x Equity \$	\$0.000 = \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000 = \$0
b. Equity that Sponsor will Fund:			
i. Cash Investment	\$0		
ii. Contributed Land/Building	\$0		
iii. Deferred Developer Fee	\$0	(Note: Deferred Developer Fee cannot be negative.)	
iv. Other:	\$0		
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A.			
Equity Total	<u>\$0</u>		

2. Equity Gap Calculation

a. Total Development Cost	\$57,129,959
b. Total of Permanent Funding, Grants and Equity	- <u>\$37,353,782</u>
c. Equity Gap	\$19,776,177
d. Developer Equity	- <u>\$1,979</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$19,774,198

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	R4 Capital		
Contact Person:	Cory Bannister	Phone:	(602) 793-2256
Street Address:	780 3rd Avenue 16th Floor		
City:	New York	State:	Zip: 10017
b. Syndication Equity			
i. Anticipated Annual Credits	\$2,247,293.00		
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.880		
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99000%		
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0		
v. Net credit amount anticipated by user of credits	\$2,247,068		
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$19,774,198		
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	<u>\$19,774,198</u>
---	---------------------

5. Net Equity Factor

Must be equal to or greater than 85%	<u>87.9999876187%</u>
--------------------------------------	-----------------------

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>\$57,129,959</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$37,353,782</u>
3. Equals Equity Gap		<u>\$19,776,177</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>87.9999876187%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$22,472,932</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$2,247,293</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$2,247,293</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$2,247,293</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$11,236.4650</u>	
Credit per LI Bedroom	<u>\$7,490.9767</u>	
	Combined 30% & 70% PV Credit Requested	<u>\$2,247,293</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	\$323,000
Plus Other Income Source (list): <u>Laundry</u>	\$667
Equals Total Monthly Income:	\$323,667
Twelve Months	x12
Equals Annual Gross Potential Income	\$3,884,000
Less Vacancy Allowance <u>5.0%</u>	\$194,200
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$3,689,800

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

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): <u></u>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <u>0.0%</u>	\$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	\$3,689,800
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$3,689,800
d. Total Expenses	\$1,403,092
e. Net Operating Income	\$2,286,708
f. Total Annual Debt Service	\$1,988,790
g. Cash Flow Available for Distribution	\$297,918

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	3,689,800	3,763,596	3,838,868	3,915,645	3,993,958
Less Oper. Expenses	1,403,092	1,445,185	1,488,540	1,533,197	1,579,192
Net Income	2,286,708	2,318,411	2,350,328	2,382,449	2,414,766
Less Debt Service	1,988,790	1,988,790	1,988,790	1,988,790	1,988,790
Cash Flow	297,918	329,621	361,538	393,659	425,976
Debt Coverage Ratio	1.15	1.17	1.18	1.20	1.21

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	4,073,837	4,155,314	4,238,420	4,323,189	4,409,653
Less Oper. Expenses	1,626,568	1,675,365	1,725,626	1,777,395	1,830,717
Net Income	2,447,269	2,479,949	2,512,794	2,545,794	2,578,936
Less Debt Service	1,988,790	1,988,790	1,988,790	1,988,790	1,988,790
Cash Flow	458,479	491,159	524,004	557,004	590,146
Debt Coverage Ratio	1.23	1.25	1.26	1.28	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	4,497,846	4,587,803	4,679,559	4,773,150	4,868,613
Less Oper. Expenses	1,885,638	1,942,207	2,000,474	2,060,488	2,122,303
Net Income	2,612,207	2,645,595	2,679,085	2,712,662	2,746,310
Less Debt Service	1,988,790	1,988,790	1,988,790	1,988,790	1,988,790
Cash Flow	623,417	656,805	690,295	723,872	757,520
Debt Coverage Ratio	1.31	1.33	1.35	1.36	1.38

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 18

Total Qualified Basis should equal total on Elig Basis Tab

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

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

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.	VA0508001	8		1-8 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
2.	VA0508002	12		9-20 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
3.	VA0508003	12		21-32 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
4.	VA0508004	12		33-44 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
5.	VA0508005	12		45-56 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
6.	VA0508006	16		57-72 Mytilene Drive		Newport News	VA	23605	\$2,348,394	08/31/22	4.00%	\$93,936	\$1,650,917	08/31/22	4.00%	\$66,037			\$0	
7.	VA0508007	16		73-88 Mytilene Drive		Newport News	VA	23605	\$2,348,394	08/31/22	4.00%	\$93,936	\$1,650,917	08/31/22	4.00%	\$66,037			\$0	
8.	VA0508008	8		89-96 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
9.	VA0508009	16		97-112 Mytilene Drive		Newport News	VA	23605	\$2,348,394	08/31/22	4.00%	\$93,936	\$1,650,917	08/31/22	4.00%	\$66,037			\$0	
10.	VA0508010	12		113-124 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
11.	VA0508011	8		125-132 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
12.	VA0508012	8		133-140 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
13.	VA0508013	8		141-148 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
14.	VA0508014	8		149-156 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
15.	VA0508015	12		157-168 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
16.	VA0508016	8		169-176 Mytilene Drive		Newport News	VA	23605	\$1,174,197	08/31/22	4.00%	\$46,968	\$825,459	08/31/22	4.00%	\$33,018			\$0	
17.	VA0508017	12		177-188 Mytilene Drive		Newport News	VA	23605	\$1,761,295	08/31/22	4.00%	\$70,452	\$1,238,188	08/31/22	4.00%	\$49,528			\$0	
18.	VA0508018	12		189-200 Mytilene Drive		Newport News	VA	23605	\$1,761,296	08/31/22	4.00%	\$70,452	\$1,238,187	08/31/22	4.00%	\$49,527			\$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	

200 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings	\$29,354,922		\$20,636,467		\$0
		\$1,174,197		\$825,459	\$0

Number of BINS: 18

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:


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

V. STATEMENT OF OWNER

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

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: MENICSA ANN COX
Virginia License#: 0401018048
Architecture Firm or Company: EBBERSOLDT + ASSOCIATES LLC

By: Melissa Cox

Its: EXECUTIVE PROJECT MANAGER
(Title)

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

W. LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Items 5f and 5g require a numeric value to be entered.

Please remember that this score is only an estimate. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development < no points offered in Cycle 2022 >	N/A	0 pts for 2022	0.00
d. Location in a revitalization area based on Qualified Census Tract	Y	0 or 10	10.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			10.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	N	0 or up to 5	0.00
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	N	Up to 20	0.00
Total:			20.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			31.00
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	N	0 or 20	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
e. Development will be Green Certified	N	0 or 10	0.00
f. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
g. Developments with less than 100 low income units	N	up to 20	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			<u>41.00</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$84,500	\$59,700

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. Developer experience (Subdivision 5a - options a,b or c)	Y	0, 10 or 25	10.00
b. Experienced Sponsor - 1 development in Virginia	N	0 or 5	0.00
c. Experienced Sponsor - 3 developments in any state	N	0 or 15	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
h. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Socially Disadvantaged Principal owner 25% or greater	N	0 or 5	0.00
k. Management company rated unsatisfactory	N	0 or -25	0.00
l. Experienced Sponsor partnering with Local Housing Authority pool applicant	N	0 or 5	0.00
Total:			<u>10.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	33.25
b. Cost per unit		Up to 100	84.36
Total:			<u>117.61</u>

7. BONUS POINTS:

a. Extended compliance	35	Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N		0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N		0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N		Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N		0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	N		0 or 5	0.00
g. Commitment to electronic payment of fees	Y		0 or 5	5.00
Total:			<u>55.00</u>	

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

TOTAL SCORE: 303.61

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	40	20.00
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	0.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	3.00
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	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>31.00</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:		<u>31.00</u>

X. Development Summary

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

Deal Name: City Line Apartments

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$2,247,293
Allocation Type: Acquisition/Rehab **Jurisdiction:** Newport News City
Total Units: 200 **Population Target:** General
Total LI Units: 200
Project Gross Sq Ft: 170,804.00 **Owner Contact:** Scott Fink
Green Certified? FALSE

Total Score
303.61

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$37,353,782	\$186,769	\$219	\$1,988,790
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$11,089,740	\$55,449	\$65	19.41%
General Req/Overhead/Profit	\$1,372,000	\$6,860	\$8	2.40%
Other Contract Costs	\$305,400	\$1,527	\$2	0.53%
Owner Costs	\$8,732,822	\$43,664	\$51	15.29%
Acquisition	\$31,000,000	\$155,000	\$181	54.26%
Developer Fee	\$4,629,997	\$23,150	\$27	8.10%
Total Uses	\$57,129,959	\$285,650		

Total Development Costs	
Total Improvements	\$21,499,962
Land Acquisition	\$31,000,000
Developer Fee	\$4,629,997
Total Development Costs	\$57,129,959

Proposed Cost Limit/Sq Ft: \$153
Applicable Cost Limit/Sq Ft: \$231
Proposed Cost Limit/Unit: \$130,650
Applicable Cost Limit/Unit: \$225,968

Income		
Gross Potential Income - LI Units		\$3,884,000
Gross Potential Income - Mkt Units		\$0
Subtotal		\$3,884,000
Less Vacancy %	5.00%	\$194,200
Effective Gross Income		\$3,689,800

Rental Assistance? FALSE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	100
# of 2BR	100
# of 3BR	0
# of 4+ BR	0
Total Units	200

Expenses		
Category	Total	Per Unit
Administrative	\$249,700	\$1,249
Utilities	\$270,000	\$1,350
Operating & Maintenance	\$202,680	\$1,013
Taxes & Insurance	\$620,712	\$3,104
Total Operating Expenses	\$1,343,092	\$6,715
Replacement Reserves	\$60,000	\$300
Total Expenses	\$1,403,092	\$7,015

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	200	200
60% AMI	0	0
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Cash Flow	
EGI	\$3,689,800
Total Expenses	\$1,403,092
Net Income	\$2,286,708
Debt Service	\$1,988,790
Debt Coverage Ratio (YR1):	1.15

Extended Use Restriction? 50

i. Efficient Use of Resources

Credit Points for 9% Credits:

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

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

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

Combined Max	\$2,247,293
Credit Requested	\$2,247,293
% of Savings	0.00%
Sliding Scale Points	0

4% Deals EUR Points 33.25

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	\$26,129,959
Total Square Feet	170,804.00
Proposed Cost per SqFt	\$152.98
Applicable Cost Limit per Sq Ft	\$231.00
% of Savings	33.77%
Total Units	200
Proposed Cost per Unit	\$130,650
Applicable Cost Limit per Unit	\$225,968
% of Savings	42.18%
Max % of Savings	42.18%
Sliding Scale Points	84.36

\$/SF = **\$329.13** Credits/SF = **13.53791** Const \$/unit = **\$63,835.70**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

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

11000
500
3

500
3

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

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

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	758.00	902.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	100	100	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	11,550	15,675	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	11,550	15,675	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	11,550	15,675	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	10,262	12,211	0	0	0	0	0
CREDIT PER UNIT POINTS	0.00	11.15	22.10	0.00	0.00	0.00	0.00	0.00

TOTAL CREDIT PER UNIT POINTS

33.25

Credit Parameters - Elderly

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

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	11,550	15,675	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	11,550	15,675	0	0	0	0	0

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

Credit Parameters - Elderly

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

Credit Parameters - General

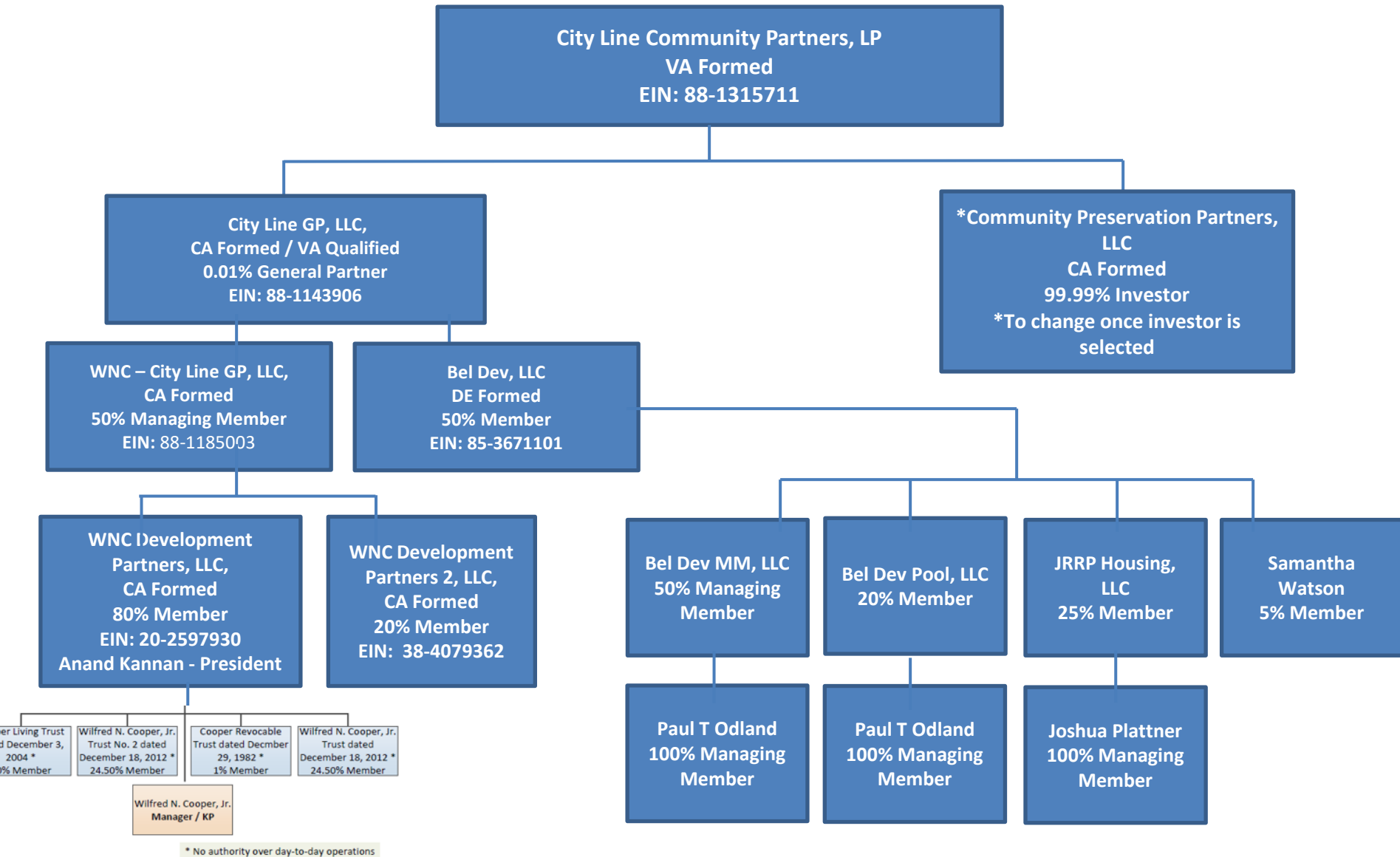
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	11,550	15,675	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	11,550	15,675	0	0	0	0	0

This deal does not require
information behind this tab.

Tab A:

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

Organizational Chart of City Line Community Partners, LP



* No authority over day-to-day operations

**AGREEMENT OF LIMITED PARTNERSHIP
OF
CITY LINE COMMUNITY PARTNERS, LP
a Virginia limited partnership**

This Agreement of Limited Partnership (the "**Agreement**") is made as of March 18, 2022, by and between City Line GP, LLC, a California limited liability company ("**General Partner**"), as a general partner, and Community Preservation Partners, LLC, a California limited liability company ("**Limited Partner**"), as a limited partner. General Partner and Limited Partner are each a "**Partner**" and, together, the "**Partners**", as follows:

1. Formation of Limited Partnership. City Line Community Partners, LP, a Virginia limited partnership (the "**Partnership**") was organized as a partnership under the laws of the Commonwealth of Virginia pursuant to a Certificate of Limited Partnership, which was filed with the State Corporation Commission of the Commonwealth of Virginia on March 18, 2022 (the "**Certificate**"). The Partners are entering into this Agreement to set forth the terms and conditions of their relationship as Partners of the Partnership.

2. Name and Principal Office. The name of the Partnership is City Line Community Partners, LP, a Virginia limited partnership, whose principal office and place of business is located at 17782 Sky Park Circle Irvine, California 92614, or such other location as may hereafter be determined by the Partners.

3. Intent to Amend and Restate. The Partners intend to amend and restate this Agreement in the future to admit a tax credit investor as a limited partner of the Partnership to replace the Partners in their capacity as limited partners.

4. Purpose. The business and purpose of the Partnership shall be to own, develop, operate, maintain, finance, and sell or otherwise dispose of those certain properties commonly known as City Line Apartments, located at 155-A Mytilene Drive, Newport News, Virginia 23605 (the "**Property**"), and to enter into such agreements and make such presentations before governmental authorities as are necessary for, and to carry out the acquisition, financing, ownership, development and leasing of the Property as low income housing and appurtenant uses.

5. Designation of Agent for Service of Process. The agent for service of process for the Partnership shall be Corporation Service Company located at 100 Shockoe Slip, Floor 2, Richmond, Virginia 23219.

6. Term of Partnership. The Partnership commenced as of the time of the filing of the Certificate of Limited Partnership with the State Corporation Commission of the Commonwealth of Virginia and shall continue until terminated pursuant to the terms of this Agreement.

7. Contributions; Percentage Interests. As of the execution and delivery of this Agreement, the balances of the Contribution Accounts (as defined below) are as set forth in the

books and records of the Partnership. For its contribution, each Partner shall have the following percentage interests in the Partnership (each, a “**Percentage Interest**”): (a) General Partner shall have a 0.01% Percentage Interest in the Partnership; and (b) Limited Partner shall have a 99.99% Percentage Interest in the Partnership. The Partnership shall maintain for accounting purposes the following memorandum account (“**Contribution Account**”) for each Partner: the initial balance of such account shall be such Partner's initial capital contribution, if any; the balance of such account shall be increased by each additional capital contribution, if any, made by such Partner. The balance of the Contribution Account of each Partner shall be decreased by any withdrawals of capital in accordance with the express terms of this Agreement and distributions made to such Partner under this Agreement.

8. Limitation of Liability. Except as otherwise provided by law, the Partners, in their capacity as limited partners, shall not be liable to the Partnership for any cash or property in excess of their respective capital contributions.

9. Taxable Gain, Tax Loss and Distributions. All taxable gains and tax losses shall be allocated to the Partners in accordance with their respective Percentage Interests. Distributions of the Partnerships' assets to the Partners shall be made in the Partners' discretion and such distributions shall be made to the Partners first as a return of capital until each Partner has received a return of the balance of its Contribution Account, and then in accordance with their respective Percentage Interests.

10. Capital Accounts. A capital account shall be maintained for each Partner in accordance with Treasury Regulations section 1.704-1(b)(2)(iv).

11. Management of Partnership. The General Partner shall have exclusive control over the business of the Partnership and shall have all rights, powers and authority conferred by law as necessary, advisable or consistent in connection therewith.

12. Transfer or Pledge. A Partner's interest in the Partnership shall not be assigned, pledged, sold or otherwise transferred, in whole or in part, without the prior written consent of the Partners.

13. Additional or Substituted Partners. Additional general or limited partners or substitute general or limited partners may be admitted to the Partnership upon such terms and conditions as the Partners deem necessary.

14. Indemnification. The Partnership does hereby indemnify, defend, protect and agree to hold each Partner wholly harmless from and against any loss, cost, damage, liability, claim, suit, action, cause of action, fine, penalty or expense, including, without limitation, reasonable attorneys' fees, suffered by a Partner by reason of anything which such Partner may do or refrain from doing hereafter for or on behalf of the Partnership and in furtherance of its interest; provided, however, that the Partnership shall not be required to indemnify a Partner from any loss, expense or damage which such Partner may suffer as a result of any action taken by such Partner beyond the authority of such Partner.

15. Dissolution and Winding Up. Upon written notice to the Partnership by the Partners, the Partnership shall be dissolved and the business wound up.

16. Governing Law. The validity and enforceability of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia in every respect and unless expressly or by necessary implication contravened by any provisions hereof.

17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same document.

18. Notices. All notices, demands, requests or other communications (collectively, “**Notices**”) which are required or permitted to be given, served or sent by any Partner to any other Partner pursuant to this Agreement shall be in writing and shall be hand delivered or mailed by registered or certified mail, return receipt requested, postage prepaid or by a nationally recognized overnight delivery service addressed to the recipient at its address set forth below (or at such other address as the recipient shall theretofore have designated in accordance with this Section 18). Each notice, demand, request or communication which shall be hand delivered or mailed in the manner described above shall be deemed sufficiently given, served, sent, received or delivered for all purposes on the first business day following the date on which such notice was delivered to the addressee (with the return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive (but not exclusive) evidence of such delivery) or on the first business day following the date on which delivery of such notice was refused by the addressee upon presentation. Subject to the foregoing, all Notices shall be addressed as follows:

(i) If to General Partner: City Line GP, LLC
c/o WNC – City Line GP, LLC
17782 Sky Park Circle
Irvine, California 92614
Attention: Anand Kannan

With a copy to: City Line GP, LLC
c/o WNC – City Line GP, LLC
11951 Freedom Drive, Suite 1204
Reston, Virginia 20190
Attention: Seth Gellis

(ii) If to Limited Partner: Community Preservation Partners, LLC
17782 Sky Park Circle
Irvine, California 92614-6404
Attention: Anand Kannan

With a copy to: Community Preservation Partners, LLC
11951 Freedom Drive, Suite 1204
Reston, Virginia 20190
Attention: Seth Gellis

[Signatures appear on the following page]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Limited Partnership as of the date first above written.

GENERAL PARTNER:

CITY LINE GP, LLC,
a California limited liability company,

By: WNC – City Line GP, LLC,
a California limited liability company
Its: Managing Member


By: WNC Development Partners, LLC,
a California limited liability company
Its: Member

By: 

Anand Kannan
President

By: WNC Development Partners 2 LLC,
a California limited liability company
Its: Member


By: WNC Development Partners, LLC,
a California limited liability company
Its: Manager

By: 

Anand Kannan
President

LIMITED PARTNER:

COMMUNITY PRESERVATION PARTNERS, LLC,
a California limited liability company

By: 

Name: Anand Kannan
Title: President

OPERATING AGREEMENT
of
WNC – CITY LINE GP, LLC

This Operating Agreement (this “**Agreement**”) of WNC – CITY LINE GP, LLC, a California limited liability company (the “**Company**”), is dated as of March 3, 2022, by **WNC DEVELOPMENT PARTNERS, LLC**, a California limited liability company (the “**WNC Development**”), and **WNC DEVELOPMENT PARTNERS 2, LLC**, a California limited liability company (“**WNC Development II**”, and together with WNC Development, each, a “**Member**”, and collectively, the “**Members**”), with reference to the following facts:

RECITALS

- A. The Articles of Organization (the “**Articles**”) of the Company were filed March 3, 2022, with the California Secretary of State.
- B. The Members now desires to adopt and approve an operating agreement for the Company.

AGREEMENT

1. Formation. The Members, by filing the Articles, formed a limited liability company pursuant to and in accordance with the California Revised Uniform Limited Liability Company Act (California Corporations Code Section 17701.01-17713.13.), as amended from time to time (the “**Act**”).
2. Name. The name of the Company is WNC – City Line GP, LLC.
3. Term. The Company shall continue until terminated as provided in Section 18.
4. Purpose and Powers. The purpose of the Company is to engage in any lawful activity for which a limited liability company may be organized under the Act.
5. Principal Business Office. The principal office of the Company shall be located at 17782 Sky Park Circle, Irvine, California 92614, or at such location as may hereafter be determined by the Managing Member.
6. Registered Agent and Office. The Company’s registered agent and office in California shall be David N. Shafer, 17782 Sky Park Circle, Irvine, California 92614 or at such location as may hereafter be determined by the Managing Member.
7. Member Mailing Address. The mailing address for the Members is set forth on Schedule 1 attached hereto.
8. Limited Liability. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither of the Members shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company.

9. Capital Contributions. Each of the Members has contributed to the capital of the Company, in cash and other property, as described in Schedule 1 attached to this Agreement, as an initial capital contribution into the Company. No Member shall be obligated to make any additional contribution to the Company's capital without the prior unanimous written consent of the Members.

10. Capital Accounts. A capital account shall be maintained for each Member. Each Member's capital account shall be determined and maintained throughout the term of the Company in accordance with the requirements of Section 704(b) of the Internal Revenue Code of 1986, as amended, or its counterpart in any subsequently enacted Internal Revenue Code (the "**Code**"), and any of the U.S. Department of the Treasury Regulations (the "**Regulations**") promulgated from time to time thereunder. Such capital account shall be credited with each capital contribution made by the Member and all income allocated to the Member and shall be debited with each distribution made to the Member and all losses allocated to the Member.

11. Distributions.

a. *Distributable Cash*. The amount of cash available for distribution to the Members (the "**Distributable Cash**") as of the end of each calendar year of the Company shall be determined by the Managing Member, on or before one hundred fifty (150) days after the end of such calendar year, by deducting from total cash receipts of the Company for such calendar year, or from time to time as determined by the Managing Member, the total of: (i) all capital transactions (proceeds from a sale, transfer assignment or exchange of Company property, a finance or refinance of Company property or any entity in which the Company has a direct or indirect interest, or other similar transactions which, in accordance with generally accepted accounting principles, are treated as capital transactions); (ii) all cash payments, to the extent such payments exceeded cash on hand at the beginning of such year; and (iii) additional cash amounts reasonably necessary to be set aside as reserves for future payments and expenses. Distributable Cash shall be distributed to the Members in proportion to the ownership interests set forth on Schedule 1 attached hereto. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Members on account of its interest in the Company if such distribution would violate Section 17704.04 of the Act or other applicable law.

b. *Distributions to Members*. Distributable Cash shall be distributed to the Members at the discretion of the Managing Member. Distributions in liquidation of the Company or in liquidation of a Member's Interest shall be made in accordance with the positive capital account balances pursuant to Regulation 1.704.1(b)(2)(ii)(b)(2). To the extent a Member has a negative capital account balance, there shall be a qualified income offset, as set forth in Regulation 1.704.1(b)(2)(ii)(d).

12. Allocation of Income and Losses. Income and losses shall be allocated among the Members as follows:

a. Income shall be allocated in the same manner as distributions are actually made pursuant to Section 11(b) above, or if income exceeds actual distributions, such excess shall be allocated in proportion to the Interests of the Members.

b. Losses (including, without limitation, depreciation) shall be allocated to the Members in proportion to their capital contributions until the same have been reduced to zero, and thereafter shall be allocated in proportion to the Interests of the Members.

c. For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Schedule 1 as amended from time to time in accordance with Regulation 1.704-1.

13. Membership Interests; Management.

a. *Interests.* The Members, their addresses, capital contributions and percentages of interest ("**Interest**") of each Member in the Company are as set forth in Schedule 1.

b. *Management.* WNC Development shall be the managing member of the Company (the "**Managing Member**"). Except as otherwise provided in this Section 13, the Managing Member shall have the exclusive authority to manage the operations and affairs of the Company and to make all decisions regarding the Company and its business. Subject to this Section 13, any action approved by the Managing Member will constitute the act of and serve to bind the Company. The signature of a person authorized by the Managing Member is sufficient to bind the Company with respect to the matter or matters so approved. No member, without the written approval of Managing Member, may bind the Company to any agreement with or obligation to any third party or represent or claim to have the ability to do so and all statements of the Company filed or recorded by the Members or by the Company, if possible, must so state. The Managing Member will not be required to hold meetings to make management decisions but may do so if and as desired and appropriate.

c. *Certain Decisions.* The following matters require the unanimous consent of the Members:

(i) A substantial change in the purposes of the nature of the business of the Company;

(ii) The admission or withdrawal of Members or a change in their Interests in any manner other than in accordance with this Agreement;

(iii) Any amendment to this Agreement;

(iv) A change in the Managing Member of the Company; and

(v) Changes in tax elections and accounting policies of the Company that materially affect the capital accounts of the Members or their Interests.

d. *Meetings and Consents of Members.* Actions of Members may be taken at meetings, by written consent of all Members, or otherwise as determined by a majority of the Interests of the Members. If action is taken at a meeting, an appropriate record of the action taken shall be made and retained in the Company's records. If the action is by written consent, executed copies shall be maintained in the Company's records. Meetings of Members may be called by any

Member. Reasonable notice shall be given to each Member of any meeting of Members. Notice is reasonable if it specifies briefly the nature of the matters to be presented at the meeting, and is sent or delivered in a manner that in the ordinary course of business would be received by each Member not less than five (5) business days before the day of the meeting. Members may participate in meetings by telephone, or by written proxy.

e. *Exculpation.* No act or omission of the Managing Member, the effect of which may cause or result in loss or damage to the Company or the Members if done in good faith to promote the best interests of the Company, shall subject the Managing Member acting or failing to act to any liability to the Members.

f. *Officers.* The Managing Member may designate one or more individuals as officers of the Company, who shall have such titles and exercise and perform such powers and duties as shall be assigned to them from time to time by the Managing Member. Any officer may be removed by the Managing Member at any time, with or without cause. Each officer shall hold office until his or her successor is elected and qualified. Any number of offices may be held by the same individual.

14. Tax Matters. The Company shall file as a partnership for Federal and state income tax purposes and shall be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code. The Members shall make all applicable elections, determinations, and other tax decisions for the Company relating to the Federal, state, or local tax matters, including, without limitation, the positions to be taken on the Company's tax returns and the settlement or further contest and litigation of any audit matters raised by the Internal Revenue Service or any other taxing authority.

15. Partnership Representative.

a. All Members hereby acknowledge and agree that Managing Member shall be "**Partnership Representative**" pursuant to the Code in connection with any audit of the federal income tax returns of the Company. The Partnership Representative shall keep the Members advised of any dispute the Company may have with any federal, state or Local taxing authority. The Partnership Representative shall consult with the Members regarding the nature and content of all action and defense to be taken by the Company in response to any proceeding for that period including, but not limited to, (x) providing the other members with copies of all correspondence received from the Internal Revenue Service ("**IRS**"); (y) providing the other Member with copies of all drafts of correspondence from the Partnership Representatives to the IRS and the other Members shall have a reasonable opportunity to comment on such drafts and (z) considering in good faith any suggestions from the other Members regarding such proceedings. The Company may engage accountants and legal counsel to assist the Partnership Representative in discharging its duties hereunder. If the Partnership Representative withdraws from the Company, the Members shall designate a successor Partnership Representative in accordance with Regulation Section 301.6231 (a)(7)-1 or any successor regulation. The successor Partnership Representative shall notify the IRS of its designation as such for such year as well as for all prior years that the withdrawn Partnership Representative was serving as Partnership Representative.

b. Notwithstanding the foregoing, to the maximum extent permitted by the Code and related regulations, the Partnership Representative agrees not to take any of the following actions without the consent of the Members:

(i) Enter into any agreement with the IRS to extend the period for assessing any tax that is attributable to any “partnership item” or “affected item” as those terms are defined in Section 6231 of the Code;

(ii) Settle any audit with the IRS concerning the adjustment of any Company item;

(iii) Commence or settle any tax court case or other judicial or administrative proceeding;

(iv) File a request for an administrative adjustment with the IRS or file a petition for judicial review with respect to such administrative adjustment;

(v) Intervene in any action brought by the other Members for judicial review of a final adjustment with the IRS; or

(vi) Consent, to the extent its consent is required or requested by an entity in which the Company is a member of, to the taking by such entity of any of the actions described in the above clauses (i) through (v).

The Members will have the right at any time to designate a Member or affiliate as Partnership Representative of the Company in place of Managing Member upon notice to Managing Member, upon which Managing Member shall cease to have any rights as Partnership Representative.

c. In the event of a transfer of all or part of the Interest of a Member in the Company, at the request of such Member, the Members shall cause the Company to elect, pursuant to Section 754 of the Code, or the corresponding provisions of subsequent law, to adjust the basis of Company property as provided in Section 734 and 743 of the Code.

16. Other Business. The Members may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement.

17. Transfers.

a. Except as provided in this Section 17, a Member may not transfer all or any part of his Interest, or pledge, grant a security interest in, or otherwise encumber his Interest unless all Members consent in writing. In addition, no assignment, transfer, sale, exchange or other disposition of the Interest of a Member shall be made if such disposition would, in the opinion of the Members (i) cause the Company to be terminated for federal income tax purposes or to be treated as an association taxable as a corporation (rather than a limited liability company) for federal income tax purposes; (ii) violate the provisions of any federal or state securities laws;

or (iii) violate the terms of (or result in a default or acceleration under) any law, rule, regulation, agreement or commitment binding on the Company.

b. *Transfer.* If a Member transfers its interest or any fraction thereof to another person in accordance with the provisions of this Section 17, such person shall have the right to be substituted as a Member (the “**Substituted Member**”) to the extent of the interest so assigned, and shall become such upon the date of full compliance with the conditions set forth herein.

c. *Allocation of Profits and Losses.* In the event of a transfer pursuant to this Section 17, all profits and losses of the Company for the entire fiscal year in which the transfer date occurs shall be allocated between the transferring Member and the Substituted Member according to the length of time during such fiscal year, as measured by the transfer date, that the transferred interest or fraction thereof was owned by each of such persons

18. Dissolution. The Company shall be dissolved upon the earliest to occur of the following events:

a. the agreement by all Members that the Company should be dissolved;

b. the Company shall be dissolved and its affairs shall be wound up when required by a decree of judicial dissolution entered under Section 17707.01 of the Act;

c. the closing of the sale or other disposition of all of the assets of the Company;

or

d. the bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within one hundred twenty (120) days after the date of the event, elect to continue the business of the Company.

Upon the dissolution of the Company, its business shall be wound up and, except as otherwise provided herein, its properties liquidated, and the net proceeds of the liquidation, together with any property to be distributed in kind, shall be distributed as follows: (a) first, to the payment of the Company’s debts and obligations that are then due, including any loans or advances that may have been made by any of the Members (such debts and obligations to creditors other than Members having priority over debts and obligations to Members) and the expenses of winding up and liquidation; and (b) second, to the Members as set forth in herein. Upon the complete liquidation and distribution of the assets of the Company, (i) the Members shall cease to be Members of the Company, (ii) the Members shall execute, acknowledge and cause to be filed all certificates and notices required by law to terminate the Company, (iii) the Members shall cause to be prepared, and shall furnish to each Member, a statement setting forth the assets and liabilities of the Company, and (iv) promptly following the complete liquidation and distribution of the assets of the Company, each Member shall be furnished a statement showing the manner in which the Company’s assets were liquidated and distributed.

19. Records and Books. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the accounting methods followed for federal income tax purposes, or such other commonly accepted accounting methods as may be selected by the Managing Member from time to time. The books and records

of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain at its principal office in California all of the following:

- a. a current list of the full name and last known business or residence address of the Members, together with the capital account and capital contributions of the Members;
- b. a copy of the Articles and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Articles or any amendments thereto have been executed;
- c. copies of the Company's federal, state, and local income tax or information returns and reports, if any;
- d. a copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;
- e. copies of the financial statements of the Company, if any, for the six (6) most recent fiscal years; and
- f. the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

20. Tax Returns. The Managing Member shall cause to be prepared at least annually, at Company expense, information necessary for the preparation of the Company's federal and state income tax returns. The Company shall send or cause to be sent to the Managing Member within ninety (90) days after the end of each taxable year such information as is necessary to complete federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for that year.

21. Filings. The Managing Member, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Managing Member, at Company expense, shall also cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or restatements of the Articles and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations.

22. Bank Accounts. The Managing Member shall maintain the funds of the Company in one or more separate bank accounts.

23. Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Managing Member. The Managing Member may rely upon the advice of its accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes. Each Member shall have the right to obtain from the Company upon reasonable notice during normal business hours, at the requesting Member's expense, the following: (a) true and complete information regarding the status of the business and financial condition of the Company including, without limitation, monthly reports prepared by the Managing Member; (b) promptly after becoming

available, a copy of the Company's Federal, state, and local income tax returns for each fiscal year; (c) copies of all formation documents of the Company; (d) information regarding contributions from and distributions to each Member; and (e) other information regarding the affairs of the Company as is reasonably available. All such information shall be kept as confidential, except only as disclosure to third parties is required by law.

24. Power of Attorney. Each Member hereby appoints and constitutes the Managing Member as the Attorney-in-fact for such Member with power and authority to act in its name and on its behalf in the execution, acknowledgment and filing of the following: (a) any instrument which may be required to be filed by the Company under the laws of any state or by any governmental agency; (b) any documents which may be required to effect, in accordance with the terms of this Agreement, the continuation of the Company, the admission of an additional or a Substituted Member or the dissolution and termination of the Company; (c) all fictitious, assumed or trade names, certificates or affidavits required or permitted to be filed on behalf of the Company; and (d) all other instruments which may be required or permitted by law to be filed on behalf of the Company and which are not inconsistent with this Agreement.

25. Severability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

26. Entire Agreement. This Agreement constitutes the entire agreement of the Company with respect to the subject matter hereof.

27. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of California (without regard to conflict of laws principles), all rights and remedies being governed by said laws.

28. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a written agreement executed and delivered by the Members.

29. Survival. The indemnification provided herein and any other provisions hereof which state that they expressly survive the termination of the Company shall survive the termination or expiration of this Agreement or the Company.

30. Benefits; Binding Effect. The covenants and agreements contained herein shall inure to the benefit of and be binding upon the Company and its respective permitted successors and permitted assigns. Any permitted person or entity succeeding to the interest of a Member hereunder shall succeed to all of such Member's rights, interests and obligations under this Agreement and be subject to all of the terms and conditions of this Agreement.

31. No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm, corporation, partnership, association or other entity, other than the parties hereto and their respective legal representatives and permitted successors and assigns, any rights or remedies under or by reason of this Agreement.


32. Indemnification. To the fullest extent permitted by law, the Company shall defend, indemnify and save harmless any officer, the Members Member, and their respective direct or indirect agents, employees, representatives, officers, directors, shareholders or partners from and against all claims, losses, damages, cost, expense, demands, liabilities, obligations, liens, encumbrances, rights of action or attorneys' fees sustained by reason of any act performed, or omitted to be performed, in good faith and without gross negligence or willful misconduct, within the scope of their respective authority expressly conferred by this Agreement, to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. Such indemnity shall not be construed to limit or diminish the coverage of any Member under any insurance obtained by the Company. Payment shall not be a condition precedent to any indemnification provided in this Agreement.

[THE REMAINDER *of this* PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Operating Agreement of WNC — City Line GP, LLC as of the date first above stated.

WNC DEVELOPMENT:


WNC DEVELOPMENT PARTNERS, LLC,
a California limited liability company

By: 

Anand Kannan
President

WNC DEVELOPMENT II:

WNC DEVELOPMENT PARTNERS 2, LLC,
a California limited liability company

By: 

Anand Kannan
President

SCHEDULE 1

**NAME, ADDRESS *and* LIMITED LIABILITY COMPANY INTERESTS
of the MEMBERS**

Name & Title	Address	LLC Interests
WNC Development Partners, LLC	17782 Sky Park Circle Irvine, California 92614	80%
WNC Development Partners 2, LLC	17782 Sky Park Circle Irvine, California 92614	20%

TAB A

LPA

Developer Fee Agreement

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this "Agreement") is made and entered into effective as of the [] day of [], 2022, by and among **CPP EAST, LLC**, a California limited liability company ("Developer") and **CITY LINE COMMUNITY PARTNERS, LP**, a Virginia limited partnership (the "Owner").

WITNESSETH:

WHEREAS, the Owner has been formed for the purposes, *inter alia*, of acquiring, financing, owning, constructing, rehabilitating, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of that certain real property commonly known as City Line Apartments together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements will collectively be 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");

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

WHEREAS, the parties desire to enter into this Agreement and set forth the obligations of, and the services to be performed by, the Developer and the compensation for such services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree that all prior agreements are hereby replaced in their entirety by this Development Agreement as follows:

Section 1. [Reserved]

Section 2. Obligations of the Developer. The Developer shall have the following duties; to the extent they have not already been performed:

(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 Owner 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,

rehabilitation, and construction of the Project 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 Owner;

(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 Owner; 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.

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

Section 3. Services Not Contemplated By This Agreement. The Developer is not responsible for in any manner or form and shall not perform any of the following services, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Owner, the General Partner and/or consultants or others engaged by the Owner:

(a) any services with respect to the acquisition of the land or buildings included in the Project or development of nonresidential improvements;

(b) services in connection with obtaining an allocation of Credits;

(c) any services in connection with obtaining commitments from and negotiating with any permanent lender to the Project;

(d) any services in connection with the syndication of the Owner or placement of the equity from investor limited partners;

(e) any services with respect to the lease-up of the Project units (such services already having been contemplated in the Management Agreement);

(f) any services in connection with the organizational structure of the Project and any entity with respect thereto or the organization of the Owner; and

(g) any services in connection with obtaining any rental subsidies for the Project.

The Developer understands that it will not be paid and at no time will be due any amount under this Agreement if and to the extent the Developer should perform any such services. In connection hereto, the Developer represents, warrants and covenants that, to the best of its knowledge, it has not performed and will not perform any of such services in connection with this Agreement and, in the event the Developer has performed or does perform any such services, it agrees that no compensation at any time payable to the Developer pursuant to this Agreement will be attributable to any such services.

Section 4. Development Fee. All amounts due and payable hereunder shall be paid in accordance with Section [] of the Amended and Restated Agreement of Limited Partnership of the Owner, dated as of the date hereof (the “Partnership Agreement”). In consideration of the performance by the Developer of the development services described herein, the Owner shall pay to the Developer a development fee (the “Development Fee”) in the amount of [\$ _____], of which, [\$ _____] shall be paid as the Deferred Developer Fee, as defined in the Partnership Agreement, in accordance with Sections [] and [] of the Partnership Agreement. The Owner and the Developer acknowledge that the Development Fee shall be paid to Developer [__%] at equity/debt closing and the remainder in accordance with the Development Fee Schedule contained in the Partnership Agreement. 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 Owner, the acquisition of land or existing buildings included in the Project, obtaining an allocation of 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 Owner, the and the General Partner (as defined in the Partnership Agreement) and/or consultants or others engaged by the Owner. In addition, the Developer hereby acknowledges and agrees that the Development Fee shall be reduced to the extent necessary to ensure that at least fifty percent (50%) of the aggregate basis of the building(s) in the Project and the land on which the building is located (including any allocable portion of the Development Fee relating thereto) were financed with the proceeds of the Bonds, if applicable.

Section 5. 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 Owner except as set forth in this Agreement, the Partnership Agreement or 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 30 days’ prior notice and opportunity to cure.

Section 6. 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.

(b) 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.

(c) 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.

(d) 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. Notwithstanding the foregoing, to the extent the terms of this Agreement conflict with the terms of the Partnership Agreement, the Partnership Agreement shall control.

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

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

(g) This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Owner and its partners and no benefits to third parties are intended.

(h) In the event any provision hereof is deemed to be unenforceable, 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.

(i) 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.

(j) 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.

(k) All capitalized terms herein shall have the same meanings as set forth in the Partnership Agreement, except as otherwise expressly set forth herein.

Section 7. 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 the Partnership Agreement. 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 8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 9. Responsibilities of the Owner. In order for the Developer to perform duties described herein, the Owner shall:

- (a) provide full information regarding its requirements for the Project;
- (b) 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
- (c) if the Owner 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 10. 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 11. Assignment of Existing Contracts. The Developer hereby conveys, assigns and delivers to the Owner all of its right, title and interest in and to all contracts related to the development, design, construction, leasing, management or operation of the Project entered into by the Developer for the benefit of the Owner. The Owner hereby unconditionally promises to reimburse promptly (after receipt by the Owner of invoices or other documentation evidencing the incurred costs) the Developers for any and all costs incurred by the Developer on behalf of the Owner in the development of the Project.

IN WITNESS WHEREOF, the parties have executed this Development Fee Agreement on the date and year first above written.

DEVELOPER:

CPP EAST, LLC,
a California limited liability company

By: _____

Name: Anand Kannan

Title: President

IN WITNESS WHEREOF, the parties have executed this Development Fee Agreement on the date and year first above written.

OWNER:

CITY LINE COMMUNITY PARTNERS, LP,
a Virginia limited partnership

By: City Line GP, LLC, a California
limited liability company, its general partner

By: WNC – City Line GP, LLC,
a California limited liability company
Its: Managing Member

By: WNC Development Partners, LLC,
a California limited liability company
Its: Member

By: _____
Anand Kannan
President

By: WNC Development Partners 2 LLC,
a California limited liability company
Its: Member

By: WNC Development Partners, LLC,
a California limited liability company
Its: Manager

By: _____
Anand Kannan
President

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth OF Virginia



State Corporation Commission

CERTIFICATE OF FACT

I Certify the Following from the Records of the Commission:

A certificate of limited partnership was filed with the Commission on behalf of City Line Community Partners, LP, a limited partnership formed under the law of VIRGINIA, effective as of March 18, 2022.

As of the date set forth below, a certificate of cancellation canceling the existence of City Line Community Partners, LP, a Virginia limited partnership, has not been filed in the Office of the Clerk of the Commission.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

April 7, 2022

A handwritten signature in black ink, appearing to read "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

Tab C:

Principal's Previous Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: City Line Apartments
Name of Applicant (entity): City Line Community Partners, LP
City Line GP, LLC

I hereby certify that:

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

Previous Participation Certification, cont'd

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

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

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



Signature

Anand Kannan

Printed Name

4/7/2022

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

Tab D:

List of LIHTC Developments (Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name: Josh Plattner

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
 Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Summerfield	Summerfield Housing Partners, LP, 415-273-6800	N	396	396	Not yet	Not yet	N
2	Riverwood Townhomes	Riverwood Housing Partners, LP, 415-273-6800	N	282	282	Not yet	Not yet	N
3	Hidden Valley	Hidden Valley Housing Partners, LP, 415	N	200	200	Not yet	Not yet	N
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 878 878

LIHTC as % of Total Units
 100%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Cooper Living Trust		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.?	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N)	Explain "Y"			
1	Victory-Fiedler LLC- Staten Island, NY	Y	39	39	6/30/2013	7/23/2014	N				
2	MORH Community Partners, LP- Oakland, CA	Y	126	126	3/25/2016	9/28/2017	N				
3	Northgate Terrace Community Partners, LP- Oakland, CA	Y	201	201	2/28/2016	11/3/2017	N				
4	Oak Center Community Partners, LP- Oakland, CA	Y	77	77	12/31/2016	1/3/2018	N				
5	Riverside Community Partners, LP- Coachella, CA	Y	100	100	9/15/2006	01/15/2009	N				
6	Compton Garden, L.P.- Compton, CA	N	18	18	8/14/2002	01/23/2008	N				
7	Humboldt 2007 Community Partners, LP- McKinley, CA	Y	50	50	6/20/2008	02/15/2010	N				
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Y	51	51	10/15/2005	02/25/2009	N				
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Y	90	90	8/31/2013	03/19/2014	N				
10	Riverwood Village, LP- Loughlin, NY	Y	208	208	7/1/2008	04/01/2009	N				
11	Broadway Manor Community Partners, LP- Blythe, CA	Y	64	64	8/29/2013	04/01/2014	N				
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Y	102	102	9/29/2008	04/14/2010	N				
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Y	88	88	8/16/2006	04/17/2009	N				
14	NW Manor Community Partners, LP- Pasadena, CA	Y	44	44	8/31/2015	04/20/2017	N				
15	Kings Community Partners, LP- Corcoran, CA	Y	88	88	8/16/2006	04/29/2009	N				
16	Anderson Shasta Community Partners, LP- Anderson, CA	Y	100	100	8/1/2007	05/21/2009	N				
17	Park Sunset Community Partners, LP- San Francisco, CA	Y	30	30	2/1/2016	06/23/2017	N				
18	Los Banos Community Partners, LP- Los Banos, CA	Y	50	50	8/16/2006	07/30/2009	N				
19	Coral Wood Court Community Partners, LP- Reseda, CA	Y	106	106	10/31/2013	08/12/2014	N				
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Y	92	92	10/31/2013	08/13/2014	N				
21	Bellflower FM Community Partners, LP- Bellflower, CA	Y	144	144	3/31/2016	09/08/2017	N				
22	San Dimas Community Partners, LP- San Dimas, CA	Y	65	65	4/16/2013	09/15/2014	N				
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	Y	50	50	6/30/2012	09/19/2013	N				
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	Y	65	65	4/16/2015	10/18/2016	N				
25	McCloud River Community Partners, LP- McCloud, CA	Y	42	42	11/19/2013	11/24/2014	N				
26	Monument Arms Communities Partners, LP- Fairfield, CA	Y	92	92	6/9/2015	11/28/2016	N				
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Y	172	172	4/9/2008	12/01/2009	N				
28	Franco Community Partners, LP- Stockton, CA	Y	110	110	12/8/2016	12/07/2017	N				
29	Arbor Terrace Community Partners, LP- Colton, CA	Y	129	129	5/23/2014	12/09/2015	N				
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	Y	89	89	8/31/2015	6/27/2017	N				
31	Courtyard Community Partners, LP- San Jose, CA	Y	81	81	5/1/2016	5/2/2018	N				
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	Y	48	48	11/6/2018	5/29/2018	N				
33	Danbury Park Community Partners, LP- Antelope, CA	Y	140	140	12/28/2018	3/17/2021	N				
34	Desert Oasis Community Partners, LP- Indio, CA	Y	90	90	8/24/2017	4/21/2020	N				
35	Miracle Terrace Community Partners, LP- Anaheim, CA	Y	179	179	1/10/2017	3/20/2020	N				
36	Monte Vista Community Partners, LP- San Jose, CA	Y	144	115	7/26/2016	7/19/2018	N				
37	Mountain View Community Partners, LP- Cathedral City, CA	Y	280	280	11/30/2016	3/27/2019	N				
38	Plaza Townhomes Community Partners, LP- Portland, OR	Y	68	68	8/25/2016	3/25/2019	N				
39	Summer Field Apartments- Indio, CA	Y	268	268	3/31/2017	10/18/2019	N				
40	The Belt Atlantic	Y	216	216	8/30/2019	8/18/2020	N				

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Cooper Revocable Trust		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.?	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N)	Explain "Y"			
1	Victory-Fiedler LLC- Staten Island, NY	Victory-Fiedler Staten Island, LLC- (714) 662-5565	N	39	39	6/30/2013	7/23/2014	N			
2	MORH Community Partners, LP- Oakland, CA	Moth GP, LLC- (714) 662-5565	Y	126	126	3/25/2016	9/28/2017	N			
3	Northgate Terrace Community Partners, LP- Oakland, CA	Northgate Terrace SLP, LLC- (714) 662-5565	Y	201	201	2/28/2016	11/3/2017	N			
4	Oak Center Community Partners, LP- Oakland, CA	Oak Center GP, LLC- (714) 662-5565	Y	77	77	12/31/2016	1/3/2018	N			
5	Riverside Community Partners, LP- Coachella, CA	Coachella II Partners, LLC- (714) 662-5565	Y	100	100	9/15/2006	01/15/2009	N			
6	Compton Garden, L.P.- Compton, CA	WNC Community Preservation Partners, LLC- (714) 662-5565	N	18	18	8/14/2002	01/23/2008	N			
7	Humboldt 2007 Community Partners, LP- McKinley, CA	Humboldt 2007 Partners, LLC- (714) 662-5565	Y	50	50	6/20/2008	02/15/2010	N			
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Rancho Niguel CPP, LLC- (714) 662-5565	Y	51	51	10/15/2005	02/25/2009	N			
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Meadowbrook Parkview G/P, LLC- (714) 662-5565	Y	90	90	8/31/2013	03/19/2014	N			
10	Riverwood Village, LP- Loughlin, NY	Riverwood Community Partners, LLC- (714) 662-5565	Y	208	208	7/1/2008	04/01/2009	N			
11	Broadway Manor Community Partners, LP- Blythe, CA	Broadway Manor G/P, LLC- (714) 662-5565	Y	64	64	8/29/2013	04/01/2014	N			
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Mecca Avenue 66 Partners, LLC- (714) 662-5565	Y	102	102	9/29/2008	04/14/2010	N			
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Parlier Plaza Partners, LLC- (714) 662-5565	Y	88	88	8/16/2006	04/17/2009	N			
14	NW Manor Community Partners, LP- Pasadena, CA	WNC-NW Manor G/P, LLC- (714) 662-5565	Y	44	44	8/31/2015	04/20/2017	N			
15	Kings Community Partners, LP- Corcoran, CA	Corcoran Partners, LLC- (714) 662-5565	Y	88	88	8/16/2006	04/29/2009	N			
16	Anderson Shasta Community Partners, LP- Anderson, CA	Anderson Shasta Partners, LLC- (714) 662-5565	Y	100	100	8/1/2007	05/21/2009	N			
17	Park Sunset Community Partners, LP- San Francisco, CA	WNC-Park Sunset G/P, LLC- (714) 662-5565	Y	30	30	2/1/2016	06/23/2017	N			
18	Los Banos Community Partners, LP- Los Banos, CA	Los Banos Partners, LLC- (714) 662-5565	Y	50	50	8/16/2006	07/30/2009	N			
19	Coral Wood Court Community Partners, LP- Reseda, CA	Coral Wood Court G/P, LLC- (714) 662-5565	Y	106	106	10/31/2013	08/12/2014	N			
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Orangewood Court G/P, LLC- (714) 662-5565	Y	92	92	10/31/2013	08/13/2014	N			
21	Bellflower FM Community Partners, LP- Bellflower, CA	Bellflower FM GP, LLC- (714) 662-5565	Y	144	144	3/31/2016	09/08/2017	N			
22	San Dimas Community Partners, LP- San Dimas, CA	WNC-San Dimas Partners G/P, LLC- (714) 662-5565	Y	65	65	4/16/2013	09/15/2014	N			
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	Yucca Trails GP, LLC- (714) 662-5565	Y	50	50	6/30/2012	09/19/2013	N			
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	WNC-Jefferson Cunningham G/P, LLC- (714) 662-5565	Y	65	65	4/16/2015	10/18/2016	N			
25	McCloud River Community Partners, LP- McCloud, CA	McCloud River G/P, LLC- (714) 662-5565	Y	42	42	11/19/2013	11/24/2014	N			
26	Monument Arms Communities Partners, LP- Fairfield, CA	WNC-Monument Arms Partners G/P, LLC- (714) 662-5565	Y	92	92	6/9/2015	11/28/2016	N			
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Fresno 2007 Partners, LLC- (714) 662-5565	Y	172	172	4/9/2008	12/01/2009	N			
28	Franco Community Partners, LP- Stockton, CA	WNC-Franco G/P, LLC- (714) 662-5565	Y	110	110	12/8/2016	12/07/2017	N			
29	Arbor Terrace Community Partners, LP- Colton, CA	WNC-Arbor Terrace Partners G/P, LLC- (714) 662-5565	Y	129	129	5/23/2014	12/09/2015	N			
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	Jackson Lassen Partners, LLC- (714) 662-5565	Y	89	89	8/31/2015	6/27/2017	N			
31	Courtyard Community Partners, LP- San Jose, CA	WNC-Courtyard Plaza G/P, LLC- (714) 662-5565	Y	81	81	5/1/2016	5/2/2018	N			
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	WNC-Curtis Johnson GP, LLC- (714) 662-5565	Y	48	48	11/6/2018	5/29/2018	N			
33	Danbury Park Community Partners, LP- Antelope, CA	WNC-Danbury Park GP, LLC- (714) 662-5565	Y	140	140	12/28/2018	3/17/2021	N			
34	Desert Oasis Community Partners, LP- Indio, CA	WNC-Desert Oasis GP, LLC- (714) 662-5565	Y	90	90	8/24/2017	4/21/2020	N			
35	Miracle Terrace Community Partners, LP- Anaheim, CA	WNC-Miracle Terrace-GP, LLC- (714) 662-5565	Y	179	179	1/10/2017	3/20/2020	N			
36	Monte Vista Community Partners, LP- San Jose, CA	WNC-Monte Vista Partners G/P, LLC- (714) 662-5565	Y	144	115	7/26/2016	7/19/2018	N			
37	Mountain View Community Partners, LP- Cathedral City, CA	WNC-Mountain View GP, LLC- (714) 662-5565	Y	280	280	11/30/2016	3/27/2019	N			
38	Plaza Townhomes Community Partners, LP- Portland, OR	WNC-Plaza Partners, LLC- (714) 662-5565	Y	68	68	8/25/2016	3/25/2019	N			
39	Summer Field Apartments- Indio, CA	WNC-Summer Field GP, LLC- (714) 662-5565	Y	268	268	3/31/2017	10/18/2019	N			
40	The Belt Atlantic	WNC - Midlathion GP, LLC- (714) 662-5565	Y	216	216	8/30/2019	8/18/2020	N			

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

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

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1 Summerfield	Summerfield Housing Partners, LP, 415-273-6800	Y	396	396	Not yet	Not yet	N
2 Riverwood Townhomes	Riverwood Housing Partners, LP, 415-273-6800	Y	282	282	Not yet	Not yet	N
3 Hidden Valley	Hidden Valley Housing Partners, LP, 415-273-6800	Y	200	200	Not yet	Not yet	N
4 MacArthur Terrace	MacArthur Terrace LLC, 415-273-6800	Y	222	222	1/1/2019	7/31/2021	N
5 Hadley Gardens	Hadley Housing Partners, LP 415-273-6800	Y	151	151	12/31/2017	1/15/2021	N
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 1,251 1,251 100% LIHTC as % of Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name: Samantha Watson

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
 Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Summerfield	Summerfield Housing Partners, LP, 415-273-6800	N	396	396	Not yet	Not yet	N
2	Riverwood Townhomes	Riverwood Housing Partners, LP, 415-273-6800	N	282	282	Not yet	Not yet	N
3	Hidden Valley	Hidden Valley Housing Partners, LP, 415	N	200	200	Not yet	Not yet	N
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 878 878

LIHTC as % of Total Units
 100%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N) Explain "Y"		
1	Victory-Fiedler LLC- Staten Island, NY	Will Cooper Jr.	N	39	39	6/30/2013	7/23/2014	N	
2	MORH Community Partners, LP- Oakland, CA	Victory-Fiedler Staten Island, LLC- (714) 662-5565	Y	126	126	3/25/2016	9/28/2017	N	
3	Northgate Terrace Community Partners, LP- Oakland, CA	Moth GP, LLC- (714) 662-5565	Y	201	201	2/28/2016	11/3/2017	N	
4	Oak Center Community Partners, LP- Oakland, CA	Northgate Terrace SLP, LLC- (714) 662-5565	Y	77	77	12/31/2016	1/3/2018	N	
5	Riverside Community Partners, LP- Coachella, CA	Oak Center GP, LLC- (714) 662-5565	Y	100	100	9/15/2006	01/15/2009	N	
6	Compton Garden, L.P.- Compton, CA	Coachella II Partners, LLC- (714) 662-5565	N	18	18	8/14/2002	01/23/2008	N	
7	Humboldt 2007 Community Partners, LP- McKinley, CA	WNC Community Preservation Partners, LLC- (714) 662-5565	Y	50	50	6/20/2008	02/15/2010	N	
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Humboldt 2007 Partners, LLC- (714) 662-5565	Y	51	51	10/15/2005	02/25/2009	N	
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Rancho Niguel CPP, LLC- (714) 662-5565	Y	90	90	8/31/2013	03/19/2014	N	
10	Riverwood Village, LP- Loughlin, NY	Meadowbrook Parkview G/P, LLC- (714) 662-5565	Y	208	208	7/1/2008	04/01/2009	N	
11	Broadway Manor Community Partners, LP- Blythe, CA	Riverwood Community Partners, LLC- (714) 662-5565	Y	64	64	8/29/2013	04/01/2014	N	
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Broadway Manor G/P, LLC- (714) 662-5565	Y	102	102	9/29/2008	04/14/2010	N	
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Mecca Avenue 66 Partners, LLC- (714) 662-5565	Y	88	88	8/16/2006	04/17/2009	N	
14	NW Manor Community Partners, LP- Pasadena, CA	Parlier Plaza Partners, LLC- (714) 662-5565	Y	44	44	8/31/2015	04/20/2017	N	
15	Kings Community Partners, LP- Corcoran, CA	WNC-NW Manor G/P, LLC- (714) 662-5565	Y	88	88	8/16/2006	04/29/2009	N	
16	Anderson Shasta Community Partners, LP- Anderson, CA	Corcoran Partners, LLC- (714) 662-5565	Y	100	100	8/1/2007	05/21/2009	N	
17	Park Sunset Community Partners, LP- San Francisco, CA	Anderson Shasta Partners, LLC- (714) 662-5565	Y	30	30	2/1/2016	06/23/2017	N	
18	Los Banos Community Partners, LP- Los Banos, CA	WNC-Park Sunset G/P, LLC- (714) 662-5565	Y	50	50	8/16/2006	07/30/2009	N	
19	Coral Wood Court Community Partners, LP- Reseda, CA	Los Banos Partners, LLC- (714) 662-5565	Y	106	106	10/31/2013	08/12/2014	N	
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Coral Wood Court G/P, LLC- (714) 662-5565	Y	92	92	10/31/2013	08/13/2014	N	
21	Bellflower FM Community Partners, LP- Bellflower, CA	Orangewood Court G/P, LLC- (714) 662-5565	Y	144	144	3/31/2016	09/08/2017	N	
22	San Dimas Community Partners, LP- San Dimas, CA	Bellflower FM GP, LLC- (714) 662-5565	Y	65	65	4/16/2013	09/15/2014	N	
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	WNC-San Dimas Partners G/P, LLC- (714) 662-5565	Y	50	50	6/30/2012	09/19/2013	N	
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	Yucca Trails GP, LLC- (714) 662-5565	Y	65	65	4/16/2015	10/18/2016	N	
25	McCloud River Community Partners, LP- McCloud, CA	WNC-Jefferson Cunningham G/P, LLC- (714) 662-5565	Y	42	42	11/19/2013	11/24/2014	N	
26	Monument Arms Communities Partners, LP- Fairfield, CA	McCloud River G/P, LLC- (714) 662-5565	Y	92	92	6/9/2015	11/28/2016	N	
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Monument Arms Partners G/P, LLC- (714) 662-5565	Y	172	172	4/9/2008	12/01/2009	N	
28	Franco Community Partners, LP- Stockton, CA	Fresno 2007 Partners, LLC- (714) 662-5565	Y	110	110	12/8/2016	12/07/2017	N	
29	Arbor Terrace Community Partners, LP- Colton, CA	WNC-Franco G/P, LLC- (714) 662-5565	Y	129	129	5/23/2014	12/09/2015	N	
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	WNC-Arbor Terrace Partners G/P, LLC- (714) 662-5565	Y	89	89	8/31/2015	6/27/2017	N	
31	Courtyard Community Partners, LP- San Jose, CA	Jackson Lassen Partners, LLC- (714) 662-5565	Y	81	81	5/1/2016	5/2/2018	N	
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	WNC-Courtyard Plaza G/P, LLC- (714) 662-5565	Y	48	48	11/6/2018	5/29/2018	N	
33	Danbury Park Community Partners, LP- Antelope, CA	WNC-Curtis Johnson GP, LLC- (714) 662-5565	Y	140	140	12/28/2018	3/17/2021	N	
34	Desert Oasis Community Partners, LP- Indio, CA	WNC-Danbury Park GP, LLC- (714) 662-5565	Y	90	90	8/24/2017	4/21/2020	N	
35	Miracle Terrace Community Partners, LP- Anaheim, CA	WNC-Desert Oasis GP, LLC- (714) 662-5565	Y	179	179	1/10/2017	3/20/2020	N	
36	Monte Vista Community Partners, LP- San Jose, CA	WNC-Miracle Terrace-GP, LLC- (714) 662-5565	Y	144	115	7/26/2016	7/19/2018	N	
37	Mountain View Community Partners, LP- Cathedral City, CA	WNC-Monte Vista Partners G/P, LLC- (714) 662-5565	Y	280	280	11/30/2016	3/27/2019	N	
38	Plaza Townhomes Community Partners, LP- Portland, OR	WNC-Mountain View GP, LLC- (714) 662-5565	Y	68	68	8/25/2016	3/25/2019	N	
39	Summer Field Apartments- Indio, CA	WNC-Plaza Partners, LLC- (714) 662-5565	Y	268	268	3/31/2017	10/18/2019	N	
40	The Belt Atlantic	WNC-Summer Field GP, LLC- (714) 662-5565	Y	216	216	8/30/2019	8/18/2020	N	

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N) Explain "Y"		
1	Victory-Fiedler LLC- Staten Island, NY		39	39	6/30/2013	7/23/2014	N		
2	MORH Community Partners, LP- Oakland, CA	Y	126	126	3/25/2016	9/28/2017	N		
3	Northgate Terrace Community Partners, LP- Oakland, CA	Y	201	201	2/28/2016	11/3/2017	N		
4	Oak Center Community Partners, LP- Oakland, CA	Y	77	77	12/31/2016	1/3/2018	N		
5	Riverside Community Partners, LP- Coachella, CA	Y	100	100	9/15/2006	01/15/2009	N		
6	Compton Garden, L.P.- Compton, CA	N	18	18	8/14/2002	01/23/2008	N		
7	Humboldt 2007 Community Partners, LP- McKinley, CA	Y	50	50	6/20/2008	02/15/2010	N		
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Y	51	51	10/15/2005	02/25/2009	N		
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Y	90	90	8/31/2013	03/19/2014	N		
10	Riverwood Village, LP- Loughlin, NY	Y	208	208	7/1/2008	04/01/2009	N		
11	Broadway Manor Community Partners, LP- Blythe, CA	Y	64	64	8/29/2013	04/01/2014	N		
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Y	102	102	9/29/2008	04/14/2010	N		
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Y	88	88	8/16/2006	04/17/2009	N		
14	NW Manor Community Partners, LP- Pasadena, CA	Y	44	44	8/31/2015	04/20/2017	N		
15	Kings Community Partners, LP- Corcoran, CA	Y	88	88	8/16/2006	04/29/2009	N		
16	Anderson Shasta Community Partners, LP- Anderson, CA	Y	100	100	8/1/2007	05/21/2009	N		
17	Park Sunset Community Partners, LP- San Francisco, CA	Y	30	30	2/1/2016	06/23/2017	N		
18	Los Banos Community Partners, LP- Los Banos, CA	Y	50	50	8/16/2006	07/30/2009	N		
19	Coral Wood Court Community Partners, LP- Reseda, CA	Y	106	106	10/31/2013	08/12/2014	N		
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Y	92	92	10/31/2013	08/13/2014	N		
21	Bellflower FM Community Partners, LP- Bellflower, CA	Y	144	144	3/31/2016	09/08/2017	N		
22	San Dimas Community Partners, LP- San Dimas, CA	Y	65	65	4/16/2013	09/15/2014	N		
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	Y	50	50	6/30/2012	09/19/2013	N		
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	Y	65	65	4/16/2015	10/18/2016	N		
25	McCloud River Community Partners, LP- McCloud, CA	Y	42	42	11/19/2013	11/24/2014	N		
26	Monument Arms Communities Partners, LP- Fairfield, CA	Y	92	92	6/9/2015	11/28/2016	N		
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Y	172	172	4/9/2008	12/01/2009	N		
28	Franco Community Partners, LP- Stockton, CA	Y	110	110	12/8/2016	12/07/2017	N		
29	Arbor Terrace Community Partners, LP- Colton, CA	Y	129	129	5/23/2014	12/09/2015	N		
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	Y	89	89	8/31/2015	6/27/2017	N		
31	Courtyard Community Partners, LP- San Jose, CA	Y	81	81	5/1/2016	5/2/2018	N		
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	Y	48	48	11/6/2018	5/29/2018	N		
33	Danbury Park Community Partners, LP- Antelope, CA	Y	140	140	12/28/2018	3/17/2021	N		
34	Desert Oasis Community Partners, LP- Indio, CA	Y	90	90	8/24/2017	4/21/2020	N		
35	Miracle Terrace Community Partners, LP- Anaheim, CA	Y	179	179	1/10/2017	3/20/2020	N		
36	Monte Vista Community Partners, LP- San Jose, CA	Y	144	115	7/26/2016	7/19/2018	N		
37	Mountain View Community Partners, LP- Cathedral City, CA	Y	280	280	11/30/2016	3/27/2019	N		
38	Plaza Townhomes Community Partners, LP- Portland, OR	Y	68	68	8/25/2016	3/25/2019	N		
39	Summer Field Apartments- Indio, CA	Y	268	268	3/31/2017	10/18/2019	N		
40	The Belt Atlantic	Y	216	216	8/30/2019	8/18/2020	N		

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N) Explain "Y"		
1	Victory-Fiedler LLC- Staten Island, NY	Y	39	39	6/30/2013	7/23/2014	N		
2	MORH Community Partners, LP- Oakland, CA	Y	126	126	3/25/2016	9/28/2017	N		
3	Northgate Terrace Community Partners, LP- Oakland, CA	Y	201	201	2/28/2016	11/3/2017	N		
4	Oak Center Community Partners, LP- Oakland, CA	Y	77	77	12/31/2016	1/3/2018	N		
5	Riverside Community Partners, LP- Coachella, CA	Y	100	100	9/15/2006	01/15/2009	N		
6	Compton Garden, L.P.- Compton, CA	N	18	18	8/14/2002	01/23/2008	N		
7	Humboldt 2007 Community Partners, LP- McKinley, CA	Y	50	50	6/20/2008	02/15/2010	N		
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Y	51	51	10/15/2005	02/25/2009	N		
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Y	90	90	8/31/2013	03/19/2014	N		
10	Riverwood Village, LP- Loughlin, NY	Y	208	208	7/1/2008	04/01/2009	N		
11	Broadway Manor Community Partners, LP- Blythe, CA	Y	64	64	8/29/2013	04/01/2014	N		
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Y	102	102	9/29/2008	04/14/2010	N		
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Y	88	88	8/16/2006	04/17/2009	N		
14	NW Manor Community Partners, LP- Pasadena, CA	Y	44	44	8/31/2015	04/20/2017	N		
15	Kings Community Partners, LP- Corcoran, CA	Y	88	88	8/16/2006	04/29/2009	N		
16	Anderson Shasta Community Partners, LP- Anderson, CA	Y	100	100	8/1/2007	05/21/2009	N		
17	Park Sunset Community Partners, LP- San Francisco, CA	Y	30	30	2/1/2016	06/23/2017	N		
18	Los Banos Community Partners, LP- Los Banos, CA	Y	50	50	8/16/2006	07/30/2009	N		
19	Coral Wood Court Community Partners, LP- Reseda, CA	Y	106	106	10/31/2013	08/12/2014	N		
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Y	92	92	10/31/2013	08/13/2014	N		
21	Bellflower FM Community Partners, LP- Bellflower, CA	Y	144	144	3/31/2016	09/08/2017	N		
22	San Dimas Community Partners, LP- San Dimas, CA	Y	65	65	4/16/2013	09/15/2014	N		
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	Y	50	50	6/30/2012	09/19/2013	N		
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	Y	65	65	4/16/2015	10/18/2016	N		
25	McCloud River Community Partners, LP- McCloud, CA	Y	42	42	11/19/2013	11/24/2014	N		
26	Monument Arms Communities Partners, LP- Fairfield, CA	Y	92	92	6/9/2015	11/28/2016	N		
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Y	172	172	4/9/2008	12/01/2009	N		
28	Franco Community Partners, LP- Stockton, CA	Y	110	110	12/8/2016	12/07/2017	N		
29	Arbor Terrace Community Partners, LP- Colton, CA	Y	129	129	5/23/2014	12/09/2015	N		
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	Y	89	89	8/31/2015	6/27/2017	N		
31	Courtyard Community Partners, LP- San Jose, CA	Y	81	81	5/1/2016	5/2/2018	N		
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	Y	48	48	11/6/2018	5/29/2018	N		
33	Danbury Park Community Partners, LP- Antelope, CA	Y	140	140	12/28/2018	3/17/2021	N		
34	Desert Oasis Community Partners, LP- Indio, CA	Y	90	90	8/24/2017	4/21/2020	N		
35	Miracle Terrace Community Partners, LP- Anaheim, CA	Y	179	179	1/10/2017	3/20/2020	N		
36	Monte Vista Community Partners, LP- San Jose, CA	Y	144	115	7/26/2016	7/19/2018	N		
37	Mountain View Community Partners, LP- Cathedral City, CA	Y	280	280	11/30/2016	3/27/2019	N		
38	Plaza Townhomes Community Partners, LP- Portland, OR	Y	68	68	8/25/2016	3/25/2019	N		
39	Summer Field Apartments- Indio, CA	Y	268	268	3/31/2017	10/18/2019	N		
40	The Belt Atlantic	Y	216	216	8/30/2019	8/18/2020	N		

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: City Line Apartments
 Name of Applicant: City Line Community Partners, LP

INSTRUCTIONS:

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

Principal's Name:		Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y or N							
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609 (b) Issue Date	Uncorrected 8823's (Y/N)	Explain "Y"	
1	Victory-Fiedler LLC- Staten Island, NY		39	39	6/30/2013	7/23/2014	N		
2	MORH Community Partners, LP- Oakland, CA	Y	126	126	3/25/2016	9/28/2017	N		
3	Northgate Terrace Community Partners, LP- Oakland, CA	Y	201	201	2/28/2016	11/3/2017	N		
4	Oak Center Community Partners, LP- Oakland, CA	Y	77	77	12/31/2016	1/3/2018	N		
5	Riverside Community Partners, LP- Coachella, CA	Y	100	100	9/15/2006	01/15/2009	N		
6	Compton Garden, L.P.- Compton, CA	N	18	18	8/14/2002	01/23/2008	N		
7	Humboldt 2007 Community Partners, LP- McKinley, CA	Y	50	50	6/20/2008	02/15/2010	N		
8	Rancho Niguel Partners, LP- Laguna Hills, CA	Y	51	51	10/15/2005	02/25/2009	N		
9	Meadowbrook Parkview Community Partners, LP (Susanville)- Susanville, CA	Y	90	90	8/31/2013	03/19/2014	N		
10	Riverwood Village, LP- Loughlin, NY	Y	208	208	7/1/2008	04/01/2009	N		
11	Broadway Manor Community Partners, LP- Blythe, CA	Y	64	64	8/29/2013	04/01/2014	N		
12	Mecca Avenue 66 Community Partners, LP- Petris, Mecca, CA	Y	102	102	9/29/2008	04/14/2010	N		
13	Fresno Community Partners, LP- San Joaquin, Parlier, CA	Y	88	88	8/16/2006	04/17/2009	N		
14	NW Manor Community Partners, LP- Pasadena, CA	Y	44	44	8/31/2015	04/20/2017	N		
15	Kings Community Partners, LP- Corcoran, CA	Y	88	88	8/16/2006	04/29/2009	N		
16	Anderson Shasta Community Partners, LP- Anderson, CA	Y	100	100	8/1/2007	05/21/2009	N		
17	Park Sunset Community Partners, LP- San Francisco, CA	Y	30	30	2/1/2016	06/23/2017	N		
18	Los Banos Community Partners, LP- Los Banos, CA	Y	50	50	8/16/2006	07/30/2009	N		
19	Coral Wood Court Community Partners, LP- Reseda, CA	Y	106	106	10/31/2013	08/12/2014	N		
20	Orangewood Court Community Partners, LP- Sherman Oaks, CA	Y	92	92	10/31/2013	08/13/2014	N		
21	Bellflower FM Community Partners, LP- Bellflower, CA	Y	144	144	3/31/2016	09/08/2017	N		
22	San Dimas Community Partners, LP- San Dimas, CA	Y	65	65	4/16/2013	09/15/2014	N		
23	Yucca Trails Community Partners, LP- Joshua Tree, CA	Y	50	50	6/30/2012	09/19/2013	N		
24	Jefferson Cunningham Community Partners, LP- Los Angeles, CA	Y	65	65	4/16/2015	10/18/2016	N		
25	McCloud River Community Partners, LP- McCloud, CA	Y	42	42	11/19/2013	11/24/2014	N		
26	Monument Arms Communities Partners, LP- Fairfield, CA	Y	92	92	6/9/2015	11/28/2016	N		
27	Fresno 2007 Community Partners, LP- Selma, Riverdale, Flower, CA	Y	172	172	4/9/2008	12/01/2009	N		
28	Franco Community Partners, LP- Stockton, CA	Y	110	110	12/8/2016	12/07/2017	N		
29	Arbor Terrace Community Partners, LP- Colton, CA	Y	129	129	5/23/2014	12/09/2015	N		
30	Jackson Lassen Community Partners, LP- Red Bluff, CA	Y	89	89	8/31/2015	6/27/2017	N		
31	Courtyard Community Partners, LP- San Jose, CA	Y	81	81	5/1/2016	5/2/2018	N		
32	Curtis Johnson Community Partners, LP- Los Angeles, CA	Y	48	48	11/6/2018	5/29/2018	N		
33	Danbury Park Community Partners, LP- Antelope, CA	Y	140	140	12/28/2018	3/17/2021	N		
34	Desert Oasis Community Partners, LP- Indio, CA	Y	90	90	8/24/2017	4/21/2020	N		
35	Miracle Terrace Community Partners, LP- Anaheim, CA	Y	179	179	1/10/2017	3/20/2020	N		
36	Monte Vista Community Partners, LP- San Jose, CA	Y	144	115	7/26/2016	7/19/2018	N		
37	Mountain View Community Partners, LP- Cathedral City, CA	Y	280	280	11/30/2016	3/27/2019	N		
38	Plaza Townhomes Community Partners, LP- Portland, OR	Y	68	68	8/25/2016	3/25/2019	N		
39	Summer Field Apartments- Indio, CA	Y	268	268	3/31/2017	10/18/2019	N		
40	The Belt Atlantic	Y	216	216	8/30/2019	8/18/2020	N		

* 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: 4,196 4,147 LIHTC as % of Total Units 99%

Tab E:

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

ASSIGNMENT AND ASSUMPTION OF REAL ESTATE PURCHASE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF REAL ESTATE PURCHASE AGREEMENT (this “**Assignment**”) is made as of the 12 day of April, 2022, by and between **CPP EAST, LLC** a California limited liability company (“**Assignor**”), and **CITY LINE COMMUNITY PARTNERS, LP**, a Virginia limited partnership (“**Assignee**”).

WHEREAS, the Assignor and City Line Associates LLC, a Delaware limited liability company (“**Seller**”), entered into that certain Real Estate Purchase Agreement dated as of February 24, 2022 (the “**Agreement**”) pursuant to which Assignor agreed to purchase and Seller agreed to sell the property known as City Line Apartments (as further described in the Agreement) (the “**Property**”); and

WHEREAS, Section 12.4 of the Agreement provides in relevant part that Assignor may assign its right, title, and interest under the Agreement to an entity wholly owned and controlled by Assignor or Assignor’s principals without consent of Seller, provided that notice is given to Seller, and the Assignee shall assume all of Assignor’s obligations under the Agreement; and

WHEREAS, Assignee is an entity wholly owned and controlled by the principals of Assignor; and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, all of Assignor’s rights, obligations, and interests in the Agreement, upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Assignor hereby assigns, transfers, and conveys to Assignee, all of Assignor’s right, title, claim and interest in, to, and under the Agreement.
2. Assignee hereby acknowledges and agrees to be bound by and subject to all of the terms, covenants, and conditions of the Agreement and accepts the foregoing assignment and expressly assumes and agrees to be bound by, from and after the date of this Assignment, all of the obligations of Assignor under the Agreement, in accordance with the terms thereof. This assignment shall not release Assignor from any obligations or liabilities under the Agreement.
3. The remaining terms of the Agreement shall remain in full force and effect and are hereby ratified and confirmed. All terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Agreement.
4. This Assignment may be executed in several counterparts, all of which together shall constitute one (1) assignment binding on all of the parties hereto, notwithstanding that all of the parties have not signed the same counterpart. The parties may exchange by PDF or

e-mail counterparts of the signature pages, which shall be effective as original signature pages for all purposes.

5. This Assignment and the obligations hereunder shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Assignment to be duly executed the day and year first mentioned above.

ASSIGNOR:

CPP EAST, LLC, a California limited liability company

By:  _____
Anand Kannan, President

ASSIGNEE:

CITY LINE COMMUNITY PARTNERS, LP,
a Virginia limited partnership

By: City Line GP, LLC,
a California limited liability company,
its General Partner

By: WNC – City Line GP, LLC,
a California limited liability company,
its Managing Member

By: WNC Development Partners, LLC,
a California limited liability company,
its Member

By:  _____
Anand Kannan, President

By: WNC Development Partners 2 LLC,
a California limited liability company
its Member

By: WNC Development Partners, LLC,
a California limited liability company,
its Manager

By:  _____
Anand Kannan, President

[City Line - Assignment of PSA]

REAL ESTATE PURCHASE AGREEMENT

By and Between

**CITY LINE ASSOCIATES LLC
a Delaware limited liability company**

("Seller")

And

**COMMUNITY PRESERVATION PARTNERS EAST, LLC
a California limited liability company**

("Purchaser")

Dated as of February 24, 2022

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement"), dated as of February 24, 2022, (the "Effective Date"), is made by and between **CITY LINE ASSOCIATES LLC** a Delaware limited liability company ("Seller") and **COMMUNITY PRESERVATION PARTNERS EAST, LLC**, a California limited liability company ("Purchaser").

RECITALS:

WHEREAS, Seller owns the Real Property (defined below), the Improvements (defined below) and the Personal Property (defined below) constituting the apartment complex known as "City Line Apartments" and located at 155-A Mytilene Drive, Newport News, VA 23605 (including the Real Property, Improvements and Personal Property, hereinafter referred to collectively as the "Project"). The Real Property on which the Project is located is more fully described on Schedule A-1;

WHEREAS, Seller wishes to sell and convey to Purchaser and Purchaser wishes to purchase from Seller the Project on the terms and conditions contained herein.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing, of the covenants, promises and undertakings set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser covenant and agree as follows:

1. The Project.

1.1 Description. Subject to the terms and conditions of this Agreement, and for the consideration herein set forth, Seller agrees to sell and transfer, and Purchaser agrees to purchase and acquire from Seller, the Project, including the real estate on which the project is located as more fully described on Schedule A-1 (hereinafter referred to herein collectively as the "Real Property"), the apartment complex and all other buildings, structures and improvements located on the Real Property (the "Improvements"), and the mechanical systems, fixtures, furniture, appliances, tools, supplies, inventories, furnishings, equipment, leases, subleases, licenses, sublicenses, occupancy agreements, rental agreements, non-residential leases, tenant files, MORs, HUD records, income certifications, vouchers, software, firmware, paper and electronic books and records and other items of tangible personal property (if any) placed or installed on or about the Real Property or the Improvements and which are owned by Seller and used as part of or in connection with the Project or are otherwise under the control of Seller, including, without limitation, all heating, ventilation and air conditioning compressors, engines, systems and equipment, any and all elevators, electrical fixtures, systems and equipment, all plumbing fixtures, systems and equipment, and all keys (the "Personal Property"). The Personal Property shall exclude personal property that is owned by the tenants of the Project, former tenants of the Project, or the management company for the Project (such personal property to be itemized on a schedule with the Property Documents), or which is leased pursuant to any service contract with any vendors pertaining to the Project; the Personal Property shall include, however, Seller's interest in any and all plans, drawings, and/or warranties, guaranties, permits, licenses, authorizations, and approvals, surveys, diagrams, studies pertaining to the Project, and in and to the name of the Project "City Line Apartments" any prepaid rents, refundable pet, security utility or other deposit, logos, trademarks, or other intellectual property associate with the Property, any website, domain names, URL, Facebook pages, Instagram accounts, Twitter accounts, or other social media or internet presence related to the Property, or used by Seller in connection with the leasing and/or operation of the Property, all of which shall be transferred to Purchaser.

1.2 "As-Is" Purchase.

1.2.1 Except as expressly provided in this Agreement, the Project is being sold in its "AS IS, WHERE IS" condition, "WITH ALL FAULTS" and without representation or warranty (all of which, other than the express representations and warranties of Seller as set forth in this Agreement and the documents delivered at Closing, Seller hereby disclaims) as of the Effective Date and the Closing Date. The parties agree that all understandings, agreements, letters of intent and letters of interest heretofore made between them or their respective agents or representatives are merged in this Agreement and the Exhibits annexed hereto, which alone fully and completely express their agreement, and that Purchaser's failure to cancel this Agreement prior to the end of the Inspection Period in accordance with Section 3.3

shall serve as Purchaser's acknowledgement that it is purchasing the Project after full investigation, or with the parties satisfied with the opportunity afforded for full investigation, of the Project and all matters affecting the Project and the ownership, use, occupancy, management, operation and maintenance of the Project, and neither party is relying upon any statement or representation by the other, unless such statement or representation is specifically embodied in this Agreement or in the documents delivered at Closing. Purchaser expressly agrees and acknowledges that except as otherwise expressly stated in this Agreement or in the documents delivered at Closing, no warranty or representation is made by Seller as to the fitness for any particular purpose, merchantability, design, condition or repair, value, expense of operation, income potential, compliance with drawings or specifications, absence of defects, absence of faults, flooding, or compliance with laws and regulations (including, without limitation, the Americans with Disabilities Act, Environmental Laws (hereinafter defined), health and safety laws and regulations, and zoning laws and regulations), or as to any other fact or condition which has or might affect the Project or the ownership, use, occupancy, operation, condition, repair, value, expense of operation or income potential thereof. Seller has not authorized any broker, agent, representative, consultant, partner, officer, employee, attorney or any other person to make any statements, certifications, representations or warranties regarding the Seller, Project or any matter relating thereto, and Seller expressly disclaims and shall not be liable for any statements, certifications, representations or warranties made by any of the foregoing parties, whether made on their own behalf or acting or purporting to act on behalf of Seller, unless such statement or representation is specifically embodied in this Agreement or in the documents delivered at Closing. For purposes of this Agreement, the term "Hazardous Materials" includes, without limitation: (a) any chemical, material or other substance defined as or included within the definition of "hazardous substances," "hazardous wastes," "extremely hazardous substances," "toxic substances," "toxic material," "restricted hazardous waste," "special waste," or words of similar import under any Environmental Law; (b) any oil, petroleum, or petroleum-derived substances, any flammable substances or explosives, any radioactive materials, any asbestos or any substances containing more than 0.1 percent asbestos, any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million, and any urea formaldehyde insulation; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated under any Environmental Law. For purposes of this Agreement, the term "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801 *et seq.*), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 *et seq.*), the Clean Air Act, as amended (42 U.S.C. Sections 7401 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601-2629), and all regulations promulgated under the foregoing; and any other federal, state or local laws, statutes, rules, ordinances, or regulations now or hereafter in effect, that deal with or otherwise in any manner relate to environmental matters of any kind.

1.2.2 Purchaser acknowledges that: (a) Seller has provided and subject to the terms hereof, will continue to provide in accordance with the terms of this Agreement, to Purchaser the opportunity to fully and carefully investigate and inspect the physical, structural and environmental condition of the Project and to review and analyze copies of all of the Property Documents (hereinafter defined), all matters of title, all laws, statutes, rules, regulations, ordinances and orders, and all other materials and information affecting or in any manner relating to the Project and the ownership, use, occupancy, management, operation and maintenance thereof, which Purchaser deems necessary to determine the feasibility of the Project for Purchaser's intended use; (b) all of the Property Documents and other information provided or made available by Seller to Purchaser was, and will continue to be, done as an accommodation to Purchaser with the understanding and agreement of both Seller and Purchaser that except as specifically embodied in this Agreement or in the documents delivered at Closing Purchaser shall not rely on any such documents or information and that the delivery of same by Seller was, and will continue to be, made without representation or warranty with respect to the accuracy, completeness, methodology of preparation or otherwise concerning the contents of such documents or information (provided, however, that Seller represents and warrants that it has not intentionally withheld or omitted from the Property Documents any portion thereof); and (c) prior to making the election provided in Section 3.2, below, Purchaser shall have completed to its satisfaction all studies, investigations and reviews that it has deemed necessary, and that, except as expressly set forth herein to the contrary, Purchaser's election under Section 3.2 shall be made on the basis of such studies, inspections and reviews performed or obtained by Purchaser, and not on any Property Documents or other information that may have been provided to Purchaser by or on behalf of Seller.

1.2.3 Except for the rights and remedies of Purchaser under this Agreement and in the documents delivered at Closing, Purchaser, on behalf of itself and all of its officers, directors, shareholders, employees, partners, members, subsidiaries and other affiliated or related entities, representatives, consultants and agents and each of the foregoing parties' successors and assigns (collectively, the "Purchaser Parties") to the extent permitted by applicable law, hereby expressly waives, relinquishes and releases any and all rights, remedies and claims any of the Purchaser Parties may now or hereafter have, against Seller, and all of Seller's officers, directors, shareholders, employees, partners, members, subsidiaries and other affiliated or related entities, representatives, consultants and agents, and Seller's and

each of the foregoing parties' successors and assigns (collectively, the "Seller Parties"), whether known or unknown, arising from or related to (a) the physical condition, quality, quantity and state of repair of the Project and the prior management and operation thereof; (b) the accuracy, completeness or methodology of preparation of the Property Documents or any other documents or information provided by or on behalf of Seller; (c) the Project's failure to comply with any federal, state or local laws, regulations, ordinances or orders, including, without limitation, those relating to health, safety, zoning, the environment and the Americans with Disabilities Act, except with respect to any intentionally false statement or documentation or other documentation that was otherwise intentionally withheld by Seller.

1.2.4 The terms and provisions of this Section 1.2 shall survive Closing (hereinafter defined) hereunder or termination of this Agreement for any reason.

1.3 Agreement to Convey. Seller agrees to convey, and Purchaser agrees to purchase, on the Closing Date, the Real Property, Improvements and Personal Property comprising the Project, subject only to Permitted Exceptions (defined in Section 3.1.7 hereof) free of any interest or claim therein of any other person or entity, pursuant and subject to the closing documents described in Section 8.1, below, and the remaining terms and conditions of this Agreement.

1.4 Obligation to Operate as Low Income Housing. Purchaser acknowledges that its agreement to operate the Project as a low-income housing project subject to, in accordance with, and to the extent required by the applicable provisions of Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and any regulatory agreement applicable to the Project under Section 42 of the Code, was a material inducement to Seller to agree to convey the Project to Purchaser. Such Section 42 Requirements shall include, but are not limited to, (i) that certain Extended Use Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 15, 2005, by and between Seller and the Virginia Housing Development Authority, recorded in Deed Book 2069, page 948 in the Clerk's Office of the Circuit Court of the City of Newport News, Virginia (the "Regulatory Agreement").

2. Price and Payment.

2.1 Purchase Price. The aggregate purchase price for the Project (the "Purchase Price") is THIRTY-ONE MILLION AND NO/100 DOLLARS (\$31,000,000.00). Notwithstanding the foregoing, Seller has obtained a third party estimate for the cost of materials and installation for the flood mitigation plan (which expressly excludes repaving the Property's parking lot) currently being processed by the City of Newport News (the "Flood Mitigation Plan"), attached hereto as Schedule 2.1. If Seller's third party estimate for construction costs for the Flood Mitigation Plan exceeds FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00), then the Purchase Price will be reduced by Five Hundred Thousand and NO/100 Dollars (\$500,000.00) plus on a dollar for dollar basis every dollar amount exceeding \$500,000.00.

2.2 Deposit.

2.2.1 Initial Deposit. Within three (3) days after the Effective Date and delivery of the Property Documents (the "Deposit Date"), Purchaser shall, by federal wire transfer, deposit the sum of FIVE HUNDRED THOUSAND AND NO/100 Dollars (\$500,000.00) (together with all interest earned thereon, the "Initial Deposit") into the escrow account of the Escrow Agent (hereinafter defined), and shall simultaneously therewith provide Seller written evidence of such deposit. If Purchaser shall fail to make the Initial Deposit in accordance with the foregoing by 5:00 p.m., New York, NY time, on the third (3rd) day following the Effective Date and delivery of the Property Documents, this Agreement shall automatically terminate and neither party shall have any further rights, obligations or liability hereunder, except for the Surviving Obligations (hereinafter defined). Once made, the Initial Deposit shall be non-refundable, except as otherwise expressly provided for in this Agreement. The Deposit (as defined herein) shall be held by the Escrow Agent in accordance with the terms of the Escrow Agreement (hereinafter defined).

2.2.2 Additional Deposit. Within three (3) days after the expiration of the Inspection Period, Purchaser shall, by federal wire transfer, deposit the sum of SEVEN HUNDRED THOUSAND AND NO/100 Dollars (\$700,000.00) (the "Additional Deposit" and, together with the Initial Deposit and any interest thereon, the "Deposit") into the escrow account of the Escrow Agent (hereinafter defined), and shall simultaneously therewith provide Seller written evidence of such deposit. Once made, the Additional Deposit shall be non-refundable, except as otherwise expressly provided for in this Agreement.

2.3 Payment. At or prior to 5:00 P.M., New York, NY time, on the Closing Date, Purchaser shall deposit or cause to be deposited with the Escrow Agent sums sufficient to pay the Purchase Price and all other amounts necessary to satisfy Purchaser's obligations with respect to closing the transactions contemplated herein. At or prior to 5:00 p.m., New York, NY time, on the Closing Date, Purchaser shall cause the Purchase Price to be paid to Seller as follows:

2.3.1 Delivery of Deposit. Purchaser or Seller shall cause the Escrow Agent to pay to the applicable party the Deposit then being held by the Escrow Agent, by federal wire transfer in immediately available funds to such bank account(s) as the applicable party may designate in accordance with the terms of the Escrow Agreement.

2.3.2 Payment of the Cash Balance. Purchaser shall cause the Escrow Agent to pay Seller the remaining balance of the Purchase Price payable on such Closing Date, after crediting the amounts set forth in Section 2.3.1 above, and subject to adjustment for the prorations and credits set forth in Section 6, below, by federal wire transfer in immediately available funds to such bank account(s) as Seller may designate.

2.4 Payment of the Purchase Price and the closing hereunder for the Project (the "Closing") will take place no later than 2:00 p.m., New York, NY, time on or before August 30, 2022 (the date on which the Closing occurs is referred to herein as the "Closing Date"), as the same may be extended. Closing shall be conducted by Commonwealth Land Title Insurance Company (the "Escrow Agent" or "Title Company"), at the offices of the Escrow Agent, or at such other time and place as may be agreed to in writing by Seller and Purchaser. Seller and Purchaser may, at their option, deposit in escrow with the Escrow Agent all documents and instruments required to be delivered by Seller and Purchaser in order to consummate the Closing pursuant to this Agreement, in which event neither Seller's nor Purchaser's attendance at the Closing shall be required and neither party's failure to attend Closing shall be deemed or constitute a failure of condition or default hereunder.

2.4.1 Purchaser may elect to extend the Closing Date for two (2) additional periods of thirty (30) days each (each, an "Extension Period") by (i) delivering written notice thereof to Seller no later than five (5) business days prior to the originally intended Closing Date and (ii) delivering into escrow with the Escrow Agent an additional deposit of either (a) TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) for the first Extension Period (the "First Extension Deposit") , or (b) SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00) for the second Extension Period (the "Second Extension Deposit"; together with the First Extension Deposit, each an "Extension Deposit"). The Extension Deposits shall each be deemed to be a part of the Deposit and shall be non-refundable (except to the extent provided in this Agreement) and applicable against the Purchase Price at Closing. Each of the Extension Deposits shall be held by the Escrow Agent in accordance with Section 2.2 and the Escrow Agreement.

3. Inspections. Through 5 P.M. New York, NY time on the date that is fifty-five (55) days following the later to occur of: (i) the date a fully executed version of this Agreement is delivered into escrow with the Escrow Agent, or (ii) the date Seller delivers or makes available the Property Documents (as defined herein) to Purchaser (such period being the "Inspection Period"), subject to the provisions of Schedule 3.1.2. Subject to Section 3.1, Purchaser may conduct such studies, examinations, tests, and other investigations of the Project as it deems necessary in its sole discretion, including, without limitation, Phase I environmental reports and other environmental examinations, and make such investigations with regard to zoning, environmental, building, code, and other legal requirements, as it deems necessary or appropriate. Notwithstanding the foregoing, upon written notice to Seller, Purchaser may extend the Inspection Period as a result of any commercially reasonable delay in the studies, examinations, tests, and other investigations of the Project caused by restrictions issued as a response to the COVID-19 pandemic so declared by any federal, state or municipal government or any department or agency thereof (a "COVID-19 Restriction"). Upon Seller's receipt of such Notice, the Inspection shall be extended one (1) day for each day that a party is prevented from performing such obligation solely because of a COVID-19 Restriction, but such extension shall not exceed thirty (30) days.

3.1 Access.

3.1.1 Seller agrees that, from the Effective Date until the expiration of the Inspection Period, Seller shall permit Purchaser or Purchaser's agents or representatives reasonable access to the Project (during normal business hours) for purposes of (a) conducting non-intrusive physical or environmental inspections (which may include a Phase I environmental site assessment), and (b) conducting or having completed a property condition report. Purchaser shall give Seller reasonable (but in no event less than twenty-four (24) hours) prior notice of Purchaser's intention to conduct any inspection of the Project or the Property Documents not otherwise delivered to Purchaser as required by the terms of this Agreement, and, if the intended inspection includes or involves intrusive physical or environmental testing, such notice shall be in writing and include a reasonably detailed description of the type, scope, manner and duration of the inspections to be conducted. Purchaser shall not undertake any physically intrusive inspections or environmental testing without Seller's prior written consent (other than a Phase I environmental site assessment), which shall not be deemed as physically intrusive), which may be given or withheld in Seller's sole and absolute discretion, provided, however, if Seller withholds such consent with respect to a new material condition not disclosed in the existing Phase 1, then the Purchaser shall have the right to terminate this Agreement and the Deposit shall be immediately returned to Purchaser plus Seller shall pay all of

Purchaser's actual out-of-pocket expenses incurred within ten (10) days after termination of this Agreement and such amount for actual out-of-pocket expenses shall not to exceed \$600,000. Seller reserves the right to have a representative present during any or all inspections of the Project and/or Property Documents conducted by Purchaser or its agents. Purchaser shall not interfere with the activity of tenants or any persons occupying or providing services at the Project. Promptly upon the completion of any physical inspection of the Project, Purchaser shall at its sole expense cause any portion of the Project damaged or altered by or in connection with such inspection to be repaired and/or restored to the condition it was in prior to the inspection. Any inspections undertaken by or on behalf of Purchaser pursuant to this Section 3.1 shall be at Purchaser's sole risk and expense.

3.1.2 Seller agrees that, within five (5) business days following the Effective Date (except as provided on Schedule 3.1.2), Seller shall deliver to Purchaser, in electronic/digital files or other format reasonably accessible to Purchaser, copies of all of those documents and materials relating to the Project and in Seller's possession listed in Schedule 3.1.2 (the "Property Documents").

3.1.3 Purchaser agrees to provide to Seller, all copies of all third party, non-proprietary environmental, structural, engineering and other reports or studies prepared by outside consultants (other than such reports prepared by legal counsel that are subject to an attorney-client privilege and such other proprietary reports) undertaking inspections of the Property Documents and/or the Project, or any portion or component thereof or condition affecting the same, for or on behalf of Purchaser (collectively, the "Property Inspection Reports"). Purchaser's obligation to provide to Seller the Property Inspection Reports shall survive any termination of this Agreement, including, without limitation, any termination of this Agreement pursuant to Section 3.2, below. All information regarding or relating to the Seller and the Project, or the ownership, operation or maintenance of the Project, obtained by Purchaser during any inspection, or in any other manner, or from any other source, including without limitation the Property Documents and Property Inspection Reports (collectively, the "Proprietary Information") shall be held, maintained and treated as private, confidential and privileged information pursuant to Section 3.3, below.

3.1.4 Purchaser agrees that, prior to undertaking any inspections of the Project, Purchaser or Purchaser's agents will obtain not less than One Million Dollars (\$1,000,000.00) comprehensive general liability insurance with a contractual liability endorsement with no exclusion for liabilities assumed hereunder, including, without limitation, Purchaser's indemnity obligations hereunder and which names Seller and Seller's property manager, as additional insureds thereunder (a copy of which policy shall be provided by Purchaser to Seller prior to undertaking any inspections under this Section 3.1). Such insurance coverage shall be maintained by Purchaser for a period of no less than one (1) year after the Closing Date or any termination of this Agreement for any reason. Purchaser, on behalf of itself and the other Purchaser Parties, agrees to indemnify, defend and hold Seller and all of Seller's officers, directors, shareholders, employees, partners, members, subsidiaries and other affiliated or related entities, representatives, consultants and agents, and Seller and each of the foregoing parties' successors and assigns (collectively, the "Seller Parties") harmless from any claims, loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs actually incurred and not merely imputed by application of any applicable state statute, arising out of (a) a breach by Purchaser or any of the Purchaser Parties occurring in the course of their inspection of the Project of any applicable laws, rules, regulations or ordinances, or the agreements set forth in this Section 3, including without limitation the failure of Purchaser or any of the Purchaser Parties to restore the Project in accordance with Section 3.1.1, above; (b) any access to, entry upon or activity conducted by Purchaser or any Purchaser Party with respect to or on, a Project, whether or not such access, entry or activity is permitted by, in compliance with or in violation of any applicable laws, rules, regulations or ordinances, or this Section 3; (c) any lien, claim or levy, including without limitation mechanic's, materialmen's and judgment liens, filed or pending against any portion of the Real Property or a Project, or title thereto, by any contractor, sub-contractor or other party having a claim against or through Purchaser or any Purchaser Party (without limiting the foregoing indemnity, Purchaser hereby acknowledges and agrees that Purchaser's failure to cause any such lien to be released or bonded off to the reasonable satisfaction of Seller within ten (10) business days after receipt of written notice thereof shall constitute a material default hereunder), except to the extent any of the foregoing are being contested in good faith by appropriate proceedings and for which appropriate reserves or other security have been established (including bonding over the same); and (d) any claims, suits, actions or the assertion of any other rights by or on behalf of any tenant, invitee, guest or other party alleging personal injury, property damage, interruption of business, nuisance or any other allegation of negligence or wrong-doing, and including without limitation any and all damages, losses, obligations, liabilities, costs and expenses incurred by or asserted or claimed against Seller or any Seller Party, as a result of, caused by, or arising out of any of matters set forth in subsections (a) (b) and/or (c), above (collectively, the "Indemnity Obligations"). The Indemnity Obligations shall exclude any and all damages, losses, obligations, liabilities, costs and expenses incurred by or asserted or claimed against Seller or any Seller Party, that are a result of the gross negligence or omission of Seller or any Seller Party, or that are a direct result of, directly caused by, or directly arising out of the mere discovery by Purchaser or any of the Purchasing Parties of any previously existing condition associated with the Project, provided that Purchaser and the Purchasing Parties do not exacerbate such previously existing condition.

A Seller Party shall promptly notify Purchaser of any and all proceedings for which indemnity is sought, provided, however, the failure to give such notice will not relieve the Purchaser of any liability that it may have to a Seller Party.

3.1.5 Except as may be otherwise expressly set forth in this Agreement or in the documents delivered at Closing, Seller makes no representations or warranties as to the truth, accuracy or completeness of any materials, data or other information, including without limitation the contents of Seller's or the Project's property manager's books and records, the leases, the contracts, rent rolls, income and expense statements or any other Property Documents supplied to Purchaser in connection with Purchaser's inspections. Except as may be otherwise expressly set forth in this Agreement and in the documents delivered at Closing, it is the parties' express understanding and agreement that all of the Property Documents and any other such materials are provided by Seller solely for Purchaser's convenience in making its own examination and determination prior to the Closing Date as to whether it wishes to purchase the Project, and, in making such examination and determination, Purchaser shall rely exclusively on its own independent investigation and evaluation of the Project and not on the Property Documents or other such materials supplied by Seller or its agents or representatives.

3.1.6 All obligations and agreements of, and indemnifications by, Purchaser contained in this Section 3 shall survive Closing or any termination of this Agreement for any reason for a period of nine (9) months.

3.1.7 Within two (2) days after the Effective Date, Purchaser shall cause Title Company to order a commitment to insure the Real Property to be conveyed hereunder (the "Title Commitment"). The Escrow Agent shall provide Purchaser with legible, complete copies (including all schedules and exhibits) of all recorded documents shown as exceptions to title on the Title Commitment. Within five (5) business days following Purchaser's receipt of the Title Commitment, a survey of the Property, and any items identified in any searches of the Property or Seller, including, without limitation, any municipal lien searches, judgment searches, tax lien searches, and bankruptcy searches, Purchaser shall notify Seller in writing (the "Purchaser's Title Notice") as to which items, if any, disclosed in the Title Commitment, a survey of the Property, and any items identified in any searches of the Property or Seller, including, without limitation, any municipal lien searches, judgment searches, tax lien searches, and bankruptcy searches are not acceptable to Purchaser. Purchaser acknowledges that it will not object to the Regulatory Agreements and that the Regulatory Agreements are Permitted Exceptions, provided, however, Purchaser may require Seller to obtain any consents required thereunder, an assignment and assumption thereof, or other reasonable modifications or amendments thereto. Within five (5) business days following receipt of Purchaser's Title Notice, Seller shall notify Purchaser ("Seller's Title Notice") that, with respect to each matter objected to in Purchaser's Title Notice, either: (A) Seller shall take such action as may be reasonably necessary to eliminate such matter as an exception in the Title Commitment, the survey or the searches; or (B) Seller shall not take any or all actions identified in Purchaser's Title Notice with respect to such matter. Except to the extent Seller's Title Notice expressly states that Seller will take an action with respect to a matter identified in Purchaser's Title Notice (or if Seller fails to deliver Seller's Title Notice within such five (5) business day period), then Seller shall be deemed to have elected clause (B) of this Section 3.1.7. In the event Purchaser fails to timely deliver Purchaser's Title Notice, then Purchaser shall be deemed to have waived all title objections to matters shown in the Title Commitment (except that Seller shall in all events be obligated to pay and satisfy prior to Closing by prepayment (including any prepayment penalties, or yield maintenance), defeasance, removal, satisfaction, discharge, or release, as applicable, any deeds of trust, mortgages, security agreement, or UCC placed on the Property or other monetary liens, judgments, past due real estate taxes, violations, or any other matters affecting the Property that can be cured solely by the payment of money encumbering the Project ("Monetary Liens")). If Seller fails to cure any Monetary Liens at Closing, Purchaser, at its option, in addition to any termination rights, shall have the right to cure such liens and matters by use of a portion of the Purchase Price and deduct the cost of such cure from the Purchase Price at Closing. If Purchaser has timely delivered Purchaser's Title Notice and Seller elects (or is deemed to have elected) to proceed (in whole or in part) in accordance with clause (B) of this Section 3.1.7, then Purchaser shall have until 5:00 p.m. New York, NY time of the fifth (5th) business day following receipt of Seller's Title Notice (or the day upon which Seller is deemed to have elected to proceed under clause (B) of this Section 3.1.7.) to terminate this Agreement by delivering written notice thereof to Seller, in which case the Deposit shall be promptly returned to Purchaser and the parties shall not have any further obligations or liability hereunder, except for Surviving Obligations. Each item and matter revealed by the Title Commitment, survey or the searches to which Purchaser has not made an objection in Purchaser's Title Notice (other than Monetary Liens) and the Regulatory Agreements shall be a "Permitted Exception". Purchaser shall use commercially reasonable efforts to satisfy or eliminate, on or before the Closing Date, those Title Requirements to be performed or satisfied by Purchaser. Seller shall use commercially reasonable efforts to satisfy or eliminate, on or before the Closing Date, those Title Requirements to be performed or otherwise satisfied by Seller.

In the event the Title Company shall issue one or more supplemental Title Commitments, the "Title Commitment" shall be deemed amended to incorporate the changes reflected in such supplemental Title Commitments. Purchaser shall have three (3) business days following Purchaser's receipt of a supplemental Title Commitment to deliver a supplemental Purchaser's Title Notice with respect to any new item not shown on either the Title Commitment or any existing survey delivered to Purchaser as part of the Property Documents. Within three (3) business days following Seller's

receipt of the supplemental Purchaser's Title Notice, Seller shall provide Purchaser with a supplemental Seller's Title Notice. If Purchaser has timely delivered a supplemental Purchaser's Title Notice and Seller elects (or is deemed to have elected) to proceed (in whole or in part) in accordance with clause (B) of this Section 3.1.7, then Purchaser shall have the earlier of (x) two business days prior to the Closing Date or (y) 5 business days following Purchaser's receipt of the supplemental Title Commitment to terminate this Agreement by delivering written notice thereof to Seller. If Purchaser shall fail to terminate this Agreement on or before such date, then Purchaser shall be deemed to have waived all objections to the items appearing in the supplemental Title Commitment (other than Monetary Liens). Purchaser shall use best efforts to ensure that any supplemental Title Commitments are received at least 10 days prior to the Closing Date. With respect to any objections to title, survey, or lien searches set forth in an updated Purchaser's Title Notice, that are newly disclosed prior to Closing, Seller shall have the same options to cure and Purchaser shall have the same option to accept title, survey, or the searches subject to such matters or to terminate this Agreement and the Deposit shall be returned to Purchaser, or deduct the cost of any monetary liens or other matters from the Purchase Price as set forth above.

If Purchaser desires a new survey of the Project, Purchaser shall make timely arrangements to engage a surveyor, and pay the cost of, and otherwise cause a survey to be obtained at Purchaser's request for the Project.

3.2 Phase I. Purchaser acknowledges and agrees that Seller has provided a copy of the Property's existing Phase I Environmental Site Assessment ("Phase I"). If Purchaser's inspections during the Inspection Period reveal any new material environmental conditions not disclosed in the Phase I, Purchaser shall have until 5:00 p.m. New York, NY time of the fifth (5th) business day following learning of such new environmental condition (but in no event later than the expiration of the Inspection Period) to terminate this Agreement by delivering written notice thereof to Seller, in which case the Deposit shall be promptly returned to Purchaser and the parties shall not have any further obligations or liability hereunder, except for Surviving Obligations.

3.3 Purchaser's Limited Right to Terminate. Purchaser may terminate this Agreement for any reason or no reason during the Inspection Period, provided, however, Purchaser shall only have the right to a return of the Initial Deposit during the Inspection Period in accordance with (a) Section 3.1.7 or (b) Section 3.2 by providing to Seller written notice of such termination, time being of the essence. If Purchaser timely terminates this Agreement and does so pursuant to Section 3.1.7 or 3.2 above, the Initial Deposit shall be promptly returned to Purchaser and neither Purchaser nor Seller shall have any further obligations or liability hereunder, except for the Surviving Obligations.

3.4 Confidentiality. Purchaser agrees that, unless Seller specifically and expressly otherwise agree in writing, all of the Proprietary Information is and shall be deemed and treated by Purchaser and all of the Purchaser Parties as proprietary, privileged and confidential and Purchaser shall not disclose same to any other person except those of the Purchaser Parties assisting Purchaser with the transaction contemplated herein, or Purchaser's lender, if any, and then only on a need-to-know basis, and upon Purchaser making each such person aware of the confidentiality restrictions set forth herein and procuring such person's agreement to be bound thereby. Notwithstanding the foregoing, Purchaser shall not be deemed to have violated the provisions of this Section 3.4 if Purchaser or any Purchaser Party is required to disclose any Proprietary Information pursuant to a judicial order validly issued and served upon Purchaser or any Purchaser Party by a court with competent jurisdiction over the Project and the Proprietary Information which is the subject of such order, if Purchaser (a) promptly, and in no event less than five (5) business days after Purchaser's or any Purchaser Party's receipt of such court order, delivers a copy of same, together with any notices or other documents which were served on Purchaser or any Purchaser Party with such court order, to Seller, and (b) cooperates in any effort (provided that neither Purchaser nor any Purchaser Party is thereby placed in breach of such court order) instituted by Seller to prevent such disclosure. In the event the purchase and sale contemplated hereby fails to close for any reason whatsoever, Purchaser agrees to deliver to Seller, or cause to be delivered to Seller all Proprietary Information in the possession of Purchaser and any of the Purchaser Parties (excluding Proprietary Information that Purchaser acquires from parties other than Seller or any agent of Seller). Further, Purchaser agrees not to use or allow to be used any Proprietary Information for any purpose other than to determine whether Purchaser shall proceed with the purchase of the Project contemplated by this Agreement, or if such purchase is consummated, in connection with the operation of the Project following the Closing Date. In the event that closing does occur hereunder, Purchaser shall only disclose the name of Seller in any marketing materials, press releases or interviews and in no event shall Purchaser disclose the name of any affiliate of Seller or any principal thereof. Purchaser, on behalf of itself and the other Purchaser Parties, agrees to indemnify Seller and each of the Seller Parties against all costs, claims and damages, including attorneys' fees, suffered or sustained as the result of a breach by Purchaser or any of the Purchaser Parties of the covenants contained in this Section 3.4. All obligations of Purchaser under this Section 3.4 shall be referred to as the "Confidentiality Obligations." Notwithstanding any other term of this Agreement, the provisions of this Section 3.4 shall survive Closing or the termination of this Agreement for any reason.

4. Prior to Closing. Until Closing, Seller (or Seller' agents, on behalf of Seller) shall:

4.1 Insurance. Maintain the Project's existing casualty and liability insurance with respect to the Project.

4.2 Operation. Operate and maintain the Project substantially in accordance with past practices, including, without limitation, leasing and attempting to lease units to new tenants, the manner in which tenant's security deposits are returned or withheld from tenants, and shall only lease units to new tenants in accordance with any regulatory agreement(s) applicable to the Project and to keep and perform all of the obligations to be performed as owner of the Property and as landlord under any tenant leases. Seller shall not grant or convey any easement or any other legal or beneficial interest in or to the Property, other than tenant leases in the ordinary course of business, without the prior written consent of Purchaser, such consent may be withheld in Purchaser's sole discretion, nor shall it engage in, or cause to be engaged in, any formal or informal talks or negotiations with any unions to unionize the Property.

4.3 Cash on Hand. Except for security deposits and other refundable deposits that are required by the terms of this Agreement to be conveyed to the Purchaser, Seller shall be entitled to distribute cash on hand as and when Seller desires (after reserving for accounts payable and the payment of all debts and obligations of Seller as and when such debts and obligations are due and payable) and such cash on hand shall be distributed to Seller at or prior to Closing.

4.4 Capital Improvements. Refrain from undertaking any new improvements of a capital nature that will not be completed (unless of an emergency nature affecting the life or safety of the tenants) and paid for prior to Closing and provide evidence of payment therefor (or evidence of lien waivers) upon written request.

4.5 Notice of Violations. Notify Purchaser, promptly upon Seller receiving written notice of (i) any alleged claim against Seller or (ii) any alleged violation of law, regulation, regulatory agreement, governmental investigation or action or filed lawsuit. Seller knows of no existing violations.

4.6 New Contracts. Promptly upon execution thereof, Seller shall provide to Purchaser a copy of any new contract (a "Contract"), or of any amendment or modification to any existing Contract (a "Contract Amendment") delivered with the Property Documents, entered into by Seller prior to Closing that will survive Closing. From and after the Effective Date, Seller will enter into only those Contract(s) or Contract Amendment(s) which Seller or Seller's agents believe are reasonably necessary or appropriate to carry out its obligations under Section 4.2 hereof and which are either approved by Purchaser or which are subject to cancellation upon thirty (30) days' notice at no cost to Purchaser.

4.7 Title Affidavits. Seller shall at Closing provide a title affidavit to Title Company in the form requested by Title Company, subject to Seller's approval, whose approval shall not be unreasonably withheld.

4.8 Documents for Purchaser Required Consents. From time to time prior to Closing, as may be necessary for the consummation of the transaction provided for herein, Seller shall, at no extra cost to Seller, within two (2) business days after receipt of a request from Purchaser for Seller to sign and deliver to Purchaser such certifications, notices, requests, applications, or other documents as may be reasonably required for Purchaser to procure the Purchaser Required Consent for the Project, including executing any documents required to be signed by Seller. Seller shall provide written authorization to any governmental agency, to release to Purchaser copies of any documents or agreements with HUD in connection with obtaining the Purchaser Required Consents.

4.9 Purchaser Access to Property. Prior to Closing, upon prior written request from Purchaser, Seller shall grant Purchaser physical access to the Project during business hours. Such access shall be restricted to visual inspections of the Project only and shall not include any physically intrusive inspections or tests.

5. Representations and Warranties.

5.1 With respect to Seller. Seller represents and warrants to Purchaser as follows as of the Effective Date and as of Closing:

5.1.1 Seller is a limited liability company organized and validly existing under the laws of the State of Delaware.

5.1.2 Seller has the power and authority to engage in the transactions contemplated in this Agreement.

5.1.3 The execution and performance of this Agreement has been authorized by Seller, and to Seller's Knowledge (hereinafter defined), the execution of this Agreement by Seller will not result in a breach of, violate any term or provision of, or constitute a default under, any articles of incorporation, bylaws, partnership certificate, partnership agreement, articles of organization, operating agreement, indenture, deed to secure debt, deed of trust, mortgage, lease or other document by which Seller is bound. Seller will provide to Purchaser and Escrow Agent at Closing reasonable evidence

of its authority to enter into and consummate this Agreement, and designating an authorized signatory to deliver at Closing the deed and other deliveries required of Seller hereunder at Closing.

5.1.4 Seller is not insolvent. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against Seller.

5.1.5 Seller owns the Project and such Project, upon conveyance to Purchaser, will be free and clear of any liens, encumbrances, security interests therein or thereon, except the Permitted Exceptions. Other than this Agreement, no other party has any right to purchase the Property or any part thereof, and Seller has not entered into any options to purchase, purchase agreements, unrecorded easements, rights of first offer, rights of first refusal or similar agreements in effect with respect to the Property or any portion thereof.

5.1.6 Seller is not currently in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"). Seller is not a "Prohibited Person," which is defined as follows: (i) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (ii) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person or entity with whom Purchaser is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (iv) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (v) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list; and (vi) a person or entity who is affiliated with a person or entity listed in items (i) through (v), above.

5.2 **With respect to Seller and Project.** Seller represents and warrants to Purchaser that as of the Effective Date and the Closing Date:

5.2.1 Except for the Purchaser Required Consents as set forth on Schedule 5.2.1, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any applicable law, regulation or regulatory agreement to which Seller is subject or any provision of the partnership agreement or certificate of limited partnership (the "Governing Documents") of Seller or (ii) to Seller's knowledge, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice or consent under any material written agreement to which Seller is a party. Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any governmental entity, lender, partner or member of Seller in order for the parties hereto consummate the transactions contemplated by this Agreement, provided that Purchaser shall give notice and obtain the consents set forth on Schedule 5.2.1 (the "Purchaser Required Consents").

5.2.2 Except as set forth on Schedule 5.2.2, to Seller's Knowledge and during Seller's Ownership of the Project (as defined below), Seller has not received written notice of any alleged violation of law, codes, ordinances, rules, and regulations, governmental investigation or action or filed lawsuit that, if adversely determined, would have a material and adverse effect on the operations of financial viability of the Project or the transaction contemplated by this Agreement.

5.2.3 Seller has not received a written copy of any notice of noncompliance with Section 42 or 142, IRS Form 8823, or with relation to Regulatory Agreements, issued by a governmental authority with respect to the Project. Seller has not received any written notices from any governmental agency or authority regarding any violation of any rent control, rent moratorium, or similar law applicable to the Property.

5.2.4 To Seller's Knowledge, there is no litigation or proceeding (including, but not limited to, condemnation or eminent domain proceedings, arbitration proceedings or foreclosure proceedings), pending or, to Seller's knowledge, threatened in writing, against the Seller or Project except as disclosed in writing to Purchaser. There are no property tax appeals or proceedings pending concerning the Property and none will be filed prior to the Closing, without Purchaser's consent, not to be unreasonably withheld, conditioned or delayed.

5.2.5 The Project (and not part thereof) is not subject to any management agreement, service agreement, maintenance agreement or other third-party agreement that would be binding on Purchaser or the Project following Closing and that is not terminable upon thirty (30) days' notice.

5.2.6 Seller shall, prior to closing, terminate any and all (i) non-assignable contracts and (ii) those contracts which are by their terms terminable on thirty (30) days' notice without penalty. Seller will not terminate, and Purchaser expressly agrees to assume, any contracts that cannot be cancelled without cost, provided, however, Purchaser shall not be required to assume the existing leasing or management agreement. Notwithstanding the foregoing, that if, and only if, Purchaser approves and specifically consents in writing to so assume Seller's interest therein, Purchaser shall assume assignable contracts and agreements under ii) above, if any, including, without limitation, service, supply, and maintenance contracts ("Assumed Contracts") relating to the Real Property or Personal Property. In the event Purchaser does not expressly notify Seller by the end of the Inspection Period of Purchaser's intention to assume any contracts under ii) above, Purchaser shall be deemed to have elected to assume the same. Notwithstanding the foregoing Purchaser shall have no right to assume the management agreements affecting the Project and, prior to Closing, Seller shall terminate the same, at no cost to Purchaser.

"Seller's Knowledge", as used in this Agreement means the current actual knowledge of Eric Trucksess.

"Seller's Ownership" as used in this Agreement shall mean the time period beginning with the date of November 23, 2020, and continuing until the Effective Date.

Seller's representations and warranties set forth above are qualified by any knowledge actually obtained by Purchaser prior to the Effective Date. Seller may further qualify the foregoing representations and warranties by notice to Purchaser (a "Section 5 Notice") prior to the Closing Date, of the facts or circumstances known to Seller that makes the applicable representation and warranty false, misleading or inaccurate. If Seller delivers a Section 5 Notice less than three (3) business days before the Closing, then Purchaser may by notice to Seller extend the Closing Date to that day which is three (3) business days after the date of receipt of the Section 5 Notice. If any Section 5 Notice delivered after the Effective Date discloses a material adverse change in the matter covered by the applicable representation and warranty, that impacts the value of the Project or Purchaser's intended use thereof, as determined by Purchaser in its discretion, then Purchaser's sole remedies shall be to either (such election of Purchaser to be exercised on or before the Closing Date or within the 3 business day period referenced above): (i) waive its rights and claims hereunder with respect to such misrepresentation or breach of warranty, and proceed to Closing in accordance with the terms of this Agreement, without any reduction in the Purchase Price, or (ii) terminate this Agreement, in which event the Deposit shall be returned to Purchaser, Seller shall reimburse Purchaser up to \$600,000 of its actual, third-party costs incurred in connection with its inspections and examinations of the Project, and the parties shall have no further obligations hereunder except for the Surviving Obligations.

5.3 By Purchaser. Purchaser represents and warrants to Seller as follows:

5.3.1 Purchaser is a limited liability company duly organized and validly existing under the laws of the State of California.

5.3.2 Purchaser has the power to acquire and own the Project and to engage in the transactions contemplated in this Agreement.

5.3.3 The execution and performance of this Agreement has been authorized by Purchaser, and to the best of Purchaser's knowledge, the execution of this Agreement by Purchaser will not result in a breach of, violate any term or provision of, or constitute a default under, any articles of incorporation, bylaws, partnership agreement, partnership certificate, articles of organization, operating agreement, indenture, deed to secure debt, deed of trust, mortgage, lease or other document by which Purchaser is bound. Purchaser will provide to Seller and Title Company at Closing reasonable evidence of its authority to enter into and consummate this Agreement, and designating an authorized signatory to deliver at Closing the deliveries required of Purchaser hereunder at Closing.

5.3.4 No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy law is pending against Purchaser.

5.3.5 On or before the Closing Date, Purchaser shall have (a) inspected the Project fully and completely at its expense and to its satisfaction and will have ascertained to its satisfaction the extent to which the Project comply with applicable zoning, building, environmental, health and safety and all other laws, codes and regulation; and (b) reviewed the books and records, title reports, expenses and other matters relating to the Project and Seller and based upon its own investigations, inspections, tests and studies, shall have determined, based on the foregoing and the

representations and warranties specifically contained in this Agreement and the documents delivered at closing, whether or not to purchase the Project.

5.3.6 Neither Purchaser nor any of its respective constituent owners or affiliates currently are in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order") and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"). Neither Purchaser nor any of its respective constituent owners or affiliates is a "Prohibited Person," which is defined as follows: (i) a person or entity that is listed in the Annex to, or is otherwise subject to, the provisions of the Executive Order; (ii) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person or entity with whom Seller is prohibited from dealing with or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (iv) a person or entity who commits, threatens or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (v) a person or entity that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list; and (vi) a person or entity who is affiliated with a person or entity listed in items (i) through (v), above.

5.4 Broker. Seller and Purchaser each represents to the other that they each have not dealt with any real estate broker in connection with this Agreement other than Marcus & Millichap, and the transaction set forth herein, and they know of no real estate broker or other intermediary who has claimed or may have the right to claim a commission in connection with this transaction other than Marcus & Millichap, whose compensation shall be paid by Seller pursuant to a separate agreement between Seller and Marcus & Millichap. Seller and Purchaser agree that each will indemnify, defend and hold the other free and harmless from any claims arising from a breach of the foregoing representations (the "Broker Obligations"). This mutual indemnity shall survive Closing and any termination of this Agreement for any reason.

5.5 Survival Period. Notwithstanding anything to the contrary contained in this Agreement, the representations and warranties of Seller contained in this Article 5 shall survive Closing for a period of nine (9) months (the "Survival Period"). Purchaser shall commence any action, suit, or proceeding with respect to any alleged breach by Seller of a representation or warranty set forth herein, if at all, on or before the expiration of the applicable Survival Period. Seller shall have no liability to Purchaser for any breach of any representation or warranty, if (a) Purchaser does not provide to Seller notice of such breach and commence any action, suit, or proceeding with respect to such breach on or before the expiration of the applicable Survival Period, or (b) Purchaser had knowledge prior to Closing that the representation or warranty was untrue, incorrect or misleading in any material respect. Seller and Purchaser hereby expressly agree, which agreement shall survive Closing or any termination of this Agreement prior to Closing, that the maximum amount for which Seller shall be liable, and for which Purchaser shall have the right to assert claims against Seller, arising out of the breach of any representation or warranty of Seller under this Agreement shall not exceed, in the aggregate, SIX HUNDRED THOUSAND and NO/100 DOLLARS (\$600,000.00) (the "Cap") and no amounts shall be recoverable by Purchaser hereunder until such time as Purchaser's actual damages exceed TWENTY THOUSAND and NO/100 DOLLARS (\$20,000.00), in which event, recovery may be made of the first dollar lost. In no event shall Seller be liable to Purchaser for any punitive, speculative, consequential or other damages whatsoever as a result of Seller's breach of representation or warranty; it being expressly agreed Purchaser shall be entitled to only the amount of Purchaser's actual damages resulting from any and all breaches of Seller's representations and warranties under this Agreement up to, but not exceeding in the aggregate, the Cap. Notwithstanding the foregoing, the Cap and limitation on punitive, special and consequential damages shall not apply if Seller's breach of Seller's representations and warranties are the result of fraud.

5.6 Required Consents.

5.6.1 Purchaser shall be responsible at its sole cost, expense, and risk for seeking the approval of the Purchaser Required Consents (as set forth on Schedule 5.2.1) and any other applicable regulating agency to the transactions contemplated by this Agreement. Purchaser and Seller's obligation to close on the purchase and sale of the Project is conditioned upon the receipt of the Purchaser Required Consents. Purchaser hereby agrees to submit any transfer request(s) for the Purchaser Required Consent within ten (10) days after the Inspection Period and to diligently pursue the Purchaser Required Consents. The Seller will reasonably and diligently cooperate with Purchaser as may be

necessary to obtain such Purchaser Required Consents as provided in Section 4.8 of this Agreement. If the Purchaser Required Consents have not been obtained by 2:00 p.m., New York, NY, time on the Closing Date, then this Agreement shall automatically terminate, in which case the Deposit shall be distributed to Seller, unless the Purchaser Required Consent are not obtained due to Seller's failure to comply with this Section 5.6.1 and Section 4.8 of this Agreement, in which case the Deposit shall be returned to Purchaser and Purchaser shall otherwise be entitled to its remedies as provided in this Agreement including, without limitation, payment of its diligence costs, and the parties shall not have any further obligations or liability hereunder, except for Surviving Obligations

6. Costs and Prorations.

6.1 Purchaser's Costs. Purchaser will pay the following costs of closing this transaction:

6.1.1 Costs associated with issuance of a preliminary title report or initial commitment for a policy of title insurance for the Project, premiums and all other costs relating to the issuance of any title policies, and any and all special endorsements issued in connection with this transaction, and any settlement fees or closing charges payable to the Escrow Agent; and

6.1.2 The fees of Purchaser's counsel and any other costs or expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Project, any costs of updating the existing surveys for the Project and closing this transaction.

6.1.3 Any recording, processing, or indexing fees and all taxes associated with financing instruments; and

6.1.4 All Virginia grantee taxes and fees, and one-half (1/2) of the Hampton Roads Regional Transit Fee.

6.2 Seller's Costs. Seller will pay the following costs of closing this transaction:

6.2.1 The fees of Seller's counsel (including any fees associated with preparation of any deed or other documents to be delivered by Seller at Closing) and broker; and

6.2.2 All Virginia grantor taxes and one-half (1/2) of the Hampton Roads Regional Transit Fee.

6.3 In General. All prorations provided for herein shall be made as of the end of the day before the Closing Date. The day of Closing shall belong to Purchaser. For each Project, general real estate taxes and assessments imposed by governmental authority and any assessments imposed by private covenant constituting a lien or charge on any Property for the then current year or other current tax period (collectively "Taxes") not yet due and payable shall be prorated. If the Closing occurs prior to the receipt by Seller of the tax bill for the calendar year or other applicable period in which Closing occurs, Purchaser and Seller shall prorate Taxes for such applicable tax period based upon the tax bills for the immediately preceding tax period. All collected rent and other collected income under lease in effect on the Closing Date shall be prorated. Seller shall be charged with any rent and other income collected by Seller from each Project before the Closing Date but applicable to any period of time after the Closing Date. Uncollected rent and other income shall not be prorated. Purchaser shall apply rents from tenants that are collected after the Closing first to rent due for the periods of time occurring after Closing and to the costs of collection, remitting the balance, if any, to Seller to the extent such remaining balance is attributable to rent due and owing prior to the Closing Date. Notwithstanding anything in this Agreement to the contrary, this obligation shall survive Closing for a period of three (3) months. Any prepaid rents applicable to the period following Closing shall be paid over by Seller to Purchaser, or credited to Purchaser at Closing. Purchaser shall have no obligation to collect delinquent rents for Seller's account. Notwithstanding anything herein to the contrary, Purchaser shall pay to Seller upon receipt all rent subsidy that relates to any period prior to the Closing and Seller shall pay to Purchaser upon receipt all rent subsidy that relates to any period subsequent to the Closing.

Seller shall pay to Purchaser (or a credit may be allocated to Purchaser at Closing) for the utilities for the Project (including water, sewer, electric and gas) a prorated amount for the time period beginning the first day following the last billing cycle and ending on the day prior to Closing. Such proration shall be based upon an average of the last 3 full billing cycles for each utility prior to Closing. Purchaser shall be responsible for all expenses and costs allocable to utilities thereafter. Notwithstanding the foregoing, in the event the actual amount(s) due for utilities beginning the first day following the last billing cycle and ending on the day prior to Closing are not ascertainable at Closing, if required by Title Company, Seller shall escrow funds with Title Company in amount reasonably required by the Title Company to insure. With respect to any cable, internet, or telephone contracts for which Seller received an upfront, or lump sum payment, such payments shall be prorated at Closing based on the term of such agreement, with Purchaser receiving a pro rata credit for any upfront or lump sum payments received by Seller. Seller will prepare and deliver to Purchaser a proration schedule (the "Proration")

Schedule") of the adjustments described in this Section 6 as soon as reasonably practical but in all events, not less than three (3) business days prior to the Closing.

Seller shall pay to Purchaser (or a credit may be allocated to Purchaser at Closing) for any and all security deposits held by Seller or its agent under or in connection with the tenant leases Purchaser shall hold and disburse the same, following Closing, in accordance with the tenant leases and applicable law.

Seller shall pay to Purchaser any and all reserves and other cash deposits with respect to the property in existence prior to the Closing Date.

Seller and Purchaser shall prorate as of Closing all fees and charges under any service contracts or vendor agreements applicable to the Project which are to continue in effect following Closing, if any.

Prior to and as of the Closing Date, Seller shall cause all vacant units (except for any units vacated within forty-eight (48) hours prior to the Closing Date) to be made "rent ready" (i.e., in a condition on par with Seller's most recent rentals) and available for immediate occupancy. The determination that the vacant units at the Property are in rent ready condition shall be made by Seller and Purchaser, each in their reasonable judgment. Forty-eight (48) hours before the scheduled Closing Date, Seller shall allow Purchaser to conduct a walk-through with Seller or a representative of Seller present in order to demonstrate to Purchaser whether or not each vacant unit is in a rent-ready condition. With respect to any and all units at the Property that are vacant forty-eight (48) hours prior to the Closing Date, and which are not leased prior to the Closing Date, Seller shall be obligated to either (i) put such units in a "rent ready" condition on or before the Closing Date, or (ii) give Purchaser a credit at Closing in the amount of \$1,000.00 per such vacant unit.

If final prorations cannot be made at Closing for any item being prorated under the terms of this Agreement, then Purchaser and Seller agree to allocate such items on a fair and equitable basis as soon as invoices or bills are available, with final adjustment to be made as soon as reasonably possible after the Closing, but no later than ninety (90) days after Closing, provided, however, that the proration of Taxes will not be subject to adjustment after Closing. The foregoing obligation shall survive the Closing. Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted by the party incurring them.

7. Notices. Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given (a) upon confirmed receipt if given by electronic mail transmission, provided that (i) such transmission is completed at or prior to 5:00 p.m. New York, NY time, on the date transmitted, and (ii) an original of such notice is also delivered pursuant to one of the methods described in the following clauses (b) and (c), for scheduled delivery on the next business day, or (b) one (1) business day after pickup by United Parcel Service (Overnight), Federal Express, or another similar overnight express service, or (c) upon receipt if delivered by local messenger, in any case addressed to the parties at their respective addresses set forth below:

If to Seller:

c/o Millbrook Realty Group LLC
546 Fifth Avenue - 6th Floor
New York, NY 10036
Telephone: (212) 245-5822
Attn: Eric Trucksess
Emails: etrucksess@millbrookrealtygroup.com

And

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attn: David S. Boccio, Esq.
Email: dboccio@levittboccio.com

and

Williams Mullen
999 Waterside Drive, Suite 1700
Norfolk, VA 23510
Attn: Alyssa Carducci Dangler, Esq.
Email: adangler@williamsmullen.com

If to Purchaser:

Community Preservation Partners, LLC
17782 Sky Park Circle
Irvine, CA 92614
Attn: Anand Kannan
Akannan@wncinc.com

And

Community Preservation Partners East, LLC
11951 Freedom Drive, Suite 1204
Reston, VA 20190
Attn: Seth Gellis
SGellis@cpp-housing.com
with a copy to:
Nixon Peabody LLP
799 9th Street NW, Suite 500
Washington, DC 20001-5327
Attn: Richard Michael Price, Esq.
T: 202-585-8716
rprice@nixonpeabody.com

and

Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604-1792
Attn: Matthew V. Carrigg, Esq.
T: 585-263-1214
mcarrigg@nixonpeabody.com

To Escrow Agent:

Commonwealth Land Title
888 S. Figueroa Street, Suite 2100
Los Angeles, CA 90017
Attn: Cheryl A. Greer
Telephone: (213) 330-3080
Email: cgreer@cltic.com

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 7 to the other party. Notices shall be deemed effective if given by counsel to either party on behalf of such party. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

8. Closing and Escrow.

8.1 Seller's Deliveries. Seller shall deliver to the Escrow Agent at Closing the following original documents each executed and, if required, acknowledged:

8.1.1 A Special Warranty Deed from Seller conveying the Project to Purchaser in the form attached hereto as Exhibit 8.1.1 (the "Deed").

8.1.2 An Assignment and Assumption of Leases in the form attached hereto as Exhibit 8.1.2 ("Assignment").

8.1.3 A General Assignment and Bill of Sale in the form attached hereto as Exhibit 8.1.3 ("Bill of Sale").

8.1.4 Evidence reasonably satisfactory to Title Company of Seller's authority to enter into the transactions contemplated by this Agreement.

8.1.5 A settlement statement in the form approved by Seller and Purchaser.

8.1.6 A certificate executed by Seller confirming that Seller's representations and warranties set forth in Section 5.1 hereof are true and correct in all material respects as of the date of Closing.

8.1.7 The title affidavit referenced in Section 4.7.

8.1.8 Seller's share of the costs and expenses as adjusted by the net adjustments, credits, prorations and other amounts due hereunder.

8.1.9 An affidavit pursuant to the Foreign Investment and Real Property Tax Act, in customary form.

8.1.10 Any documents reasonably required by Title Company.

8.1.11 If required by an applicable consent party, an assignment and assumption of the Regulatory Agreements for the property in form and substance approved by Seller, Buyer and the applicable consent party, and any other documents required in connection with the Purchaser's Required Consents.

8.1.12 A form of notice to tenants that shall disclose that the Property has been sold to Buyer, that Buyer has received any tenant deposit and assumed liability therefor, and that, after the Closing, all rents should be paid to Purchaser or Purchaser's designee.

8.1.13 All documents, property files, combination locks, security codes, and keys in Seller's possession or control and relating to the Project it being understood that any of the items referred to in this subsection located at the Projection the Closing Date shall be deemed to be delivery to Purchaser.

8.2 Purchaser's Deliveries. At Closing, Purchaser shall (i) pay Seller the Purchase Price as required by, and in the manner described in, Section 2 hereof, and (ii) execute and deliver the following documents:

8.2.1 One or more counterparts of the agreements referenced in Section 8.1.2, 8.1.3, 8.1.11, and 8.1.12.

8.2.2 Evidence of Purchaser's authority to enter into the transactions contemplated by this Agreement in a form reasonably acceptable to the Seller.

8.2.3 A settlement statement in the form approved by Seller and Purchaser.

8.2.4 A certificate executed by Purchaser confirming that Purchaser's representations contained herein are true and correct in all material respects as of the date of Closing.

8.2.5 Purchaser's share of the costs and expenses as adjusted by the net adjustments, credits prorations and other amounts due hereunder.

8.3 Insurance. Seller shall terminate its policies of insurance for the Project as of Closing, at which point the risk of loss for any casualty to the Project shall pass to Purchaser and Purchaser shall be responsible for causing the Seller to obtain its own insurance. Until the time aforesaid, the risk of loss shall remain with Seller.

9. Default; Conditions Precedent.

9.1 Purchaser Default. If Purchaser shall fail or refuse to purchase the Project in violation of Purchaser's obligations hereunder for any reason other than a default by Seller under this Agreement or the failure of a condition precedent to Purchaser's obligations hereunder, or shall otherwise be in default at or prior to Closing of one or more of its material obligations hereunder, Seller shall have as its sole remedies hereunder the right to: (a) terminate this Agreement and retain the full amount of the Deposit actually paid to the Escrow Agent as liquidated damages and all obligations of the parties to each other under this Contract shall cease; or (b) waive such breach or default and proceed to Closing. Seller and Purchaser acknowledge and agree that (a) it would be extremely difficult to accurately determine the amount of damages suffered by Seller as a result of Purchaser's default hereunder; (b) the Deposit actually paid constitutes a fair and reasonable amount to be received by Seller as agreed and liquidated damages for Purchaser's default under this Agreement, as well as a fair, reasonable and customary amount to be paid as liquidated damages to a seller in an arm's length transaction of the type contemplated by this Agreement upon a default by the purchaser thereunder; and (c) receipt by Seller of the Deposit upon Purchaser's default hereunder shall not constitute a penalty or a forfeiture.

9.2 Seller Default. If Seller shall refuse or fail to convey the Project to Purchaser in violation of Seller's obligations hereunder for any reason other than the failure of a condition precedent or a default by Purchaser under this Agreement, or shall otherwise be in default of its obligations hereunder at or prior to Closing, Purchaser shall give written notice of such default to Seller and, if Seller shall fail to cure such default within ten (10) business days following such notice,

such failure shall be deemed a "Seller Default". If any Seller Default shall occur and remain uncured, Purchaser shall have the right, as its sole and exclusive remedy for such default, the right to: (a) terminate this Agreement and receive a return of the Deposit and reimbursement of up to \$600,000 Purchaser's third-party, out-of-pocket, documented costs and expenses incurred in connection with this Agreement, which documentation shall be provided not later than thirty (30) days following the termination, or (b) seek specific performance of this Agreement subject to the terms and conditions of this Section 9.2, or (c) waive such breach or default and proceed to Closing. Purchaser shall have the right to seek specific performance of Seller's obligation to convey the Project pursuant to this Agreement only if Purchaser complies with the following preconditions (collectively, the "Specific Performance Preconditions"):

(i) Purchaser delivers written notice to Seller of Purchaser's intent to file a cause of action for specific performance against Seller (a "Suit Notice") on or before the date which is twenty-five (25) calendar days after the earlier to occur of (x) Purchaser's receipt of written notice from Seller that Seller has failed to perform as required under this Agreement (a "Default Notice"), or (y) the scheduled Closing Date; and

(ii) If Purchaser has timely given a Suit Notice to Seller, Purchaser files a lawsuit asserting a claim or cause of action for specific performance against Seller in the State within thirty (30) calendar days following the date on which Purchaser has delivered the Suit Notice.

In the event that Purchaser fails to timely comply with any of the Specific Performance Preconditions set forth above, time being of the essence, Purchaser shall (i) automatically be deemed to have irrevocably waived and released Purchaser's right of specific performance, and (ii) Purchaser shall be deemed to have elected to exercise the remedy set forth in Section 9.2(a), above. This Agreement confers no present right, title or interest in the Project to Purchaser and Purchaser agrees that it shall have no right to file a *lis pendens* or other similar notice against the Project until each of Specific Performance Preconditions have been satisfied.

If the Purchaser is entitled to bring an action for specific performance of this Agreement, Purchaser agrees that Seller shall not be obligated to undertake any of the following: (A) change the condition of a Project or restore the same after any fire or casualty; (B) expend money or post a bond to remove or insure over a title defect or encumbrance or to correct any matter shown on a survey of a Project; (C) secure any permit, approval, or consent with respect to the Project or Seller's conveyance thereof; or (D) expend any money to repair, improve or alter the Improvements or any portion thereof.

9.3 Conditions Precedent. If prior to or at Closing: (i) any representation or warranty of Seller contained in this Agreement is, or as of the Closing Date will be, untrue in any material respect, or (ii) Seller fails to perform any of its covenants set forth in this Agreement, then Purchaser shall promptly give Seller written notice of its objection thereto. In such event, Seller may elect to postpone the Closing for a period of ten (10) days to give Seller the opportunity to attempt to cure such objection. If Purchaser fails to waive the objection within ten (10) days after notice from Seller that Seller will not cure the objection, or if any one or more of the other conditions to Closing set forth in the first sentence of this Section 9.3 are not satisfied either as of Closing or as of the end of the ten (10) day extension period, then at Purchaser's option this Agreement shall terminate with respect to the Project affected by such objection (in which case the Deposit shall be refunded to Purchaser), or, alternatively, Purchaser shall have the right to waive such unsatisfied condition and proceed to Closing. In no event shall Seller be obligated to convey the Project nor shall Purchaser be required to acquire the Project in the event a Purchaser Required Consent has not been obtained prior to the then-applicable Closing Date. In addition, the sale and purchase of the Project shall be expressly subject to and conditioned upon receipt of written evidence of each of the following conditions: (i) all of Seller's representations and warranties provided in this Agreement shall be true, accurate and complete in all material respects and not materially misleading as of the Closing Date, (ii) the Escrow Agent's issuance or commitment to issue on or before the Closing Date (subject only to the payment of the title insurance premium), a standard form Owner's Policy of Title Insurance, in the amount of the Purchase Price, insuring Purchaser as the fee simple owner of the Project to be conveyed hereunder, subject only to the Permitted Exceptions, (iii) Seller shall have otherwise performed all of its covenants, obligations and responsibilities set forth in this Agreement, including, without limitation, the satisfaction of all Monetary Liens.

9.4 Attorneys' Fees. Notwithstanding anything to the contrary in this Agreement, in the event that either Seller or Purchaser, as the case may be, shall bring a lawsuit against the other party to enforce their respective rights under or arising from this Agreement, the losing party shall pay the prevailing party's costs and expenses incurred in connection with such litigation, including without limitation reasonable attorneys' fees actually incurred and not merely imputed by any applicable state statutes. The "prevailing party" shall be determined by the court hearing such matter.

10. Damage or Destruction.

(a) If any portion of the Improvements is damaged or destroyed by casualty prior to Closing, Seller shall give Purchaser prompt written notice thereof. If any portion of the Improvements is damaged or destroyed by casualty prior to Closing, and the cost of repair of such damage or destruction is reasonably estimated to exceed ten percent (10%)

of the Purchase Price, Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice to Seller on or before the date ten (10) days after the date upon which Seller gives Purchaser written notice of such casualty, in which event the Deposit shall be refunded to Purchaser promptly upon request, all rights and obligations of the parties under this Agreement shall expire (other than the Surviving Obligations), and this Agreement shall become null and void. In the event of lesser damage or destruction, Purchaser shall have no right to terminate this Agreement by reason of such damage or destruction.

(b) If any portion of the Improvements is damaged or destroyed by casualty prior to Closing and Purchaser does not elect to terminate this Agreement in accordance with any termination right or is otherwise not permitted to terminate this Agreement, this Agreement shall remain in full force and effect and the parties shall proceed to Closing without any reduction or adjustment in the Purchase Price, except that at Closing:

(i) the Purchase Price shall be reduced by the total of any insurance proceeds actually received by Seller on or before the Closing Date with respect to such casualty and not expended by Seller prior to Closing for the repair or restoration of the Improvements;

(ii) at Closing, Seller shall assign to Purchaser all rights of Seller in and to any insurance proceeds payable thereafter by reason of such casualty; and

(iii) to the extent that Seller has not paid the deductible under Seller's property insurance policy, the amount of such deductible shall be credited against the Purchase Price and Purchaser shall be responsible for paying such deductible.

11. Condemnation.

(a) In the event of commencement of eminent domain proceedings respecting any portion of the Project prior to Closing, Seller shall give Purchaser prompt written notice thereof. If all or any material part of the Project is taken by eminent domain proceedings prior to Closing or if an action in eminent domain is commenced by any governmental authority with respect to the Project prior to Closing, Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice to Seller on or before the date ten (10) days after the date upon which Seller gives Purchaser written notice of such taking, in which event the Deposit shall be refunded to Purchaser promptly upon request, all rights and obligations of the parties under this Agreement shall expire (except for the Surviving Obligations), and this Agreement shall become null and void. In the event of a taking of less than all or a material part of the Project, Purchaser shall have no right to terminate this Agreement by reason of such taking.

(b) If all or any part of the Project is taken by eminent domain proceedings prior to Closing, or an action in eminent domain is commenced by any governmental authority prior to Closing, and Purchaser does not elect to terminate this Agreement in accordance with any termination right or is not otherwise permitted to terminate this Agreement, this Agreement shall remain in full force and effect and the parties shall proceed to Closing without any reduction or adjustment in the Purchase Price, except that at Closing:

(i) the Purchase Price shall be reduced by the total of any awards or other proceeds actually received by Seller on or before the Closing Date with respect to any taking and not expended by Seller prior to Closing for the repair or restoration of the Project; and

(ii) at Closing, Seller shall assign to Purchaser all rights of Seller in and to any awards or other proceeds payable thereafter by reason of such taking or action in eminent domain, as applicable.

(c) For the purposes of this Section 11, a taking shall be deemed to be of a "material" part of the Project only if such taking involves either:

(i) the taking of more than ten percent (10%) of the existing parking spaces on the Real Property or such lesser number as would render the remaining parking spaces less than required by any applicable governmental authority in order to continue to use and operate the Project as Seller currently operates the Project;

(ii) the taking of more than ten percent (10%) of the square footage of the Improvements.

(iii) the taking will result in the Project no longer being suitable for its current use.

12. Miscellaneous.

12.1 Entire Agreement. This Agreement, together with the Exhibits attached hereto, all of which are incorporated by reference, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

12.2 Severability. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

12.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the Commonwealth of Virginia without regard to its conflict of laws principals (the "State"). Any dispute arising under this Agreement or the documents referred to herein will be adjudicated exclusively in the courts of the State.

12.4 Assignability. Purchaser shall not have the right, without the prior written approval of Seller, which may be given or withheld in Seller's sole and absolute discretion, to assign or transfer any of Purchaser's rights, obligations and interests under this Agreement prior to or at the Closing. Any assignment made without Seller's prior written approval shall be void; provided, however that Purchaser may assign its rights to acquire the Project to another entity wholly owned and controlled by Purchaser or Purchaser's principals without the consent of Seller (Purchaser, however, shall provide notice to Seller). No assignment shall release Purchaser herein named from any obligation or liability under this Agreement.

12.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

12.6 No Public Disclosure. Prior to Closing, all press releases or other dissemination of information to the media or responses to requests from the media for information relating to the transaction contemplated herein shall be subject to the prior written consent of both parties hereto. After Closing, this covenant shall terminate and no longer be binding on either party (subject to the Confidentiality Obligations described herein).

12.7 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

12.8 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest.

12.9 Time of Essence. Time is of the essence in this Agreement.

12.10 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Any counterpart bearing a copy of a party's signature shall be as effective and binding as a counterpart bearing an original of such party's signature.

12.11 Recordation. Purchaser and Seller agree not to record any letter of intent, this Agreement or any memorandum hereof.

12.12 Proper Execution. The submission by Seller to Purchaser of this Agreement in an unsigned form shall be deemed to be a submission solely for Purchaser's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option or an offer, and shall not confer any rights upon Purchaser or impose any obligations upon Seller irrespective of any reliance thereon, change of position or partial performance. The submission by Seller to Purchaser of this Agreement for execution by Purchaser and the actual execution thereof and delivery to Seller by Purchaser shall similarly have no binding force and effect on Seller unless and until Seller shall have executed this Agreement and the Deposit shall have been received by the Escrow Agent.

12.13 Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY TO THIS AGREEMENT (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF

LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12.14 Liability of Agents. It is hereby expressly agreed that in no event shall any officer, director, partner, member, employee, agent or representative of Seller have any personal liability in connection with this Agreement or the transaction envisioned herein. Further, it is hereby expressly further agreed that in no event shall any officer, director, partner, member, employee, agent or representative of Purchaser have any personal liability in connection with this Agreement or the transaction envisioned herein.

12.15 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

12.16 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "Legal Holiday" shall mean any local or federal holiday on which post offices are closed either in the jurisdiction in the State.

12.17 Surviving Obligations. The term "Surviving Obligations," as used herein shall mean, collectively, the Indemnity Obligations, the Confidentiality Obligations, and the Broker Obligations, together with any other obligations of the parties which expressly survive the termination of this Agreement for any reason.

12.18 Escrow Agreement. Contemporaneously with the execution and delivery of this Agreement, Seller, Purchaser and Escrow Agent shall enter into an escrow agreement (the "Escrow Agreement") in the form attached hereto as Exhibit 10.18.

12.19 Entire Agreement. This Agreement embodies the entire agreement and understanding with respect to its subject matter between Purchaser and Seller and it supersedes all prior agreements and understandings, written and oral, between Purchaser and Seller related to this subject matter. This Agreement and the obligations of the parties under this Agreement may be amended, waived and discharged only by an instrument in writing executed by the party against which enforcement of the amendment, waiver or discharge is sought.

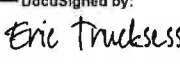
[Signatures appear on the following page.]

IN WITNESS WHEREOF, Seller and Purchaser have executed this Real Estate Purchase Agreement effective as of the date first set forth above and referred to herein as the Effective Date.

SELLER:

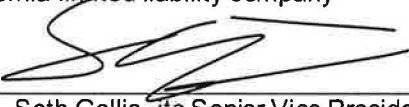
CITY LINE ASSOCIATES LLC,
a Delaware limited liability company

By: Millbrook Realty Group LLC,
a New York limited liability company

DocuSigned by:

By: _____
Name: Eric Trucksess
Title: Manager

PURCHASER:

COMMUNITY PRESERVATION PARTNERS EAST, LLC
a California limited liability company

By: 
Seth Gellis, its Senior Vice President

Schedule A-1

LEGAL DESCRIPTION

The following property situated in the City of Newport News, Virginia, and more particularly described as follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE CITY OF NEWPORT NEWS,

VIRGINIA, CONTAINING 12.30 ACRES, MORE OR LESS, DESIGNATED AS PARCEL "A-2" ON THAT CERTAIN MAP OR PLAT ENTITLED, "PLAT SHOWING PARCEL A-1, PARCEL A-2, PARCEL B-1, PARCEL B-2, A 25' ACCESS EASEMENT AND A 20' SANITARY SEWER EASEMENT," MADE BY WILLIAM M. SOURS, SURVEYOR, DATED OCTOBER 2, 1975, PRINT OF WHICH PLAT IS ATTACHED TO AND MADE A PART OF THAT CERTAIN DEED DATED OCTOBER 23, 1975 FROM GEORGE A. ORPHANIDYS AND EDITH L. ORPHANIDYS, HIS WIFE, TO THE CITY OF NEWPORT NEWS, DULY OF RECORD IN THE CLERK'S OFFICE OF THE CIRCUIT COURT FOR THE CITY OF NEWPORT NEWS, VIRGINIA, IN DEED BOOK 906, AT PAGE 103, TO WHICH DEED AND PLAT PARTICULAR REFERENCE IS HERE MADE FOR THE METES AND BOUNDS DESCRIPTION OF SAID PARCEL, AND THE EASEMENTS AND APPURTENANCES THERETO.

TOGETHER WITH THE RIGHT TO USE THAT PORTION OF PARCEL B-1 (MYTILENE DRIVE) WHICH WAS CONVEYED TO THE CITY OF NEWPORT NEWS FOR USE AS A STREET AND PUBLIC RIGHT OF WAY BY DEED DATED OCTOBER 23, 1975, AND DULY OF RECORD IN THE CLERK'S OFFICE AFORESAID IN DEED BOOK 906, AT PAGE 103.

SAID LAND ALSO BEING DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY OF 76TH STREET - LASSITER DRIVE (A 60 FOOT PUBLIC RIGHT OF WAY), SAID POINT BEING 99.04 FEET IN A WESTERLY DIRECTION ALONG 76TH STREET - LASSITER DRIVE FROM IT'S INTERSECTION WITH MARTHA LEE DRIVE AND BEING A NORTHEASTERLY PROPERTY CORNER OF THE NOW OR FORMERLY CITY OF NEWPORT NEWS PROPERTY, SAID PARCEL BEING CONVEYED TO THE CITY OF NEWPORT NEWS FOR USE AS A STREET AND PUBLIC RIGHT OF WAY AS NOTED IN THE DEED OF CONVEYANCE RECORDED AT DEED BOOK 906, PAGE 103 AND POSTED ON SITE AS MYTILENE DRIVE.

THENCE S27 DEGREES 34'47"E 252.56 FEET, WITH THE EASTERLY PROPERTY LINE OF THE AFOREMENTIONED CITY OF NEWPORT NEWS PROPERTY KNOWN AS MYTILENE DRIVE TO A POINT BEING A NORTHWESTERLY PROPERTY CORNER OF THE NOW OR FORMERLY PAULA MARIA VILLAGE PROPERTY AND BEING THE TRUE POINT OF BEGINNING FOR THE SUBJECT PROPERTY.

THENCE S27 DEGREES 34'47"E 1,174.42 FEET, WITH THE WESTERLY PROPERTY LINE OF THE AFOREMENTIONED PAULA MARIA VILLAGE PROPERTY, TO A POINT ON A SURVEY CONTROL LINE RUNNING ALONG THE EDGE OF NEWMARKET CREEK, THE CENTERLINE OF WHICH IS THE ACTUAL PROPERTY LINE.

THENCE WITH THE SURVEY CONTROL LINES RUNNING WITH NEWMARKET CREEK, THE FOLLOWING COURSES AND DISTANCES:

S00 DEGREES 11 '03"W 205. 70 FEET TO A POINT.

518 DEGREES 56'18"W 169.43 FEET TO A POINT.

S45 DEGREES 34'58"W 310.87 FEET TO A POINT BEING ON THE EASTERLY PROPERTY LINE OF MEADOWVIEW SUBDIVISION.

THENCE N16 DEGREES 44'12"W 1,617.62 FEET, DEPARTING THE SURVEY CONTROL LINE AND THE EASTERLY PROPERTY LINE OF MEADOWVIEW SUBDIVISION, TO A POINT BEING A SOUTHWESTERLY PROPERTY CORNER OF THE NOW OR FORMERLY G.A.O., INC. PROPERTY.

THENCE N69 DEGREES 19'23"E 213.54 FEET, WITH THE SOUTHERLY PROPERTY LINE OF THE G.A.O., INC. PROPERTY AND THE AFOREMENTIONED CITY OF NEWPORT NEWS PROPERTY TO THE TRUE POINT OF BEGINNING AND CONTAINING 11.838 ACRES WITHIN THE SURVEY CONTROL LINE WITH THE TOTAL ACREAGE BEING APPROXIMATELY 12.36 ACRES TO THE CENTER OF NEWMARKET CREEK.

LESS AND EXCEPT A PARCEL OF 0.062 ACRE CONTAINED WITHIN THE SUBJECT PROPERTY WHICH WAS CONVEYED TO THE CITY OF NEWPORT NEWS FOR USE AS A SEWER PUMP STATION AS NOTED IN THE DEED OF CONVEYANCE RECORDED AT DEED BOOK 906, PAGE 103.

It being the same property conveyed to Lighthouse City Line LLC by deed from City Line Associates Limited Partnership dated June 7, 2017 and duly recorded June 8, 2017 in the aforesaid Clerk's Office as Instrument Number 170007782.

Schedule 2.1

Seller's Third Party Estimate for Flood Mitigation Plan

[to be attached upon Seller's receipt from third party]

Schedule 3.1.2

The Property Documents

To be provided by Seller to the extent in Seller's possession with respect to the Project within 5 business days of the Effective Date, except items 11, 13, 25, 26, 27 and 31 which will be ordered by Seller on the Effective Date from the management company, and delivered or available for inspection at the Property upon receipt

1. Audited financial statements, if available, of the Property for the prior three (3) years.
2. Current Rent Roll showing the name of each existing tenant, apartment number designation, the expiration date or status of the term of the lease (including all rights or options to renew), current rental rate, any prepaid or delinquent rent, any deposits whether refundable or non-refundable, and any rental concessions or additional charges paid by tenant and copies of rent rolls for the past 12 months;
3. Lease expiration report indicating number of leases expiring during the next 12 months.
4. Easements, deed restrictions, side letters and any other documents encumbering the Property that Seller has actual knowledge of (other than those documents that can be obtained from the title company).
5. Copies of any engineering reports, project needs assessment reports, rent comparability studies, and environmental reports, including all Phase I and Phase II Environmental Reports and any Lead Based Paint Disclosure and Asbestos Containing Material Disclosures for the Property.
6. Copies of Certificates of Occupancy and Notices of Completion, if available.
7. Existing surveys.
8. Existing owner's title insurance policies and any regulatory agreements or other agreements affecting the Property.
9. Copies of most recent and prior three (3) years' real estate tax bills, tax receipts and any notices of special assessments.
10. All governmental authority written notices of building code, zoning fire and/or health code violations for the last three (3) years.
11. Copies of all licenses, equipment leases.
12. Listing of current litigation, actions, proceedings, and investigations pending against the Property.
13. Copies of the last five (5) years' loss run statements for the Property.
14. The last twelve (12) months' utility bills for the Property.
15. HAP Contract, including the original Section 8 Contract, and all available prior renewals.
16. Plans and Specifications and all architectural drawings for the Property, if available.
17. Most recent REAC report.
18. Current HUD-92458 Rent Schedule, if available.
19. Waiting list report.
20. Most recent Management and Occupancy Review report (Section 8 HAP Contracts) including copies of the most recent EH&S reports and correction certifications, if any.

21. Any reports generated by consultants or government agencies regarding the historic determination of the Property, if any.
22. Current AFHMP.
23. Current payroll report (to be provided within five (5) days after Seller's receipt of the Additional Deposit).
24. Last five years' capital improvement projects.
25. Summary demographic information.
26. Schedule for current tenant's annual income.
27. Most recent Termite Inspection Report, if any.
28. Inventory of Personal Property used in connection with the Property (to be delivered at least thirty (30) days prior to the Closing Date).
29. Copies of all guaranties and warranties, that the Seller may have on file, including but not limited to any guaranties or warranties relating to the roof of the Property (to be delivered at least thirty (30) days prior to the Closing Date).
30. Copies, as may be available, of lead-based paint inspection documenting certification that no lead-based paint is present on the Property or a risk assessment to identify lead-based paint hazards on the Property and the supporting lead-paint mitigation documentation, evidencing lead paint stabilization is complete as per HUD's Lead-Based Paint Requirements of 24 C.F.R. Part 35, Subpart H, as Required by the Contracts and Physical Condition Standards and Inspection Requirements of 24 C.F.R. Part 5, Subpart G (usually included as part of MOR review).
31. HUD-50059 Owner's Certifications for each tenant (redacted SSN's acceptable), available only for physical inspection at the Property.

Schedule 5.2.1

Required Consents

Purchaser Required Consents to be obtained by Purchaser (and any approvals required in connection therewith to be obtained by Purchaser, if any):

HUD

Virginia Housing

All other consents affecting the Property and reasonably required by Purchaser.

Schedule 5.2.2

Legal Violations

None.

Exhibit 8.1.1
FORM OF SPECIAL WARRANTY DEED

PREPARED BY:

CONSIDERATION: \$ _____

Tax Parcel No. 276000102

SPECIAL WARRANTY DEED

THIS DEED is made as of _____, 2022, by and between _____, a _____,
as **GRANTOR**, and _____, a _____, as **GRANTEE**. Grantee's address is:
_____.

WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey, with Special Warranty, unto the Grantee, the following described property located in the City of Newport News, Virginia (the "Property"):

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

This conveyance is made subject to easements, conditions and restrictions of record insofar as they may lawfully affect the Property.

[Signatures on following page]

WITNESS the following signature and seal:

By: _____
_____, its _____

STATE OF _____
County/City of _____ to wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____,
a _____, the _____, a _____, on behalf of the company.

Notary Public

My Commission expires: _____

Exhibit 8.1.2
Form of Assignment of Leases

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES ("Assignment") is dated as of the ____ day of _____, _____, and is entered into by and between _____ ("Assignor") and _____ ("Assignee"), with respect to the following matters:

WITNESSETH:

Assignor and Assignee (amongst others) entered into that certain Real Estate Purchase Agreement dated as of _____ ("Agreement"), regarding the sale of that certain real property being more fully described on Exhibit "A" attached hereto and made a part hereof, together with all improvements and other property comprising a Project (as defined in the Agreement). Unless otherwise indicated herein, all capitalized terms in this Assignment shall have the meaning ascribed to them in the Agreement.

Assignor, as lessor, and tenants have entered into the tenant leases covering certain premises located on the Project.

Under the Agreement, to the extent assignable, Assignor is obligated to: (a) assign to Assignee any and all right, title and interest in and to all tenant leases; and (b) give Assignee a credit in an amount equal to the amount of tenant deposits and prepaid rents.

Under the Agreement, Assignee is obligated to assume all of Seller's obligations with respect to the tenant leases, tenant deposits and prepaid rents arising from and after the date of closing.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Assignor hereby assigns, sells, transfers, sets over and delivers unto Assignee all of Assignor's estate, right, title and interest in and to the tenant leases (the "Leases") pertaining to or executed in connection with the Rent Roll attached hereto, and Assignee hereby accepts such assignment and hereby assumes all of the obligations and agrees to pay, perform and discharge all of the terms, covenants and conditions, in each case arising or accruing under or in connection with the Leases and deposits paid in connection therewith from and after the date of this Assignment. Assignor warrants that all of the tenant leases pertaining to the Project are reflected upon the Rent Roll.

Assignee hereby acknowledges receipt of funds equal to the amount of, and in payment of, all deposits and prepaid rents paid in connection with the Leases, and hereby assumes all of the obligations in connection therewith.

Assignee hereby agree to defend, indemnify, and hold Assignor harmless from and against any and all claims, losses, damages, and liabilities (including, without limitation, court costs and attorneys' fees) that may be asserted against or incurred by Assignor and which are caused by or the result of any default by Assignees as "Landlord" under the Leases from and after the date hereof.

Assignor hereby agrees to defend, indemnify, and hold Assignee harmless from and against any and all claims, losses, damages, and liabilities (including, without limitation, court costs and attorneys' fees) that may be asserted against or incurred by Assignees and which are caused by or the result of any default by Assignor as "Landlord" under the Leases prior to the effective date hereof, subject to the applicable survival period in the Agreement and the Cap (as defined in the Agreement).

The transfers and assumptions given effect by this Assignment are limited by and made expressly subject to the terms, covenants and conditions set forth in the Agreement.

This Assignment may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of all the respective parties hereto.

This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first above written.

ASSIGNOR:

_____, a _____
By: _____, its _____

By: _____

ASSIGNEE:

By: _____

Exhibit 8.1.3
(Form of Bill of Sale)

GENERAL ASSIGNMENT AND BILL OF SALE

THIS GENERAL ASSIGNMENT AND BILL OF SALE ("Assignment") is dated as of _____, _____, and is entered into by and between _____, a _____ ("Assignor") and _____ ("Assignee"), with respect to the following matters:

WITNESSETH:

Assignor and Assignee (amongst others) entered into that certain Real Estate Purchase Agreement dated as of _____ ("Agreement"), regarding the sale of that certain real property being more fully described on Exhibit "A" attached hereto and made a part hereof, together with all improvements and other property comprising a Project (as defined in the Agreement). Unless otherwise indicated herein, all capitalized terms in this Assignment shall have the meaning ascribed in the Agreement.

Pursuant to the Agreement (except as otherwise provided for therein), Assignor is obligated to transfer, sell, convey and assign any and all of Assignor's right, title and interest in and to the Personal Property, and to the extent assignable, all intangibles and service contracts (excluding property management) related to or used in connection with the Project (collectively, the "Assigned Properties") and to delegate any and all of its obligations and responsibilities in the Assigned Properties from and after the date hereof to Assignee and Assignee is obligated to assume such obligations and responsibilities.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of this are hereby acknowledged, the parties hereto hereby agree as follows:

Subject to the limitations in the Agreement, Assignor hereby assigns, sells, transfers, sets over and delivers unto Assignee all of Assignor's estate, right, title and interest in and to the Assigned Properties and Assignee hereby accepts such assignment and hereby assumes all of the obligations and responsibilities thereof and agrees to pay, perform and discharge all of the terms, covenants and conditions, in each case arising or accruing under the Assigned Properties from and after the date of this Assignment.

Assignor hereby agrees Assignor shall warrant the title to the Assigned Properties unto Assignee, its successors and assigns, against the claims of all persons claiming by, through, or under Assignee, but against no others.

The transfers and assumptions given effect by this Assignment are limited by and made expressly subject to the terms, covenants and conditions set forth in the Agreement.

This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

This Assignment shall be governed by, interpreted under and construed and enforceable in accordance with, the laws of the State.

This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year first above written.

ASSIGNOR:

_____, a _____
By: _____, its _____

By: _____

ASSIGNEE:

By: _____

EXHIBIT 10.18

FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement") is made as of the ____ date of _____, 2022 by and among CITY LINE ASSOCIATES LLC, a Delaware limited liability company ("Seller"); COMMUNITY PRESERVATION PARTNERS EAST, LLC, a California limited liability company ("Purchaser") and Commonwealth Land Title Insurance Company (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, Seller and Purchaser are parties to a certain Real Estate Purchase Agreement dated as of the date hereof (the "Purchase Agreement") for the sale of a certain property more particularly described in the Purchase Agreement (the "Property"); and

WHEREAS, in accordance with the terms of the Purchase Agreement, Purchaser is required, on or before three (3) days after the date hereof and the date Purchaser actually receives the Property Documents, to deposit with the Escrow Agent federally wired funds in the amount of FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$500,000.00) as an earnest money deposit (together with all interest earned thereon and any additional deposits posted in accordance with the Agreement, the "Deposit"); and

WHEREAS, the Deposit is to be placed in a separate account, under the exclusive supervision of the Escrow Agent, subject to the terms of the Purchase Agreement and this Escrow Agreement, as security for the performance by Purchaser of all of Purchaser's obligations under the Purchase Agreement (the "Escrow Account"); and

WHEREAS, Seller, Purchaser and the Escrow Agent wish to enter into this Escrow Agreement to provide for the terms under which the Escrow Account will be held and disbursed; and

WHEREAS, Seller and Purchaser wish to appoint the Escrow Agent to act as the escrow agent under the terms of this Escrow Agreement, and the said Escrow Agent has agreed to accept such appointment under the terms of this Escrow Agreement.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and for other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, Seller, Purchaser and the Escrow Agent hereby agree as follows:

1. The recitals set forth above are incorporated herein by this reference. All capitalized terms used herein and not herein defined shall have the meaning ascribed to them in the Purchase Agreement.

2. Seller and Purchaser hereby appoint and designate the Escrow Agent as the escrow agent for the purposes herein set forth, and the Escrow Agent hereby accepts said appointment. The Escrow Agent acknowledges receipt of a copy of the Purchase Agreement, and to the extent any provisions thereof apply to the Deposit, this Escrow Agreement or the Escrow Agent, the Escrow Agent agrees to comply with, and be bound by, the terms thereof. All terms and provisions contained in the Purchase Agreement relating to any of the foregoing are hereby incorporated herein by this reference.

3. In accordance with the Purchase Agreement, Purchaser has delivered the Deposit to the Escrow Agent. Upon receipt of the Deposit, the Escrow Agent shall provide written notice to both Seller and Purchaser acknowledging such receipt. Upon receipt of an executed W-9 Form from Purchaser stating Purchaser's Federal Tax Identification Number, the Initial Deposit shall be placed in a non-interest bearing escrow account.

4. At Closing, the Deposit shall be applied to the Purchase Price in accordance with the Purchase Agreement.

5. If for any reason the Closing does not occur, the Escrow Agent shall continue to hold the Deposit, if any, until otherwise directed by joint written instructions signed by Seller and Purchaser or by a final judgment of a court having

jurisdiction of the matter. In the event of a dispute regarding the disposition of the Deposit, as determined by Escrow Agent, Escrow Agent may, at its option, (i) deposit the Deposit with a court of competent jurisdiction and interplead the parties thereto, or (ii) deposit the Deposit with a successor escrow agent mutually acceptable to the parties.

6. Seller and Purchaser each agree to deliver to the Escrow Agent, upon request, such further instruments and documents as may be reasonably requested by the Escrow Agent in order to effectuate the terms and conditions of this Escrow Agreement or supervise the Escrow Account.

7. In no event shall the Escrow Agent be liable for any act or omission under the provisions of the Purchase Agreement or this Escrow Agreement except where Escrow Agent's acts are the result of its gross negligence or willful misconduct. Accordingly, the Escrow Agent shall not incur any such liability with respect to (a) any action taken or omitted in good faith upon advice of its legal counsel with respect to any questions relating to the duties and responsibilities of the Escrow Agent under this Escrow Agreement or the Purchase Agreement, or (b) any action taken or omitted in reliance on any instrument, including any written notice or instruction provided for in the Purchase Agreement, not only as to its due execution and the validity and effectiveness of its provisions but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a person or persons having authority to sign or present such instrument, and to conform with the provisions of this Escrow Agreement. Seller and Purchaser hereby jointly and severally indemnify the Escrow Agent against any loss, liability, or damage (including costs of litigation and reasonable attorneys' fees actually incurred and not merely imputed by any applicable statute) arising from and in connection with the performance of the Escrow Agent's duties under the Escrow Agreement, whether such dispute arises between the parties hereto and others, or merely between themselves, it being understood and agreed that the Escrow Agent may interplead such dispute and Seller and Purchaser will hold the Escrow Agent harmless and indemnify it against all consequences and expenses which may be incurred by the Escrow Agent in connection therewith, except those consequences and expenses arising by reason of the Escrow Agent's gross negligence or willful misconduct.

8. The Deposit shall be deposited by the Escrow Agent into an escrow account at [REDACTED] (the "Depository"). If the financial condition of the financial institution in which the funds are held changes in any adverse way which prohibits the ability of the Escrow Agent to withdraw such funds in accordance with the terms of this Escrow Agreement, then the Escrow Agent may move the Escrow Account to another financial institution that satisfies the requirements of this paragraph 8. In no event shall Escrow Agent incur any liability for levies by taxing authorities based upon the taxpayer identification number provided to Escrow Agent and used to establish the Escrow Account. Escrow Agent shall have no liability in the event of failure, insolvency or inability of the Depository to pay such funds, or accrued interest (if any) upon demand or withdrawal.

9. All notices to be sent hereunder shall be in writing and shall be deemed to have been duly given (a) upon receipt, if delivered by hand or (b) three business days after mailing, if deposited with the United States Postal Service, properly addressed with postage prepaid, by certified mail, return receipt requested, or (c) upon the next business day following deposit of the notice with Federal Express, UPS or another recognized overnight carrier:

(i) if to Seller, addressed to:

c/o Millbrook Realty Group LLC
546 Fifth Avenue - 6th Floor
New York, NY 10036
Telephone: (212) 245-5822
Email: etrucksess@millbrookrealtygroup.com

with a copy to:

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attn: David S. Boccio, Esq.
Email: dboccio@levittboccio.com

And: Williams Mullen
999 Waterside Drive, Suite 1700

Norfolk, VA 23510
Attn: Alyssa Carducci Dangler, Esq.
Email: adangler@williamsmullen.com

(ii) If to Purchaser:

Community Preservation Partners, LLC
17782 Sky Park Circle
Irvine, CA 92614
Attn: Anand Kannan
Akannan@wncinc.com

And

Community Preservation Partners East, LLC
11951 Freedom Drive, Suite 1204
Reston, VA 20190
Attn: Seth Gellis

with a copy to:
Nixon Peabody LLP
799 9th Street NW, Suite 500
Washington, DC 20001-5327
Attn: Richard Michael Price, Esq.
T: 202-585-8716
rprice@nixonpeabody.com

and

Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604-1792
Attn: Matthew V. Carrigg, Esq.
T: 585-263-1214
mcarrigg@nixonpeabody.com

To Escrow Agent:

Commonwealth Land Title
888 S. Figueroa Street, Suite 2100
Los Angeles, CA 90017
Attn: Cheryl A. Greer
Telephone: (213) 330-3080
Email: cgreer@cltic.com

Any of the parties may effect a change of address by written notice to the other parties hereto.

11. This Escrow Agreement and the rights and obligations under this Escrow Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to the choice of law doctrine of such jurisdiction. Any dispute arising under this Escrow Agreement or the documents referred to herein will be adjudicated exclusively in the courts of the Virginia with venue in the City of Newport News.

12. This Escrow Agreement is irrevocable and may only be amended by a written amendment executed by all the parties hereto.

13. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the date herein before written.

SELLER:

CITY LINE ASSOCIATES LLC,
a Delaware limited liability company

By: Millbrook Realty Group LLC,
a New York limited liability company

By: _____
Name:
Title:

PURCHASER:

COMMUNITY PRESERVATION PARTNERS EAST, LLC
a California limited liability company

By: _____
_____, its _____

ESCROW AGENT:

**Commonwealth Land Title Insurance
Company**

BY: _____
_____, its _____

[Signature page to Escrow Agreement]

Most Recent Real Estate Tax Assessment

PARID: 276000102

155 A MYTILENE DR

Assessment History

Assessment Date	Total Tax	Tax Rate	Land	Improvements	Total Assessment
07/01/2021	\$121,719.40	\$1.22	2,000,000	7,977,000	9,977,000
07/01/2020	\$79,251.20	\$1.22	2,000,000	4,496,000	6,496,000
07/01/2019	\$73,444.00	\$1.22	2,000,000	4,020,000	6,020,000
07/01/2018	\$70,028.00	\$1.22	2,000,000	3,740,000	5,740,000
07/01/2017	\$67,026.80	\$1.22	2,000,000	3,494,000	5,494,000
07/01/2016	\$69,052.00	\$1.22	2,000,000	3,660,000	5,660,000
07/01/2015	\$64,025.60	\$1.22	2,000,000	3,248,000	5,248,000
07/01/2014	\$61,170.80	\$1.22	2,000,000	3,014,000	5,014,000
07/01/2013	\$62,159.00	\$1.22	2,000,000	3,095,000	5,095,000
07/01/2012	\$63,151.00	\$1.10	2,000,000	3,741,000	5,741,000
07/01/2011	\$71,016.00	\$1.10	1,500,000	4,956,000	6,456,000
07/01/2010	\$69,179.00	\$1.10	1,500,000	4,789,000	6,289,000

Tab F:

RESNET Rater Certification (MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

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

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

In addition provide HERS rating documentation as specified in the manual

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

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

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

Additional Optional Certifications

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


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

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

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

FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

*****Please Note Raters must have completed 500+ ratings in order to certify this form**

Signed: 

Date: 4/5/22

Printed Name: Stacey Smith

RESNET Rater

Resnet Provider Agency
Viridiant

Signature 

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

Home Energy Rating Certificate

Projected Report

Rating Date: 2022-03-22
 Registry ID:
 Ekotrope ID: B268RN5d

HERS® Index Score:

79

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

\$537

*Relative to an average U.S. home

Home:

155 Mytilene Dr
 Newport News, VA 23605

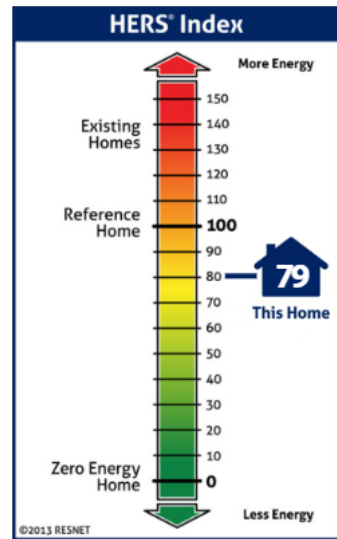
Builder:

Community Preservation Partners

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	9.4
Cooling	2.5
Hot Water	9.8
Lights/Appliances	12.4
Service Charges	
Generation (e.g. Solar)	0.0
Total:	34.0

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	City Line - Bldg 6 - 2 BR - Lower Floor
Community:	City Line Apartments
Conditioned Floor Area:	884 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15.5 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.65 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-13
Window Type:	U-Value: 0.5, SHGC: 0.6
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: 4/5/22 at 4:21 PM



Home Energy Rating Certificate

Projected Report

Rating Date: 2022-03-22
 Registry ID:
 Ekotrope ID: mvoPwkO2

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

\$473

*Relative to an average U.S. home

Home:

155 Mytilene Dr
 Newport News, VA 23605

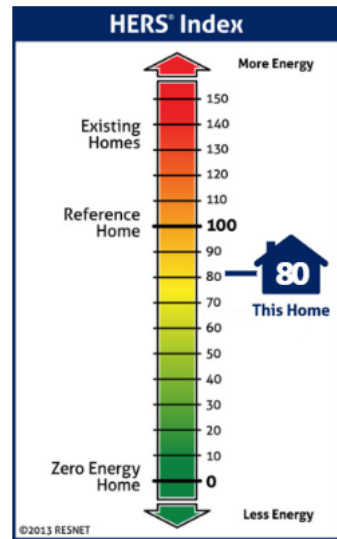
Builder:

Community Preservation Partners

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	7.9
Cooling	2.4
Hot Water	8.1
Lights/Appliances	11.0
Service Charges	
Generation (e.g. Solar)	0.0
Total:	29.4

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	City Line - Bldg 1 - 1 BR - Upper
Community:	City Line Apartments
Conditioned Floor Area:	772 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15.5 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.65 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.5, SHGC: 0.6
Foundation Walls:	N/A
Framed Floor:	R-11

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: 4/5/22 at 4:21 PM



Home Energy Rating Certificate

Projected Report

Rating Date: 2022-03-22
 Registry ID:
 Ekotrope ID: x25zpplL

HERS® Index Score:

79

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

\$472

*Relative to an average U.S. home

Home:

155 Mytilene Dr
 Newport News, VA 23605

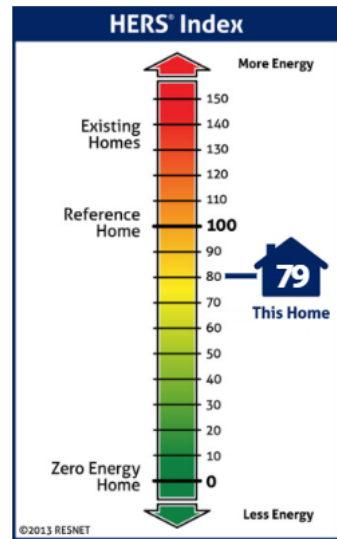
Builder:

Community Preservation Partners

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	7.9
Cooling	2.2
Hot Water	8.1
Lights/Appliances	10.8
Service Charges	
Generation (e.g. Solar)	0.0
Total:	29.0

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	City Line - Bldg 1 - 1 BR - Lower Floor
Community:	City Line Apartments
Conditioned Floor Area:	736 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15.5 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.65 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.5, SHGC: 0.6
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: 4/5/22 at 4:21 PM



Home Energy Rating Certificate

Projected Report

Rating Date: 2022-03-22

Registry ID:

Ekotrope ID: yL04blBL

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

\$537

*Relative to an average U.S. home

Home:

155 Mytilene Dr
Newport News, VA 23605

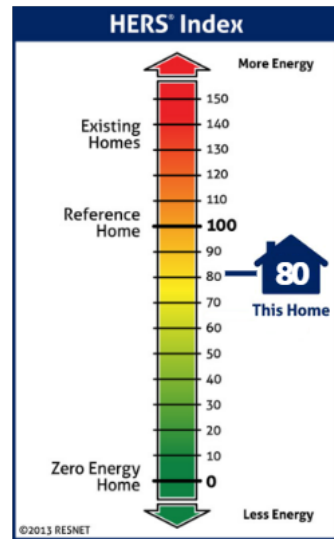
Builder:

Community Preservation Partners

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	9.2
Cooling	3.0
Hot Water	9.8
Lights/Appliances	12.5
Service Charges	
Generation (e.g. Solar)	0.0
Total:	34.5

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	City Line - Bldg 6 - 2 BR - Upper
Community:	City Line Apartments
Conditioned Floor Area:	914 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15.5 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.65 UEF
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.5, SHGC: 0.6
Foundation Walls:	N/A
Framed Floor:	R-11

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

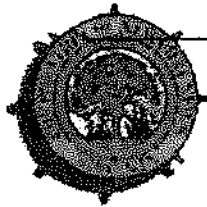


Stacey Smith, Certified Energy Rater
Digitally signed: 4/5/22 at 4:21 PM



Tab G:

Zoning Certification Letter (MANDATORY)



Harold L. Roach, Jr
Director

Nyoka C. Hall
Zoning Administrator

Michael P. Nall
Assistant Director

Fernell A. Woods
Code Enforcement Administrator

Zoning Certification

DATE: 3-23-22

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

RE: ZONING CERTIFICATION

Name of Development: City Line Apartments

Name of Owner/Applicant: City Line Community Partners LP

Name of Seller/Current Owner: City Line Associates LLC

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 credits available under VHDA's Qualified Allocation Plan.

DEVELOPMENT DESCRIPTION:

Development Address:

155 #A Mytilone Drive, Newport News, VA 23605

Legal Description:

All that certain Lot, piece or parcel of Land situate, lying and being in the City of Newport News, Virginia, containing 12.30 Acres, more or less, Designated as Parcel "A-2" on that certain Map or Plat entitled, "Plat showing Parcel A-1, Parcel A-2, Parcel B-1, Parcel B-2, A 25' Access Easement and a 20' Sanitary Sewer Easement" made by William M. Sours, Surveyor, dated October 2, 1975, print of which plat is attached to and made part of that certain Deed dated October 23, 1975 from George A. Orphanidys and Edith L. Orphanidys, his wife, to the City of Newport News, duly of record in the Clerk's Office of the Circuit Court for the City of Newport News, Virginia, in Deed Book 906 at page 103, to which Deed and Plat particular reference is here made for the metes and bounds description of said parcel and the easements and appurtenances thereto TOGETHER WITH those certain offsite easements conveyed to George A. Orphanidys by Deed from A T Brout, ETUX dated October 23, 1975 duly of record in the Clerk's Office of the Circuit Court for the City of Newport News, Virginia, in Deed Book 906 at page 103, and by that certain Deed from United Virginia Bank/Citizens & Marine, et al to George A. Orphanidys, dated October 23, 1975 duly of record in the Clerk's Office of the Circuit Court

Proposed Improvements:

for the City of Newport News, Virginia, in Deed Book 906 at page 106 to which Deeds and Plats thereto attached and therein referred to particular reference is here made; the said easements having been since assigned to the City of Newport News for the purpose stated by those two certain instruments, one dated January 21, 1976, recorded in the Clerk's Office aforesaid in Deed Book 912, page 431, the other dated January 26, 1976, recorded in the aforesaid Clerk's Office in Deed Book 912, page 426, to which reference is here made.

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	200	# Units	18	# Buildings	174110	Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: R-7 Medium Density Multiple-Family Dwelling District allowing a density of 24 units per acre, and the following other applicable conditions: minimum open lot area of 1500 sf per unit, 80% of building floor area equivalent for recreation/landscape area, 20% of the recreation space shall be open

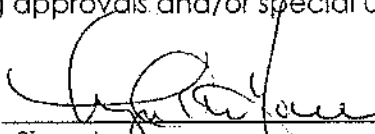
Other Descriptive Information:

Existing apartment complex originally constructed in 1977

LOCAL CERTIFICATION:

Check one of the following as appropriate:

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


Signature

Nyoka C. Hall
Printed Name

Zoning Administrator
Title of Local Official or Civil Engineer

(757) 926-8689
Phone:

3-23-22
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)



NIXON PEABODY LLP 799 9th Street NW
ATTORNEYS AT LAW Suite 500
NIXONPEABODY.COM Washington, DC 20001-5327
@NIXONPEABODYLLP 202-585-8000

April 12, 2022

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

Re: 2022 Tax Credit Reservation Request

Name of Development: City Line Apartments, Newport News, Virginia
Name of Owner: City Line Community Partners, LP, a Virginia limited partnership

Ladies and Gentlemen:

The undersigned firm represents the above-referenced Owner as its counsel. We have received a copy of and have reviewed the completed application package dated April 12, 2022 (of which this opinion is a part) (the "Application"), submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). 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 sections 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. It is more likely than not that the representations made in the Rehab Information section of the Application form as the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
6. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code Section 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 in 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,

A handwritten signature in black ink that reads "Nixon Peabody LLP". The signature is written in a cursive, flowing style.

Nixon Peabody LLP

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)

This deal does not require
information behind this tab.

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

CITY LINE APARTMENTS

Relocation Plan

Owner Contact: Community Preservation Partners

Tameka Webb - 17782 Sky Park Circle, Irvine, CA 92614

Management Contact: WinnResidential

Kareem Slater - 1101 30th Street NW, Suite 302, Washington, DC 20007

Project Information

City Line Community Partners, LP will be acquiring and rehabilitating City Line Apartments. City Line Apartments is currently a 200 unit Section-8 housing community. The property is located at 155 Mytilene Drive, Newport News, VA 23605.

The rehabilitation program will address health and safety issues, accessibility requirements, deferred maintenance, and energy efficiency when possible. Currently, the Developer is planning on improving accessibility throughout the property and improving current community amenities to better serve the residents. All units will receive new kitchen cabinets, countertops, kitchen appliances, flooring, bathroom vanities, bathroom fixtures, tub reglazing as needed, and shower surrounds as needed.

Anticipated funding for the project will come from tax credit equity generated from an award of 4% tax credits, construction and perm financing, and equity from the Limited Partner. This plan conforms to the Uniform Relocation Act including the distribution of General Information Notices thereunder.

A. Current Status

The project is 200 units and all are covered by a Section-8 contract.

B. Temporary Relocation Strategy

The Developer's planned rehabilitation is a "tenant in-place" rehab. The scope of work is not expected to require overnight tenant relocations from the units or prolonged tenant absences. The Developer plans to conduct renovation efforts during normal business hours from 8:00 – 5:00pm over five- to ten-day aggregate period (although not all at the same) and will not require tenants to be relocated.

The Developer will make every effort to avoid displacement of any existing tenants during the rehabilitation phase. However, if a tenant does not have a place to go during the day (i.e. work, school, family, etc.), the Developer will arrange accommodations for the tenant, that may include a local community center, recreation center, the community recreation center, a vacant unit, and or hotel/motel. If rehabilitation activities extend beyond normal business hours and

CITY LINE APARTMENTS

require tenants to move into a temporary location overnight, they will either be relocated to temporary suitable, decent, safe and sanitary hotel/ motel unit that may not be the same size, but is adequate for the needs of the relocated tenants for the short duration of the relocation, or to a vacant hotel unit onsite, if available.

If the property has any vacant units, these newly vacated units may be turned over to the construction company so they can undergo rehabilitation during the first month. When the rehabilitation of these units is complete, tenants may be relocated into these apartments during the day while their units are undergoing rehabilitation. They further may be offered this unit permanently, which if they prefer, they would be able to stay in. This will allow the Developer to create vacancy in the next phase of units to be rehabilitated and or minimize the impact of any temporary disruption to their lives. With this cycle the Developer will be able to always have between one to forty units in construction at one time.

No displacement will result from the renovation. Rent increases will adjust as leases expire to the maximum extent permitted by law, ordinance and regulatory agreement.

HUD Rents

We would like to reaffirm for the residents the following: 1. **No resident will be displaced** due to the sale or financing of the building. 2. **No tenant paid rent will increase** because of the proposed activities. 3. During the rehabilitation process, **we will provide assistance** with and support for any activity that requires the movement of furniture or heavy items. 4. **We will regularly communicate** the progress and steps throughout the renovation process.

With the above being noted, the total rent provided by HUD will be \$1,545 for 1 BRs and \$1,685 to 2BRs.

Project Location

City Line Apartments is located at 155 Mytilene Dr A, Newport News, VA 23605.

Assessment of Relocation Needs

At the time the Project is initiated, personal interviews with the affected tenant households will be conducted and income certifications completed. Inquiries made of the residential occupants will concern household size and composition, income, monthly rent, length of occupancy, home language, physical disabilities, and special needs.

For qualified households, the Developer will also ascertain if there will be any special accommodation that must be made for the household during the rehabilitation phase.

To address the possibility that temporary housing may be required for one or more households, a resource survey was conducted to identify available temporary housing in the Project site area. The average rent amount is among the figures used to make benefit and budget projections for the Plan.

CITY LINE APARTMENTS

This amount is, naturally, subject to change according to the market rates prevailing at the time of displacement, should it occur.

The tenants will receive timely notice of increases to rents which will occur at the time of lease renewal. Based on our initial survey of the tenants, we do not anticipate that any tenants will experience financial hardship or economic displacement as a result of the rental increase. However, in the event that a tenant does experience hardship, property management will work with the tenant to resolve the issue.

Relocation Program

The Developer's Relocation Program is designed to minimize hardship, be responsive to unique project circumstances, emphasize maintaining personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations.

A. Temporary Relocation Assistance

In the event a tenant incurs any out-of-pocket costs related to a required temporary displacement from their unit, the Developer will pay for the eligible costs such as hotel/motel costs, a per diem for food, pet boarding, and transportation to and from the temporary unit, etc. The Developer will also assist the tenants with identifying and securing temporary housing or accommodations should it be necessary. Any moving costs associated with moving to and from temporary housing will also be paid by the developer.

B. Permanent Relocation

No permanent relocation is expected as this is "tenant in-place" rehabilitation.

Administrative Provisions

A. Notices

The tenants will receive timely noticing of all activities. Each notice shall be personally delivered or sent certified or registered first-class mail. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions and other needed help.

B. Privacy of Records

All information obtained from is considered confidential and will not be shared without consent of the Tenant or the Developer. Developer staff will comply with federal regulations concerning safeguarding of relocation files and their contents.

C. Projected Date of Rehabilitation Activates

The Developer anticipates rehabilitation activities will not begin before August 31, 2022 and will be complete in 12 months.

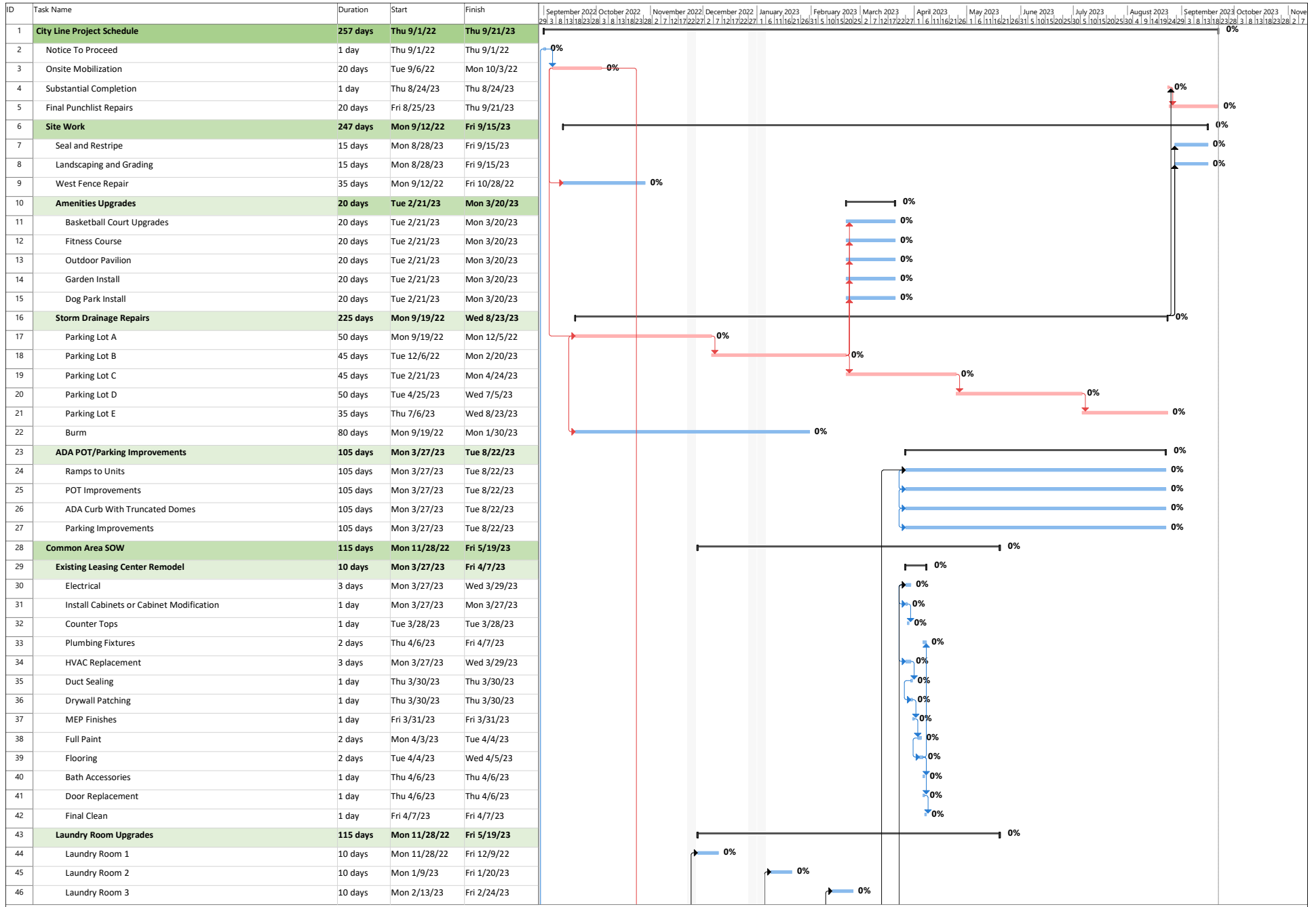
D. Estimated Relocation Costs

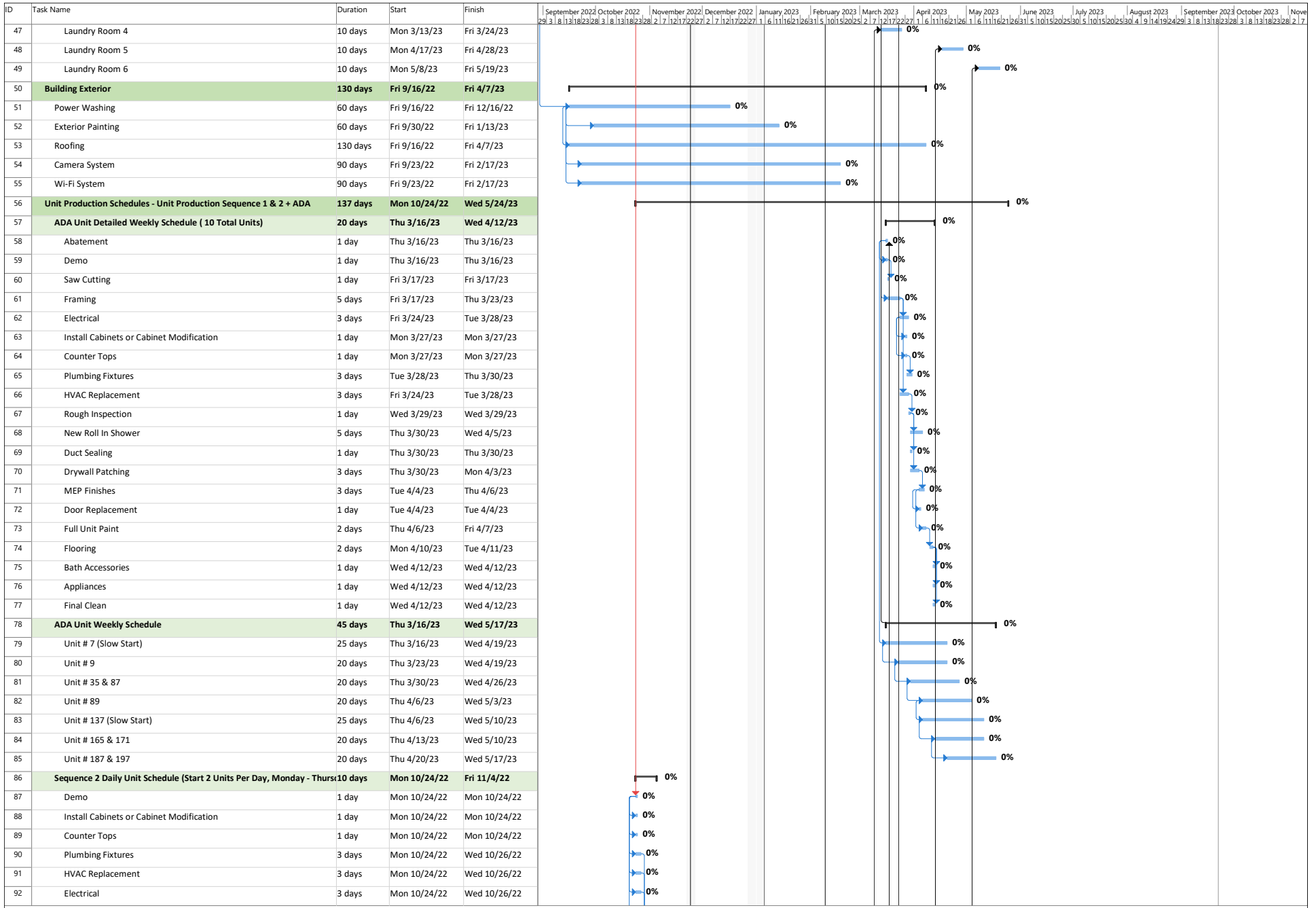
CITY LINE APARTMENTS

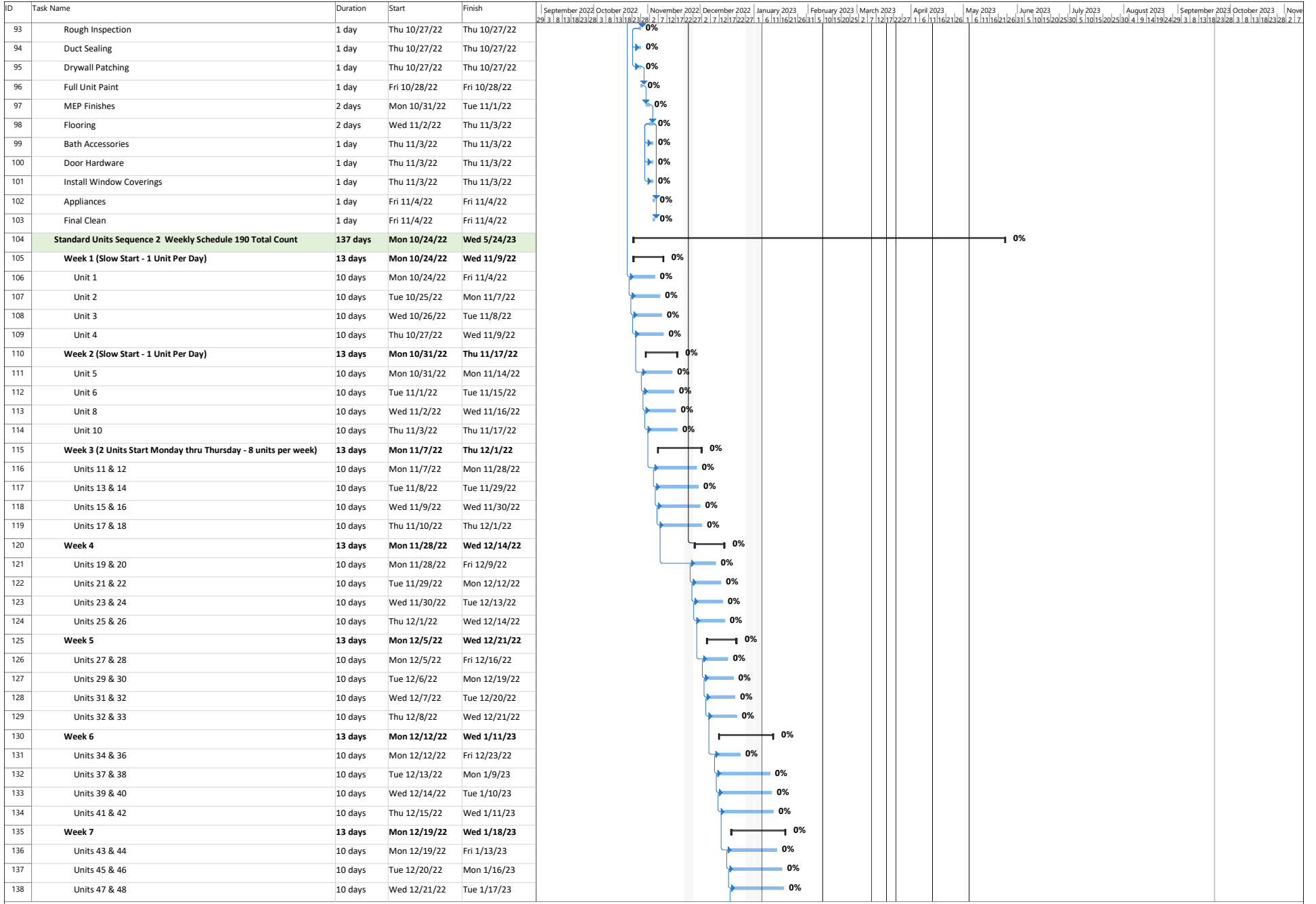
The Total budget for relocation-related payments for this Project is \$300,000.

Due to the current COVID-19 Pandemic, additional steps are being undertaken to ensure the safety of residents, staff and construction workers. This measures will be evaluated in light of changing guidance but are expected to include, but not be limited to: access controls to the property for non-residents, including temperature checks, logs for contact tracing, protective gear requirements (facemask, gloves, etc.) and sanitation stations throughout the property; costs for additional unit cleaning measures are included in the anticipated scope of work; day space for tenants while unit work is underway will be done in such a manner as to provide for appropriate social distancing.

RELOCATION BUDGET		
Hotels (2 nights out per standard units and 21 nights out per ADA unit)	\$ 88,500	Assumes 590 hotel nights (83 standard units*2 & 5 ADA units*21) @ \$150 per night
Transportation (to and from hotel)	\$ 22,000	Assumes \$55 each way for trans. * 200 units
Food and Per Diem Costs	\$ 30,000	Assumes \$150 avg per unit
Moving Supplies (Boxes, tape, wrapping supplies, wheeled bins, rental pods)	\$ 30,000	Assumes \$110 avg per unit
Movers/Moving/Packing Assistance	\$ 30,000	Assumes \$110 avg per unit for packing assistance and moving within unit and to and from unit
Tenant Refreshments (for days tenant not relocated off site while unit work is conducted), activities and comfort	\$ 30,000	Assumes \$110 avg per unit for food & drinks
COVID Contingency	\$ 69,500	Due to the current COVID-19 Pandemic an additional COVID-19 Contingency has been established to address potential costs and impacts to the project including rental support, relocation changes required by law, safety equipment such as masks, cleaning, and impacts to the schedule due to new laws and regulations.
Total	\$ 300,000	








Critical	Task	Manual Task	Duration-only	Baseline Milestone	Summary	External Tasks	Inactive Milestone
Critical Split	Split	Start-only	Baseline	Milestone	Manual Summary	External Milestone	Inactive Summary
Critical Progress	Task Progress	Finish-only	Baseline Split	Summary Progress	Project Summary	Inactive Task	Deadline


ID	Task Name	Duration	Start	Finish	Gantt Chart Timeline																				
					September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023						
139	Units 49 & 50	10 days	Thu 12/22/22	Wed 1/18/23																					
140	Week 8	13 days	Mon 1/9/23	Wed 1/25/23																					
141	Units 51 & 52	10 days	Mon 1/9/23	Fri 1/20/23																					
142	Units 53 & 54	10 days	Tue 1/10/23	Mon 1/23/23																					
143	Units 55 & 56	10 days	Wed 1/11/23	Tue 1/24/23																					
144	Units 57 & 58	10 days	Thu 1/12/23	Wed 1/25/23																					
145	Week 9	13 days	Mon 1/16/23	Wed 2/1/23																					
146	Units 59 & 60	10 days	Mon 1/16/23	Fri 1/27/23																					
147	Units 61 & 62	10 days	Tue 1/17/23	Mon 1/30/23																					
148	Units 63 & 64	10 days	Wed 1/18/23	Tue 1/31/23																					
149	Units 65 & 66	10 days	Thu 1/19/23	Wed 2/1/23																					
150	Week 10	13 days	Mon 1/23/23	Wed 2/8/23																					
151	Units 67 & 68	10 days	Mon 1/23/23	Fri 2/3/23																					
152	Units 69 & 70	10 days	Tue 1/24/23	Mon 2/6/23																					
153	Units 71 & 72	10 days	Wed 1/25/23	Tue 2/7/23																					
154	Units 73 & 74	10 days	Thu 1/26/23	Wed 2/8/23																					
155	Week 11	13 days	Mon 1/30/23	Wed 2/15/23																					
156	Units 75 & 76	10 days	Mon 1/30/23	Fri 2/10/23																					
157	Units 77 & 78	10 days	Tue 1/31/23	Mon 2/13/23																					
158	Units 79 & 80	10 days	Wed 2/1/23	Tue 2/14/23																					
159	Units 81 & 82	10 days	Thu 2/2/23	Wed 2/15/23																					
160	Week 12	13 days	Mon 2/6/23	Wed 2/22/23																					
161	Units 83 & 84	10 days	Mon 2/6/23	Fri 2/17/23																					
162	Units 85 & 86	10 days	Tue 2/7/23	Mon 2/20/23																					
163	Units 88 & 90	10 days	Wed 2/8/23	Tue 2/21/23																					
164	Units 91 & 92	10 days	Thu 2/9/23	Wed 2/22/23																					
165	Week 13	13 days	Mon 2/13/23	Wed 3/1/23																					
166	Units 93 & 94	10 days	Mon 2/13/23	Fri 2/24/23																					
167	Units 95 & 96	10 days	Tue 2/14/23	Mon 2/27/23																					
168	Units 97 & 98	10 days	Wed 2/15/23	Tue 2/28/23																					
169	Units 99 & 100	10 days	Thu 2/16/23	Wed 3/1/23																					
170	Week 14	13 days	Mon 2/20/23	Wed 3/8/23																					
171	Units 101 & 102	10 days	Mon 2/20/23	Fri 3/3/23																					
172	Units 103 & 104	10 days	Tue 2/21/23	Mon 3/6/23																					
173	Units 105 & 106	10 days	Wed 2/22/23	Tue 3/7/23																					
174	Units 107 & 108	10 days	Thu 2/23/23	Wed 3/8/23																					
175	Week 15	13 days	Mon 2/27/23	Wed 3/15/23																					
176	Units 109 & 110	10 days	Mon 2/27/23	Fri 3/10/23																					
177	Units 111 & 112	10 days	Tue 2/28/23	Mon 3/13/23																					
178	Units 113 & 114	10 days	Wed 3/1/23	Tue 3/14/23																					
179	Units 115 & 116	10 days	Thu 3/2/23	Wed 3/15/23																					
180	Week 16	13 days	Mon 3/6/23	Wed 3/22/23																					
181	Units 117 & 118	10 days	Mon 3/6/23	Fri 3/17/23																					
182	Units 119 & 120	10 days	Tue 3/7/23	Mon 3/20/23																					
183	Units 121 & 122	10 days	Wed 3/8/23	Tue 3/21/23																					
184	Units 123 & 124	10 days	Thu 3/9/23	Wed 3/22/23																					

Critical	Task	Manual Task	Duration-only	Baseline Milestone	Summary	External Tasks	Inactive Milestone
Critical Split	Split	Start-only	Baseline	Milestone	Manual Summary	External Milestone	Inactive Summary
Critical Progress	Task Progress	Finish-only	Baseline Split	Summary Progress	Project Summary	Inactive Task	Deadline

ID	Task Name	Duration	Start	Finish	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	
					29/3	18/3	28/3	18/3	28/3	18/3	28/3	18/3	28/3	18/3	28/3	18/3	28/3	18/3	28/3	18/3
185	Week 17	13 days	Mon 3/13/23	Wed 3/29/23																
186	Units 125 & 126	10 days	Mon 3/13/23	Fri 3/24/23																
187	Units 127 & 128	10 days	Tue 3/14/23	Mon 3/27/23																
188	Units 129 & 130	10 days	Wed 3/15/23	Tue 3/28/23																
189	Units 131 & 132	10 days	Thu 3/16/23	Wed 3/29/23																
190	Week 18	13 days	Mon 3/20/23	Wed 4/5/23																
191	Units 133 & 134	10 days	Mon 3/20/23	Fri 3/31/23																
192	Units 135 & 136	10 days	Tue 3/21/23	Mon 4/3/23																
193	Units 138 & 139	10 days	Wed 3/22/23	Tue 4/4/23																
194	Units 140 & 141	10 days	Thu 3/23/23	Wed 4/5/23																
195	Week 19	13 days	Mon 3/27/23	Wed 4/12/23																
196	Units 142 & 143	10 days	Mon 3/27/23	Fri 4/7/23																
197	Units 144 & 145	10 days	Tue 3/28/23	Mon 4/10/23																
198	Units 146 & 147	10 days	Wed 3/29/23	Tue 4/11/23																
199	Units 148 & 149	10 days	Thu 3/30/23	Wed 4/12/23																
200	Week 20	13 days	Mon 4/3/23	Wed 4/19/23																
201	Units 150 & 151	10 days	Mon 4/3/23	Fri 4/14/23																
202	Units 152 & 153	10 days	Tue 4/4/23	Mon 4/17/23																
203	Units 154 & 155	10 days	Wed 4/5/23	Tue 4/18/23																
204	Units 156 & 157	10 days	Thu 4/6/23	Wed 4/19/23																
205	Week 22	13 days	Mon 4/10/23	Wed 4/26/23																
206	Units 158 & 159	10 days	Mon 4/10/23	Fri 4/21/23																
207	Units 160 & 161	10 days	Tue 4/11/23	Mon 4/24/23																
208	Units 162 & 163	10 days	Wed 4/12/23	Tue 4/25/23																
209	Units 164 & 166	10 days	Thu 4/13/23	Wed 4/26/23																
210	Week 23	13 days	Mon 4/17/23	Wed 5/3/23																
211	Units 167 & 168	10 days	Mon 4/17/23	Fri 4/28/23																
212	Units 169 & 170	10 days	Tue 4/18/23	Mon 5/1/23																
213	Units 172 & 173	10 days	Wed 4/19/23	Tue 5/2/23																
214	Units 174 & 175	10 days	Thu 4/20/23	Wed 5/3/23																
215	Week 24	13 days	Mon 4/24/23	Wed 5/10/23																
216	Units 176 & 177	10 days	Mon 4/24/23	Fri 5/5/23																
217	Units 178 & 179	10 days	Tue 4/25/23	Mon 5/8/23																
218	Units 180 & 181	10 days	Wed 4/26/23	Tue 5/9/23																
219	Units 182 & 183	10 days	Thu 4/27/23	Wed 5/10/23																
220	Week 24	13 days	Mon 5/1/23	Wed 5/17/23																
221	Units 184 & 185	10 days	Mon 5/1/23	Fri 5/12/23																
222	Units 186 & 188	10 days	Tue 5/2/23	Mon 5/15/23																
223	Units 189 & 190	10 days	Wed 5/3/23	Tue 5/16/23																
224	Units 191 & 192	10 days	Thu 5/4/23	Wed 5/17/23																
225	Week 25	13 days	Mon 5/8/23	Wed 5/24/23																
226	Units 193 & 194	10 days	Mon 5/8/23	Fri 5/19/23																
227	Units 195 & 196	10 days	Tue 5/9/23	Mon 5/22/23																
228	Units 198 & 199	10 days	Wed 5/10/23	Tue 5/23/23																
229	Unit 200	10 days	Thu 5/11/23	Wed 5/24/23																

Critical	Task	Manual Task	Duration-only	Baseline Milestone	Summary	External Tasks	Inactive Milestone
Critical Split	Split	Start-only	Baseline	Milestone	Manual Summary	External Milestone	Inactive Summary
Critical Progress	Task Progress	Finish-only	Baseline Split	Summary Progress	Project Summary	Inactive Task	Deadline

City Line Apartments 155 Mytilene Drive Newport News, VA 23605			Non Prevailing Wages
			Unit Types
			1 bed / 1 bath
			2 bed / 1 bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
Units			
Standard Unit Scope of Work			
<i>Demolition</i>		Standard Units 2nd Floor - Allowance - Demo	99
<i>Demolition</i>		Standard Units 1st Floor - Allowance - Demo	90
<i>Signage</i>		All Units - Install New Unit and Building Signage	199
Cabinets		Select Units - Install New Kitchen Cabinets	56
Cabinets		Select Units - Reconfigure Cabinets for New Dishwasher	144
Cabinets		Standard Units - Install New Bathroom Vanities	189
Countertops		Standard Units - Install New Quartz Countertops in Kitchen & Bath	189
Framing		All Units - Install New Exterior Casing Around Entry Door	200
Doors		Standard Units - Allowance - Install New Interior Door Slabs	10
Doors		All Units - Install New Interior Door Hardware	1392
Doors		All Units - Install New Entry Door Hardware	200
Drywall		Standard Units - General Drywall Repairs 32sf	190
Insulation		Allowance - 2nd Floor Units - Install New Insulation in the Attic	100
Resilient Flooring		All Units - Install New LVP Flooring with Quarter Round	199
Painting and Decorating		All Units - Full Unit Paint	199
Painting and Decorating		Standard Units - Construction Clean	189

Area Of Work	Cost Code	Description	Quantity
<p>City Line Apartments 155 Mytilene Drive Newport News, VA 23605</p> 			Non Prevailing Wages
			Unit Types
			1 bed / 1 bath
			2 bed / 1 bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
Plumbing and Hot Water		All Units - Install New Shutoff Valves	199
Electrical		Units - Install New Outlet for Added Dishwasher	200
Electrical		All Units - Install New Hardwired Smoke/CO2 Combos	199
Electrical		All Units - Install New Hardwired Smoke Detectors in Unit Bedrooms	298
Electrical		All Units - Install New Switches and Outlets	199
Electrical		All Units - Install New GFCI's in Kitchens and Bathrooms	199
Electrical		All Units - Install New Kitchen LED Fixture	200
Electrical		All Units - Install New Bathroom Vanity LED Light Fixture	200
Electrical		All Units - Install New Hallway LED Light Fixture	100
Electrical		All Units - Install New LED Fixture in Dining Room	200
Electrical		Select Units - Install New LED Fixture in Living Room Closet	100
Electrical		All Units - Install New LED Fixture in Mechanical Closet	200
Electrical		Select Units - Install New LED Fixture in One Bedroom Closets	100
Electrical		All Units - Install New LED Fixture in Bedroom	300
Electrical		All Units - Install New Exterior Front Porch LED fixtures	200
ADA/Visual Additional Scope of Work			
Demolition		ADA Units - Demo and Abatement	10
Demolition		ADA Units - Air Clearances	10
Doors		ADA Units - Install New Interior Doors and Hardware	70
Cabinets		ADA Units - Install New Kitchen Cabinets	10
Countertops		ADA Units - Install New Quartz Countertops in Kitchen	10
Rough Carpentry		ADA Units - Allowance - Rough Framing	10
Drywall		ADA Units - Allowance - Install New Drywall	10
Painting and Decorating		ADA Units - Construction Clean	10
Specialties		ADA Units - Install New Grab Bars with Backing	20
Appliances		ADA Units - Install New Gas Range	10
Appliances		ADA Units - Install New ADA Compliant Dishwasher	10
Appliances		ADA Units - Install New Recirculating Range Hood with Front Controls	10
Plumbing and Hot Water		ADA Units - Allowance - Rough Plumbing	10
Plumbing and Hot Water		ADA Units - Install New Roll In Showers	10
Plumbing and Hot Water		ADA Units - Install New ADA Kitchen Sink, Faucet and Supplies	10
Plumbing and Hot Water		ADA Units - Install New ADA Compliant Handheld Shower Head, Slide, Valve and Trim	10
Plumbing and Hot Water		ADA Units - Install New Wall Hung Sink, Faucet and Supplies	10
Electrical		ADA Units - Allowance - Rough Electric	10
Electrical		Visual and Hearing upgrades	4
Common Areas			
Laundry Room			

City Line Apartments 155 Mytilene Drive Newport News, VA 23605			<i>Non Prevailing Wages</i>
			Unit Types
			1 bed / 1 bath
			2 bed / 1 bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
<i>Resilient Flooring</i>		Laundry Rooms - Install New LVP Flooring with Cove Base	6
<i>Plumbing and Hot Water</i>		Laundry Rooms - Install New Wash Boxes W/ Leak Sensor	18
<i>Painting And Decorating</i>		Laundry Rooms - Full Paint	6
<i>Electrical</i>		Laundry Rooms - Install New Light Fixtures	6
<i>Countertop</i>		Laundry Rooms - Install Folding Countertop	6
Community Room			
<i>Window Coverings</i>		Supply and Install Leasing Office Window Coverings	1
<i>Signage</i>		Install New Community and Common Area Signage	1
<i>Painting And Decorating</i>		Leasing Office - Full Paint	1
<i>Flooring</i>		Leasing Office - Install New Flooring	1
<i>Electrical</i>		Leasing Office - Install New Light Fixtures	1
Site Work			
<i>Demolition</i>		Site Demo and Hauloff	1
<i>Asphalt</i>		Asphalt - Repair, Seal, Stripe, and Signage	1
<i>Concrete</i>		Allowance - ADA Path of Travel Improvements	1
<i>Concrete</i>		Allowance - Install New ADA Curb and Ramps with Truncated Domes	15
<i>Concrete</i>		Allowance - Install New ADA Ramps to Units	10
<i>Concrete</i>		ADA Parking Improvements	15
<i>Concrete</i>		Allowance - Repair Concrete Trip Hazards	2500
<i>Concrete</i>		Trash Enclosures - Allowance - Repair and Clean Trash Enclosure	12
<i>Metals</i>		Allowance - Install New Exterior Handrails	1000
<i>Metals</i>		Install New Chain-link Fence	1700
<i>Landscaping</i>		Allowance - Tree Trimming and Removal	1
<i>Landscaping</i>		Allowance - Landscaping and Retaining walls	1
<i>Earthwork</i>		Allowance - Grading and Earthwork	1
Building Scope of Work			
<i>Masonry</i>		Allowance - Building Tuckpointing	18

City Line Apartments 155 Mytilene Drive Newport News, VA 23605			<i>Non Prevailing Wages</i>
			Unit Types 1 bed / 1 bath 2 bed / 1 bath
			Total Units Bedrooms Bathrooms
Area Of Work	Cost Code	Description	Quantity
<i>Siding</i>		Allowance - Siding Repairs	18
<i>Roofing</i>		Buildings - Install New 25 Year Shingle Roofing	18
<i>Roofing</i>		Buildings - Install New Downspouts and Gutters	18
<i>Painting and Decorating</i>		Buildings - Exterior Paint and Power Wash	200
<i>Signage</i>		Allowance - Install New Entrance Monument Sign	1
<i>Plumbing and Hot Water</i>		Buildings - Install New Hose Bibbs	36
<i>Plumbing and Hot Water</i>		Buildings - Hydrojet and Camera Main Drain Lines	18
<i>Electrical</i>		Buildings - Install New Wire Mold on Building Exteriors	18
<i>Electrical</i>		Buildings - Install New Exterior LED Wall Packs	108
Special Construction			
<i>Amenities</i>		Allowance - Playground Upgrades	1
<i>Amenities</i>		Allowance - Install New Pavilion	1
<i>Amenities</i>		Allowance - New Fitness Area	1
<i>Amenities</i>		Allowance - Remove and Replace the Basketball Court	1
<i>Amenities</i>		Allowance - Install New Garden	1
<i>Amenities</i>		Allowance - Install New Dog Park	1
<i>Amenities</i>		Allowance - Install New Mailbox and Parcel Boxes	1
<i>Amenities</i>		Allowance - Leasing Office Upgrades	1
<i>Special Construction</i>		Allowance - CCTV	1
<i>Special Construction</i>		Allowance - Install New Stormwater Detention System	1
<i>Special Construction</i>		Allowance - Maintenance Upgrades	1

City Line Apartments			<i>Non Prevailing Wages</i>
155 Mytilene Drive			
Newport News, VA 23605			Unit Types
			1 bed / 1 bath
			2 bed / 1 bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity



Unit by Unit Delivery Schedule (Rehab only)

Tab K:

Documentation of Development Location:

This deal does not require
information behind this tab.

Tab K.1

Revitalization Area Certification

155 mytilene newports news va

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline

LIHTC Project

2022 Qualified Census Tracts

SADDA Legend:

FMR Boundary

ZCTA Boundary

2022 Small DDA

Part DDA

Non Metro DDA

Hide the overview

The 2022 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2022. The 2022 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 9, 2021

Map Options

14 Current Zoom Level

Show Difficult Development Areas (Zoom 7+)

Color QCT Qualified Tracts (Zoom 7+)

Show Tracts Outline (Zoom 11+)

Show FMR Outlines (Zoom 4+)

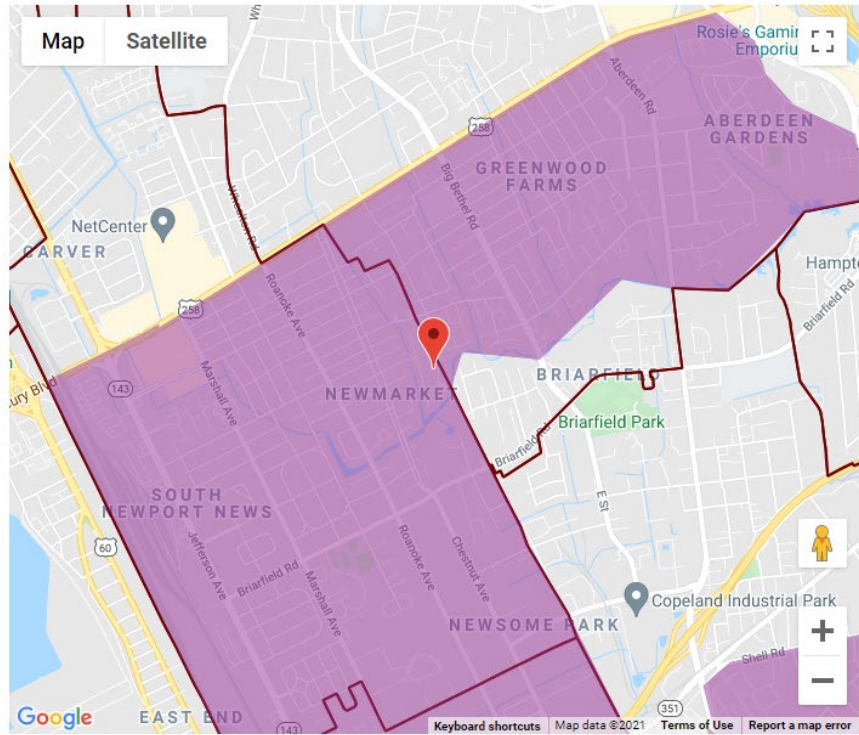
Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year

2022

2021



Tab K.2

Location Map



155 Mytilene Dr

Newport News, VA 23605



Directions



Save



Nearby



Send to phone



Share

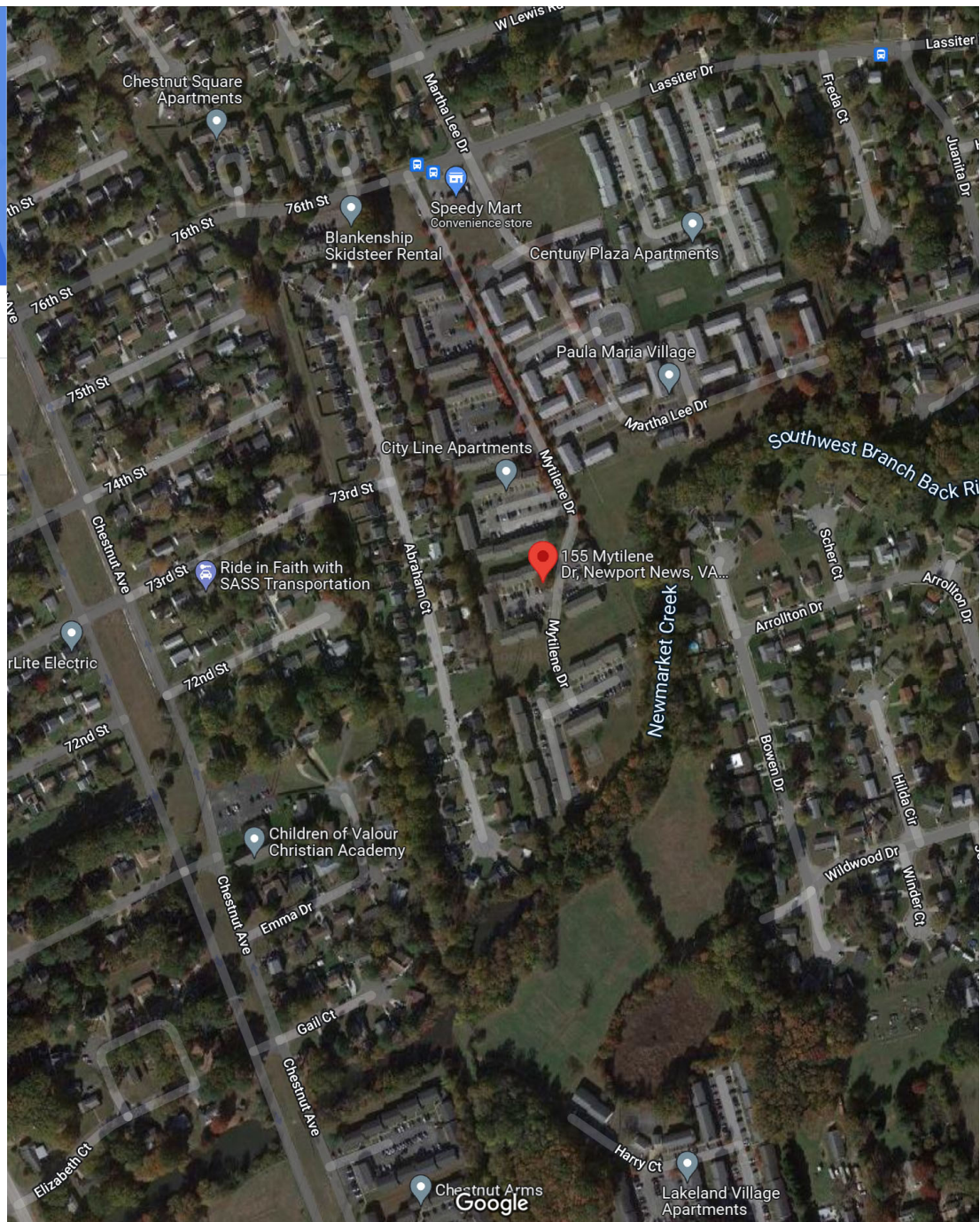
At this location

City Line Apartments

3.4 (17)

Apartment complex · 155 Mytilene Dr A

Closed · Opens 9AM Mon



Tab K.3

Surveyor's Certification of Proximity To Public
Transportation

BLEW & ASSOCIATES, PA
CIVIL ENGINEERS & LAND SURVEYORS

Surveyor's Certification of Proximity to Transportation

DATE: April 1, 2022

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

RE: 2022 Tax Credit Reservation Request

Name of Development: City Line Apartments

Name of Owner: City Line Associates LLC

Ladies and Gentlemen:

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

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

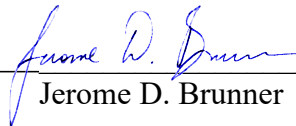
2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail, or subway station; **or**

1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

Blew & Associates, P.A.

Firm Name

By:


Jerome D. Brunner

Its: Virginia Licensed Land Surveyor
Land Surveyor No. 0403003039

Tab L:

PHA / Section 8 Notification Letter

This deal does not require
information behind this tab.

Tab M:

Locality CEO Response Letter

CITY OF NEWPORT NEWS



McKINLEY L. PRICE, DDS
MAYOR

April 12, 2022

Mr. J. D. Bondurant
Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220

Virginia Housing Tracking Number: 2022-TEB-106
Development Name: City Line Apartments
Name of Owner/Applicant: City Line Community Partners, LP

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 City of Newport News. Accordingly, Mayor McKinley L. Price, DDS supports the allocation of federal housing tax credits requested by City Line Community Partners, LP for this development.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a long horizontal line extending to the right.

McKinley L. Price, DDS
Mayor

Tab N:

Homeownership Plan

This deal does not require
information behind this tab.

Tab O:

Plan of Development Certification Letter

This deal does not require
information behind this tab.

Tab P:

Developer Experience documentation and Partnership agreements

EXECUTIVE SUMMARY

It is the opinion of the analyst that a market exists for the 216-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the subject could alter the findings in this report.

Project Description

The subject, The Belt Atlantic, LLC, formally known as Midlothian Village Apartments, is an existing Section 8 and Low Income Housing Tax Credit family development that contains 213 revenue units and three non-revenue units, for a total of 216 units. The property is applying for an allocation of Low-Income Housing Tax Credits which will set the income eligibility to individuals earning 50 percent of the area median income. In addition, the property has subsidies for 213 of the total 216 units.

The Belt Atlantic, LLC is comprised of six three-story walk-up apartment buildings containing 213 revenue units and three non-revenue units. The buildings are of frame construction with brick and vinyl siding exteriors and a flat rubber membrane roof.

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Avg. Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	120	790	50%	\$726	\$1,230	\$115	\$1,115
3/1	93	910	50%	\$871	\$1,343	\$128	\$1,215
3/1 (Non-Revenue)	3	910	N/A	N/A	N/A	N/A	N/A

The subject property is applying for Low Income Housing Tax Credits, and the units will be at 50 percent of the area median income. The subject's proposed rents are higher than the maximum LIHTC rents. However, the subject is Section 8 property that once rehabilitation is complete, will continue to be a Section 8 property with subsidies for the 213 revenue units. Therefore, residents will never pay more than 30 percent of their income towards rent.

Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and subsidized/income-restricted apartment complexes. Most of the market area's rental units have high occupancy rates. In addition, several of the properties have waiting lists. The current vacancy rate in surveyed subsidized/income-restricted apartment complexes is 1.5 percent. The



September 17, 2020

Mr. Seth Gellis
Midlothian Community Partners, LP
17782 Sky Park Circle
Irvine, CA 92614

Re: The Belt Atlantic
Low Income Housing Tax Credits

Dear Mr. Gellis,

Enclosed is a revised executed original of Form 8609 for each rehab building of the Belt Atlantic development showing the corrected PIS dates on all rehab buildings. Please destroy any previously issued 8609's. Your acquisition 8609's are correct.

If you have any questions, please call me at (804) 343-5725.

Sincerely,

A handwritten signature in black ink that reads "J.D. Bondurant". The signature is written in a cursive, flowing style.

J.D. Bondurant
Director of LIHTC Programs

Enclosures

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

► Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

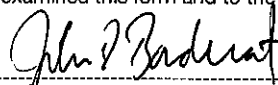
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4000, 4002, 4004 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ► 82-3465216	D Employer identification number of agency <p style="text-align: right;">54-0921892</p> E Building identification number (BIN) <p style="text-align: right;">VA0127001</p>

1a Date of allocation ► _____	b Maximum housing credit dollar amount allowable	1b	\$82,297
2 Maximum applicable credit percentage allowable (see instructions)		2	3.24 %
3a Maximum qualified basis		3a	\$2,540,031
b Check here ► <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service	► 1/29/2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

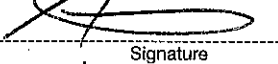
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	John D. Bondurant, Authorized Officer	8.18.20
Signature of authorized official	Name (please type or print)	Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	2,540,031
8a Original qualified basis of the building at close of first year of credit period	8a	2,540,031
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	82-3465216	8/27/2020
Signature	Taxpayer identification number	Date
Anand Kannan	2019	
Name (please type or print)	First year of the credit period	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
 Aggregate Credit Amount			 <u><u>\$ 1,440,039</u></u>	

**Low-Income Housing Credit Allocation
 and Certification**

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4006, 4008, 4010 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127002

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$87,646
2 Maximum applicable credit percentage allowable (see instructions)	2 3.24 %		
3a Maximum qualified basis	3a \$2,705,123		
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b 1 0 0 %		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4 58.31 %		
5 Date building placed in service	▶ 1/29/2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

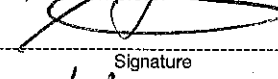
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

 Signature of authorized official	John D. Bondurant, Authorized Officer Name (please type or print)	8.18.20 Date
---	---	------------------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7 2,705,123
8a Original qualified basis of the building at close of first year of credit period	8a 2,705,123
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.	
Caution: Once made, the following elections are irrevocable.	
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions):	
<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60
<input type="checkbox"/> Average income	<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 Signature	82-3465216 Taxpayer identification number	8/27/2020 Date
Anand Kannan Name (please type or print)	2019 First year of the credit period	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4012, 4014, 4016 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA0127003</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$87,646
2 Maximum applicable credit percentage allowable (see instructions)		2	3.24 %
3a Maximum qualified basis		3a	\$2,705,123
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 1/29/2018			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	John D. Bondurant, Authorized Officer Name (please type or print)	8.18.20 Date
----------------------------------	--	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	2,705,123
8a Original qualified basis of the building at close of first year of credit period	8a	2,705,123
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	82-3465216 Taxpayer identification number	8/27/2020 Date
Anand Kannan Name (please type or print)	2019 First year of the credit period	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

**Low-Income Housing Credit Allocation
 and Certification**

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4018, 4020, 4022 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127004

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$87,646
2 Maximum applicable credit percentage allowable (see instructions)	2 3.24 %		
3a Maximum qualified basis	3a \$2,705,123		
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b 1 0 0 %		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4 58.31 %		
5 Date building placed in service	▶ 1/29/2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

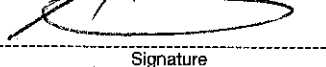
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

 Signature of authorized official	John D. Bondurant, Authorized Officer Name (please type or print)	8.18.20 Date
---	---	------------------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7 2,705,123		
8a Original qualified basis of the building at close of first year of credit period	8a 2,705,123		
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
10 Check the appropriate box for each election.			
Caution: Once made, the following elections are irrevocable.			
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes		
c Elect minimum set-aside requirement (section 42(g)) (see instructions):			
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)			
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 Signature Anand Kannan Name (please type or print)	82-3465216 Taxpayer identification number 2019 First year of the credit period	8/27/2020 Date
--	---	--------------------------

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

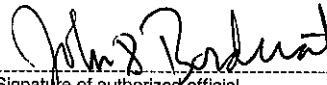
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4024, 4026, 4028 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127005

1a Date of allocation ▶	b Maximum housing credit dollar amount allowable	1b	\$84,758
2 Maximum applicable credit percentage allowable (see instructions)		2	3.24 %
3a Maximum qualified basis		3a	\$2,615,988
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.31 %
5 Date building placed in service	▶ 1/29/2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only


Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


 Signature of authorized official
 ▶
 John D. Bondurant, Authorized Officer
 ▶
 8.18.20
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	2,615,988
8a Original qualified basis of the building at close of first year of credit period	8a	2,615,988
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


 Signature
 ▶
 82-3465216
 Taxpayer identification number
▶
 8/27/2020
 Date

Anand Kanaan
 ▶
 2019
 First year of the credit period

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4030, 4032, 4034 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA0127006</div>

1a Date of allocation ▶		1b	\$84,758
2 Maximum applicable credit percentage allowable (see instructions)		2	3.24 %
3a Maximum qualified basis		3a	\$2,615,988
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	58.31 %
5 Date building placed in service	▶ 1/29/2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

 Signature of authorized official	John D. Bondurant, Authorized Officer Name (please type or print)	8.18.20 Date
--------------------------------------	---	------------------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	2,615,988
8a Original qualified basis of the building at close of first year of credit period	8a	2,615,988
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 Signature	82-3465216 Taxpayer identification number	8/27/2020 Date
Anand Kannan Name (please type or print)	2019 First year of the credit period	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4000, 4002, 4004 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency <div style="text-align: right;">54-0921892</div> E Building identification number (BIN) <div style="text-align: right;">VA0127001</div>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$147,930
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,551,723
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)			
		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	8.18.20 <small>Date</small>
<small>Signature of authorized official</small>		

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,551,723
8a Original qualified basis of the building at close of first year of credit period	8a	4,551,723
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election. Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		
	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
	<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60
	<input type="checkbox"/> Average income	<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) <input type="checkbox"/> 15-40		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	82-3465216 <small>Taxpayer identification number</small>	8/27/2020 <small>Date</small>
<small>Signature</small>		
Anand Kannan <small>Name (please type or print)</small>	2019 <small>First year of the credit period</small>	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4006, 4008, 4010 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency <p style="text-align: center;">54-0921892</p> E Building identification number (BIN) <p style="text-align: center;">VA0127002</p>

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$157,548
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,847,631
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	John D. Bondurant, Authorized Officer Name (please type or print)	8.18.20 Date
----------------------------------	--	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,847,631
8a Original qualified basis of the building at close of first year of credit period	8a	4,847,631
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election. Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions): <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	82-3465216 Taxpayer identification number	8/27/2020 Date
Anand Kannan Name (please type or print)	2019 First year of the credit period	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4012, 4014, 4016 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127003

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$157,548
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,847,631
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

John D. Bondurant, Authorized Officer
8.18.20
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,847,631
8a Original qualified basis of the building at close of first year of credit period	8a	4,847,631
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

82-3465216
8/27/2020
Signature
Taxpayer identification number
Date
Anand Kannan
2019
Name (please type or print)
First year of the credit period

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4018, 4020, 4022 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127004

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$157,548
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,847,631
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official: John D. Bondurant Name (please type or print): John D. Bondurant, Authorized Officer Date: 8.18.20

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,847,631
8a Original qualified basis of the building at close of first year of credit period	8a	4,847,631
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) <input type="checkbox"/> 15-40		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature: Anand Kannan Taxpayer identification number: 82-3465216 Date: 8/27/2020
 Name (please type or print): Anand Kannan First year of the credit period: 2019

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4024, 4026, 4028 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127005

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$152,357
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,687,908
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	John D. Bondurant, Authorized Officer <small>Name (please type or print)</small>	8.18.20 <small>Date</small>
--	---	--------------------------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,687,908
8a Original qualified basis of the building at close of first year of credit period	8a	4,687,908
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election. Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions): <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	82-3465216 <small>Taxpayer identification number</small>	8/27/2020 <small>Date</small>
Anand Kannan <small>Name (please type or print)</small>	2019 <small>First year of the credit period</small>	

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 4030, 4032, 4034 Midlothian Turnpike Richmond, VA 23224	B Name and address of housing credit agency Virginia Housing Development Authority 601 S. Belvidere Street Richmond, VA 23220
C Name, address, and TIN of building owner receiving allocation Midlothian Community Partners, LP 17782 Sky Park Circle Irvine, CA 92614 TIN ▶ 82-3465216	D Employer identification number of agency 54-0921892 E Building identification number (BIN) VA0127006

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable	1b	\$152,357
2 Maximum applicable credit percentage allowable (see instructions)		2	3.25 %
3a Maximum qualified basis		3a	\$4,687,908
b Check here ▶ <input checked="" type="checkbox"/> If the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)			
		3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	58.31 %
5 Date building placed in service ▶ 6/30/2019			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official: John D. Bondurant Name (please type or print): John D. Bondurant, Authorized Officer Date: 8.18.20

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	4,687,908
8a Original qualified basis of the building at close of first year of credit period	8a	4,687,908
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . . . ▶		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature: [Signature] Taxpayer identification number: 82-3465216 Date: 8/27/2020
 Name (please type or print): Anand Kannan First year of the credit period: 2019

Attachment to Form 8609s

Midlothian Community Partners, LP

			<u>Existing Building</u>	<u>Rehabilitation</u>
BIN#	VA0127001	4000, 4002, 4004 Midlothian Turnpike	\$ 82,297	\$ 147,930
	VA0127002	4006, 4008, 4010 Midlothian Turnpike	87,646	157,548
	VA0127003	4012, 4014, 4016 Midlothian Turnpike	87,646	157,548
	VA0127004	4018, 4020, 4022 Midlothian Turnpike	87,646	157,548
	VA0127005	4024, 4026, 4028 Midlothian Turnpike	84,758	152,357
	VA0127006	4030, 4032, 4034 Midlothian Turnpike	84,758	152,357
			<u>\$ 514,751</u>	<u>\$ 925,288</u>
	Aggregate Credit Amount		<u><u>\$ 1,440,039</u></u>	

Instructions for Form 8609



Department of the Treasury
Internal Revenue Service

(Rev. July 2018)

Low-Income Housing Credit Allocation and Certification

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8609 and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form8609.

What's New

Average income test. An average income election has been added to the section 42(g)(1) minimum set-aside requirements by the Consolidated Appropriations Act of 2018 (P.L. 115-141). See [Line 10c](#) and [Line 10d](#), later, for details.

Reminder

The 9% minimum applicable percentage of section 42(b)(2) has been made permanent for certain buildings placed in service after July 30, 2008. For details, see the instructions for Part I.

General Instructions

Purpose of Form

Owners of residential low-income rental buildings are allowed a low-income housing credit for each qualified building over a 10-year credit period. Form 8609 can be used to obtain a housing credit allocation from the housing credit agency. A separate Form 8609 must be issued for each building in a multiple building project. Form 8609 is also used to certify certain information.

Housing credit agency. This is any state or local agency authorized to make low-income housing credit allocations within its jurisdiction.

Building identification number (BIN). This number is assigned by the housing credit agency. The BIN initially assigned to a building must be used for any allocation of credit to the building that requires a separate Form 8609 (see [Multiple Forms 8609](#), later). For example, rehabilitation expenditures treated as a separate new building shouldn't have a separate BIN if the building already has one. Use the number first assigned to the building.

Allocation of credit. For an owner to claim a low-income housing credit on a building (except as explained under [Tax-exempt bonds](#), later), the housing credit agency must make an allocation of the credit by the close of the calendar year in which the building is placed in service, unless:

1. The allocation is the result of an advance binding commitment by the housing credit agency made not later than the close of the calendar year in which the building is placed in service (see section 42(h)(1)(C));
2. The allocation relates to an increase in qualified basis (see section 42(h)(1)(D));
3. The allocation is made for a building placed in service no later than the second calendar year following the calendar year in which the allocation is made if the building is part of a

project in which the taxpayer's basis is more than 10% of the project's reasonably expected basis as of the end of that second calendar year; or

4. The allocation is made for a project that includes more than one building if:

- a. The allocation is made during the project period,
- b. The allocation applies only to buildings placed in service during or after the calendar year in which the allocation is made, and
- c. Each building in the project to which the allocation applies is identified by a separate building identification number (BIN).

Regarding (3) and (4) (carryover allocations) see sections 42(h)(1)(E) and 42(h)(1)(F) and Regulations section 1.42-6.

The agency can only make an allocation to a building located within its geographical jurisdiction. Once an allocation is made, the credit is allowable for all years during the 10-year credit period. A separate Form 8609 must be completed for each building to which an allocation of credit is made.

Multiple Forms 8609. Allocations of credit in separate calendar years require separate Forms 8609. Also, when a building receives separate allocations for acquisition of an existing building and for rehabilitation expenditures, a separate Form 8609 must be completed for each credit allocation.

Tax-exempt bonds. No housing credit allocation is required for any portion of the eligible basis of a qualified low-income building that is financed with tax-exempt bonds taken into account for purposes of the volume cap under section 146 if principal payments on the financing are applied within a reasonable period to redeem obligations the proceeds of which were used to provide the financing, or the financing is refunded as described in section 146(i)(6). An allocation isn't needed when 50% or more of the aggregate basis of the building and the land on which the building is located (defined below) is financed with tax-exempt bonds described in the preceding sentence. However, the owner must still get a Form 8609 from the appropriate housing credit agency (with the applicable items completed, including an assigned BIN).

Land on which the building is located. This includes only land that is functionally related and subordinate to the qualified low-income building. (See Regulations sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) for the meaning of "functionally related and subordinate.")

Filing Requirement

Housing credit agency. Complete and sign Part I of Form 8609 and make copies of the form. Submit a copy with Form 8610, Annual Low-Income Housing Credit Agencies Report, and keep a copy for the records. The agency must send the original, signed Form 8609 (including instructions) to the building owner.

Building owner. You must make a one-time submission of Form 8609 to the Low-Income Housing Credit (LIHC) Unit at the IRS Philadelphia campus address below. After making a copy of the completed original Form 8609, file the original of the form with the unit no later than the due date (including extensions) of your first tax return with which you are filing Form 8609-A, Annual Statement for Low-Income Housing Credit.

Where to file Form 8609. Send the properly completed and signed form(s) to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Note. The housing credit agency may require you to submit a copy of Form 8609 with a completed Part II to the agency. You should contact the agency to obtain agency filing requirements.

Also, file Form 8609-A for each year of the 15-year compliance period. The credit is claimed on Form 8586, Low-Income Housing Credit. See the forms for filing instructions.

Building Owner's Recordkeeping

Keep the following items in your records for three years after the due date (including extensions) of the owner's tax return for the tax year that includes the end of the 15-year compliance period.

- A copy of the original Form 8609 received from the housing agency and all related Forms 8609-A (or predecessor Schedules A (Form 8609)), Forms 8586, and any Forms 8611, Recapture of Low-Income Housing Credit.
- If the maximum applicable credit percentage allowable on line 2 reflects an election under section 42(b)(1)(A)(ii), (or former section 42(b)(2)(A)(ii), for buildings placed in service before July 31, 2008), a copy of the election statement.
- If the binding agreement specifying the housing credit dollar amount is contained in a separate document, a copy of the binding agreement.
- If the housing credit dollar amount allocated on line 1b reflects an allocation made under section 42(h)(1)(E) or section 42(h)(1)(F), a copy of the allocation document.

Specific Instructions

Part I—Allocation of Credit

Completed by Housing Credit Agency Only

Addition to qualified basis. Check this box if an allocation relates to an increase in qualified basis under section 42(f)(3). Enter only the housing credit dollar amount for the increase. Don't include any portion of the original qualified basis when determining this amount.

Amended form. Check this box if this form amends a previously issued form. Complete all entries and explain the reason for the amended form. For example, if there is a change in the amount of initial allocation before the close of the calendar year, file an amended Form 8609 instead of the original form.

Item A. Identify the building for which this Form 8609 is issued when there are multiple buildings with the same address (e.g., BLDG. 6 of 8).

Line 1a. Generally, where Form 8609 is the allocating document, the date of the allocation is the date the Form 8609 is completed, signed, and dated by an authorized official of the housing credit agency during the year the building is placed in service and mailed to the owner of the qualified low-income building.

However, if an allocation is made under section 42(h)(1)(E) or 42(h)(1)(F), the date of allocation is the date the authorized official of the housing credit agency completes, signs, and dates the section 42(h)(1)(E) or 42(h)(1)(F) document used to make the allocation. If no allocation is required (i.e., 50% or greater tax-exempt bond financed building), leave line 1a blank.

Line 1b. Enter the housing credit dollar amount allocated to the building for each year of the 10-year credit period. The amount should equal the percentage on line 2 multiplied by the amount on line 3a. The housing credit agency is required to allocate only the amount necessary to assure project feasibility. To accomplish this, the agency can, to the extent permitted by the Code and regulations, lower the percentage on line 2 and the amount on line 3a. See the instructions for these lines for the limits that apply. For tax-exempt bond projects for which no allocation is required, enter the housing credit dollar amount allowable under section 42(h)(4).

Line 2. The maximum applicable credit percentage allowable is determined in part by the date the building was placed in service. Follow the instructions pertaining to the date the building was placed in service.

Enter the maximum applicable credit percentage allowable to the building for the month the building was placed in service or, if applicable, for the month determined under section 42(b)(1)(A)(ii). This percentage may be less than the applicable percentage published by the IRS monthly in the Internal Revenue Bulletin.



A minimum applicable credit percentage of 9% is in effect for new non-federally subsidized buildings placed in service after July 30, 2008. The 9% minimum applies to new non-federally subsidized buildings even if the taxpayer made an irrevocable election under former section 42(b)(1)(A)(ii). If this circumstance applies, don't enter less than 9% on line 2. See section 42(b)(2).

If an election was made under section 42(b)(1)(A)(ii) to use the applicable percentage for a month other than the month in which a building is placed in service, the requirements of Regulations section 1.42-8 must be met. The agency must keep a copy of the binding agreement. The applicable percentage is published monthly in the Internal Revenue Bulletin. For new buildings that aren't federally subsidized under section 42(i)(2)(A), use the applicable percentage for the 70% present value credit, but don't enter less than 9%, unless the housing credit agency determines that a lesser amount is necessary to assure project feasibility. For new buildings that are federally subsidized, or existing buildings, use the applicable percentage for the 30% present value credit. See the instructions for line 6 for the definition of "federally subsidized," and the time period for which the definition applies. A taxpayer may elect under section 42(i)(2)(B) to reduce eligible basis by the proceeds of any tax-exempt obligation in order to obtain the higher credit percentage.

For allocations to buildings for additions to qualified basis under section 42(f)(3), don't reduce the applicable percentage even though the building owner may only claim a

credit based on two-thirds of the credit percentage allocated to the building.

Line 3a. Enter the maximum qualified basis of the building. In computing qualified basis, the housing credit agency should use only the amount of eligible basis necessary to result in a qualified basis which, when multiplied by the percentage on line 2, equals the credit amount on line 1b. However, the housing credit agency isn't required to reduce maximum qualified basis and can lower the maximum applicable percentage on line 2. To compute qualified basis, multiply the eligible basis of the qualified low-income building by the smaller of:

- The fractional number of low-income units to all residential rental units in the building (the "unit fraction") or
- The fractional amount of floor space of the low-income units to the floor space of all residential rental units in the building (the "floor space fraction").

Generally, the term "low-income unit" means any unit in a building if the unit is rent-restricted and the individuals occupying the unit meet the income limitation applicable to the project of which the building is a part. See section 42(i)(3)(A). Generally, a unit isn't treated as a low-income unit unless it's suitable for occupancy and used other than on a transient basis. Section 42(i)(3)(B) provides for certain exceptions (e.g., units that provide for transitional housing for the homeless may qualify as low-income units). See sections 42(i)(3) and 42(c)(1)(E) for more information.

Except as explained in the instructions for line 3b below, the eligible basis for a new building is its adjusted basis as of the close of the first tax year of the credit period. For certain existing buildings, the eligible basis is its acquisition cost plus capital improvements through the close of the first tax year of the credit period. See the instructions for line 3b and section 42(d) for other exceptions and details.

Line 3b. Special rule to increase basis for buildings in certain high-cost areas. If the building is located in a high-cost area (i.e., "qualified census tract" or "difficult development area"), the eligible basis may be increased as follows.

- For new buildings, the eligible basis may be up to 130% of such basis determined without this provision.
- For existing buildings, the rehabilitation expenditures under section 42(e) may be up to 130% of the expenditures determined without regard to this provision.

Enter the percentage to which eligible basis was increased. For example, if the eligible basis was increased to 120%, enter "120."

Section 42(d)(5)(B)(v) permits a similar increase in basis for any non-federally subsidized building designated by the state agency to need the basis increase to be financially feasible as part of a qualified low-income housing project.

TIP See section 42(d)(5)(B) for definitions of a qualified census tract and a difficult development area, and for other details.

Note. Before increasing eligible basis, the eligible basis must be reduced by any federal subsidy which the taxpayer elects to exclude from eligible basis. For buildings placed in service after July 30, 2008, the eligible basis can't include any costs financed with federal grant proceeds.

Line 4. Enter the percentage of the aggregate basis of the building and land on which the building is located that is

financed by certain tax-exempt bonds. If this amount is zero, enter -0-. Don't leave this line blank.

Line 5. The placed-in-service date for a residential rental building is the date the first unit in the building is ready and available for occupancy under state or local law. Rehabilitation expenditures treated as a separate new building under section 42(e) are placed in service at the close of any 24-month period over which the expenditures are aggregated, whether or not the building is occupied during the rehabilitation period.

Note. The placed-in-service date for an existing building is determined separately from the placed-in-service date of rehabilitation expenditures treated as a separate new building.


Line 6. Not more than 90% of the state housing credit ceiling for any calendar year can be allocated to projects other than projects involving qualified nonprofit organizations. A project involves a qualified nonprofit organization if that qualified nonprofit organization owns an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period. See section 42(h)(5) for more details.

Generally, no credit is allowable for acquisition of an existing building unless substantial rehabilitation is done. See sections 42(d)(2)(B)(iv) and 42(f)(5) that were in effect on the date the allocation was made. Don't issue Form 8609 for acquisition of an existing building unless substantial rehabilitation under section 42(e) is placed in service.

Lines 6a and 6d. A building is treated as federally subsidized if at any time during the tax year or prior tax year there is outstanding any tax-exempt bond financing, the proceeds of which are used (directly or indirectly) for the building or its operation. If a building is federally subsidized, then box 6a or 6d must be checked regardless of whether the taxpayer has informed the housing credit agency that the taxpayer intends to make the election under section 42(l)(2)(B) to reduce eligible basis by the proceeds of any tax-exempt obligation.

Part II—First-Year Certification

Completed by Building Owner With Respect to the First Year of the Credit Period

 *By completing Part II, you are certifying the date the building is placed in service corresponds to the date on line 5. If the Form 8609 issued to you contains the wrong date or no date, obtain a new or amended Form 8609 from the housing credit agency.*

Line 7. Enter the eligible basis (in dollars) of the building. Eligible basis doesn't include the cost of land. Determine eligible basis at the close of the first year of the credit period (see sections 42(f)(1), 42(f)(5), and 42(g)(3)(B)(iii) for determining the start of the credit period).

For new buildings, the eligible basis is generally the cost of construction or rehabilitation expenditures incurred under section 42(e).

For existing buildings, the eligible basis is the cost of acquisition plus rehabilitation expenditures not treated as a separate new building under section 42(e) incurred by the close of the first year of the credit period.

If the housing credit agency has entered an increased percentage in Part I, line 3b, multiply the eligible basis by the increased percentage and enter the result.

Residential rental property may qualify for the credit even though part of the building in which the residential rental units are located is used for commercial use. Don't include the cost of the nonresident rental property. However, you may generally include the basis of common areas or tenant facilities, such as swimming pools or parking areas, provided there is no separate fee for the use of these facilities and they are made available on a comparable basis to all tenants in the project.

The eligible basis shall not include any costs paid by the proceeds of a federal grant. Also, reduce the eligible basis by the entire basis allocable to non-low-income units that are above average quality standard of the low-income units in the building. You may, however, include a portion of the basis of these non-low-income units if the cost of any of these units doesn't exceed by more than 15% the average cost of all low-income units in the building, and you elect to exclude this excess cost from the eligible basis by checking the "Yes" box on line 9b. See section 42(d)(3).


You may elect to reduce the eligible basis by the proceeds of any tax-exempt obligation to obtain a higher credit percentage. To make this election, check the "Yes" box in Part II, line 9a. Reduce the eligible basis by the obligation proceeds before entering the amount on line 7. You must reduce the eligible basis by such obligation proceeds before multiplying the eligible basis by the increased percentage in Part I, line 3b.

Line 8a. Multiply the eligible basis of the building shown on line 7 by the smaller of the unit fraction or the floor space fraction as of the close of the first year of the credit period and enter the result on line 8a. Low-income units are units occupied by qualifying tenants, while residential rental units are all units, whether or not occupied. See the instructions for Part I, line 3a.

Line 8b. Each building is considered a separate project under section 42(g)(3)(D) unless, before the close of the first calendar year in the project period (defined in section 42(h)(1)(F)(ii)), each building that is (or will be) part of a multiple building project is identified by attaching the statement described below.

The statement must be attached to this Form 8609 and include:

- The name and address of the project and each building in the project,
- The BIN of each building in the project,
- The aggregate credit dollar amount for the project, and
- The credit allocated to each building in the project.

 **Notwithstanding a checked "Yes" box on line 8b, failure to attach a statement providing the above required information will result in each building being considered a separate project under section 42(g)(3)(D). The minimum set-aside requirement (see the instructions for line 10c) is a project-based test.**

Two or more qualified low-income buildings may be included in a multiple building project only if they:

- Are located on the same tract of land (including contiguous parcels), unless all of the dwelling units in all of the buildings being aggregated in the multiple building project are rent restricted units (see section 42(g)(7));
- Are owned by the same person for federal tax purposes;

- Are financed under a common plan of financing; and
- Have similarly constructed housing units.

A qualified low-income building includes residential rental property that is an apartment building, a single-family dwelling, a town house, a row house, a duplex, or a condominium.

Line 9a. Follow the instructions that apply for the date the building was placed in service.

You may elect to reduce the eligible basis by the proceeds of any tax-exempt obligation and claim the 70% present value credit on the remaining eligible basis. A minimum applicable percentage of 9% is in effect for new non-federally subsidized buildings placed in service after July 30, 2008, unless the housing credit agency determines a lesser amount is necessary to assure project feasibility. However, if you make this election, you may not claim the 30% present value credit on the portion of the basis that was financed with the tax-exempt obligation.

Line 9b. See the instructions for Part II, line 7.


Line 10a. You may elect to begin the credit period in the tax year after the building is placed in service. Once made, the election is irrevocable.

Note. Section 42(g)(3)(B)(iii) provides special rules for determining the start of the credit period for certain multiple building projects.

Line 10b. Partnerships with 35 or more partners are treated as the taxpayer for purposes of recapture unless an election is made not to treat the partnership as the taxpayer. Check the "Yes" box if you don't want the partnership to be treated as the taxpayer for purposes of recapture. Once made, the election is irrevocable.

Line 10c. You must meet the minimum set-aside requirements under section 42(g)(1) for the project by electing one of the following tests. Once made, the election is irrevocable.

- **20-50 Test.** Twenty percent (20%) or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income.
- **40-60 Test.** Forty percent (40%) or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income.
- **Average Income Test.** Forty percent (40%) or more (25% or more in the case of a project described in section 142(d)(6)) of the residential units in the project must be both rent restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit. The average of the imputed income limitations designated must not be more than 60% of the area median gross income. The designated imputed income limitation of a unit can only be 20%, 30%, 40%, 50%, 60%, 70%, or 80% of the area median gross income.

 **The average income test is only available for elections made after March 23, 2018.**

Note. Owners of buildings in projects located in New York City may not use the 40-60 Test. Instead, they may use the **25-60 Test**. Under the 25-60 Test, 25% or more of the residential units in the project must be both rent restricted

and occupied by individuals whose income is 60% or less of the area median gross income (see section 142(d)(6)).

Rural projects. For purposes of the 20-50, 40-60, average income, and 25-60 tests, "national non-metropolitan median income" will be used for determining income if it exceeds "area median gross income," but only for determinations of income made after July 30, 2008, and buildings with an allocation of credit. See section 42(i)(8) for details.



The minimum set-aside requirement is a project-based test and must be met by the close of the first year of the credit period in order to claim any credit for the first year or for any subsequent years.

Line 10d. The deep rent skewed 15-40 election isn't an additional test for satisfying the minimum set-aside requirements of section 42(g)(1). The 15-40 test is an election that relates to the determination of a low-income tenant's income. Generally, a continuing resident's income may increase up to 140% of the applicable income limit.

- If the 20-50, 40-60, or 25-60 test under the minimum set-aside rules described, earlier, in *Line 10c* has been elected, the applicable income limit generally is 50% or less or 60% or less of the area median gross income (or, when applicable, national non-metropolitan median income).
- If the average income test in *Line 10c* has been elected, the applicable income limit generally is the imputed income limitation designated by the taxpayer with respect to the respective unit. The average of the imputed income limitations designated must not exceed 60% of the area median gross income (or, when applicable, national non-metropolitan median income). Also, the designated imputed income limitation of any unit must be in 10% increments between the range of 20% and 80% of the area median gross income (or, when applicable, national non-metropolitan median income).

When the deep rent skewed election is made, the income of a continuing resident may increase up to 170% of the applicable income limit. If the deep rent skewed election is made, at least 15% of all low-income units in the project must be occupied at all times during the compliance period by tenants whose income is 40% or less of the area median gross income (or when applicable, national non-metropolitan median income). A deep rent skewed project itself must meet the requirements of section 142(d)(4)(B). Once made, the election is irrevocable.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Claiming this credit is voluntary; however, if you do claim the credit, sections 42, 6001, and 6011 require you to provide this information. Section 6109 requires you to provide your taxpayer identifying number (SSN, EIN, or ITIN). We need this information to ensure that you are complying with the revenue laws and to allow us to figure and collect the right amount of tax. We may disclose this information to the Department of Justice for civil or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failure to provide this information may delay or prevent processing your claim. Providing false information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file the form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 10 min.
Recordkeeping	10 hr., 45 min.
Preparing and sending the form to the IRS	4 hr., 31 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can send your comments from [IRS.gov/FormsPubs](https://www.irs.gov/FormsPubs). Click on "Help with Forms and Instructions" and then on "Give us feedback." Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC, 20224. Do not send the tax form to this office. Instead, see *Filing Requirement*, earlier.

**AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
MIDLOTHIAN COMMUNITY PARTNERS, LP**

DATED AS OF JULY 23, 2018

TABLE OF CONTENTS

	PAGE
ARTICLE I. DEFINITIONS	2
ARTICLE II. NAME	16
ARTICLE III. PRINCIPAL EXECUTIVE OFFICE/AGENT FOR SERVICE	17
Section 3.1 Principal Executive Office.....	17
Section 3.2 Agent for Service of Process.....	17
ARTICLE IV. PURPOSE	17
Section 4.1 Purpose of the Partnership.....	17
Section 4.2 Authority of the Partnership.....	17
ARTICLE V. TERM	18
ARTICLE VI. GENERAL PARTNER'S CONTRIBUTIONS AND LOANS.....	18
Section 6.1 Capital Contribution of General Partner.....	18
Section 6.2 Construction Obligations.....	18
Section 6.3 Operating Obligations.....	19
Section 6.4 Other General Partner Loans.....	19
ARTICLE VII. CAPITAL CONTRIBUTIONS OF LIMITED PARTNER AND SPECIAL LIMITED PARTNER.....	20
Section 7.1 Original Limited Partner; Admission New Partners.....	20
Section 7.2 Capital Contribution of Limited Partner and Special Limited Partner.....	20
Section 7.3 Repurchase of Limited Partner's and Special Limited Partner's Interests.....	23
Section 7.4 Adjustment of Capital Contributions.....	25
Section 7.5 Return of Capital Contribution.....	27
Section 7.6 Liability of Limited Partner and Special Limited Partner.....	27
Section 7.7 Voluntary Funding.....	28
ARTICLE VIII. WORKING CAPITAL AND RESERVES	28
Section 8.1 Replacement Reserve Account.....	28
Section 8.2 Rent-Up Reserve Account.....	28
Section 8.3 Tax and Insurance Account.....	28
Section 8.4 Operating Deficit Account.....	29
Section 8.5 Other Reserves.....	29
ARTICLE IX. MANAGEMENT AND CONTROL; PAYMENT OF EXPENSES.....	29
Section 9.1 Power and Authority of General Partner.....	29
Section 9.2 Payments to the General Partners and Others.....	30
Section 9.3 Specific Powers of the General Partner.....	32
Section 9.4 Authority Requirements.....	33

Section 9.5	Limitations on General Partner’s Power and Authority.	34
Section 9.6	Restrictions on Authority of General Partner.	35
Section 9.7	Duties of General Partner.	37
Section 9.8	Obligations to Repair and Rebuild Apartment Housing.	39
Section 9.9	Partnership Expenses.	39
Section 9.10	General Partner Expenses.	40
Section 9.11	Other Business of Partners.	40
Section 9.12	Covenants, Representations and Warranties.	41
Section 9.13	Indemnification of the Partnership and the Limited Partners.	46
ARTICLE X. ALLOCATIONS OF INCOME, LOSSES AND CREDITS.....		47
Section 10.1	General.	47
Section 10.2	Allocations From Sale or Refinancing.	47
Section 10.3	Special Allocations.	48
Section 10.4	Curative Allocations.	50
Section 10.5	Other Allocation Rules.	51
Section 10.6	Tax Allocations: Code Section 704(c).	52
Section 10.7	Allocation Among Limited Partners.	52
Section 10.8	Allocation Among General Partners.	52
Section 10.9	Modification of Allocations.	52
ARTICLE XI. DISTRIBUTION		53
Section 11.1	Distribution of Net Operating Income.	53
Section 11.2	Distribution of Sale or Refinancing Proceeds.	53
ARTICLE XII. TRANSFERS OF LIMITED PARTNER’S AND SPECIAL LIMITED PARTNER’S INTERESTS IN THE PARTNERSHIP.....		55
Section 12.1	Assignment of Interests.	55
Section 12.2	Effective Date of Transfer.	55
Section 12.3	Invalid Assignment.	56
Section 12.4	Assignee’s Rights to Allocations and Distributions.	56
Section 12.5	Substitution of Assignee as Limited Partner or Special Limited Partner.	56
Section 12.6	Death, Bankruptcy, Incompetency, etc., of a Limited Partner.	56
Section 12.7	Investor Put Option.	Error! Bookmark not defined.
ARTICLE XIII. WITHDRAWAL, REMOVAL AND REPLACEMENT OF GENERAL PARTNER		57
Section 13.1	Withdrawal of General Partner.	57
Section 13.2	Removal of General Partner.	57
Section 13.3	Effects of a Withdrawal.	59
Section 13.4	Successor General Partner.	61
Section 13.5	Admission of Additional or Successor General Partner.	62
Section 13.6	Transfer of Interest.	62
Section 13.7	No Goodwill Value.	62
ARTICLE XIV. BOOKS AND ACCOUNTS, REPORTS, TAX RETURNS,		

	FISCAL YEAR AND BANKING.....	63
Section 14.1	Books and Accounts.	63
Section 14.2	Accounting Reports.	63
Section 14.3	Other Reports.	64
Section 14.4	Late Reports.	67
Section 14.5	Site Visits.	67
Section 14.6	Tax Returns.	67
Section 14.7	Fiscal Year.	67
Section 14.8	Banking.	67
Section 14.9	Certificates and Elections.	68
	ARTICLE XV. DISSOLUTION, WINDING UP, TERMINATION AND LIQUIDATION OF THE PARTNERSHIP	68
Section 15.1	Dissolution of Partnership.....	68
Section 15.2	Return of Capital Contribution upon Dissolution.....	68
Section 15.3	Distribution of Assets.	69
Section 15.4	Deferral of Liquidation.	70
Section 15.5	Liquidation Statement.....	70
Section 15.6	Certificates of Dissolution; Certificate of Cancellation of Certificate of Limited Partnership.	70
Section 15.7	Deficit Restoration Obligation Election.....	71
	ARTICLE XVI. AMENDMENTS.....	71
	ARTICLE XVII. MISCELLANEOUS	71
Section 17.1	Voting Rights.	71
Section 17.2	Meeting of Partnership.....	72
Section 17.3	Notices.	72
Section 17.4	Successors and Assigns.....	73
Section 17.5	Amendment of Certificate of Limited Partnership.	73
Section 17.6	Tax Matters Partner.....	74
Section 17.7	Expiration of Compliance Period.....	77
Section 17.8	Security Interest and Right of Set-Off.	79
Section 17.9	Signage and Public Relations.....	79
Section 17.10	Environmental Compliance.	80
Section 17.11	Counterparts.	82
Section 17.12	Captions.	82
Section 17.13	Saving Clause.....	82
Section 17.14	Certain Provisions.....	83
Section 17.15	Number and Gender.	83
Section 17.16	Entire Agreement.	83
Section 17.17	Governing Law.	83
Section 17.18	Attorney's Fees.	83

EXHIBIT A Legal Description

EXHIBIT B Form of Legal Opinion

EXHIBIT C Form of Completion Certificate

EXHIBIT D Accountant's Certificate

EXHIBIT E Contractor's Certificate

EXHIBIT F Depreciation Schedule

EXHIBIT G Report of Operations

EXHIBIT H Survey Requirements

[List of Agreements Attached]

**AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP OF
MIDLOTHIAN COMMUNITY PARTNERS, LP**

This Amended and Restated Agreement of Limited Partnership is being entered into effective as of July 23, 2018 (the “Effective Date”) by and among WNC-Midlothian GP, LLC, a California limited liability company, as the managing general partner (the “Managing General Partner”), Hampstead Midlothian, LLC, a Delaware limited liability company, as the administrative general partner (the “Administrative General Partner” and together with the Managing General Partner hereinafter referred to collectively as the “General Partner”), WNC Holding, LLC, a California limited liability company, as the limited partner (the “Limited Partner”), WNC Housing, L.P., a California limited partnership, as the special limited partner (the “Special Limited Partner”), and WNC Investment Partners, LLC a California limited liability company, as the withdrawing limited partner (the “Original Limited Partner”).

RECITALS

WHEREAS, Midlothian Community Partners, LP, a Virginia limited partnership (the “Partnership”), filed a certificate of limited partnership with the Virginia Secretary of State on October 13, 2017. A partnership agreement dated October 13, 2017, was entered into by and between the General Partner and the Original Limited Partner, as amended on April 20, 2018 (collectively, the “Original Partnership Agreement”).

WHEREAS, the Partners desire to enter into this Agreement to provide for, among other things, (i) the continuation of the Partnership, (ii) the admission of the Limited Partner and the Special Limited Partner as partners of the Partnership, (iii) the liquidation of the Original Limited Partner’s Interest in the Partnership, (iv) the payment of Capital Contributions by the Limited Partner and the Special Limited Partner to the Partnership, (v) the allocation of Income, Losses, Tax Credits and distributions of Net Operating Income and other cash funds of the Partnership among the Partners, (vi) the determination of the respective rights, obligations and interests of the Partners to each other and to the Partnership, and (vii) certain other matters.

WHEREAS, the Partners desire hereby to amend and restate the Original Partnership Agreement.

NOW, THEREFORE, in consideration of their mutual agreements herein set forth, the Partners hereby agree to amend and restate the Original Partnership Agreement in its entirety to provide as follows:

ARTICLE I. DEFINITIONS

“**Accountant**” means Propp Christensen Caniglia LLP, or such other firm of independent certified public accountants as may be engaged for the Partnership by the General Partner with the Consent of the Special Limited Partner. Notwithstanding any provision of this Agreement to the contrary, the Special Limited Partner will have the discretion to dismiss the Accountant for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in Section 14.2 or Section 14.3.

“**Act**” means the laws of the State governing limited partnerships, as now in effect and as the same may be amended from time to time.

“**Actual Tax Credit**” means, as of any point in time, the total amount of the LIHTC actually allocated by the Partnership to the Limited Partner and not subsequently recaptured or disallowed, representing 99.98% of the LIHTC actually received by the Partnership, as shown on the applicable tax returns of the Partnership.

“**Adjusted Capital Account Deficit**” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of the relevant fiscal period, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Partner is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations.

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

“**Administrative General Partner**” means Hampstead Midlothian, LLC, a Delaware limited liability company.

“**Affiliate**” means (a) any Person directly or indirectly controlling, controlled by, or under common control with another Person; (b) any Person owning or controlling 10% or more of the outstanding voting securities of such other Person; (c) any officer, director, trustee, or partner of such other Person; and (d) if such Person is an officer, director, trustee or general partner, any other Person for which such Person acts in any such capacity.

“**Agreement**” or “**Partnership Agreement**” means this Amended and Restated Agreement of Limited Partnership, as it may be amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” “hereby” and “hereunder,” when used with reference to this Agreement, refer to this Agreement, unless the context otherwise requires.

“Apartment Housing” collectively means the Improvements and approximately 9.74 acres of land at 4000 Midlothian Turnpike, Richmond, Richmond County, Virginia 23224. The legal description is described in Exhibit A attached hereto and incorporated herein by this reference.

“Architect of Record” means Ebersoldt + Associates, LLC. The General Partner, on behalf of the Partnership, shall enter into a contract with the Architect of Record to perform certain duties and responsibilities including, but not limited to: designing the Improvements; preparing the construction blueprints, preparing the property specifications manual; contracting for administrative services; completing the close-out procedures; inspecting for and overseeing resolution of the Contractor’s final punch list; receiving and approving operations and maintenance manuals; and collecting, reviewing, approving and forwarding to the Partnership all product, material and construction warranties.

“Asset Management Fee” has the meaning set forth in Section 9.2(d).

“Assignee” means a Person who has acquired all or a portion of the Limited Partner’s or the Special Limited Partner’s beneficial interest in the Partnership and who has not been substituted in the stead of the transferor as a Partner.

“Bankruptcy” or **“Bankrupt”** means the making of an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding other than as a creditor, the commencement of any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors, the appointment of a receiver, liquidator, custodian or trustee, or the discounted settlement of substantially all the debts and obligations of a debtor; and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within 90 days; or the entry of an order for relief under Title 11 of the United States Code. A Partner will be deemed Bankrupt if any of the above has occurred to that Partner.

“Bipartisan Budget Act” means The Bipartisan Budget Act of 2015 (P.L. 114-74).

“Breakeven Operations” means at such time as the Partnership has Cash Receipts in excess of Cash Expenses, as determined by the Accountant and approved by the Special Limited Partner. For purposes of this definition; (a) any one-time up-front fee paid to the Partnership from any source will not be included in Cash Receipts to calculate Breakeven Operations; (b) Cash Expenses will include the amount of any outstanding Partnership obligations and any Management Fee or portion thereof which is currently deferred and not paid; and (c) Cash Expenses will include the amount of any reserve required to be funded in accordance with Article VIII that is currently deferred and not paid. In addition, Breakeven Operations will not occur until the Tax and Insurance Account and the Operating Deficit Account required by Article VIII have been fully funded.

“Budget Agreement” means the Budget Agreement entered into by the Partnership and the Partners as of even date herewith and incorporated herein by this reference.

“Capital Account” means, with respect to each Partner, the account maintained for such Partner comprised of such Partner’s Capital Contribution as increased by allocations to such Partner of Partnership Income (or items thereof) and any items in the nature of income or gain

which are specially allocated pursuant to Section 10.3, Section 10.4, or Section 10.5 and decreased by the amount of any Distributions made to such Partner, and allocations to such Partner of Partnership Losses (or items thereof) and any items in the nature of expenses or losses which are specially allocated pursuant to Section 10.3, Section 10.4, or Section 10.5. In the event of any transfer of an interest in the Partnership in accordance with the terms of this Agreement, the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred interest. The foregoing definition and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), as amended or any successor thereto, and will be interpreted and applied in a manner consistent with such Treasury Regulations.

“Capital Contribution” means the total amount of money, or the Gross Asset Value of property contributed to the Partnership, if any, by all the Partners or any class of Partners or any one Partner as the case may be (or by a predecessor-in-interest of such Partner or Partners), reduced by any such capital that has been returned pursuant to Section 7.3, Section 7.4, or Section 7.5 of this Agreement. A loan to the Partnership by a Partner will not be considered a Capital Contribution.

“Cash Expenses” means all operating obligations of the Partnership (other than those covered by Insurance) including without limitation, the payment of the monthly Mortgage Loan payments, the Management Agent fees, the funding of reserves in accordance with Article VIII, advertising costs, utilities, maintenance, repairs, Partner communications, legal, telephone, any other expenses which may reasonably be expected to be paid in a subsequent period but which on an accrual basis will be allocable equally per month over the calendar year, such as, but not limited to, Insurance, Real Estate Taxes, Mortgage Loan payments paid other than monthly, 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 (such as snow removal, the use of air conditioners in the middle of the summer, or heaters in the middle of the winter) which may reasonably be expected to be paid in a subsequent period. Cash Expenses payable to Partners or Affiliates of Partners will be paid after Cash Expenses payable to third parties. Interest during the construction phase of the Mortgage Loan and development costs of any nature whatsoever are not Cash Expenses except with respect to Mortgage Loan interest attributable to units that have been placed in service.

“Cash Receipts” means actual cash received on a cash basis by the Partnership from operating revenues of the Partnership, including without limitation rental income (but not any subsidy thereof from the General Partner or an Affiliate thereof), tenant security deposits that have been forfeited by tenants pursuant to the laws of the State, laundry income paid to the Partnership, telephone hook-up or service income, cable fees or hook-up costs, telecommunications or satellite fees or hook-up costs, but excluding prepayments, security deposits, Capital Contributions, borrowings (including Operating Loans), the Mortgage Loan, lump-sum payments, any extraordinary receipt of funds, and any income earned on investment of its funds. Neither the General Partner nor its Affiliates will be entitled to payment of any Cash Receipts for any reason (except as otherwise provided herein), including but not limited to a separate contract, agreement, obligation or the like.

“Certification and Agreement” means the Certification and Agreement entered into by the Partnership, the General Partner, and the Original Limited Partner as of even date herewith.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

“Completion of Construction” means the date the Partnership receives the required certificate of occupancy (or the local equivalent) for all 216 apartment units, received the Contractor’s Certificate in a form substantially in the form attached hereto as Exhibit E, and receives the Architect of Record’s certification, in a form substantially similar to the form attached hereto as Exhibit C and incorporated herein by this reference, with respect to completion of all the apartment units in the Apartment Housing. Completion of Construction further means that the construction will be completed in accordance with prudent industry standards with final lien waivers obtained from the contractor, subcontractors, material suppliers, or anyone else entitled to file lien against the property; and the Special Limited Partner has reasonably determined that construction of the Apartment Housing is in a good and workman like manner. If all required final lien waivers are not received, then all liabilities not covered by a final lien waiver shall be covered by a form of payment assurance reasonably acceptable to the Special Limited Partner. In addition to the above, Completion of Construction will occur only when the state statutory time period for the filing of any liens by the Contractor, subcontractors, material suppliers or anyone else entitled to file a lien against the property has lapsed unless such filed liens, other than the Mortgage Loan, have been bonded over and have been approved by the Special Limited Partner.

“Completion Date” means November 1, 2019.

“Compliance Period” means the period set forth in Section 42(i)(1) of the Code.

“Consent of the Special Limited Partner” means the prior written consent of the Special Limited Partner.

“Construction Contract” means the construction contract dated April 25, 2018 in the amount of \$9,681,255.10, entered into between the Partnership and the Contractor pursuant to which the Improvements are being constructed in accordance with the Plans and Specifications. The Construction Contract will be a fixed price agreement (includes materials and labor) at a cost consistent with the Development Budget. Any modifications to the Construction Contract require the Consent of the Special Limited Partner.

“Construction Draw Documents” means those documents set forth in Section 14.3 (a).

“Construction Inspector” means Hillmann Consulting, LLC.

“Contractor” means Katterra Affordable Housing, LLC. Any substitution of Contractor requires the Consent of the Special Limited Partner.

“Debt Service Coverage” means for the applicable period the ratio between Net Operating Income (excluding Mortgage Loan payments) and the debt service required to be paid on the Mortgage Loan. For example, a 1.15 Debt Service Coverage means that for every \$1.00

of debt service required to be paid there must be \$1.15 of Net Operating Income available. A worksheet for the calculation of Debt Service Coverage is found in the Report of Operations attached hereto as Exhibit G and incorporated herein by this reference. For purposes of this definition: (a) any one-time up-front fee paid to the Partnership from any source will not be included in Cash Receipts to calculate Debt Service Coverage; (b) Cash Expenses will include the amount of any Management Fee, or portion thereof, which is currently deferred and not paid; (c) Cash Expenses will include the amount of any reserve required to be funded in accordance with Article VIII that is currently deferred and not paid, and (d) Cash Expenses will be the greater of actual expenses or the expenses reflected in Exhibit E to the Budget Agreement.

“Deferred Management Fee” has the meaning set forth in Section 9.2(c).

“Developer” means collectively, The Hampstead Group, Inc., a California corporation and Community Preservation Partners, a California limited liability company.

“Development Agreement” means the Development Fee Agreement entered into by the Developer and the Partnership as of even date herewith and incorporated herein by this reference.

“Development Budget” means the total development cost of \$39,485,028 which includes all hard and soft costs incident to the acquisition, development and construction of the Apartment Housing in accordance with the Project Documents.

“Development Fee” means the fee payable to the Developer for services incident to the development and construction of the Apartment Housing in accordance with the Development Agreement. Development activities do not include services for the acquisition of land, syndication activities, or negotiations for permanent financing.

“Distributions” means the total amount of money, or the Gross Asset Value of property (net of liabilities securing such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code), distributed to Partners with respect to their Interests in the Partnership, but does not include any payments to the General Partner or its Affiliates for fees or other compensation as provided in this Agreement or any guaranteed payment within the meaning of Section 707(c) of the Code.

“Eligible Basis” means the adjusted basis of the Apartment Housing, determined as to each building as of the close of the first year of its Tax Credit Period, and as more particularly defined in Code Section 42(d) and the Regulations and rulings thereunder.

“Fair Market Value” means, with respect to any property, real or personal, the price a ready, willing and able buyer would pay to a ready, willing and able seller of the property, provided that such value is reasonably agreed to between the parties in arm’s-length negotiations and the parties have sufficiently adverse interests.

“First Year Certificate” means the certificate to be filed by the General Partner with the Secretary of the Treasury as required by Code Section 42(i)(1).

“Force Majeure” means any act of God, strike, lockout, or other industrial disturbance, act of the public enemy, terrorism, war, blockage, public riot, fire, flood, explosion, governmental action, governmental delay or restraint.

“Former Code” means Subchapter C of Chapter 63 of the Code as in effect immediately prior to the enactment of the Bipartisan Budget Act on November 2, 2015. Pursuant to Section 6241 of the Code (as revised by the Bipartisan Budget Act), the amendments to the Former Code apply to returns filed for partnership taxable years beginning after December 31, 2017. References to the Former Code contained herein are applicable to the extent that the Former Code provisions remain in effect for taxable years beginning before December 31, 2017.

“General Partner(s)” means the Managing General Partner, the Administrative General Partner, and such other Persons as are admitted to the Partnership as additional or substitute General Partners pursuant to this Agreement. If there is more than one General Partner of the Partnership, the term “General Partner” will be deemed to collectively refer to such General Partners or individually may mean any General Partner as the context dictates.

“Gross Asset Value” means with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Partner to the Partnership will be the Fair Market Value of such asset, as determined by the contributing Partner and the General Partner, provided that, if the contributing Partner is a General Partner, the determination of the Fair Market Value of a contributed asset will be determined by appraisal;

(b) the Gross Asset Values of all Partnership assets will be adjusted to equal their respective Fair Market Values, as determined by the General Partner, as of the following times: (1) the acquisition of an additional Interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (2) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an Interest in the Partnership; and (3) the liquidation of the Partnership within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (1) and (2) above will be made only with the Consent of the Special Limited Partner and only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(c) the Gross Asset Value of any Partnership asset distributed to any Partner will be adjusted to equal the Fair Market Value of such asset on the date of distribution as determined by the distributee and the General Partner, provided that, if the distributee is a General Partner, the determination of the Fair Market Value of the distributed asset will be determined by appraisal; and

(d) the Gross Asset Values of Partnership assets will be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in

determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and Section 10.3(g); provided however, that Gross Asset Values will not be adjusted pursuant to this definition to the extent the General Partner determines that an adjustment pursuant to Section (b) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to Section (d) of this definition.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to this definition, such Gross Asset Value will thereafter be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Income and Losses.

“Guarantor” means collectively, on a joint and several basis, The Hampstead Group, Inc., a California corporation, Chris Foster, an individual, resident of the State of California, Jeff Jallo, an individual, resident of the State of California, and Greg Gossard, an individual, resident of the State of California.

“Guaranty Agreement” means that agreement made by the Guarantor as of even date herewith regarding the Apartment Housing and incorporated herein by this reference.

“HAP Agreement” means 20-year Housing Assistance Payments Renewal Contract executed by HUD, Navaigate Affordable Housing Partners and the Partnership, providing rental assistance to 213 LIHTC units with an effective term at least through June 30, 2038.

“HUD” means the United States of America acting through the Department of Housing and Urban Development.

“Improvements” means the substantial rehabilitation of 6 buildings, known as The Belt Atlantic, containing 216 apartment units and ancillary and appurtenant facilities (including those intended for commercial use, if any) for family use and built in accordance with the Project Documents. It also includes all furnishings, equipment and personal property used in connection with the operation thereof. The total number of apartment units is 216 LIHTC units which includes 3 managers’ units. There is no commercial space within the Improvements.

“In-Balance” means, at any time when calculated, when the cumulative amount of the undisbursed Mortgage Loan proceeds, up to \$695,411 of actual income from the operations of the Apartment Housing, and the undisbursed Capital Contributions of the Limited Partner and Special Limited Partner required to be paid-in through and including Completion of Construction are sufficient in the Special Limited Partner’s reasonable judgment to pay all of the following sums: (a) all costs of rehabilitation to achieve Completion of Construction; (b) all soft costs in the development of the Apartment Housing, including but not limited to, architect fees, land acquisition, impact fees and costs of marketing, maintenance and leasing of the Apartment Housing units; and (c) all interest and all other sums accruing or payable under the Mortgage Loan documents, but not including unpaid Development Fee. In making a determination that the financing is In-Balance, the Special Limited Partner will also consider whether the undisbursed Capital Contributions of the Limited Partner and Special Limited Partner, the Mortgage Loan and other sources of permanent financing (but not Cash Receipts in excess of \$695,411) are adequate to achieve Permanent Mortgage Commencement.

“Incentive Management Fee” has the meaning set forth in Section 9.2(e).

“Income and Loss(es)” means, for each fiscal year or other period, an amount equal to the Partnership’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) will be included in taxable income or loss), with the following adjustments:

(a) any income of the Partnership that is exempt from federal income tax and not otherwise considered in computing Income or Losses will be added to such taxable income or loss;

(b) any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise considered in computing Income and Losses will be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to the provisions of the definition thereof, the amount of such adjustment will be considered as gain or loss from the disposition of such asset for purposes of computing Income and Losses;

(d) gain or loss resulting from any disposition of Partnership assets with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions considered in computing such taxable income or loss, there will be considered depreciation for such fiscal year or other period, computed as provided below; and

(f) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 10.3 or Section 10.4 will not otherwise be considered in computing Income or Losses.

Depreciation for each fiscal year or other period will be calculated as follows: an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period for federal income tax purposes, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, depreciation will be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, depreciation will be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

For purposes of this Agreement, the term “Income” when used alone will include all items of income or revenue contemplated in this Section and the term “Losses” when used alone will include all items of loss or deductions contemplated in this Section.

“Independent Appraiser” means an appraiser that satisfies the following criteria:

- (a) Such firm, or personnel of such firm, is not a Partner or an Affiliate of the Partnership or of any Partner;
- (b) Such firm (or a predecessor in interest to the assets and business of such firm) has been in business for at least 5 years, and at least one of the principals of such firm has been in the active business of appraising substantially similar assets for at least 10 years;
- (c) Such firm has regularly rendered appraisals of substantially similar assets for at least 5 years on behalf of a reasonable number of unrelated clients;
- (d) One or more of the principals or appraisers of such firm are members in good standing of an appropriate professional association or group which establishes and maintains professional standards for its members; and
- (e) Such firm renders an appraisal to the Partnership only after entering into a contract that specifies the compensation payable for such appraisal.

“Insurance” means:

(a) during construction, the Partnership shall provide and maintain, or cause the Contractor to provide and maintain, coverage for buildings/additions to existing buildings during the course of construction in an amount of not less than \$1,000,000; property damage coverage of not less than \$1,000,000 per occurrence (and with aggregate coverage of \$2,000,000) and comprehensive general liability insurance with limits against bodily injury of not less than \$1,000,000 per occurrence (and with aggregate coverage of \$2,000,000); provided that the preceding requirements of this subsection (a) may be waived with the Consent of the Special Limited Partner if (i) the requirements of subsection (b) have been met and (ii) the amount of insurance coverage provided pursuant to this subsection (b) includes all rehabilitation costs for the Apartment Housing; and worker’s compensation insurance, within the State statutory guidelines;

(b) during operations, the Partnership shall provide and maintain business interruption coverage covering actual sustained loss for 12 months; hazard coverage (including but not limited to fire, or other casualty loss to any structure or building on the Apartment Housing in an amount equal to the full replacement value of the damaged property without deducting for depreciation); and comprehensive general liability coverage against liability claims for bodily injury or property damage in the minimum amount of \$1,000,000 per occurrence and an aggregate of \$2,000,000;

(c) all liability coverage will include an umbrella liability coverage in a minimum amount of \$4,000,000 per occurrence and an aggregate of \$4,000,000;

(d) all Insurance policies will name the Partnership as the named insured, the Limited Partner as an additional insured, and WNC & Associates, Inc. as the certificate holder;

(e) all Insurance policies will include a provision to notify the insured, the Limited Partner and the certificate holder prior to cancellation;

- (f) hazard coverage must include inflation and building or ordinance endorsements;
- (g) the Insurance policy or policies will not have a deductible provision in excess of \$10,000; and
- (h) the term “**Insurance**” specifically excludes co-insurance or self-insurance.

“**Insurance Company**” means any insurance company engaged by the General Partner for the Partnership with the Consent of the Special Limited Partner, which Insurance Company will have an A rating or better for financial safety by A.M. Best or Standard & Poor’s and a financial performance under of at least VIII or better from Best’s Key Rating Guide or Standard & Poor’s Any substitution of Insurance Company during the term of this Agreement requires the Consent of the Special Limited Partner.

“**Interest**” means the entire ownership interest of a Partner in the Partnership at any time, including the right of such Partner to any and all benefits to which a Partner may be entitled hereunder and the obligation of such Partner to comply with the terms of this Agreement.

“**Involuntary Withdrawal**” means any Withdrawal of a General Partner caused by death, adjudication of insanity, incompetency, Bankruptcy, or the removal of a General Partner pursuant to Section 13.2.

“**IRS**” means the Internal Revenue Service.

“**LIHTC**” means the low-income housing tax credit provided for in Code Section 42.

“**Limited Partner**” means WNC Holding, LLC, a California limited liability company, and such other Persons as are admitted to the Partnership as additional or Substitute Limited Partners pursuant to this Agreement.

“**Management Agent**” means the property management company which oversees the property management functions for the Apartment Housing. The initial Management Agent will be Edgewood Management Corporation, a Maryland corporation. Any termination or substitution of the Management Agent requires the Consent of the Special Limited Partner.

“**Management Agreement**” means the agreement between the Partnership and the Management Agent for property management services. The Management Fee will equal 4% of gross revenues. The General Partner, on behalf of the Partnership, shall ensure that neither the Management Agreement nor any ancillary agreement will provide for an initial rent-up fee, a set-up fee, any other similar pre-management fee or recurring fee for compliance monitoring or the like. The General Partner shall also ensure that the Management Agreement provides that it will be terminable at will by the Partnership at any time following the Withdrawal or removal of the General Partner and, in any event, on any anniversary of the date of execution of the Management Agreement, without payment or penalty for failure to renew the same and that the Management Agreement requires the Management Agent to provide a fidelity bond in an amount equal to at least two months of gross receipts.

“Management Fee” means the fee payable to the Management Agent pursuant to the Management Agreement.

“Managing General Partner” means WNC-Midlothian GP, LLC, a California limited liability company.

“Minimum Set-Aside Test” means the 40-60 set-aside test pursuant to Section 42(g) of the Code with respect to the percentage of apartment units in the Apartment Housing to be occupied by tenants whose incomes are equal to or less than the required percentage of the area median gross income. More specifically, the General Partner has agreed that there will be 120 two-bedroom units with approximately 850 square feet at 50% or less of the area median income, as adjusted for family size; and 93 three-bedroom units with approximately 1045 square feet at 50% or less of the area median income, as adjusted for family size.

“Mortgage Lender” individually and collectively means the makers of the Mortgage Loan, together with Citibank, N.A., as Funding Lender under that certain Funding Loan Agreement dated as of July 1, 2018 by and among Citibank, N.A., the Richmond Redevelopment and Housing Authority and Willimngton Trust, National Association, and its successors and/or assigns thereunder, as their interest may appear.

“Mortgage Loan” or **“Mortgage Loans”** means the nonrecourse financing funded from proceeds of the Tax-Exempt note, wherein the Partnership promises to pay: Richmond Redevelopment and Housing Authority, or its successor or assignee, the principal sum of \$22,975,000, plus compounded interest on the principal at 4.76% per annum over a term of 17 years and amortized over 420 months. Where the context admits, the term **“Mortgage Loan”** includes any mortgage, deed, deed of trust, note, regulatory agreement, security agreement, assumption agreement or other instrument executed in connection with the Mortgage Loan which is binding on the Partnership. If any Mortgage Loan is replaced or supplemented by any subsequent mortgage loan(s) or if the Partnership agrees to any loans not described herein, the term **“Mortgage Loan”** will refer to any such subsequent mortgage loan(s), provided that any substitution or change in a Mortgage Loan must receive the Consent of the Special Limited Partner.

“Net Operating Income” means the cash available for distribution on an annual basis, when Cash Receipts exceed Cash Expenses.

“Nonrecourse Deductions” has the meaning given it in Treasury Regulations Section 1.704-2(b)(1).

“Nonrecourse Liability” has the meaning given it in Treasury Regulations Section 1.704-2(b)(3).

“Operating Budget” means the annual operating budget of the Partnership as more fully described in Section 14.3 and in the Budget Agreement.

“Operating Deficit” means, for the applicable period, insufficient funds to pay Partnership operating costs when Cash Expenses exceed Cash Receipts, as determined by the Accountant and approved by the Special Limited Partner.

“Operating Deficit Amount” has the meaning set forth in Section 8.4 hereof.

“Operating Deficit Guarantee Period” means the period commencing with the date of this Agreement and ending five years following (i) Permanent Mortgage Commencement and (ii) achievement of three consecutive months of a minimum Debt Service Coverage of 1.15, provided however, the Operating Deficit Guarantee Period shall not expire: (A) unless and until the Apartment Housing has achieved a minimum Debt Service Coverage of 1.10 for the most recent period of 12 consecutive months based on an audit; (B) unless Completion of Construction has occurred; and (C) all reserves required pursuant to Article VIII have been fully funded and the Operating Deficit Account is funded to the Operating Deficit Amount.

“Operating Loans” means loans made by the General Partner to the Partnership pursuant to Article VI, which loans are repayable only as provided in Article XI.

“Original Limited Partner” means WNC Investment Partners, LLC, a California limited liability company.

“Partner(s)” collectively means the General Partner, the Limited Partner and the Special Limited Partner or individually may mean any Partner as the context dictates.

“Partner Nonrecourse Debt” has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

“Partner Nonrecourse Debt Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Treasury Regulations.

“Partner Nonrecourse Deductions” has the meaning set forth in Sections 1.704-2 (i)(1) and 1.704-2(i)(2) of the Treasury Regulations.

“Partnership” means the limited partnership continued under this Agreement.

“Partnership Minimum Gain” means the amount determined in accordance with the principles of Treasury Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

“Permanent Mortgage Commencement” means the first date on which all the following have occurred: (a) Freddie Mac has purchased the Mortgage Loan from Citibank, N.A. and the Mortgage Loan has commenced its permanent period; and (b) amortization of the Mortgage Loan has commenced and, second any outstanding soft construction costs including any Development Fee, which will be paid last pursuant to Section 9.2 (b) of this Agreement. Notwithstanding the foregoing, Permanent Mortgage Commencement will not occur unless, prior to closing any Mortgage Loan, the General Partner has provided to the Special Limited Partner drafts of the Mortgage Loan documents for review and approval and the income and expense statements for the Partnership showing Cash Receipts and Cash Expenses for each month since issuance of the certificate of occupancy. Based on the draft Mortgage Loan documents and the income and expense statements, if the terms of the Mortgage Loan are not as specified in the definition of “Mortgage Loan” or if the Special Limited Partner determines that the Debt Service

Coverage of any Mortgage Loan requiring monthly payments will fall below 1.15 based on then current Cash Expenses and Cash Receipts, then the General Partner shall adjust the principal loan amount and close on a Mortgage Loan which will produce a 1.15 Debt Service Coverage or greater. If there are any funds remaining, the Mortgage Loan funds will be used first to retire any outstanding hard construction costs including labor and materials and, second any outstanding soft construction costs including any Development Fee, which will be paid last pursuant to Section 9.2 (b) of this Agreement. If the interest rate at the time of closing the Mortgage Loan is less than the amount stated in the definition of "Mortgage Loan," the General Partner shall not increase the principal amount of the Mortgage Loan without the Special Limited Partner's approval even if the Debt Service Coverage remains at or above 1.15.

"Person" means an individual, proprietorship, trust, estate, partnership, joint venture, association, company, corporation or other entity, as the circumstances demonstrate.

"Plans and Specifications" means the plans, blueprints and specifications manual for the rehabilitation of the Improvements which are approved by the local city/county building department with jurisdiction over the rehabilitation of the Improvements and which Plans and Specifications are referred to in the Construction Contract. The General Partner agrees to assure that the Contractor completes rehabilitation in accordance with the Plans and Specifications. Any changes to the Plans and Specifications require approval by the appropriate government building department and the Consent of the Special Limited Partner.

"Project Documents" means the Partnership Agreement, the Guaranty Agreement, the Budget Agreement, the Development Agreement, the Certification and Agreement, the Construction Contract the Title Policy, the Plans and Specifications, Regulatory Agreement, HAP Agreement, and any application filed in connection with the LIHTC. It also includes all documents relating to the Mortgage Loan and Tax-Exempt Note and all documents required by any governmental agency having jurisdiction over the Apartment Housing in connection with the development, rehabilitation and financing of the Apartment Housing.

"Projected Annual Tax Credits" means LIHTC in the amount of \$108,168 for the year 2018, \$1,298,016 for each of the years 2019 through 2027, and \$1,189,848 for the year 2028, which the General Partner has projected to be the total amount of LIHTC which will be allocated to the Limited Partner by the Partnership, constituting 99.98% of the aggregate amount of LIHTC of **\$12,982,755** to be available to the Partnership.

"Projected Tax Credits" means LIHTC in the aggregate amount of \$12,982,755.

"Qualified Occupancy" means occupancy of apartment units by Qualified Tenants.

"Qualified Tenants" means any tenants who have incomes of 60% (or such smaller percentage as the General Partner has agreed) or less of the area median gross income, as adjusted for family size, to make the Apartment Housing eligible for LIHTC.

"Real Estate Taxes" means the sum of \$120,468 required to be paid annually by the Partnership to the tax assessor, school district or similar representative of Richmond County, for real estate taxes assessed against the Apartment Housing. The Real Estate Taxes are payable as follows: prior to the date on which any installment payment of property taxes would become late

or delinquent (which dates as of the Effective Date are currently anticipated to be: one-half due on January 14th and one-half due on June 14th each year).

“Regulatory Agreement” shall mean that land use restriction agreement between the Partnership and the State Tax Credit Agency, Mortgage Lender or other governmental agency setting forth covenants governing the use, occupancy, management and transfer of the Apartment Housing or any interest therein as applicable which covenants will be recorded against the Apartment Housing and run with the land for the term stated therein and binding upon all subsequent owners.

“Rent Restriction Test” means the test pursuant to Code Section 42 whereby the gross rent charged to tenants of the low-income apartment units in the Apartment Housing cannot exceed 30% of the qualifying income levels of those units under Code Section 42.

“Revised Projected Tax Credits” has the meaning set forth in Section 7.4(a).

“Sale or Refinancing” means any of the following items or transactions: a sale, transfer, exchange or other disposition of all or substantially all of the assets of the Partnership; a condemnation of or casualty at the Apartment Housing or any part thereof; a claim against a title insurance company; the refinancing of any Mortgage Loan or other indebtedness of the Partnership; and any similar item or transaction; provided, however, that the payment of Capital Contributions by the Partners will not be included within the meaning of the term **“Sale or Refinancing.”**

“Sale or Refinancing Proceeds” means all cash receipts of the Partnership arising from a Sale or Refinancing (including principal and interest received on a debt obligation received as consideration in whole or in part, on a Sale or Refinancing) less the amount paid or to be paid in connection with or as an expense of such Sale or Refinancing such net proceeds shall be distributed in accordance with Section 11.2 of this Agreement. Regarding damage recoveries or insurance or condemnation proceeds, the amount paid or to be paid for repairs, replacements or renewals resulting from damage to or partial condemnation of the Improvements, shall be paid first and any remaining proceeds shall be distributed in accordance with Section 11.2 of this Agreement.

“Special Limited Partner” means WNC Housing, L.P., a California limited partnership, and such other Persons as are admitted to the Partnership as additional or substitute Special Limited Partners pursuant to this Agreement.

“State” means the State of Virginia.

“State Tax Credit Agency” means the state agency of Virginia which has the responsibility and authority to administer the LIHTC program in Virginia.

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner pursuant to Section 12.5 or acquires the Interest of the Limited Partner pursuant to Section 7.3.

“Tax Credit” means any credit permitted under the Code or the law of any state against the federal or a state income tax liability of any Partner as a result of activities or expenditures of the Partnership including, without limitation, LIHTC.

“Tax Credit Compliance Fee” has the meaning set forth in Section 9.2(f).

“Tax Credit Conditions” means any and all restrictions including but not limited to: (a) the Regulatory Agreement; and (b) any applicable federal, state and local laws, rules and regulations, which must be complied with in order to qualify for the LIHTC or to avoid an event of recapture in respect of the LIHTC.

“Tax Credit Period” means the 10-year period referenced in Code Section 42(f)(1) over which the Projected Tax Credits are allocated to the Partners. It is the intent of the Partners that the Projected Tax Credits will be allocated during the Tax Credit Period and not a longer term.

“Tax-Exempt Note” means the \$22,975,000 Richmond Redevelopment and Housing Authority Multifamily Note issued by the Richmond Redevelopment and Housing Authority, the interest on which is exempt from federal income tax pursuant to Code Section 103 and the proceeds of which will be used to finance the Mortgage Loan.

“Title Policy” means the policy of insurance covering the fee simple title to the Apartment Housing issued by Commonwealth Land Title Insurance Company or such other national title insurer approved by the Special Limited Partner adhering to the requirements referenced in Exhibit H.

“Treasury Regulations” means the regulations promulgated under the Code, as such regulations may be amended from time to time.

“Withdrawing” or **“Withdrawal”** (including the verb form **“Withdraw”** and the adjectival forms **“Withdrawing”** and **“Withdrawn”**) means, as to a General Partner: the occurrence of the death, adjudication of insanity, incompetency, Bankruptcy of the General Partner or any of its principals; the withdrawal, removal or may be for any reason, including any sale, pledge, encumbering, assignment or other transfer; or those situations when a General Partner or any of its principals may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

ARTICLE II. NAME

The name of the Partnership is “Midlothian Community Partners, LP.”

**ARTICLE III.
PRINCIPAL EXECUTIVE OFFICE/AGENT FOR SERVICE**

Section 3.1 Principal Executive Office.

The principal executive office of the Partnership is located at 17782 Sky Park Circle, Irvine, California 92614, or at such other place or places within the State as the General Partner may hereafter designate.

Section 3.2 Agent for Service of Process.

The name of the agent for service of process on the Partnership is Cogency Global Inc., whose address is 250 Browns Hill Court, Midlothian, Virginia 23114.

**ARTICLE IV.
PURPOSE**

Section 4.1 Purpose of the Partnership.

The purpose of the Partnership is to acquire, construct, own and operate the Apartment Housing in order to provide, in part, Tax Credits to the Partners in accordance with the provisions of the Code and the Treasury Regulations applicable to LIHTC and to sell the Apartment Housing at the conclusion of the Compliance Period. The Partnership shall not engage in any business or activity that is not incident to the attainment of such purpose.

Section 4.2 Authority of the Partnership.

In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable or incidental to the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership in accordance with the Partnership Agreement, including but not limited to the following:

(a) acquire ownership of the real property referred to in Exhibit A attached hereto;

(b) construct, renovate and rehabilitate the Apartment Housing in accordance with the Project Documents and to own the same;

(c) rent dwelling unit and provide housing to Qualified Tenants, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Project Documents so long as any Project Documents remain in force;

(d) maintain and operate the Apartment Housing, including hiring the Management Agent (which Management Agent may be any of the Partners or an Affiliate thereof) and entering into any agreement for the management of the Apartment Housing during its rent-up and after its rent-up period in accordance with this Agreement;

(e) enter into the Mortgage Loan; and

(f) do any and all other acts and things necessary or proper in accordance with this Agreement.

ARTICLE V. TERM

The Partnership term commenced upon the filing of the Certificate of Limited Partnership in the office of, and on the form prescribed by, the Secretary of State of Virginia, and will continue in perpetuity, unless terminated earlier in accordance with the provisions of this Agreement or as otherwise provided by law.

ARTICLE VI. GENERAL PARTNER'S CONTRIBUTIONS AND LOANS

Section 6.1 Capital Contribution of General Partner.

The General Partner made a Capital Contribution equal to \$100.00.

Section 6.2 Construction Obligations.

The General Partner hereby guarantees Completion of Construction of the Apartment Housing on or before the Completion Date. The General Partner further guarantees that, at the time of Permanent Mortgage Commencement if remaining sources of funding from (i) Capital Contributions, (ii) Mortgage Loans and (iii) with the Consent of the Special Limited Partner, which shall not be unreasonably withheld, up to \$695,211 of actual income from operations of the Apartment Housing prior to Permanent Mortgage Commencement in excess of expenses incurred prior to Permanent Mortgage Commencement, are insufficient to pay in full any outstanding hard and soft costs incident to the acquisition, development and construction of the Apartment Housing (other than any unpaid Development Fee), then the General Partner, prior to Permanent Mortgage Commencement, shall advance the money to the Partnership to pay the additional costs. At any time during construction and prior to Completion of Construction and Permanent Mortgage Commencement, if the Special Limited Partner or the Construction Lender, in good faith, determines either that the actual construction and development costs exceed the Development Budget (excluding the unpaid portion of the Development Fee) or there is inadequate funds to pay the actual hard costs and soft costs to be free and clear then the General Partner shall be responsible for and shall be obligated to advance and deposit into the Construction Lender's construction account, or similar disbursement agent's account, within ten days following notice by the Special Limited Partner or the Construction Lender, the difference thereof for payment to the Contractor or other vendors, suppliers, or subcontractors.

Any amounts paid by the General Partner pursuant to this Section 6.2 will not be repayable, will not change the Interest of any Partner in the Partnership and will not constitute a loan or a Capital Contribution, and the Partnership will neither deduct nor capitalize any amounts paid from the proceeds of the advance by the General Partner hereunder.

Section 6.3 Operating Obligations.

(a) From the date the first apartment unit in the Apartment Housing is available for its intended use until the later of (i) Permanent Mortgage Commencement (ii) the date the Partnership is free and clear of all mechanic, material or similar liens or (iii) the achievement of three consecutive months of Debt Service Coverage of 1.15, the General Partner will immediately pay Operating Deficits to the persons or entities providing goods or services to the Partnership for which invoices have been submitted to the Partnership, which funds will not be repayable, will not change the Interest of any Partner, and will not constitute a loan or a Capital Contribution, and the Partnership will neither deduct nor capitalize any amounts paid from the proceeds of the advance by the General Partner hereunder.

(b) For the balance of the Operating Deficit Guarantee Period, the General Partner will immediately provide Operating Loans to pay any Operating Deficits. The aggregate maximum amount of the Operating Loan(s) the General Partner will be obligated to lend will be approximately 12 months' operating expenses (including debt and reserves), which, as agreed to by the General Partner and the Special Limited Partner, is \$2,588,852. Each Operating Loan will be nonrecourse to the Partners, and will be repayable out of 50% of Net Operating Income or from Sale Proceeds in accordance with Article XI. Except as specifically set forth in Section 8.4, the General Partner will not withdraw funds from the Operating Deficit Account established pursuant to Article VIII until it has fully met its obligations hereunder.

Section 6.4 Other General Partner Loans.

Unless provided elsewhere, after expiration of the Operating Deficit Guarantee Period, the General Partner shall loan to the Partnership any sums required by the Partnership and not otherwise reasonably available to it. Any such loan will bear simple interest (not compounded) at the 10-year Treasury money market rate in effect as of the day of the General Partner loan, or, if lesser, the maximum legal rate, will be repaid from Net Operating Income, as provided in Section 11.1, and will be due at the earlier of a Sale or upon the 20th anniversary of the achievement of Breakeven Operations. The terms of any such loan will be evidenced by a written instrument. The General Partner will not charge a prepayment penalty on any such loan. Any loan made by the General Partner in contravention of this Section will be deemed an invalid action taken by the General Partner and such advance will be classified as a General Partner Capital Contribution. Notwithstanding this provision, the General Partner remains obligated to the Partnership, Limited Partner and Special Limited Partner as required in accordance with the Act.

Section 6.5 Subsidy Payments.

From the Effective Date through the termination of the Compliance Period, to the extent the Partnership does not receive timely payments under the HAP Agreement, does not receive the full amount of anticipated payments under the HAP Agreement or the HAP Agreement is not extended or otherwise does not cover each year of the Compliance Period, the General Partner immediately shall cause the Guarantor (subject to the prior use of available funds in the Operating Deficit Account as specifically set forth in Section 8.4 hereof), to make an Operating Loan to pay any Operating Deficit that is a result from the reduction (or delay in funding) or

termination of the payments under the HAP Agreement. The obligation under this Section 6.5 shall not exceed an amount equal to the shortfall of any funds that were projected to be received by the Partnership under the HAP Agreement for such year. Such Operating Loans hereunder shall not count toward any cap set forth in Section 6.3(b) hereof.

**ARTICLE VII.
CAPITAL CONTRIBUTIONS OF LIMITED PARTNER
AND SPECIAL LIMITED PARTNER**

Section 7.1 Original Limited Partner; Admission New Partners.

The Original Limited Partner made a Capital Contribution of \$99.99. Effective as of the date of this Agreement, the Original Limited Partner's Interest has been liquidated, the Partnership has reacquired the Original Limited Partner's Interest in the Partnership, and the Limited Partner and the Special Limited Partner are hereby admitted to the Partnership. The Original Limited Partner acknowledges that it has no further interest in the Partnership as a partner as of the date of this Agreement and has released all claims, if any, against the Partnership.

Section 7.2 Capital Contribution of Limited Partner and Special Limited Partner.

The Limited Partner and the Special Limited Partner shall make a Capital Contribution in the aggregate amount of \$11,683,311, as may be adjusted in accordance with Section 7.4, in cash on the dates and subject to the conditions hereinafter set forth, provided that the Special Limited Partner may, in its sole discretion, waive or defer any prerequisite to a Capital Contribution described in this Section 7.2, provided further that the waiver or deferral of any such prerequisite will apply only to the Capital Contribution regarding which it was requested, and will not be construed as a waiver or deferral of any other requirements under this Section or under any other provision of this Agreement. In addition to the specific conditions set forth in the subsections below, each Capital Contribution shall be subject to compliance with the following additional conditions as of the date of funding of the Capital Contribution: (i) the General Partner has fully complied with its covenants and obligations under this Agreement; (ii) the General Partner shall have certified in writing that the representations and warranties set forth in Section 9.12 are true and correct; (iii) there has been no, and there is no, imminent or threatened, material adverse change in any General Partner's or Guarantor's financial or business condition that affects its ability to meet its obligations hereunder; (iv) regarding Capital Contributions made prior to Completion of Construction, the Special Limited Partner has received documentation from the Contractor and approved by the General Partner that the construction and financing are In-Balance; and (v) all documents previously not provided to the Limited Partner but required pursuant to this Section 7.2, Section 14.2, or Section 14.3 have been provided.

(a) \$2,336,742 (which includes the Special Limited Partner's Capital Contribution of \$100.00) will be payable upon the Limited Partner's receipt and approval of the following documents:

(1) a legal opinion in a form substantially similar to the form of opinion attached hereto as Exhibit B and incorporated herein by this reference;

- the Partnership;
- (2) a copy of the signed deed transferring the Apartment Housing to the Partnership;
- Mortgage Loan;
- (3) an executed commitment from the Mortgage Lender to provide the Mortgage Loan;
- (4) fully executed Mortgage Loan documents;
- (5) fully executed payment and performance bond or a letter of credit in an amount equal to 15% of total hard costs;
- (6) executed ancillary agreements dated as of even date herewith relating to the Apartment Housing, including the Certification and Agreement, the Budget Agreement, the Guaranty Agreement, and the Development Agreement;
- (7) other due diligence items requested by the Limited Partner, including but not limited to a building permit for the Apartment Housing, evidence of Insurance required during construction, and the Title Policy or a commitment to issue the same; and
- (8) payment of \$50,000 for costs and expenses incurred in connection with the Limited Partner's or its Affiliate's underwriting of the Apartment Housing.

(b) \$4,906,949 will be payable within 15 business days of the later of April 10, 2019 or the Limited Partner's receipt and approval of the following documents:

- (1) the Inspector's certification of 75% of completion of the total construction;
- (2) evidence that the application for the partial exemption from real property taxes pursuant to Virginia Code §58.1-3220 and the City of Richmond Code of Ordinances §26-398 has been submitted to the City Assessor; and
- (3) a date down to the Title Policy dated no more than fifteen days prior to this Capital Contribution payment evidencing no construction or development related liens.

(c) \$4,414,620 will be payable within 15 business days of the later of June 10, 2020 or the Limited Partner's receipt and approval of the following documents:

- (1) Completion of Construction;
- (2) a certificate of occupancy (or equivalent evidence of local occupancy approval if a permanent certificate is not available) on all the apartment units in the Apartment Housing confirming the apartment units are being placed in service for their intended purpose;

(3) a completion certification in a form substantially similar to the form attached hereto as Exhibit C and incorporated herein by this reference, indicating that the Improvements have been completed in accordance with the Project Documents;

(4) a letter from the Contractor in a form substantially similar to the form attached hereto as Exhibit E and incorporated herein by this reference stating that all amounts payable to the Contractor have been paid in full, or in lieu thereof unconditional lien waivers from the Contractor and all subcontractors and suppliers (along with a certification from the Contractor that no additional subcontractors or suppliers exist who have not provided unconditional lien waivers) or such other form of payment assurance reasonably acceptable to the Special Limited Partner have been issued to the Partnership, and that the Partnership is not in violation of the Construction Contract;

(5) Insurance required during operations;

(6) a construction closeout binder, which will include, but not be limited to, as-built drawings, all operating manuals, and all manufacturing warranty agreements. In addition, the Contractor shall provide the Partnership a one-year warranty on all parts, materials and work-quality;

(7) Permanent Mortgage Commencement;

(8) an audited construction cost certification that includes an itemization of development, acquisition, and construction or rehabilitation costs of the Apartment Housing, and the Eligible Basis and applicable percentage of each building of the Apartment Housing;

(9) Debt Service Coverage of 1.15 for each of three consecutive months immediately prior to funding;

(10) an updated Title Policy dated no more than 10 days prior to the scheduled Capital Contribution confirming that there are no liens, claims or rights to a lien or judgments filed against the property or the Apartment Housing during the time period since the issuance of the Title Policy referenced above in Section 7.2(a);

(11) evidence that the City Assessor has determined the 'Base Value' of the Apartment Housing and the 'Reassessed Value' of the Apartment Housing for the final amount of the partial tax exemption applicable to the Apartment Housing, which taking into account such partial tax exemption, the amount of Real Estate Taxes applicable to the Apartment Housing shall not exceed (i) the amount set forth the definition of "Real Estate Taxes" in Article II hereof, or (ii) such amount that, when forecasted assuming underwritten expense, income and vacancy assumptions set forth in the Development Budget, results in a Debt Service Coverage of 1.15 for each year through the Compliance Period;

(12) the current rent roll evidencing a minimum 90% occupancy by Qualified Tenants for 90 consecutive days immediately prior to funding and 100% LIHTC qualified units;

(13) copies of all initial tenant files including executed lease agreements, completed applications, completed questionnaires or checklist of income and assets, documentation of third party verification of income and assets, income certification forms (LIHTC specific) and any other form or document collected by the Management Agent, or General Partner, verifying each tenant's eligibility pursuant to the Minimum Set-Aside Test and other applicable guidelines under Code Section 42. For purposes of this subsection only, the Limited Partner only requires receipt of all the tenant documents, as described above, and approval of 10% of the initial tenant files. Approval of the balance of the tenant files is withheld for a subsequent Capital Contribution payment;

(14) a copy of the recorded declaration of restrictive covenants/extended use agreement entered into between the Partnership and the State Tax Credit Agency;

(15) the Accountant's final Tax Credit certification in a form substantially similar to the form attached hereto as Exhibit D and incorporated herein by this reference;

(16) a fully signed Internal Revenue Code Form 8609, or any successor form;

(17) the audited Partnership financial statements required by Section 14.2 for the year the Apartment Housing is placed-in-service; and

(18) the first-year tax return in which Tax Credits are taken by the Partnership, unless the Tax Credits are deferred until the following year and such deferral has been approved by the Special Limited Partner.

The Limited Partner and Special Limited Partner require receipt and approval of 100% of the initial tenant files as specified in a subsequent Capital Contribution payment. The time required to collect, review and correct, if applicable, tenant files can be substantial. Therefore, to expedite the process, the General Partner shall send tenant files to the Special Limited Partner as soon as the file is complete instead of waiting to send the files all at one time.

(d) \$25,000 will be payable within 15 business days of completion of the Special Limited Partner's review of the initial tenant files, corrected as provided herein. The initial tenant files will be reviewed at the Limited Partner's expense by an independent third-party. In the event that the independent third-party and the Special Limited Partner recommend corrections to an initial tenant file, the General Partner will cause the Management Agent to correct the tenant file and provide the corrected tenant file to the Limited Partner. The Limited Partner may withhold all or any portion of this Capital Contribution payment until it has received all the initial tenant files and the same have been reviewed and corrected.

Section 7.3 Repurchase of Limited Partner's and Special Limited Partner's Interests.

Within 60 days after the General Partner receives written demand from the Limited Partner and/or the Special Limited Partner, the General Partner shall repurchase the Limited

Partner's Interest and/or the Special Limited Partner's Interest in the Partnership by refunding to it in cash 110% of the full amount of the Capital Contribution which the Limited Partner and/or the Special Limited Partner has theretofore made in the event that, for any reason, the Partnership fails to:

- (a) cause the Apartment Housing to be placed in service within six months of the Completion Date;
- (b) achieve 100% Qualified Occupancy by October 1, 2019;
- (c) obtain Permanent Mortgage Commencement by October 1, 2020;
- (d) achieve Breakeven Operations by May 1, 2020;
- (e) prior to Permanent Mortgage Commencement, prevent a foreclosure, or abandonment of the Apartment Housing or fail to lift any order restricting construction of the Apartment Housing;
- (f) prior to Permanent Mortgage Commencement, prevent a lender from sending a notice of default which default is not cured within any applicable cure period;
- (e) meet both the Minimum Set-Aside Test and the Rent Restriction Test not later than December 31 of the first year the Partnership elects the LIHTC to commence in accordance with the Code;
- (f) achieve issuance of Forms 8609 for all residential buildings in the Apartment Housing on or before the earlier of the end of the first year of the Tax Credit Period or the date required under the Code or by the State Tax Credit Agency to preserve the Tax Credits;
- (g) obtain lender approval of admission of a Limited Partner when such consent is required by loan documents;
- (h) ensure that, prior to payment of the Capital Contribution pursuant to Section 7.2 (c), the Apartment Housing does not become ineligible for more than 20% of the Projected Tax Credits as a result of a reduction in costs as shown in the cost certification or for any other reason;
- (i) ensure that at least 50% of the aggregate basis of the buildings and land comprising the Apartment Housing is financed with the proceeds of the Tax-Exempt Note, as provided in Code Section 42(h)(4); or
- (j) prior to placement in service of the Apartment Housing, ensure that there is no redemption or determination of taxability of the Tax-Exempt Note.

Section 7.4 Adjustment of Capital Contributions.

(a) The amount of the Limited Partner's Capital Contribution was determined, in part, upon the amount of Tax Credits that were expected to be available to the Partnership at a cost of \$0.90 for each dollar of Tax Credit received, and was based on the assumption that the Partnership would be eligible to claim the Projected Tax Credits. If the amount of Projected Tax Credits to be allocated to the Limited Partner, as evidenced by IRS Form 8609, Schedule A thereto, or by the tax certification required in accordance with Section 7.2, is different than 99.98% of \$12,982,755, then the new Projected Tax Credit amount, if applicable, will be referred to as the "**Revised Projected Tax Credits.**" The Limited Partner's Capital Contribution provided for in Section 7.2 will be equal to 90% times the Projected Tax Credits or the Revised Projected Tax Credits, if applicable, anticipated to be allocated to the Limited Partner and Special Limited Partner. If any Capital Contribution adjustment referenced in this Section 7.4(a) is a reduction which is greater than the remaining Capital Contribution to be paid by the Limited Partner, then the General Partner will have 90 days from the date the General Partner receives notice from the Limited Partner to pay the shortfall. The amount paid by the General Partner pursuant to this Section will be deemed to be a Capital Contribution by the General Partner unless such Capital Contribution could, in the opinion of the Limited Partner, result in a re-allocation of Tax Credits at any time during the Tax Credit Period, in which event such payment will be characterized as a payment from the General Partner to the Limited Partner for breach of warranty and the General Partner will not receive any Capital Account credit for such payment. Notwithstanding anything to the contrary in this Agreement, the General Partner's Capital Contribution required to be paid by this Section will be disbursed to the Limited Partner as a return of capital. If the Capital Contribution adjustment referenced in this Section 7.4(a) is an increase, then the Limited Partner will have 60 days from the date the Limited Partner has received notice from the General Partner to pay the increase subject to the provisions of Section 7.4(e).

(b) The General Partner is required to use its best efforts to rent 100% of the Apartment Housing's apartment units to Qualified Tenants throughout the Compliance Period. If, at the end of any calendar year following the year in which the Apartment Housing is placed in service, the Actual Tax Credit for the applicable fiscal year or portion thereof is or will be less than the Projected Annual Tax Credit, or the Projected Annual Tax Credit as modified by Section 7.4(a), if applicable (the "Annual Credit Shortfall"), then the next Capital Contribution owed by the Limited Partner shall be reduced by the Annual Credit Shortfall amount, and any portion of such Annual Credit Shortfall in excess of such Capital Contribution will be applied to reduce succeeding Capital Contributions of the Limited Partner. If the Annual Credit Shortfall is greater than the Limited Partner's remaining Capital Contributions, then the General Partner shall pay to the Limited Partner the excess of the Annual Credit Shortfall over the remaining Capital Contributions. The General Partner will have 60 days to pay the Annual Credit Shortfall from the date the General Partner receives notice from the Limited Partner. The amount paid by the General Partner pursuant to this Section will be deemed to be a Capital Contribution by the General Partner unless such Capital Contribution could, in the opinion of the Limited Partner, result in a re-allocation of Tax Credits at any time during the Tax Credit Period, in which event such payment will be characterized as a payment from the General Partner to the Limited Partner for breach of warranty and the General Partner will not receive any Capital Account credit for such payment. Notwithstanding anything to the contrary in this Agreement, the General

Partner's Capital Contribution required by this Section will be disbursed to the Limited Partner as a return of capital.

(c) The General Partner has represented, in part, that the Limited Partner will receive Projected Annual Tax Credits of \$108,168 in 2018 and \$1,298,016 in 2019. In the event the 2018 or the 2019 Actual Tax Credits are less than projected and the Limited Partner's Capital Contribution has not already been reduced with respect to such shortfall pursuant to Section 7.4(a), then the Limited Partner's Capital Contribution will be reduced by an amount equal to 65% times the difference between the Projected Annual Tax Credits for 2018 or 2019 and the Actual Tax Credits for 2018 or 2019. If, at the time of determination thereof, the Capital Contribution adjustment referenced in this Section 7.4(c) is greater than the balance of the Limited Partner's Capital Contribution payment which is then due, if any, then the excess amount shall be paid by the General Partner to the Limited Partner within 60 days of the General Partner receiving notice of the reduction from the Limited Partner. The amount paid by the General Partner pursuant to this Section will be deemed to be a Capital Contribution by the General Partner unless such Capital Contribution could, in the opinion of the Limited Partner, result in a re-allocation of Tax Credits at any time during the Tax Credit Period, in which event such payment will be characterized as a payment from the General Partner to the Limited Partner for breach of warranty and the General Partner will not receive any Capital Account credit for such payment. Notwithstanding anything to the contrary in this Agreement, the General Partner's Capital Contribution required by this Section will be disbursed to the Limited Partner as a return of capital.

(d) In the event there is: (1) a filing of a tax return by the Partnership evidencing a reduction in the qualified basis or Eligible Basis of the Apartment Housing causing a recapture of Tax Credits previously allocated to the Limited Partner or an adjustment to Schedule K-1 or a reduction or loss of future Tax Credits; (2) a filing of a tax return by the Partnership evidencing a disposition of the Apartment Housing prior to the expiration of the Compliance Period causing a recapture of Tax Credits previously allocated to the Limited Partner, or an adjustment to Schedule K-1, or a loss of future Tax Credits; (3) an IRS review, examination, or audit which results in a settlement, mutual agreement, or IRS decision reducing or recapturing Tax Credits previously claimed, increasing taxable income or reducing losses previously claimed or imposing a penalty (where there is also a reduction in Tax Credits), including but not limited to penalties under Code Section 6662(b)(6) or Code Section 6662(i) relating to tax benefits that are determined to lack economic substance, (4) a decision by any court or administrative body upholding an assessment of deficiency against the Partnership with respect to any Tax Credit previously claimed or the amount of income or losses previously claimed, in connection with the Apartment Housing, unless the Partnership timely appeals such decision and the collection of such assessment will be stayed pending the disposition of such appeal; or (5) a decision of a court affirming such decision upon such appeal then, except to the extent, pursuant to Section 7.4, payments have been made to the Limited Partner and/or the Special Limited Partner or reductions in the Capital Contributions of the Limited Partner have occurred, in addition to any other payments to which the Limited Partner and/or the Special Limited Partner are entitled under the terms of this Section 7.4, the General Partner shall pay to the Limited Partner within 60 days of receiving notice from the Limited Partner the sum of (A) the amount of the Tax Credit recapture, (B) the cumulative tax effect of a decrease in loss or an increase in taxable income allocated to the Limited Partner by the Partnership; (C) any interest or

penalties imposed on the Limited Partner with respect to such adjustment; (D) an amount equal to the product of the Tax Credit pricing percentage referenced in Section 7.4(a) and future Tax Credits unable to be taken due to one of the above actions; and (E) an amount sufficient to pay any tax liability owed by the Limited Partner resulting from the receipt of the amounts specified in (A), (B), (C) and (D). The amount paid by the General Partner pursuant to this Section will be deemed to be a Capital Contribution by the General Partner. Notwithstanding anything to the contrary in this Agreement, the General Partner's Capital Contribution payment required by this Section will be disbursed to the Limited Partner as a return of capital.

(e) Notwithstanding any other provision in this Section, (i) any increase in the Capital Contribution of the Limited Partner pursuant to Section 7.4(a) will be subject to the Limited Partner having funds available to pay any such increase at the time of its notification of such increase, (ii) in no event will the Limited Partner's additional Capital Contribution exceed 10% of its aggregate Capital Contribution pursuant to Section 7.2, and (iii) the price paid for any increase in credits will be the lesser of the price stated in Section 7.4(a) or the current market price at the time of such payment as determined by the Special Limited Partner. For these purposes, any funds theretofore previously earmarked by the Limited Partner to make other investments, or to be held as required reserves, will not be considered available for payment hereunder. In the event there occurs an increase in credits pursuant to Section 7.4(a) that exceeds the cap set forth in this Section 7.4(e), such excess credit amount will be referred to as the "Excess Credits". If the Limited Partner, in its sole discretion, elects not to acquire the Excess Credits, then the Excess Credits not acquired by the Limited Partner shall be reallocated to the General Partner by increasing the percentage of Income and Loss allocated to the General Partner under Section 10.1, and decreasing the percentage allocated to the Limited Partner under such Section, to the minimum amount necessary to allow an allocation of such Excess Credits to the General Partner (no other allocation or distribution rights under this Agreement shall be affected).

Section 7.5 Return of Capital Contribution.

From time to time the Partnership may have cash in excess of the amount required for the conduct of the affairs of the Partnership, and the General Partner may, with the Consent of the Special Limited Partner, determine that such cash should, in whole or in part, be returned to the Partners, pro rata, in reduction of their Capital Contribution. No such return will be made unless all liabilities of the Partnership (except those to Partners on account of amounts credited to them pursuant to this Agreement) have been paid or there remain assets of the Partnership sufficient, in the sole discretion of the General Partner, to pay such liabilities.

Section 7.6 Liability of Limited Partner and Special Limited Partner.

The Limited Partner and Special Limited Partner shall not be liable for any of the debts, liabilities, contracts or other obligations of the Partnership. The Limited Partner and Special Limited Partner shall be liable only to make Capital Contributions in the amounts and on the dates specified in this Agreement and shall not be required to lend any funds to the Partnership or, after their respective Capital Contributions have been paid, to make any further Capital Contribution to the Partnership.

Section 7.7 Voluntary Funding.

The Limited Partner may provide voluntary loans, or capital contributions, interest free advances (“Voluntary Funding”) to the Partnership if it determines, in its sole discretion, that such funding would be of benefit to the Partnership or the Apartment Housing. If such Voluntary Funding is provided in the form of a loan, the terms of such loan will include interest, will be mutually satisfactory to the General Partner and the Limited Partner, and will be evidenced by a written agreement. The repayment of any Voluntary Funding shall be in the priority set forth in Section 11.1 and Section 11.2.

ARTICLE VIII. WORKING CAPITAL AND RESERVES

Section 8.1 Replacement Reserve Account.

The General Partner, on behalf of the Partnership, shall open a Replacement Reserve Account with a financial banking institution and shall deposit there into an annual amount equal to \$300.00 per residential unit per year for the purpose of capital improvements. Said deposit will be made monthly in equal installments. The Replacement Reserve Account will require the Consent of the Special Limited Partner for any withdrawals. The aggregate annual deposit into the Replacement Reserve Account will increase by 3% per year. Any balance remaining in the account at the time of a sale of the Apartment Housing will be distributed in accordance with Section 11.2 of this Agreement.

Section 8.2 [Reserved].

Section 8.3 Tax and Insurance Account.

The General Partner, on behalf of the Partnership, shall open a tax and insurance account (the “T & I Account”) for the purpose of making the requisite Insurance premium payments and the real estate tax payments, which account shall be held by the Mortgage Lender in accordance with the Mortgage Loan documents. The annual deposit to the T & I Account will equal the total annual Insurance payment and the total annual real estate tax payment. Said amount will be deposited monthly in an amount equal to 1/12th of the annual required amount. Notwithstanding the foregoing, as part of its obligation to achieve Breakeven Operations, the General Partner shall cause the Partnership to prefund the T & I Account in an amount equal to one year’s property insurance premium and the next full installment of real estate taxes based on improved land. Withdrawals from the T & I Account will be made in accordance with the Mortgage Loan documents. Any balance remaining in the account at the time of a sale of the Apartment Housing will be allocated and distributed equally between the General Partner and the Limited Partner. The Partnership is required to pay real estate taxes, prior to the date on which any installment payment of property taxes would become late or delinquent (which dates as of the Effective Date are currently anticipated to be: one-half due on January 14th and one-half due on June 14th each year).

Section 8.4 Operating Deficit Account.

The General Partner, on behalf of the Partnership, shall establish an Operating Deficit Account in an amount equal to six months' mandatory debt service payments and operating expenses, including reserves (\$1,294,426) (the "**Operating Deficit Amount**"), which shall be funded from the proceeds of the Capital Contribution made pursuant to Section 7.2(a). The funds in the Operating Deficit Account will be used to pay operating expenses excluding repair and maintenance items following full funding of Operating Deficits to the extent required by Section 6.3; provided, however, (A) notwithstanding the foregoing, to the extent the Operating Deficit Account is fully funded to the Operating Deficit Amount, the General Partner may request disbursement of up to 50% of the Operating Deficit Amount to cover Operating Deficits prior to funding amounts required pursuant to Section 6.3, and (B) to the extent that no funds have been previously drawn from the Operating Deficit Account and there has not been any previous default (and there is no current default) of any provisions hereunder, the General Partner may request disbursement of up to \$645,000 of funds in the Operating Deficit Account to satisfy a timing delay or gap with respect to the HAP Agreement payments available to the Partnership, and the General Partner (or Guarantor) shall replenish the amounts in the Operating Deficit Account upon receipt of such delayed HAP Agreement payments, but in all events no later than 90 days from such disbursement. The Operating Deficit Account will require the joint signature of the General Partner and the Special Limited Partner for any withdrawals. Upon termination of the Compliance Period, and provided the General Partner is not in default of any provisions hereunder, any remaining funds will be distributed to the General Partner as an 'Operating Deficit Guaranty Fee'.

Section 8.5 Other Reserves.

The General Partner, on behalf of the Partnership and with the Consent of the Special Limited Partner, may establish out of funds available to the Partnership a reserve account sufficient in its sole discretion to pay any unforeseen contingencies which might arise in connection with the furtherance of the Partnership business including, but not limited to, (a) any rent subsidy required to maintain rent levels in compliance with the Tax Credit Conditions; and (b) any debt service or other payments for which other funds are not provided for hereunder or otherwise expected to be available to the Partnership. The General Partner shall not be liable for any good-faith estimate which it will make in connection with establishing or maintaining any such reserves nor shall the General Partner be required to establish or maintain any such reserves if, in its sole discretion, such reserves do not appear to be necessary.

ARTICLE IX. MANAGEMENT AND CONTROL; PAYMENT OF EXPENSES

Section 9.1 Power and Authority of General Partner.

Subject to the Consent of the Special Limited Partner or the consent of the Limited Partner where required by this Agreement, and subject to the other limitations and restrictions included in this Agreement, the General Partner will have complete and exclusive control over the management of the Partnership business and affairs, and will have the right, power and

authority, on behalf of the Partnership, and in its name, to exercise all of the rights, powers and authority of a partner of a partnership without limited partners. If there is more than one General Partner, all acts, decisions or consents of the General Partners will require the concurrence of all of the General Partners. Notwithstanding the foregoing, the Managing General Partner shall act as managing general partner and its vote shall be sufficient in the event of a deadlock. If a General Partner acts without the authorization of all the General Partners then such act, decision, etc. will not be deemed a valid action taken by the General Partners pursuant to this Agreement. No intentional act by a General Partner, or a principal of a General Partner, that violates State or federal law will be deemed to be within the authority of this Agreement and, therefore, the General Partner will be deemed to have acted in its individual capacity and not as an agent of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in its capacity as General Partner within the scope of its authority hereunder) will have any right to be active in the management of the Partnership's business or investments or to exercise any control thereover, nor have the right to bind the Partnership in any contract, agreement, promise or undertaking, or to act in any way whatsoever with respect to the control or conduct of the business of the Partnership, except as otherwise specifically provided in this Agreement.

Section 9.2 Payments to the General Partners and Others.

(a) The Partnership shall pay to the Developer a Development Fee in the amount of \$3,182,841 pursuant to the Development Agreement, provided, however, that the Development Fee will be reduced prior to the end of the first year of the Tax Credit Period, as necessary, to meet the 50% test for financing development costs from tax-exempt bond proceeds as described in Code Section 42(h)(4)(B), with the amount of such reduction to be determined by the Accountant and approved by the Special Limited Partner. The Development Fee will first be paid from available proceeds in accordance with Section 9.2(b) and, if not paid in full, then the balance of the Development Fee will accrue interest at 5.5% per annum and will be paid in accordance with Section 11.1. If the Development Fee is not paid in full by December 31, 2033, then the General Partner shall advance to the Partnership an amount equal to the unpaid amount of the Development Fee (together with accrued interest thereon), and the Partnership shall immediately forward such amount to the Developer as payment in full of the deferred portion of Development Fee. If the General Partner does not advance such funds, then for accounting purposes the unpaid Development Fee will be deemed to have been paid by the General Partner making a Capital Contribution to the Partnership and the Partnership making the payment to the Developers. Upon the Withdrawal of a General Partner for any reason, any unpaid Development Fee will be due and payable upon the effective date of such Withdrawal and the Withdrawing General Partner shall advance to the Partnership an amount equal to the unpaid amount of the Development Fee (together with accrued interest thereon), and the Partnership shall immediately forward such amount to the Developer as payment in full of the deferred portion of Development Fee. If the Withdrawing General Partner does not advance such funds, any then for accounting purposes the unpaid Development Fee will be deemed to have been paid by the Withdrawing General Partner making a Capital Contribution to the Partnership and the Partnership making the payment to the Developer upon the Withdrawal of the Withdrawing General Partner. Notwithstanding any other provision in this Agreement (other than the terms of Section 9.2(b)) or in the Development Agreement, the Partnership may pay Development Fee out of savings in other line items in the Development Budget and unused rehabilitation and construction

contingency items, provided the use of said savings to pay Development Fee does not adversely affect the Projected Annual Tax Credits.

(b) The Partnership shall utilize the proceeds from the Capital Contributions paid pursuant to Section 7.2 for costs associated with the development and rehabilitation of the Apartment Housing including, but not limited to, land costs, architectural fees, survey and engineering costs, financing costs, loan fees, building materials and labor. If any Capital Contribution proceeds are remaining after Completion of Construction and all acquisition, development and rehabilitation costs, excluding the Development Fee, are paid in full, then the remainder will: first be paid to the Developer in payment of the Development Fee; second, be paid to the General Partner as a reduction of the General Partner's Capital Contribution; and any remaining Capital Contribution proceeds will be paid to the General Partner as a Partnership oversight fee.

(c) The Partnership shall pay to the Management Agent the Management Fee for the leasing and management of the Apartment Housing in an amount in accordance with the Management Agreement. The term of the Management Agreement will not exceed one year, and the termination, execution or renewal of any Management Agreement will be subject to the prior Consent of the Special Limited Partner. If the Management Agent is an Affiliate of the General Partner ("Affiliated Management Agent") and the General Partner has been removed, the Affiliated Management Agent will be dismissed. If there is an Affiliated Management Agent and there is an Operating Deficit following the termination of the Operating Deficit Guarantee Period or the depletion of the maximum Operating Deficit amount pursuant to Section 6.3(b), whichever occurs first, then 40% of the Management Fee will be deferred ("Deferred Management Fees"). Deferred Management Fees, if any, will be paid to the Management Agent in accordance with Section 11.1.

(1) The General Partner shall, upon receiving any request of the Mortgage Lender requesting such action, terminate the Management Agreement. The General Partner shall also terminate the Management Agreement at the request of the Special Limited Partner.

(2) The appointment of any successor Management Agent is subject to the Consent of the Special Limited Partner, which may only be sought after the General Partner has provided the Special Limited Partner with accurate and complete disclosure respecting the proposed Management Agent.

(d) The Partnership shall pay to the Limited Partner an annual Asset Management Fee of \$10,800, increasing by 3% per year, commencing in first year following completion for the Limited Partner's services in assisting with the preparation of tax returns and the reports required in Section 14.2 and Section 14.3. If, in any year, Net Operating Income is insufficient to pay the full Asset Management Fee, the unpaid portion thereof will accrue and be payable on a cumulative basis in the first year in which there is sufficient Net Operating Income, as provided in Section 11.1 following the payment of other items specified therein, or sufficient Sale or Refinancing Proceeds, as provided in Section 11.2. The General Partner shall ensure that any accrued Asset Management Fee will be reflected in the annual audited financial statement.

(e) The Partnership shall pay to the General Partner through the Compliance Period an annual Incentive Management Fee (30% to the Administrative General Partner and 70% to the Managing General Partner) equal to 45% of Net Operating Income, payable as provided in Section 11.1 following the payment of other items specified therein. The Incentive Management Fee will be payable commencing in first year following completion as payment for the services of the General Partner in overseeing the marketing, lease-up and continued occupancy of the Partnership's apartment units, obtaining and monitoring the Mortgage Loan, maintaining the books and records of the Partnership, selecting and supervising the Partnership's Accountants, bookkeepers and other Persons required to prepare and audit the Partnership's financial statements and tax returns, and preparing and disseminating reports on the status of the Apartment Housing and the Partnership, as required by Article XIV. The Partners acknowledge that the Incentive Management Fee is being paid as an inducement to the General Partner to operate the Partnership efficiently, to maximize occupancy and to increase Net Operating Income. The Incentive Management Fee will be payable upon completion and delivery of the annual audit pursuant to Section 14.2(a). If the Incentive Management Fee is not paid in any year, it will not accrue for payment in subsequent years.

(f) The Partnership shall pay to the General Partner through the Compliance Period an annual Tax Credit Compliance Fee (30% to the Administrative General Partner and 70% to the Managing General Partner) equal to 45% of Net Operating Income payable as provided in Section 11.1 following the payment of other items specified therein. The Tax Credit Compliance Fee will be payable commencing in the first year following completion as payment for the services of the General Partner in ensuring compliance by the Partnership and the Apartment Housing with all Tax Credit rules and regulations. The Tax Credit Compliance Fee will be payable upon completion and delivery of the annual audit pursuant to Section 14.2(a). If the Tax Credit Compliance Fee is not paid in any year, it will not accrue for payment in subsequent years.

(g) The Partnership shall pay to the General Partner a Partnership management fee (the "Partnership Management Fee") equal to \$25,000 per annum (30% to the Administrative General Partner and 70% to the Managing General Partner), commencing in 2019, payable as provided in Section 11.1 following the payment of other items specified therein. The Partnership Management Fee will be paid to the General Partner as consideration for its services in assisting with the preparation of tax returns and the reports required in Section 14.2 and Section 14.3 and its management of the Partnership generally.

(h) Commencing in 2020, the Partnership Management Fee will increase by 3% per year. If, in any year, Net Operating Income is insufficient to pay the Partnership Management Fee, the unpaid portion thereof will accrue and be payable on a cumulative basis in the first year in which there is sufficient Net Operating Income, as provided in Section 11.1, following the payment of other items specified therein, or sufficient Sale or Refinancing Proceeds, as provided in Section 11.2.

Section 9.3 Specific Powers of the General Partner.

Subject to the other provisions of this Agreement, the General Partner, in the Partnership's name and on its behalf, may:

(a) contract and otherwise deal with, from time to time, Persons whose services are necessary or appropriate in connection with management and operation of the Partnership business, including, without limitation, contractors, agents, brokers, Accountants and Management Agents (provided that the selection of any Accountant or Management Agent has received the Consent of the Special Limited Partner) and attorneys, on such terms as the General Partner determines;

(b) pay as a Partnership expense any and all costs and expenses associated with the formation, development, organization and operation of the Partnership, including the expense of annual audits, tax returns and LIHTC compliance;

(c) deposit, withdraw, pay, retain and distribute the Partnership's funds in a manner consistent with the provisions of this Agreement;

(d) execute the Mortgage Loan documents;

(e) execute, acknowledge and deliver any and all instruments to effectuate any of the foregoing; and

(f) rent, maintain and repair the Apartment Housing, or if such duties are delegated to the Management Agent, hire the Management Agent and oversee the Management Agent's work, in accordance with the provisions of this Agreement.

Section 9.4 Authority Requirements.

(a) Each of the provisions of this Agreement is subject to, and the General Partner covenants to act in accordance with, the Tax Credit Conditions and all applicable federal, state and local laws and regulations.

(b) The Tax Credit Conditions and all such laws and regulations govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns, and such laws and regulations control as to any terms in this Agreement which are inconsistent therewith, and any such inconsistent terms of this Agreement will be unenforceable by or against any of the Partners.

(c) Upon any dissolution of the Partnership or any transfer of the Apartment Housing as permitted in this Agreement no title or right to the possession and control of the Apartment Housing and no right to collect rent therefrom will pass to any Person who is not, or does not become, bound by the Tax Credit Conditions in a manner that, in the opinion of counsel to the Partnership, would avoid a recapture of Tax Credits thereof on the part of the former owners.

(d) Any conveyance or transfer of title to all or any portion of the Apartment Housing required or permitted under this Agreement will in all respects be subject to the Tax Credit Conditions and all conditions, approvals or other requirements of the rules and regulations of any authority applicable thereto.

Section 9.5 Limitations on General Partner's Power and Authority.

Notwithstanding the provisions of this Article IX, the General Partner shall not for itself or on behalf of the Partnership or Apartment Housing:

- (a) except as required by Section 9.4, act in contravention of this Agreement;
- (b) act in any manner which would make it impossible to carry on the ordinary business of the Partnership;
- (c) confess a judgment against the Partnership;
- (d) except as may be required pursuant to the Mortgage Loan documents (in the forms approved as of the Effective Date) possess Partnership property, or assign its Interest or the Partner's right in specific Partnership property, for other than the exclusive benefit of the Partnership;
- (e) admit a Person as a Partner except as provided in this Agreement;
- (f) directly or indirectly transfer control of the General Partner by any means whatsoever, including but not limited to, merger, consolidation, substitution, transfer, sale or assignment of any interest in the General Partner entity;
- (g) default under any Mortgage Loan;
- (h) cause the Apartment Housing apartment units to be rented to anyone other than Qualified Tenants;
- (i) violate the Minimum Set-Aside Test or the Rent Restriction Test for the Apartment Housing;
- (j) allow the Insurance to expire;
- (k) permit the Apartment Housing to be without utility service;
- (l) cause any recapture of the Tax Credits;
- (m) permit any creditor who makes a nonrecourse loan to the Partnership to have, or to acquire at any time as a result of making such loan, any direct or indirect interest in the profits, income, capital or other property of the Partnership, other than as a secured creditor;
- (n) commingle funds of the Partnership with the funds of another Person;
- (o) fail to cause the Partnership to pay the Mortgage Loan if the Partnership fails to pay the same when due, subject to available funds, including funds provided under Section 6.3 or Section 6.4;
- (p) fail to cause the Accountant to issue the reports specified in Sections 14.2(a) and (b);

(q) take any action which requires the Consent of the Special Limited Partner or the consent of the Limited Partner unless the General Partner has received said Consent;

(r) allow the Real Estate Taxes to be unpaid if the Partnership fails to pay the same when due;

(s) pay any real estate commission for the sale of the Apartment Housing or any brokerage fee, or the like, for the refinancing of the Apartment Housing

(t) take any action that would cause a termination of the Partnership;

(u) encumber the Apartment Housing, except as provided herein;

(v) execute an assignment for the benefit of creditors; or

(w) permit the Partnership to make loans to any Person.

Section 9.6 Restrictions on Authority of General Partner.

Without the Consent of the Special Limited Partner, the General Partner shall not:

(a) sell, exchange, lease (except in the normal course of business to Qualified Tenants) or otherwise dispose of the Apartment Housing;

(b) incur indebtedness in the name of the Partnership other than the Mortgage Loan, including, but not limited to, refinancing, prepaying, or modifying the Mortgage Loan;

(c) allow the Partnership to accept grants or Capital Contributions, except as provided for herein;

(d) use Partnership assets, property or the Improvements to secure the debt of any Partners, their Affiliates, or any third party;

(e) engage in any transaction not expressly contemplated by this Agreement in which any General Partner has an actual or potential conflict of interest with the Limited Partner or the Special Limited Partner;

(f) contract away the fiduciary duty owed to the Limited Partner and the Special Limited Partner at common law;

(g) take any action which would cause the Apartment Housing to fail to qualify, or which would cause a termination or discontinuance of the qualification of the Apartment Housing, as a "qualified low-income housing project" under Code Section 42(g)(1) of the Code, or which would cause the Limited Partner to fail to obtain the Projected Tax Credits or which would cause the recapture of any LIHTC;

(h) [reserved];

(i) except as provided for in the Operating Budget, make any expenditure of funds, or commit to make any such expenditure, other than (1) in response to an emergency or (2) as required for prudent property management provided that such expenditures do not exceed three percent (3%) of the annual Operating Budget approved by the Special Limited Partner for any year;

(j) cause the merger or other reorganization of the Partnership;

(k) dissolve the Partnership, or sell or dispose of any of the Partnership's assets, except in the normal course of business, including but not limited to, office equipment, office furniture, and/or maintenance tools or equipment.

(l) acquire any real or personal property (tangible or intangible) in addition to the Apartment Housing the aggregate value of which exceeds \$10,000 (other than easement or similar rights necessary or appropriate for the operation of the Apartment Housing) unless the expenditure is approved in the Operating Budget;

(m) become personally liable on or in respect of, or guarantee, the Mortgage Loan or any other indebtedness of the Partnership to any Person;

(n) pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as authorized by Section 9.2 and Section 9.9 or specifically provided for in this Agreement, or pay any Distribution or return of Capital Contribution to a General Partner or any Affiliate thereof, except as authorized in this Agreement

(o) substitute the Accountant, Construction Inspector, Contractor or Management Agent, as named herein, or terminate, amend or modify the Management Agreement, Construction Contract or any other Project Document, or grant any material waiver or consent thereunder;

(p) change the nature of the business of the Partnership or cause the Partnership to redeem or repurchase all or any portion of the Interest of a Partner;

(q) cause the Partnership to convert the Apartment Housing to cooperative or condominium ownership;

(r) bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Partnership provided that Consent of the Special Limited Partner shall not be required if such claim or demand does not exceed \$5,000 and relates to a tenant dispute in the ordinary course of business;

(s) agree or consent to any changes in the Plans and Specifications, to any change orders, or to any of the terms and provisions of the Construction Contract;

(t) cause any funds to be paid to the General Partner or its Affiliates for laundry service, cable hook-up, telephone connection, computer access, satellite connection, compliance monitoring (other than as provided in Section 9.2), initial rental set-up fee or similar service or fee;

(u) on behalf of the Partnership, file or cause to be filed a voluntary petition in bankruptcy under the Federal Bankruptcy Code, or file or cause to be filed a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule;

(v) settle any audit with the IRS concerning the adjustment or readjustment of any Partnership tax item, extend any statute of limitations, or initiate or settle any judicial review or action concerning the amount or character of any Partnership tax item;

(w) make, amend or revoke any tax election; or

(x) agree or consent to any changes or amendments to the Regulatory Agreement.

Section 9.7 Duties of General Partner.

The General Partner agrees that it shall at all times:

(a) diligently and faithfully devote such of its time to the business of the Partnership as may be necessary to properly conduct the affairs of the Partnership;

(b) file and publish all certificates, statements or other instruments required by law for the formation and operation of the Partnership as a limited partnership in all appropriate jurisdictions;

(c) cause the Partnership to carry Insurance from an Insurance Company;

(d) have a fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in its immediate possession or control;

(e) have a fiduciary responsibility to not use or permit another to use Partnership funds or assets in any manner except for the benefit of the Partnership;

(f) use its best efforts so that all requirements are met as reasonably necessary to obtain or achieve (1) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Apartment Housing to initially qualify, and to continue to qualify, for LIHTC; (2) issuance of all necessary certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Housing; (3) compliance with all provisions of the Project Documents and (4) a reservation and allocation of LIHTC from the State Tax Credit Agency;

(g) make inspections of the Apartment Housing and assure that the Apartment Housing is in decent, safe, sanitary and good condition, repair and working order, ordinary use and obsolescence excepted, and make or cause to be made from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof;

(h) pay, before the same become delinquent and before penalties accrue thereon all Partnership taxes, assessments and other governmental charges against the

Partnership or its properties, and all of its other liabilities, except to the extent and so long as the same are being contested in good faith by appropriate proceedings in such matters as not to cause any material adverse effect on the Partnership's property, financial condition or business operations, with adequate reserves provided for such payments;

(i) pay, before the same becomes due or expires, the Insurance premium and utilities for the Apartment Housing;

(j) permit, and cause the Management Agent to permit, the Special Limited Partner and its representatives: (1) to have access to the Apartment Housing and personnel employed by the Management Agent at all times during normal business hours after reasonable notice; (2) to examine all agreements, LIHTC compliance data and Plans and Specifications; and (3) to make copies thereof;

(k) exercise good faith in all activities relating to the conduct of the business of the Partnership, including the development, operation and maintenance of the Apartment Housing, and shall take no action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership;

(l) make any Capital Contributions, advances or loans required to be made by the General Partner under the terms of this Agreement;

(m) establish and maintain all reserves required to be established and maintained under the terms of this Agreement;

(n) cause the Partnership to pay, before the same becomes due, the Mortgage Loan payment, subject to available funds, including funds provided under Section 6.3 or Section 6.4;

(o) pay, or cause to be paid, the Real Estate Taxes prior to the date on which any installment payment of property taxes would become late or delinquent (which dates as of the Effective Date are currently anticipated to be: one-half due on January 14th and one-half due on June 14th each year);

(p) cause the Management Agent to manage the Apartment Housing in such a manner that the Apartment Housing will be eligible to receive LIHTC with respect to 100% of the apartment units in the Apartment Housing. To that end, the General Partner agrees, without limitation: (1) to make all elections requested by the Special Limited Partner under Code Section 42 to allow the Partnership or its Partners to claim the Tax Credit; (2) to file Form 8609 with respect to the Apartment Housing as required; (3) to operate the Apartment Housing and cause the Management Agent to manage the Apartment Housing so as to comply with the requirements of Code Section 42, including, but not limited to, Code Section 42(g) and Code Section 42(i)(3); (4) to make all certifications required by Code Section 42(l); and (5) to operate the Apartment Housing and cause the Management Agent to manage the Apartment Housing so as to comply with all other Tax Credit Conditions;

(q) cause the Accountant to issue the information required in accordance with Sections 14.2(a) and (b);

(r) perform such other acts as may be expressly required of it under the terms of this Agreement;

(s) maintain on its staff during construction and rent-up a trained and experienced project manager who is responsible for the development and construction of the Improvements, and responsible for obtaining Completion of Construction. In lieu of this employee, or if the project manager position remains vacant for 21 days or longer, the General Partner shall retain the services of a construction management firm, which firm must be pre-approved by the Special Limited Partner;

(t) maintain the initial tenant files, as may be corrected by the Management Agent following the third party review, in a clean, dry, fireproof location for a minimum period of 21 years;

(u) abide by State law governing the operations of partnerships; and

(v) cause at least 50% of the aggregate basis of the land and buildings comprising the Apartment Housing for purposes of Code Section 42(h)(4) to be financed with the proceeds of the Tax-Exempt Note.

Section 9.8 Obligations to Repair and Rebuild Apartment Housing.

With the approval of any lender, if such approval is required, any Insurance proceeds received by the Partnership due to fire or other casualty affecting the Apartment Housing will be utilized to repair and rebuild the Apartment Housing in satisfaction of the conditions contained in Section 42(j)(4) of the Code and to the extent required by any lender. Any such proceeds received in respect of such event occurring after the Compliance Period will be so utilized or, if permitted by the Project Documents and regulatory Agreement and with the Consent of the Special Limited Partner, will be treated as Sale or Refinancing Proceeds.

Section 9.9 Partnership Expenses.

(a) All of the Partnership's expenses will be billed directly to and paid by the Partnership unless otherwise provided in this Agreement. Costs incurred in connection with construction monitoring, including fees charged by the Construction Inspector, will be paid by the General Partner, on behalf of the Partnership, upon submission of invoices to the General Partner. Reimbursements to the General Partner, or any of its Affiliates, by the Partnership for Cash Expenses will be allowed to the extent such reimbursement would not create an Operating Deficit and only after payments to third parties. For purpose of this Section, (i) Cash Expenses includes fees paid by the Partnership to the General Partner or any Affiliate of the General Partner permitted by this Agreement and the actual cost of goods, materials and administrative services used for or by the Partnership, whether incurred by the General Partner, an Affiliate of the General Partner or a nonaffiliated Person in performing the foregoing functions, and (ii) "actual cost of goods and materials" means the cost of the goods or services must be no greater than the cost of the same goods or services from unaffiliated vendors, contractors, or managers in the market area, and "actual cost of administrative services" means the pro rata cost of personnel (as if such persons were employees of the Partnership) associated therewith, but in no event

exceeding the amount which would be charged by unaffiliated Persons for comparable goods and services.

(b) Reimbursement to the General Partner or any of its Affiliates of Cash Expenses will be further subject to the following:

(1) no such reimbursement will be permitted for services for which the General Partner or any of its Affiliates is entitled to compensation by way of a separate fee (except to the extent such reimbursement is allowed in the Operating Budget); and

(2) no such reimbursement will be made (except to the extent such reimbursement is allowed in the Operating Budget) for (A) rent or depreciation, utilities, capital equipment or other such administrative items, and (B) salaries, fringe benefits, travel expenses and other administrative items incurred or allocated to any “controlling person” of the General Partner or any Affiliate of the General Partner. For the purposes of this Section 9.9(b)(2), “controlling person” includes, but is not limited to, any Person, however titled, who performs functions for the General Partner or any Affiliate of the General Partner similar to those of: (i) chairman or member of the board of directors; (ii) executive management, such as president, vice president or senior vice president, corporate secretary or treasurer; (iii) senior management, such as the vice president of an operating division who reports directly to executive management; or (iv) those holding 5% or more equity interest in such General Partner or any such Affiliate of the General Partner or a person having the power to direct or cause the direction of such General Partner or any such Affiliate of the General Partner, whether through the ownership of voting securities, by contract or otherwise.

Section 9.10 General Partner Expenses.

The General Partner or Affiliates of the General Partner shall pay all Partnership expenses which are not permitted to be reimbursed pursuant to Section 9.9 and all expenses which are unrelated to the business of the Partnership.

Section 9.11 Other Business of Partners.

Any Partner may engage independently or with others in other business ventures wholly unrelated to the Partnership business of every nature and description, including, without limitation, the acquisition, development, construction, operation and management of real estate projects and developments of every type on their own behalf or on behalf of other partnerships, joint ventures, corporations or other business ventures formed by them or in which they may have an interest, including, without limitation, business ventures similar to, related to or in direct or indirect competition with the Apartment Housing. Neither the Partnership nor any Partner will have any right by virtue of this Agreement or the partnership relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom. Conversely, no Person will have any rights to Partnership assets, incomes or proceeds by virtue of such other ventures or activities of any Partner.

Section 9.12 Covenants, Representations and Warranties.

The General Partner covenants, represents and warrants that the following are presently true, will be true at the time of each Capital Contribution payment made by the Limited Partner, and will be true during the term of this Agreement, to the extent then applicable.

(a) The Partnership is a duly organized limited partnership validly existing under the laws of the State and has complied with and will comply with all state filing requirements necessary for the Partnership to remain in good standing for, among other things, the protection of the limited liability of the Limited Partner and the Special Limited Partner.

(b) The Partnership Agreement and the Project Documents are in full force and effect and neither the Partnership nor the General Partner is in breach or violation of any provisions thereof.

(c) The Improvements will be completed in a timely and workman-like manner in accordance with all applicable requirements of all appropriate governmental entities and the Plans and Specifications.

(d) The Apartment Housing is being operated in accordance with standards and procedures that are prudent and customary for the operation of properties similar to the Apartment Housing.

(e) All conditions to the funding of the Mortgage Loan have been met.

(f) No Partner has or will have any personal liability with respect to or has or will have personally guaranteed the payment of the Mortgage Loan.

(g) The Partnership is in compliance with all construction and use codes applicable to the Apartment Housing and is not in violation of any zoning, environmental or similar regulations applicable to the Apartment Housing.

(h) All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available or will be available upon initial occupancy of the Apartment Housing and will be operating properly from the time of first occupancy and throughout the term of the Partnership.

(i) All roads necessary for the full utilization of the Improvements have either been completed or the necessary rights of way therefore have been acquired by the appropriate governmental authority or have been dedicated to public use and accepted by said governmental authority.

(j) The Partnership has Insurance written by an Insurance Company.

(k) The Partnership owns the fee simple interest in the Apartment Housing.

(l) The Construction Contract has been entered into between the Partnership and the Contractor; no other consideration or fee will be paid to the Contractor other than

amounts set forth in the Construction Contract nor shall any subcontractors, vendors, material suppliers or other trades or services pay any of their fees to the Contractor for any reason whatsoever; and the Contractor shall not pay any of its fee, overhead or the like to the General Partner or any Affiliate of the General Partner except as provided in the Construction Contract.

(m) The General Partner has not executed and will not execute any agreements with provisions contradictory to the provisions of this Agreement.

(n) No charges, liens or encumbrances exist with respect to the Apartment Housing other than those which are excepted in the Title Policy as of the date hereof or Consented to by the Special Limited Partner.

(o) The General Partner shall ensure that the Architect of Record's responsibilities include, but are not limited to, preparing and overseeing the construction close-out procedures upon completion; inspecting for and overseeing resolution of the Contractor's final punch list items; receiving and approving operation and maintenance manuals; collecting, reviewing, approving and forwarding to the Partnership all warranties, check key count and key schedules; and confirming turnover of spare parts and materials.

(p) All accounts of the Partnership required to be maintained under the terms of the Project Documents, including, without limitation, any reserves in accordance with Article VIII, are currently funded to required levels, including levels required by any governmental authority or lender.

(q) The General Partner has not lent or otherwise advanced any funds to the Partnership other than its Capital Contribution, or Operating Deficit Loan, if applicable, and the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partner or any Affiliate thereof.

(r) No event has occurred which has caused, and the General Partner has not acted in any manner which will cause (1) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (2) the Partnership to fail to qualify as a limited partnership under the Act, or (3) the Limited Partner to be liable for Partnership obligations; provided however, the General Partner will not be in breach of this representation if the action causing the Limited Partner to be liable for the Partnership obligations is undertaken solely by the Limited Partner.

(s) No event or proceeding, including, but not limited to, any legal actions or proceedings before any court, commission, administrative body or other governmental authority, and acts of any governmental authority having jurisdiction over the zoning or land use laws applicable to the Apartment Housing, has occurred the continuing effect of which has: (1) materially and adversely affected the operation of the Partnership or the Apartment Housing; (2) materially and adversely affected the ability of the General Partner to perform its obligations hereunder or under any other agreement with respect to the Apartment Housing; or (3) prevented the Completion of Construction in substantial conformity with the Project Documents, other than legal proceedings which have been bonded against (or as to which other adequate financial security has been issued) in a manner as to indemnify the Partnership against loss; provided,

however, the foregoing does not apply to matters of general applicability which would adversely affect the Partnership, the General Partner, Affiliates of the General Partner or the Apartment Housing only insofar as they or any of them are part of the general public.

(t) Neither the Partnership nor the General Partner has any liabilities, contingent or otherwise, which have not been disclosed in writing to the Limited Partner and the Special Limited Partner and which in the aggregate may affect the ability of the Limited Partner to obtain the anticipated benefits of its investment in the Partnership.

(u) Upon signing of the Mortgage Loan and receipt of the Construction Lender's written start order, the General Partner will cause construction of the Improvements to commence and thereafter will cause the Contractor to diligently proceed with construction of the Improvements according to the Plans and Specifications so that the Improvements can be completed by the Completion Date.

(v) The General Partner has contacted the local tax assessor, or similar representative, and has determined that the Real Estate Taxes are accurate and correct, and that the Partnership will not be required to pay any more for real estate taxes, or property taxes, than the amount of Real Estate Taxes, referenced in this Agreement, except for annual increases imposed on all real estate within the same county as the Apartment Housing. In the event the actual real estate taxes, or property taxes, are greater than the Real Estate Taxes specified in this Agreement and as a result of the higher real estate tax, or property tax, the Debt Service Coverage falls below 1.15 then the General Partner will contribute additional capital to lower the principal of the Mortgage Loan and re-amortize the Mortgage Loan so that the Debt Service Coverage is at a sustainable 1.15, as approved by the Special Limited Partner. If the Mortgage Lender will not or cannot re-amortize the Mortgage Loan as specified in this Section, and the General Partner cannot obtain another mortgage, then the General Partner will contribute additional capital as determined by the Special Limited Partner to the T & I Account in an amount equal to the annual difference between the actual real estate tax, or property tax, over the Real Estate Taxes specified in this Agreement times the number of years remaining on the Compliance Period. Any payment by the General Partner pursuant to this section will be in addition to the General Partner's obligation to fund Operating Deficits.

(w) The Partnership shall maintain a Debt Service Coverage of not less than 1.15:1 and will not close on a permanent loan or refinance a Mortgage Loan if the Debt Service Coverage would fall below 1.15:1.

(x) The General Partner will ensure that the Architect of Record will have a policy of professional liability insurance in an amount not less than \$1,000,000, which policy should remain in force for a period of at least 2 years after the closing and funding of the Mortgage Loan.

(y) Neither the General Partner nor any of its Affiliates will take any action or agree to any terms or conditions that are contrary to, or in disagreement with, the documents evidencing the Mortgage Loan, the tax credit application used to secure the LIHTC, or the land use restriction agreement required to be recorded against the Apartment Housing. The General Partner shall cause the Partnership to provide all social services the Partnership is required to

provide to tenants of the Apartment Housing, including the following: there are no required social services. The General Partner shall also take all action necessary to cause the Partnership to pay all amounts incurred by the Partnership in connection with the provision of such social services.

(z) None of any General Partner, any Guarantor, or any of their Affiliates or beneficial owner has been convicted of, or entered into a plea of guilty to, a felony.

(aa) None of the General Partners, any beneficial owner of the General Partners, nor any person or entity that is a party to any financing document being entered into in connection with the Apartment Housing (i) is listed on the Specially Designated Nationals and Blocked Persons List administered by the United States Treasury Department, Office of Foreign Assets Control; (ii) is owned or controlled by the government of, is a national of, or is incorporated in Burma (Myanmar), Cuba, Iran, or Sudan, (iii) is currently targeted by any economic sanctions issued under the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, all as amended, or any enabling legislation, regulations, or executive orders relating thereto (including, but not limited to, the foreign assets control regulations at 31 C.F.R. Subtitle B, Chapter V); or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity that falls under any of (i) – (iii) above.

(bb) The General Partner and the Guarantor have and shall maintain an aggregate net worth of at least \$5,000,000 and aggregate liquid assets equal to at least \$1,000,000, computed in accordance with generally accepted accounting principles.

(cc) The Partnership is in compliance with and will maintain compliance with the requirements of the federal Fair Housing Act of 1968 (42 U.S.C. 3600 et seq.), as amended, with respect to the Apartment Housing.

(dd) The Managing General Partner shall cause the Partnership to make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code only at the direction of the Limited Partner. The General Partner shall seek the direction of the Limited Partner prior to filing of the Partnership’s first year tax returns or such earlier time as such election is to be made. Once made, the election will be irrevocable.

(ee) The Managing General Partner shall cause the Accountant to depreciate Partnership items in accordance with Exhibit F attached hereto and incorporated herein by this reference and provide the information required by Sections 14.2(a) and (b). In addition, the Managing General Partner will cause the Partnership to will elect to depreciate 100% of its site improvements and personal property improvements in the year in which such assets are placed in service in accordance with Section 168(k) of the Code (the “Bonus Depreciation”). The Managing General Partner will not make an election under Section 168(k)(7) of the Code to elect-out of such Bonus Depreciation unless instructed to do so, in writing, by the Limited Partner

(ff) The buildings on the Apartment Housing site constitute or will constitute a “qualified low-income housing project” as provided in Code Section 42(g) and the Treasury

Regulations. In this connection, not later than December 31 of the first year of the Tax Credit Period, the Apartment Housing will satisfy the Minimum Set-Aside Test.

(gg) The Partnership has received a Credit Determination Letter (the "Credit Award") from the State Tax Credit Agency pursuant to Code Section 42(h), in the amount of \$1,3036,127. The Credit Award is binding and in full force and effect in accordance with its terms. At Completion of Construction, the qualified rehabilitation basis of the Apartment Housing under Code Section 42 (including the 130% increase applicable to the Apartment Housing is anticipated to be \$23,822,599, and the Apartment Housing has not made a valid election to fix the applicable credit percentage. The Partnership shall allocate to the Limited Partner the Projected Annual Tax Credits, or the Revised Projected Tax Credits, if applicable.

(hh) (1) The Apartment Housing was acquired by purchase (as defined in Code Section 179(d)(2)); (2) a period of at least 10 years has elapsed between the date on which the Partnership acquired the Apartment Housing and the date the Apartment Housing was last placed in service; and (3) the Apartment Housing was not previously placed in service by the Partnership, the General Partner, or any other person who was a related person (as defined in Code Section 42(d)(2)(D)(ii)) with respect to the Partnership as of the time the Apartment Housing was previously placed in service.

(ii) The General Partner has provided the Limited Partner with true, complete and correct copies of all material correspondence and contracts with, applications to, and allocation certifications, if any, from the State Tax Credit Agency concerning Tax Credits allocated or otherwise available to the Apartment Housing.

(jj) Unless otherwise Consented to by the Special Limited Partner, the Partnership will elect under Code Section 42(f)(1) to have the Tax Credit Period with respect to each building in the Apartment Housing commence with 201_.

(kk) The Partnership has not and will not receive amounts funded with a federal grant within the meaning of Code Section 42(d)(5)(A) (unless such grant was made to allow the Apartment Housing to be leased to low-income tenants and does not increase the Partnership's Eligible Basis in the Apartment Housing).

(ll) The Partnership shall execute an extended use agreement with respect to the Apartment Housing before the end of the first year of the Tax Credit Period. The extended use agreement will remain in effect throughout the Compliance Period.

(mm) The Partnership shall apply for all Forms 8609 for the Apartment Housing from the State Tax Credit Agency in a timely manner, and shall timely file any other tax or information returns or statements required by the Code. In furtherance of the foregoing, the General Partner shall complete Form 8609 and submit a copy of it with its federal income tax return to the IRS for the first year that the Partnership claims Tax Credit with respect to each building in the Apartment Housing. The General Partner, on behalf of the Partnership, will claim the Tax Credits and provide the information required as set forth in Code Section 42(1) and Temporary Treas. Reg. Section 1.42-1(h).

(nn) The information and representations included in the Project Documents, and on which the State Tax Credit Agency relied in its determination to award the Credit Award, are true, accurate and complete.

(oo) The Apartment Housing is not located in a qualified census tract, a "difficult to develop area," or another enhanced credit area for purposes of Code Section 42(d)(5)(B).

(pp) At least 50% of the aggregate basis of each building of the Apartment Housing and the land on which such building is or will be located, for purposes of Code Section 42(h)(4) of the Code, will be financed by the proceeds of tax-exempt bonds which were issued under the volume limitations pursuant to Code Section 146.

(qq) The General Partner shall not commence the tenant income certification process with respect to the occupants of the Apartment Housing until the later of January 1, 2018 or the month in which the Special Limited Partner directs the General Partner to commence such process.

(rr) The General Partner shall cause the Partnership to operate under (i) an asbestos and lead based paint O&M plan and (ii) a mold, moisture and minimization plan, each approved by the Special Limited Partner, which plans shall commence on or before the Effective Date and continue through the expiration of the Compliance Period. Any abatement work will need to be performed by a State certified abatement contractor approved by the Special Limited Partner.

The General Partner shall be liable to the Limited Partner for any costs, damages, loss of profits, diminution in the value of its investment in the Partnership, or other losses, of every nature and kind whatsoever, direct or indirect, realized or incurred by the Limited Partner as a result of any material breach of the representations and warranties set forth in this Section 9.12.

Section 9.13 Indemnification of the Partnership and the Limited Partners.

The General Partner will indemnify and hold the Partnership, the Limited Partner, and the Special Limited Partner (individually, an "Indemnified Party," and, collectively, the "Indemnified Parties") harmless from and against any and all losses, damages and liabilities (including reasonable attorney's fees) which any Indemnified Party may incur by reason of the past, present, or future actions or omissions of the General Partner or any of its Affiliates that constitute gross negligence or willful misconduct, fraud, malfeasance, breach of fiduciary duty, or breach of any material provision of this Agreement that has a material adverse effect on the Apartment Housing or on any Indemnified Party. The General Partner will further indemnify the Indemnified Parties for any expense any of them may incur in connection with any state or local taxes charged as a result of the transfer by the Limited Partner of its Interest.

Section 9.14 Indemnification of the General Partner.

(a) Each General Partner (including any retired General Partner) shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by him or it in connection with the Partnership,

provided that such claims were made by parties other than the Partnership, the Limited Partner, or the Special Limited Partner, and provided further that such claims were not the result of fraud, material breach of this Agreement, willful misconduct, incompetence, or gross negligence on the part of such General Partner or any of its Affiliates. Any indemnity under this Section 9.14 shall be provided out of and to the extent of Partnership assets only, and no Limited Partner or Special Limited Partner shall have any personal liability on account thereof.

ARTICLE X. ALLOCATIONS OF INCOME, LOSSES AND CREDITS

Section 10.1 General.

All items includable in the calculation of Income or Loss not arising from a Sale or Refinancing, and all Tax Credits, will be allocated 99.98% to the Limited Partner, 0.01% to the Special Limited Partner, 0.0051% to the Managing General Partner and 0.0049% to the Administrative General Partner. In allocating Tax Credits, the special allocation provisions of Section 10.3 will not be taken into account.

Section 10.2 Allocations From Sale or Refinancing.

All Income and Losses arising from a Sale or Refinancing will be allocated between the Partners as follows:

(a) As to Income:

(1) first, an amount of Income equal to the aggregate negative balances (if any) in the Capital Accounts of all Partners having negative Capital Accounts (prior to taking into account the Sale or Refinancing and the Distribution of the related Sale or Refinancing Proceeds, but after giving effect to Distributions of Net Operating Income and allocations of other Income and Losses pursuant to this Article X up to the date of the Sale or Refinancing) will be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts will have zero balances; and

(2) the balance, if any, of such Income will be allocated to the Partners in the proportion necessary so that the Partners will receive the amount to which they are entitled pursuant to Section 11.2.

(b) Losses will be allocated 99.98% to the Limited Partner, 0.01% to the Special Limited Partner, 0.0051% to the Managing General Partner and 0.0049% to the Administrative General Partner.

(c) Notwithstanding the foregoing provisions of Section 10.2(a) and (b), in no event will any Losses be allocated to the Limited Partner or the Special Limited Partner if and to the extent that such allocation would create or increase an Adjusted Capital Account Deficit for the Limited Partner or the Special Limited Partner. In the event an allocation of 99.98% or 0.01% of each item includable in the calculation of Income or Loss not arising from a Sale or Refinancing, would create or increase an Adjusted Capital Account Deficit for the Limited Partner or the Special Limited Partner, respectively, then so much of the items of deduction other

than projected depreciation will be allocated to the General Partner instead of the Limited Partner or the Special Limited Partner as is necessary to allow the Limited Partner or the Special Limited Partner to be allocated 99.98% and 0.01%, respectively, of the items of Income and Apartment Housing depreciation without creating or increasing an Adjusted Capital Account Deficit for the Limited Partner or the Special Limited Partner, it being the intent of the parties that the Limited Partner and the Special Limited Partner always will be allocated 99.98% and 0.01%, respectively, of the items of Income not arising from a Sale or Refinancing and 99.98% and 0.01%, respectively, of the Apartment Housing depreciation.

Section 10.3 Special Allocations.

The following special allocations will be made in the following order.

(a) Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, notwithstanding any other provisions of this Article X, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, each Partner will be specially allocated items of Partnership income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Person's share of the net decrease in Partnership Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence will be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated will be determined in accordance with Section 1.704-2(f)(6) and 1.704-2(j)(2) of the Treasury Regulations. This Section 10.3(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and will be interpreted consistently therewith.

(b) Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, notwithstanding any other provision of this Article X, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, each Person who has a share of the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, will be specially allocated items of Partnership income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Person's share of the net decrease in Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence will be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated will be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Treasury Regulations. This Section 10.3(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Treasury Regulations and will be interpreted consistently therewith.

(c) In the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), Section 1.704-1(b)(2)(ii)(d)(5), or Section 1.704-1(b)(2)(ii)(d)(6), items of Partnership income and gain will be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account

Deficit of such Partner as quickly as possible, provided that an allocation pursuant to this Section 10.3(c) will be made if and only to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 10.3 have been tentatively made as if this Section 10.3(c) were not in the Agreement.

(d) In the event any Partner has a deficit Capital Account at the end of any Partnership fiscal year which is in excess of the sum of (i) the amount such Partner is obligated to restore, and (ii) the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Partner will be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 10.3(d) will be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 10.3 have been tentatively made as if this Section 10.3(d) and Section 10.3(c) were not in the Agreement.

(e) Nonrecourse Deductions for any fiscal year will be specially allocated 99.98% to the Limited Partner, 0.01% to the Special Limited Partner, 0.0051% to the Managing General Partner and 0.0049% to the Administrative General Partner.

(f) Any Partner Nonrecourse Deductions for any fiscal year will be specially allocated to the Partner which is a for-profit entity, and which bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(g) To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of his interest in the Partnership, the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Partners in accordance with their interests in the Partnership in the event that Treasury Regulations Section 1.704-1 (b)(2)(iv)(m)(2) applies, or to the Partner to whom such distribution was made in the event that Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(h) To the extent the Partnership has taxable interest income with respect to any promissory note pursuant to Section 483 or Section 1271 through 1288 of the Code:

(1) such interest income will be specially allocated to the Limited Partner to whom such promissory note relates; and

(2) the amount of such interest income will be excluded from the Capital Contributions credited to such Partner's Capital Account in connection with payments of principal with respect to such promissory note.

(i) To the extent the Partnership has taxable interest income with respect to deposits of Capital Contribution payments or from the investment of the proceeds of the Tax-Exempt Note, such interest income will be specially allocated to the General Partner.

(j) In the event the adjusted tax basis of any investment tax credit property that has been placed in service by the Partnership is increased pursuant to Code Section 50(c), such increase will be specially allocated among the Partners (as an item in the nature of income or gain) in the same proportions as the investment tax credit that is recaptured with respect to such property is shared among the Partners.

(k) Any reduction in the adjusted tax basis (or cost) of Partnership investment tax credit property pursuant to Code Section 50(c) will be specially allocated among the Partners (as an item in the nature of expenses or losses) in the same proportions as the basis (or cost) of such property is allocated pursuant to Treasury Regulations Section 1.46-3(f)(2)(i).

(l) Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of an interest in the Partnership by the Partnership to a Partner will be allocated 100% to the General Partner.

(m) If any Partnership expenditure treated as a deduction on its federal income tax return is disallowed as a deduction and treated as a distribution pursuant to Section 731(a) of the Code, there will be a special allocation of gross income to the Partner deemed to have received such distribution equal to the amount of such distribution.

(n) Interest deduction on the Partnership indebtedness referred to in Section 6.4 will be allocated 100% to the General Partner.

(o) Any taxable income of the Partnership resulting from its receipt of donations, contributions, grants or subsidies will be specially allocated 100% to the General Partner.

(p) In the event that the General Partner advances any funds to pay for Operating Deficits pursuant to Section 6.3, any deductions or losses attributable to the use of such funds will be specially allocated to the General Partner.

Section 10.4 Curative Allocations.

The allocations set forth in Section 10.2(c), Section 10.3(a), Section 10.3(b), Section 10.3(c), Section 10.3(d), Section 10.3(e), Section 10.3(f), and Section 10.3(g) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 10.4. Therefore, notwithstanding any other provision of this Article X (other than the Regulatory Allocations), with the Consent of the Special Limited Partner, the General Partner will make such offsetting special allocations of Partnership income, gain, loss, or deduction in whatever manner the General Partner, with the Consent of the Special Limited Partner, determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of the Agreement and all Partnership items were allocated pursuant to Section 10.1, Section 10.2(a), Section 10.2(b), Section 10.3(h), Section 10.3(i), Section 10.3(j), Section 10.3(k), Section 10.3(l), Section 10.3(m) and Section 10.5. In exercising its authority under this Section

10.4, the General Partner will take into account future Regulatory Allocations under Section 10.3(a) and Section 10.3(b) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 10.3(e) and Section 10.3(f).

Section 10.5 Other Allocation Rules.

(a) The basis (or cost) of any Partnership investment tax credit property will be allocated among the Partners in accordance with Treasury Regulations Section 1.46-3(f)(2)(i). All Tax Credits will be allocated among the Partners in accordance with applicable law. Consistent with the foregoing, the Partners intend that LIHTC will be allocated 99.98% to the Limited Partner, 0.01% to the Special Limited Partner and 0.01% to the General Partner.

(b) In the event Partnership investment tax credit property is disposed of during any taxable year, profits for such taxable year (and, to the extent such profits are insufficient, profits for subsequent taxable years) in an amount equal to the excess, if any, of (1) the reduction in the adjusted tax basis (or cost) of such property pursuant to Code Section 50(c), over (2) any increase in the adjusted tax basis of such property pursuant to Code Section 50(c) caused by the disposition of such property, will be excluded from the profits allocated pursuant to Section 10.1 and Section 10.2(a) and will instead be allocated among the Partners in proportion to their respective shares of such excess, determined pursuant to Section 10.3(j) and Section 10.3(k). In the event more than one item of such property is disposed of by the Partnership, the foregoing sentence will apply to such items in the order in which they are disposed of by the Partnership, so the profits equal to the entire amount of such excess with respect to the first such property disposed of will be allocated prior to any allocations with respect to the second such property disposed of, and so forth.

(c) For purposes of determining the Income, Losses, or any other items allocable to any period, Income, Losses, and any such other items will be determined on a daily, monthly, or other basis, as determined by the General Partner with the Consent of the Special Limited Partner, using the interim closing method under Code Section 706 and the Treasury Regulations.

(d) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Treasury Regulations Section 1.752-3(a)(3), the Partners' interests in Partnership profits are as follows: Limited Partner - 99.98%; Special Limited Partner - 0.01%; General Partner - 0.01%.

(e) To the extent permitted by Section 1.704-2(h)(3) of the Treasury Regulations, the General Partner shall endeavor to treat Distributions as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such Distributions would cause or increase an Adjusted Capital Account Deficit for any Partner who is not a General Partner.

(f) In the event that the deduction of all or a portion of any fee paid or incurred out of Net Operating Income by the Partnership to a Partner which is a for-profit entity or an Affiliate of a Partner which is a for-profit entity is disallowed for federal income tax purposes by the IRS with respect to a taxable year of the Partnership, the Partnership shall then

allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

Section 10.6 Tax Allocations: Code Section 704(c).

In accordance with Code Section 704(c) and the Treasury Regulations, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership will, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss, and deduction with respect to such asset will take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations.

Any elections or other decisions relating to such allocations will be made by the General Partner with the Consent of the Special Limited Partner in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 10.6 are solely for purposes of federal, state, and local taxes and will not affect, or in any way be taken into account in computing, any Person's Capital Account or share of Income, Losses, other items, or distributions pursuant to any provision of this Agreement.

Section 10.7 Allocation Among Limited Partners.

In the event that the Interest of the Limited Partner hereunder is at any time held by more than one Limited Partner all items which are specifically allocated to the Limited Partner for any month pursuant to this Article X will be apportioned among such Persons according to the ratio of their respective profit-sharing interests in the Partnership at the last day of such month.

Section 10.8 Allocation Among General Partners.

In the event that the Interest of the General Partner hereunder is at any time held by more than one General Partner all items which are specifically allocated to the General Partner for any month pursuant to this Article X will be apportioned among such Persons in such percentages as may from time to time be determined by agreement among them without amendment to this Agreement or consent of the Limited Partner or Consent of the Special Limited Partner.

Section 10.9 Modification of Allocations.

The provisions of Article X and Article XI and other provisions of this Agreement are intended to comply with Treasury Regulations Section 1.704 and will be interpreted and applied in a manner consistent with such section of the Treasury Regulations. In the event that the General Partner determines that it is prudent to modify the manner in which the Capital Accounts of the Partners, or any debit or credit thereto, are computed in order to comply with such section of the Treasury Regulations, the General Partner may make such modification, but only with the Consent of the Special Limited Partner, to the minimum extent necessary, to affect the plan of

allocations and Distributions provided for elsewhere in this Agreement. Further, the General Partner shall make any appropriate modifications, but only with the Consent of the Special Limited Partner, in the event it appears that unanticipated events (e.g., the existence of a Partnership election pursuant to Code Section 754) might otherwise cause this Agreement not to comply with Treasury Regulation Section 1.704.

ARTICLE XI. DISTRIBUTION

Section 11.1 Distribution of Net Operating Income.

Except as otherwise provided, Net Operating Income for each fiscal year will be distributed within 75 days following each calendar year and will be applied in the following order of priority:

- (a) to repay any Voluntary Funding made by the Limited Partner pursuant to Section 7.7;
- (b) to pay any Tax Credit adjuster that has not been paid by the General Partner as required pursuant to Section 7.4 or by the Guarantor as required pursuant to the Guaranty Agreement;
- (c) to pay the current Asset Management Fee and then to pay any accrued Asset Management Fees which have not been paid in full from previous years;
- (d) to pay the Deferred Management Fee, if any;
- (e) to pay the current Partnership Management Fee and then to pay any accrued Partnership Management Fees which have not been paid in full from previous years (to be paid in the following percentages: 70% to the Managing General Partner and 30% to the Administrative General Partner);
- (f) to pay any unpaid interest and then principal on the Development Fee;
- (g) of the balance, 50% will be used to pay Operating Loans, if any, as referenced in Article VI;
- (h) pro rata, to pay the Incentive Management Fee and the Tax Credit Compliance Fee (to be paid in the following percentages: 70% to the Managing General Partner and 30% to the Administrative General Partner); and
- (i) the balance will be distributed 99.98% to the Limited Partner, 0.01% to the Special Limited Partner, 0.0070% to the Managing General Partner and 0.0030% to the Administrative General Partner.

Section 11.2 Distribution of Sale or Refinancing Proceeds.

Sale or Refinancing Proceeds will be distributed in the following order:

(a) to the payment of the Mortgage Loan and other matured debts and liabilities of the Partnership, other than accrued payments, debts or other liabilities owing to Partners; former Partners, or their Affiliates;

(b) to the establishment of any reserves which the General Partner, with the Consent of the Special Limited Partner, deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to pay any outstanding accrued Asset Management Fees;

(d) to pay any Tax Credit adjuster that has not been paid by the General Partner as required pursuant to Section 7.4 or by the Guarantor as required pursuant to the Guaranty Agreement and to repay any Voluntary Funding made in accordance with Section 7.7, to be paid pro rata if necessary;

(e) to pay the Deferred Management Fee, if any;

(f) to the payment to the Developer of any outstanding Development Fee;

(g) to the payment of the General Partner of a disposition fee for services rendered by the General Partner in connection with the sale of the Apartment Housing in an amount equal to 5% of the gross sales price of the Apartment Housing (to be paid in the following percentages: 70% to the Managing General Partner and 30% to the Administrative General Partner), but only if the transaction involved constitutes a sale of the Apartment Housing to a third party in an arm's length transaction (including such a disposition fee in the event that the General Partner exercises its option to purchase the Apartment Housing as hereinafter provided in Section 17.7(c) to the extent that such a fee is included in the option price of the Apartment Housing as set forth therein);

(h) to any other accrued payments, debts or other liabilities owing to the Partners or former Partners, including, but not limited to, Operating Loans, to be paid pro rata if necessary;

(i) thereafter, 10% to the Limited Partner, 0.01% to the Special Limited Partner and 89.99% to the General Partner (to be paid in the following percentages: 70% to the Managing General Partner and 30% to the Administrative General Partner) (less any amounts paid to the General pursuant to subsections (g) and (h)), provided that the amount distributed to the Limited Partner pursuant to this paragraph will not be less than the aggregate federal and state income tax liability of the Limited Partner with respect to this distribution, and the amount distributable to the General Partner will be reduced by the amount of any redistribution to the Limited Partner under this paragraph.

ARTICLE XII.
TRANSFERS OF LIMITED PARTNER'S AND SPECIAL
LIMITED PARTNER'S INTERESTS IN THE
PARTNERSHIP

Section 12.1 Assignment of Interests.

The Limited Partner and the Special Limited Partner have the right to assign all or any part of their respective Interests to any other Person, whether or not a Partner, upon satisfaction of the following:

(a) a written instrument setting forth the name and address of the proposed transferee, the nature and extent of the Interest which is proposed to be transferred and the terms and conditions upon which the transfer is proposed to be made, stating that the Assignee accepts and agrees to be bound by all of the terms and provisions of this Agreement, and providing for the payment of all reasonable expenses incurred by the Partnership in connection with such assignment, including but not limited to the cost of preparing any necessary amendment to this Agreement; and

(b) upon receipt by the General Partner of the Assignee's written representation that the Partnership Interest is to be acquired by the Assignee for the Assignee's own account for long-term investment and not with a view toward resale, fractionalization, division or distribution thereof.

(c) prior written consent of the General Partner, which will not be unreasonably withheld, conditioned or delayed if the proposed assignment is scheduled to occur prior to the funding by the Limited Partner of its Capital Contribution pursuant to Section 7.2(e), provided, however, that no consent shall be required if the Assignee is an Affiliate of the Limited Partner or the Special Limited Partner.

Notwithstanding any provision to the contrary but subject to the provisions of the Mortgage Loan documents, the Limited Partner may assign its Interest to an Affiliate or assign its Interest to U.S. Bank National Association or its successors as collateral to secure a capital contribution loan without satisfying the conditions of Section 12.1(a) and (b) above.

THE LIMITED PARTNER INTEREST AND THE SPECIAL LIMITED PARTNER INTEREST DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED OR UNDER ANY STATE SECURITIES LAW. THESE INTERESTS MAY NOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS REGISTERED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Section 12.2 Effective Date of Transfer.

Any assignment of a Limited Partner's Interest or Special Limited Partner's Interest pursuant to Section 12.1 will become effective as of the first day of the calendar month in which the last of the conditions to such assignment are satisfied.

Section 12.3 Invalid Assignment.

Any purported assignment of an Interest of the Limited Partner or the Special Limited Partner otherwise than in accordance with Section 12.1 or Section 12.6 will be of no effect as between the Partnership and the purported assignee and will be disregarded by the General Partner in making allocations and Distributions hereunder.

Section 12.4 Assignee's Rights to Allocations and Distributions.

An Assignee will be entitled to receive allocations and Distributions from the Partnership attributable to the Interest acquired by reason of any permitted assignment from the effective date of transfer as determined in Section 12.2 above. The Partnership and the General Partner will be entitled to treat the assignor of such Partnership Interest as the absolute owner thereof in all respects, and will incur no liability for allocations and Distributions made in good faith to such assignor, until such time as the written instrument of assignment has been received by the Partnership.

Section 12.5 Substitution of Assignee as Limited Partner or Special Limited Partner.

(a) An Assignee will not have the right to become a Substitute Limited Partner or Substitute Special Limited Partner in place of his assignor unless the written consent of the General Partner to such substitution has been obtained, which consent, in the General Partner's absolute discretion, may be withheld; except that an Assignee which is an Affiliate of the Limited Partner or Special Limited Partner, or U.S. Bank National Association or its successors, may become a Substitute Limited Partner or Substitute Special Limited Partner without the consent of the General Partner, provided such assignment is made in accordance with the notice and approval requirements set forth in the Mortgage Loan documents. Notwithstanding the foregoing, following payment by the Limited Partner of the final Capital Contribution pursuant to Section 7.2, no General Partner will unreasonably withhold, delay or condition its consent for any Assignee to become a Substitute Limited Partner or a Substitute Special Limited Partner.

(b) A non-admitted transferee of the Limited Partner's Interest or the Special Limited Partner's Interest in the Partnership will only be entitled to receive that share of allocations, Distributions and the return of Capital Contribution to which its transferor would otherwise have been entitled with respect to the Interest transferred, and will have no right to obtain any information on account of the Partnership's transactions, to inspect the Partnership's books and records or have any other of the rights and privileges of a Limited Partner or Special Limited Partner, provided, however, that the Partnership shall, if a transferee and transferor jointly advise the General Partner in writing of a transfer of an Interest in the Partnership, furnish the transferee with pertinent tax information at the end of each fiscal year of the Partnership.

Section 12.6 Death, Bankruptcy, Incompetency, etc., of a Limited Partner.

Upon the death, dissolution, adjudication of bankruptcy, or adjudication of incompetency or insanity of the Limited Partner or Special Limited Partner, such Partner's executors, administrators or legal representatives will have all the rights of its predecessor-in-interest for the

purpose of settling or managing such Partner's estate, including such power as such Partner possessed to designate a successor as a transferee of its Interest in the Partnership and to join with such transferee in making the application to substitute such transferee as a Partner.

Section 12.7 Investor Put Option.

Beginning at the end of the Tax Credit Period and ending at the conclusion of the Compliance Period (the "Put Period"), the Limited Partner and the Special Limited Partner may notify the General Partner in accordance with Section 17.3 of this Agreement that they are exercising their right to put the Limited Partner's and the Special Limited Partner's Interests (collectively the "LP Interest") to the General Partner ("Put Notice"). The purchase price for the LP Interest shall equal to the greater of (i) \$30,000 or (ii) all unpaid adjusters, fees, loans and other amounts owed to the Limited Partner and the Special Limited Partner under this Agreement (the "Put Price"). The Put Price will be paid by the General Partner within 75 days of receipt of the Put Notice. Following payment of the Put Price and the completion of the necessary transfer documents, neither the Limited Partner nor the Special Limited Partner will have any further obligations to the Partners or the Partnership. In addition, if the Limited Partner and Special Limited Partner exercise their put to sell the LP Interest prior to the conclusion of the Compliance Period, then the General Partner shall obtain a tax credit recapture bond.

ARTICLE XIII. WITHDRAWAL, REMOVAL AND REPLACEMENT OF GENERAL PARTNER

Section 13.1 Withdrawal of General Partner.

(a) The General Partner may not Withdraw (other than as a result of an Involuntary Withdrawal) without the Consent of the Special Limited Partner. Withdrawal will be conditioned upon the agreement of the Special Limited Partner to be admitted as a successor General Partner, or if the Special Limited Partner declines to be admitted as a successor General Partner, then on the agreement of one or more Persons who satisfy the requirements of Section 13.5 to be admitted as successor General Partner(s).

(b) Each General Partner shall indemnify and hold harmless the Partnership and all Partners from its Withdrawal in violation of Section 13.1(a). Each General Partner shall be liable for damages to the Partnership resulting from its Withdrawal in violation of Section 13.1(a).

Section 13.2 Removal of General Partner.

(a) General Partner may be removed for cause pursuant to this Section 13.2 if any General Partner has, its officers, directors, members, or partners, if applicable or the Partnership has (or, with regard to clause (7) below, if any Guarantor has):

(1) been subject to Bankruptcy or if any Guarantor has been subject to Bankruptcy;

- (2) committed any fraud, willful misconduct, breach of fiduciary duty or other negligent conduct in the performance of its duties under this Agreement;
- (3) been convicted of, or entered into a plea of guilty to, a felony;
- (4) been barred from participating in any federal or state housing program;
- (5) made personal use of Partnership funds or properties;
- (6) failed to provide any guaranteed payment, loan, advance, Capital Contribution or any other payment as required under this Agreement;
- (7) defaulted under any provision of this Agreement or the Guaranty Agreement, including but not limited to a breach of any representation, warranty or covenant contained herein or therein;
- (8) caused the Projected Tax Credits to be allocated to the Partners for a term longer than the Tax Credit Period, unless the Limited Partner has been fully compensated for any loss resulting therefrom as a result of the application of the provisions of Section 7.4;
- (9) failed to provide, or to cause to be provided, the construction monitoring documents required in Section 14.3(a);
- (10) failed to comply with any federal or state tax law or regulation, which failure results in a recapture of LIHTC;
- (11) failed to keep the Development Budget In-Balance;
- (12) failed to obtain the consent of a Partner where such consent is required pursuant to this Agreement;
- (13) failed to deliver the annual Partnership financial data as required pursuant to Section 14.2(a) or (b);
- (14) failed to maintain the reserve balances as required pursuant to Article VIII;
- (15) failed to renew the Insurance on or before the due date;
- (16) failed to pay the Real Estate Taxes prior to the date on which any installment payment of property taxes would become late or delinquent;
- (17) failed during any consecutive 6-month period during the Compliance Period to rent 85% or more of the total apartment units in the Apartment Housing to Qualified Tenants; notwithstanding the foregoing, if such failure is the result of Force Majeure or if such failure is cured within 120 days after the end of the 6-month period, then this removal provision will not apply;

(18) violated the terms of any Mortgage Loan and such violation has not been cured within the applicable cure period; or

(19) allowed a repurchase event specified in Section 7.3 to occur.

(b) Written notice of the removal for cause of the General Partner (“Removal Notice”) will set forth the reasons for removal and will be served by the Special Limited Partner or the Limited Partner, or both of them, upon the General Partner in accordance with Section 17.3, with a copy provided to the Construction Lender if applicable. If Section 13.2(a)(6), (7), (9), (11), (13), (14), (15), or (16) is the basis for the removal for cause, then the General Partner will have 30 days from receipt of the Removal Notice in which to cure the removal condition. If the condition for the removal for cause is not cured within the 30-day cure period, then the General Partner’s removal will become effective upon approval of a majority of the Partners’ Interests (Interest percentage for voting is in accordance with the percentages shown in Section 10.1) at a Partners’ meeting held in accordance with Section 17.2. If the removal for cause is for a condition referenced in Section 13.2(a)(1), (2), (3), (4), (5), (8), (10), (12), (17), (18) or (19) then the removal will become effective upon approval of a majority of the Partners’ Interests (Interest percentage for voting is in accordance with the percentages shown in Section 10.1) at a Partners’ meeting held in accordance with Section 17.2 except that in regard to violations of a Mortgage Loan there will be a cure period of the sooner of 30 days or 10 days prior to the expiration of the cure period referenced in the loan documents, if any. Upon the General Partner’s removal, the General Partner shall deliver to the Special Limited Partner, within 5 business days after the Partners’ meeting confirming the General Partner’s removal, all Partnership books and records including all bank signature cards and an authorization to change the signature on the signature cards from the General Partner to the Special Limited Partner, or a successor general partner so nominated by the Limited Partner and Special Limited Partner. The Partners recognize and acknowledge that if the General Partner fails to adhere to the vote of the Partners at the Partners’ meeting or fails to provide the Partnership books and records upon the General Partner’s removal then the remaining Partners may suffer irreparable injury. Therefore, in the event the General Partner does not adhere to the provisions of this Section 13.2(b), and in addition to other rights or remedies which may be provided by law and equity or this Agreement, the Limited Partner and/or Special Limited Partner will have the right to specific performance to compel the General Partner to perform its obligation under this Section and the Limited Partner and/or Special Limited Partner may bring such action, and other actions to enforce the removal, by way of temporary and/or permanent injunctive relief.

Section 13.3 Effects of a Withdrawal.

In the event of a Withdrawal, the entire Interest of the Withdrawing General Partner will immediately and automatically terminate on the effective date of such Withdrawal, and such General Partner will immediately cease to be a General Partner, will have no further right to participate in the management or operation of the Partnership or the Apartment Housing or to receive any allocations or Distributions from the Partnership or any other funds or assets of the Partnership, except as specifically set forth below. In the event of a Withdrawal, any or all executory contracts, including but not limited to the Management Agreement, between the Partnership and the Withdrawing General Partner or its Affiliates may be terminated by the Partnership, with the Consent of the Special Limited Partner, upon written notice to the party so

terminated. Furthermore, notwithstanding such Withdrawal, the Withdrawing General Partner will be and will remain, liable as a General Partner for all known or unknown liabilities and obligations incurred by the Partnership or by the General Partner prior to the effective date of the Withdrawal, or which may arise upon such Withdrawal. Any remaining Partner will have all other rights and remedies against the Withdrawing General Partner as provided by law or under this Agreement. The General Partner agrees that in the event of its Withdrawal it will indemnify and hold the Limited Partner and the Special Limited Partner harmless from and against all losses, costs and expenses incurred in connection with the Withdrawal, including, without limitation, all legal fees and other expenses of the Limited Partner and the Special Limited Partner in connection with the transaction. The Withdrawing General Partner shall not be liable for any duties and obligations arising subsequent to the withdrawal of the Withdrawing General Partner and solely attributable to events occurring after the withdrawal of the Withdrawing General Partner. The following additional provisions apply in the event of a Withdrawal.

(a) In the event of a voluntary Withdrawal, or an Involuntary Withdrawal resulting from Bankruptcy, the Withdrawing General Partner will have no further right to receive any prior or future allocations or Distributions from the Partnership or any other funds or assets of the Partnership; nor will it be entitled to receive or to be paid by the Partnership any further payments of fees (including fees which have been earned but are unpaid); or to be repaid any outstanding advances or loans made by it to the Partnership; or to be paid any amount for its former Interest; or to be paid any amounts as a result of an indemnification. From and after the effective date of such Withdrawal, the former rights of the Withdrawing General Partner to receive or to be paid such prior or future allocations, Distributions, funds, assets, fees (including fees which have been earned but are unpaid) or repayments will in the absolute discretion of the Special Limited Partner either be assigned to the other General Partner or General Partners (which may include the Special Limited Partner); or to the Special Limited Partner; or if the Special Limited Partner decides in its absolute discretion then any outstanding fundings or payments will for accounting purposes be deemed to have been paid by the Withdrawing General Partner by making a Capital Contribution to the Partnership and the Partnership making the payment to the Withdrawing General Partner.

(b) In the event of an Involuntary Withdrawal not resulting from Bankruptcy or removal, the Withdrawing General Partner will have no further right to receive any future allocations or Distributions from the Partnership or any other funds or assets of the Partnership, provided that accrued and payable fees (i.e., fees earned but unpaid as of the date of Withdrawal) owed to the Withdrawing General Partner, and any outstanding loans of the Withdrawing General Partner to the Partnership, will be paid to the Withdrawing General Partner or its estate or guardian in the manner and at the times such fees and loans would have been paid had the Withdrawing General Partner not Involuntarily Withdrawn. The Interest of the General Partner will be purchased as follows:

(1) If the Involuntary Withdrawal does not arise from removal under Section 13.2(a), or Bankruptcy and if the Partnership is to be continued with one or more remaining or successor General Partner(s), the Partnership, with the Consent of the Special Limited Partner, may, but is not obligated to, purchase or redeem the Interest of the Withdrawing General Partner. The purchase price of such Interest will be its Fair Market Value as determined by agreement between the Withdrawing General Partner or its estate or guardian and the Special

Limited Partner; or, if they cannot agree, by appraisal. The appraisal shall be conducted by Independent Appraisers. The Withdrawing General Partner or its estate or guardian and the Special Limited Partner shall each select an Independent Appraiser and the Independent Appraisers so selected shall select a third Independent Appraiser. The Independent Appraisers shall determine the Fair Market Value of the General Partner Interest, which appraisal shall assume that the Apartment Housing shall remain subject to the Tax Credit Conditions. The decision of the Independent Appraisers shall be made by the majority of such Independent Appraisers. The Independent Appraisers shall render a written report setting forth the Fair Market Value of the General Partner Interest, which decision shall be rendered as expeditiously as possible by the Independent Appraisers and which decision shall be final and binding upon the Partners. The reasonable fees and expenses of the Independent Appraisers shall be paid one-half by the Withdrawing General Partner or its estate or guardian and one-half by the Limited Partner. The purchase price will be paid by the Partnership by delivering to the General Partner or its representative the Partnership's non-interest bearing unsecured promissory note payable, if at all, upon liquidation of the Partnership in accordance with Article XV. The note will also provide that the Partnership may prepay all or any part thereof without penalty.

(2) If the Involuntary Withdrawal does not arise from removal under Section 13.2(a) to the Partnership and the Partnership making the payment to and if the Partnership is to be continued with one or more remaining or successor General Partner(s), and if the Partnership does not purchase the Interest of the Withdrawing General Partner in Partnership allocations, Distributions and capital, then the Withdrawing General Partner or the Withdrawing General Partner's estate or guardian will retain its Interest in such items, but such Interest will be held as a non-voting special limited partner.

(c) Notwithstanding the provisions of Section 13.3(b), if the Involuntary Withdrawal arises from removal as set forth in Section 13.2(a), the Withdrawing General Partner will have no further right to receive any accrued or future allocations or Distributions from the Partnership or any other funds or assets of the Partnership; it will not be entitled to receive any payment for its Interest; and it will not be entitled to receive or to be paid by the Partnership, by any Partners, or by any successor partners, any further payments of fees (including fees which have been earned but remain unpaid) or any outstanding advances or loans made by it to the Partnership including, but not Limited to, any amounts as a result of an indemnification, with the Consent of the Special Limited Partner, all outstanding amounts owed the Withdrawing General partner shall be deemed to have been paid by the Withdrawing General Partner by making a Capital Contribution to the Partnership and the Partnership making the payment to the Withdrawing General Partner in full discharge of all the Withdrawing General Partner's obligations.

Section 13.4 Successor General Partner.

Upon the occurrence of an event giving rise to a Withdrawal of a General Partner, any remaining General Partner, or, if there be no remaining General Partner, the Withdrawing General Partner or its legal representative, shall promptly notify the Special Limited Partner of such Withdrawal (the "Withdrawal Notice"). Whether or not the Withdrawal Notice has been sent as provided herein, the Special Limited Partner will have the right to become a successor General Partner, or to appoint a successor General Partner, with the Limited Partner's approval

(and to appoint or become the successor managing General Partner if the Withdrawing General Partner was previously the managing General Partner). In order to effectuate the provisions of this Section 13.4 and the continuance of the Partnership, at the sole discretion of the Special Limited Partner the Withdrawal of a General Partner will not be effective until the expiration of 120 days from the date on which occurred the event giving rise to the Withdrawal, unless the Special Limited Partner has elected to become a successor General Partner or appoint a successor General Partner with the Limited Partner's approval with the Limited Partner's approval, as provided herein prior to expiration of such 120-day period.

Section 13.5 Admission of Additional or Successor General Partner.

No Person shall be admitted as an additional or successor General Partner unless (a) such Person has agreed to become a General Partner by a written instrument which includes the acceptance and adoption of this Agreement; (b) the Consent of the Special Limited Partner to the admission of such Person as a substitute General Partner has been granted, which consent may be withheld in the discretion of the Special Limited Partner; (c) such Person has executed and acknowledged any other instruments which the Special Limited Partner reasonably deems necessary or appropriate to effect the admission of such Person as a substitute General Partner and (d) this Agreement is amended to admit the additional or successor General Partner in accordance with the provisions of the Act. All other steps will be taken which are reasonably necessary to affect the Withdrawal of the Withdrawing General Partner and the substitution of the successor General Partner. Nothing contained herein will reduce the Limited Partner's Interest or the Special Limited Partner's Interest in the Partnership.

Section 13.6 Transfer of Interest.

Except as otherwise provided herein or in the Mortgage Loan documents (in the forms approved as of the Effective Date), the General Partner may not Withdraw from the Partnership, or enter into any agreement as the result of which any Person acquires an Interest in the Partnership, or an interest in the General Partner without the Consent of the Special Limited Partner.

Section 13.7 No Goodwill Value.

At no time during continuation of the Partnership will any value ever be placed on the Partnership name, or the right to its use, or to the goodwill appertaining to the Partnership or its business, either as among the Partners or for the purpose of determining the value of any Interest, nor will the legal representatives of any Partner have any right to claim any such value. In the event of a termination and dissolution of the Partnership as provided in this Agreement, neither the Partnership name, nor the right to its use, nor the same goodwill, if any, will be considered as an asset of the Partnership, and no valuation will be put thereon for the purpose of liquidation or distribution, or for any other purpose whatsoever.

ARTICLE XIV.
BOOKS AND ACCOUNTS, REPORTS, TAX RETURNS,
FISCAL YEAR AND BANKING

Section 14.1 Books and Accounts.

(a) The General Partner shall cause the Partnership to keep and maintain at its principal executive office full and complete books and records that include each of the following:

(1) a current list of the full name and last known business or residence address of each Partner set forth in alphabetical order together with the Capital Contribution and the share in Income and Losses and Tax Credits of each Partner;

(2) a copy of the Certificate of Limited Partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(3) copies of the Partnership's federal, state and local income tax information returns and reports, if any, for the six most recent taxable years;

(4) copies of the original of this Agreement and all amendments thereto;

(5) financial statements of the Partnership for the six most recent fiscal years;

(6) the Partnership's books and records for at least the current and past three fiscal years; and

(7) in regard to the first tenants to occupy the apartment units in the Apartment Housing, copies of all tenant files including completed applications, completed questionnaires or checklist of income and assets, documentation of third party verification of income and assets, and income certification forms (LIHTC specific) in a manner and for a period required by the Code.

(b) Upon the request of the Limited Partner, the General Partner shall promptly deliver to the Limited Partner, at the expense of the Partnership, a copy of the information set forth in Section 14.1(a) above. The Limited Partner will have the right upon reasonable request and during normal business hours to inspect and copy any of the foregoing, or any of the other books and records of the Partnership or the Apartment Housing, at its own expense.

Section 14.2 Accounting Reports.

(a) By February 20 of each calendar year, the General Partner shall provide to the Limited Partner and the Special Limited Partner the Partnership tax return, Schedule K-1, and all tax information necessary for the preparation of their federal and state income tax returns and other tax returns with regard to the jurisdiction(s) in which the Partnership is formed and in

which the Apartment Housing is located. Moreover, the General Partner shall deliver to the Limited Partner and the Special Limited Partner a draft copy of the information requested herein at least 10 days prior to the above referenced due date.

(b) By March 1 of each calendar year, including the year(s) during construction of the Apartment Housing, the General Partner shall send to the Limited Partner and the Special Limited Partner an audited financial statement for the Partnership. If requested by the Limited Partner, such financial statement will be performed in accordance with the audit standards of the Public Companies Accounting Oversight Board and the audit opinion will refer to such standards. The audited financial statements of the Partnership will include, but not be limited to: (1) a balance sheet as of the end of such fiscal year and statements of income, Partners' equity and changes in cash flow for such fiscal year prepared in accordance with generally accepted accounting principles; (2) a report of any Distributions made at any time during the fiscal year, separately identifying Distributions from Net Operating Income for the fiscal year, Net Operating Income for prior years, Sale or Refinancing Proceeds, and reserves; (3) a report setting forth the amount of all fees and other compensation and Distributions and reimbursed expenses paid by the Partnership for the fiscal year to the General Partner or Affiliates of the General Partner and the services performed in consideration therefor, which report will be verified by the Partnership's Accountants; and (4) the Accountant's calculation of each pay-out of Net Operating Income pursuant to Section 11.1. The General Partner shall deliver to the Limited Partner and the Special Limited Partner a draft copy of the information required herein at least 10 days prior to the above-referenced due date.

(c) Within 60 days after the end of each fiscal quarter in which a Sale or Refinancing of the Apartment Housing occurs, the General Partner shall send to the Limited Partner and the Special Limited Partner a report as to the nature of the Sale or Refinancing and as to the Income and Losses for tax purposes and proceeds arising from the Sale or Refinancing.

(d) The Partnership will use the accrual method of accounting.

Section 14.3 Other Reports.

The General Partner shall provide to the Limited Partner and the Special Limited Partner the following reports:

(a) during construction, on a regular basis, but in no event less than once a month, a copy of the Construction Inspector's report and other construction reports including, but not limited to, (1) the name of each person performing work on the Improvements or providing materials for the Improvements, if the work performed or materials supplied by a person accounts for 5% or more of the construction of the Improvements, the work performed or materials supplied by said person and the code number corresponding to the line item in the Development Budget under which the person will be paid, (2) an original AIA Document G702, or similar form acceptable to the Special Limited Partner, (3) if not included in the Construction Inspector's report or the AIA Document G702, a line item break-down of the Development Budget (which include a description of work to be performed or materials to be supplied; total dollar amount of the work or materials; the dollar amount of work previously completed and paid or materials supplied and paid; the dollar amount of work or materials to be paid per the current

disbursement request; dollar amount of materials stored; the total dollar amount of work completed and stored as of the current disbursement date; the percentage of completion; the dollar amount of work or materials needed to complete the line item; and the retainage amount), (4) a reconciliation of the sources and uses to determine that the Development Budget is In-Balance and there are sufficient funds to complete the construction of the Improvements, (5) if not provided for in the above referenced documents, a line item break down of all soft development costs not included in the Construction Contract but part of the Development Budget; (6) copies of lien releases, or waivers, from the Contractor and all sub-contractors or material suppliers who were paid the previous month; and (7) any other document requested by the Special Limited Partner as the circumstances warrant (collectively the "Construction Draw Documents");

(b) during the rent-up phase, and continuing until the later of (i) the end of the first 6-month period during which the Apartment Housing has a sustained occupancy of 95% or better or (ii) the Special Limited Partner's approval of the initial tenant files, including any recommended corrections, by the 20th day of each month within such period a copy of the previous month's rent roll (through the last day of the month), a tenant LIHTC compliance worksheet similar to the monthly initial tenant certification worksheet included in Exhibit G attached hereto and incorporated herein by this reference; an up to date income statement, an up to date balance sheet and a copy of the Partnership's bank statement reflecting all operating accounts and reserve accounts;

(c) a quarterly tax credit compliance report similar to the worksheet included in Exhibit G due on or before April 25 of each year for the first quarter, July 25 of each year for the second quarter, October 25 of each year for the third quarter and January 25 of each year for the fourth quarter. In order to verify the reliability of the information being provided on the compliance report the Special Limited Partner may request a sampling of tenant files to be provided. The sampling will include, but not be limited to, copies of tenant applications, certifications and third-party verifications used to qualify tenants. If any inaccuracies are found to exist on the tax credit compliance report or any items of noncompliance are discovered, then the sampling will be expanded as determined by the Special Limited Partner;

(d) a quarterly report on operations, in the form attached hereto as Exhibit G, due on or before April 25 of each year for the first quarter of operations, July 25 of each year for the second quarter of operations, October 25 of each year for the third quarter of operations and January 25 of each year for the fourth quarter of operations that include, but are not limited to, a copy of the Partnership's bank statement showing all operating accounts and reserve accounts required to be maintained pursuant to Article VIII, statement of income and expenses, balance sheet, rent roll as of the end of each calendar quarter of each year, and third party verification of current utility allowance;

(e) by September 15 of each year, an estimate of LIHTC and taxable income or loss to be allocated to the Limited Partner for that year;

(f) during the Compliance Period, no later than the day any such certification is filed, copies of any certifications which the Partnership must furnish to federal, state, or local

authorities including, but not limited to, the annual owner's sworn statement, and the State Tax Credit Agency Compliance (or annual) report;

(g) by the annual renewal date each and every year, an executed original or certified copy of each and every Insurance policy or certificate required by the terms of this Agreement;

(h) within ten days of every Real Estate Taxes payment date, verification that the same has been paid in full;

(i) on or before March 15 of each calendar year, a copy of the General Partner's updated financial statement as of December 31 of the previous year;

(j) on or before October 1 of each calendar year, a copy of the following year's proposed Operating Budget. Each such budget will contain all the anticipated Cash Receipts and Cash Expenses of the Partnership. Neither the General Partner, the Management Agent nor their employees, agents or representatives will adopt the Operating Budget until the Consent of the Special Limited Partner has been obtained;

(k) in the event the Apartment Housing and/or the Partnership is experiencing financial concerns or operational concerns or maintenance issues and the Partnership placed on the Special Limited Partner's watch list, then the Special Limited Partner requires the Management Agent to cooperate with the Special Limited Partner's staff as requested including, but not limited to, the following: (1) being available and responsive for site visits, telephone calls and correspondence (whether by e-mail, fax, mail, or overnight delivery); (2) providing weekly tenant traffic reports; (3) within 10 days of each request, providing weekly unit or building or grounds repair reports, (4) within 10 days of each request, providing an up-to-date income statement, up-to-date balance sheet, a copy of previous month's rent roll, and a copy of the Partnership's monthly bank statement; and (5) within 10 days of each request, providing any other documents deemed relevant by the Special Limited Partner. In addition, the Limited Partner's investors have the right to ask questions of the Management Agent in accordance with this Section if the Partnership is placed on the Limited Partner's watch list;

(l) within five days of receipt, a copy of any correspondence relative to the Apartment Housing's noncompliance with any Project Document, relative to the Apartment Housing's noncompliance with the Tax Credit rules or regulations, and/or relative to the disposition of the Apartment Housing;

(m) within five days of such occurrence, notice of the occurrence, or of the likelihood of occurrence, of any event which has had or may have a material adverse effect upon the Apartment Housing or the Partnership, including, but not limited to, any breach of any of the representations and warranties set forth in Section 9.12, or any inability of the Partnership to meet its cash obligations as they become payable; and

(n) within ten days of such occurrence, notice of receipt by the Partnership of notice of audit findings or other written correspondence from the compliance monitoring agency for the LIHTC program designated by the State Tax Credit Agency.

Section 14.4 Late Reports.

If the General Partner does not fulfill its obligations under Section 14.2 within the time periods set forth therein, the General Partner, using non-Partnership funds, shall pay as damages the sum of \$100 per day (plus interest at the rate established by Section 6.4) to the Limited Partner until such obligations have been fulfilled. If the General Partner does not fulfill its obligations under Section 14.3 within the time periods set forth therein, the General Partner, using non-Partnership funds, shall pay as damages the sum of \$100 per week (plus interest at the rate established by Section 6.4) to the Limited Partner until such obligations have been fulfilled. If the General Partner fail to so pay, the General Partner and its Affiliates will forthwith cease to be entitled to any fees hereunder (other than the Development Fee) and/or to the payment of any Net Operating Income or Sale or Refinancing Proceeds to which the General Partner may otherwise be entitled hereunder. Payments of fees and Distributions will be restored only upon payment of such damages in full. The damages specified herein will not be due unless the Special Limited Partner has sent written notice to the General Partner of its failure to meet its obligations under Section 14.2 or Section 14.3.

Section 14.5 Site Visits.

The Limited Partner, at the Limited Partner's expense, has the right, upon reasonable notice to the General Partner, to conduct site visits which will include, in part, an inspection of the property, a review of the office and tenant files, a viewing of a random selection of apartment units and an interview with the Management Agent. In addition, the Limited Partner's investors or vendors have the right, at the Limited Partner's expense, and upon reasonable notice, to conduct a site visit in accordance with this Section.

Section 14.6 Tax Returns.

The General Partner will cause income tax returns for the Partnership to be prepared and timely filed with the appropriate federal, state and local taxing authorities.

Section 14.7 Fiscal Year.

The fiscal year of the Partnership will be the calendar year, or such other period as may be approved by the IRS for federal income tax purposes.

Section 14.8 Banking.

All funds of the Partnership must be deposited in a separate bank account or accounts as shall be determined by the General Partner with the Consent of the Special Limited Partner. All withdrawals therefrom must be made upon checks signed by the General Partner or by any person authorized to do so by the General Partner. The General Partner shall provide to any Partner who requests same the name and address of the financial institution, the account number and other relevant information regarding any Partnership bank account.

Section 14.9 Certificates and Elections.

(a) The General Partner shall file the First Year Certificate within 90 days following the close of the taxable year during which Completion of Construction occurs and thereafter shall timely file any certificates which the Partnership must furnish to federal or state governmental authorities administering the Tax Credit programs under Code Section 42.

(b) The General Partner, with the Consent of the Special Limited Partner, may, but is not required to, cause the Partnership to make or revoke the election referred to in Section 754 of the Code, or any similar provisions enacted in lieu thereof.

ARTICLE XV. DISSOLUTION, WINDING UP, TERMINATION AND LIQUIDATION OF THE PARTNERSHIP

Section 15.1 Dissolution of Partnership.

The Partnership will be dissolved upon the expiration of its term or the earlier occurrence of any of the following events.

(a) The effective date of the Withdrawal or removal of the General Partner, unless (1) at the time there is at least one other General Partner (which may be the Special Limited Partner or its appointee if it elects to serve as successor General Partner under Section 13.4) who will continue as General Partner, or (2) within 120 days after the occurrence of any such event the Limited Partner elects to continue the business of the Partnership.

(b) The sale of the Apartment Housing and the receipt in cash of the full amount of the proceeds of such sale.

(c) The election to dissolve the Partnership made in writing by the General Partner with the Consent of the Special Limited Partner (which consent shall be given or withheld in its sole and absolute discretion).

(d) The entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

Notwithstanding the foregoing, in no event will the Partnership terminate prior to the maturity of the Mortgage Loan without the consent of the Mortgage Lender to which the Partnership is subject.

Section 15.2 Return of Capital Contribution upon Dissolution.

Except as provided in Section 7.3 and Section 7.4, which provide for a reduction or refund of the Limited Partner's Capital Contribution under certain circumstances, and except as provided in Sections 6.2 and 6.3, which represent the personal obligations of the General Partner, each Partner shall look solely to the assets of the Partnership for all Distributions with respect to

the Partnership (including the return of its Capital Contribution) and will have no recourse therefor (upon dissolution or otherwise) against any General Partner. No Partner will have any right to demand property other than money upon dissolution and termination of the Partnership, and the Partnership is prohibited from such a distribution of property without the Consent of the Special Limited Partner.

Section 15.3 Distribution of Assets.

Upon a dissolution of the Partnership, the General Partner (or, if there is no General Partner then remaining, such other Person(s) designated as the liquidator of the Partnership by the Special Limited Partner or by the court in a judicial dissolution) shall take full account of the Partnership assets and liabilities and shall liquidate the assets as promptly as is consistent with obtaining the fair value thereof.

(a) Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Partnership pursuant to Sections 11.2(a) through and including 11.2(c), the remaining assets of the Partnership will be distributed to the Partners in accordance with the positive balances in their Capital Accounts, after taking into account all allocations under Article X.

(b) In the event that a General Partner has a deficit balance in its Capital Account following the liquidation of the Partnership or its Interest, as determined after taking into account all Capital Account adjustments for the Partnership taxable year in which such liquidation occurs, such General Partner shall pay to the Partnership the amount necessary to restore such deficit balance to zero in compliance with Treasury Regulations Section 1.704-1(b)(2)(i)(b)(3).

(1) The deficit reduction amount will be paid by the General Partner by the end of such taxable year (or, if later, within 90 days after the date of Liquidation) and will, upon liquidation of the Partnership, be paid to creditors of the Partnership or distributed to other Partners in accordance with their positive Capital Account balances.

(c) With respect to assets distributed in kind to the Partners in liquidation or otherwise:

(1) unrealized appreciation or unrealized depreciation in the values of such assets will be deemed to be Income and Losses realized by the Partnership immediately prior to the liquidation or other Distribution event; and

(2) such Income and Losses will be allocated to the Partners in accordance with Section 10.2, and any property so distributed will be treated as a Distribution of an amount in cash equal to the excess of such Fair Market Value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered.

(d) For the purposes of Section 15.3(c), “unrealized appreciation” or “unrealized depreciation” means the difference between the Fair Market Value of such assets, taking into account the Fair Market Value of the associated financing but subject to Section 7701(g) of the Code, and the asset’s Gross Asset Value. Section 15.3(c) is merely intended to

provide a rule for allocating unrealized Income and Losses upon liquidation or other Distribution event, and nothing contained in Section 15.3(c) or elsewhere in this Agreement is intended to treat or cause such Distributions to be treated as sales for value. The Fair Market Value of such assets will be determined by an independent appraiser to be selected by the General Partner.

Section 15.4 Deferral of Liquidation.

If, at the time of liquidation, the General Partner or other liquidator determines that an immediate sale of part or all of the Partnership assets could cause undue loss to the Partners, the liquidator may, in order to avoid loss, but only with the Consent of the Special Limited Partner, either defer liquidation and retain all or a portion of the assets or distribute all or a portion of the assets to the Partners in kind. In the event that the liquidator elects to distribute such assets in kind, the assets will first be assigned a value (by appraisal as specified in Section 13.2 (b)(i)) and the unrealized appreciation or depreciation in value of the assets will be allocated to the Partners' Capital Accounts, as if such assets had been sold, in the manner described in Section 10.2, and such assets will then be distributed to the Partners as provided herein. In applying the preceding sentence, the Apartment Housing will not be assigned a value less than the unamortized principal balance of any loan secured thereby.

Section 15.5 Liquidation Statement.

Each of the Partners will be furnished with a statement prepared or caused to be prepared by the General Partner or other liquidator, which sets forth the assets and liabilities of the Partnership as of the date of complete liquidation. Upon compliance with the distribution plan as outlined in Sections 15.3 and Section 15.4, the Limited Partner and Special Limited Partner will cease to be such, and the General Partner shall execute, acknowledge and cause to be filed those certificates referenced in Section 15.6.

Section 15.6 Certificates of Dissolution; Certificate of Cancellation of Certificate of Limited Partnership.

(a) Upon the dissolution of the Partnership, the General Partner shall cause to be filed in the office of the Secretary of State, and on a form prescribed by the Secretary of State of Virginia, a certificate of dissolution. The certificate of dissolution will set forth the Partnership's name, the Secretary of State's file number for the Partnership, the event causing the Partnership's dissolution, the date of the dissolution and other information as required by the Secretary of State.

(b) Upon the completion of the winding up of the Partnership's affairs, the General Partner shall cause to be filed in the office of, and on a form prescribed by, the Secretary of State of Virginia a certificate of cancellation of the Certificate of Limited Partnership. The certificate of cancellation of the Certificate of Limited Partnership will set forth the Partnership's name, the Secretary of State's file number for the Partnership, and any other information which the General Partner determines to include therein, and other information as required by the Secretary of State.

Section 15.7 Deficit Restoration Obligation Election.

The Limited Partner may, prior to the time prescribed by law for filing of the Partnership's federal income tax return for any fiscal year (not including extensions), elect in its sole discretion to be unconditionally obligated to restore all or a portion of any deficit in the Limited Partner's Capital Account upon liquidation of its Interest in the Partnership. Any such election shall be evidenced by written notice to the General Partner, delivered prior to such time, specifying the amount of any deficit for which the Limited Partner elects a deficit restoration obligation. Any amount owing pursuant to a deficit restoration obligation shall be payable upon the later of (a) the end of the fiscal year in which the Limited Partner's Interest is liquidated or (b) 90 days after the date of such liquidation.

The amount of any such election shall automatically be reduced to the extent the deficit in the Limited Partner's Capital Account (after reduction for the items described in (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations) is subsequently reduced or eliminated as of the end of the Partnership's taxable year without affecting the validity of prior allocations. If an allocation or distribution thereafter increases the deficit in the Limited Partner's Capital Account, unless the Limited Partner elects otherwise under (i) below, the Limited Partner will be obligated to restore the deficit only to the extent of the lesser of (i) the deficit amount the Limited Partner has previously elected to restore or (ii) the smallest deficit balance in the Limited Partner's Capital Account (after reduction for the items described in (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations) as of the end of the Partnership's taxable year subsequent to the taxable year for which the election was made. For purposes of determining the amount referred to in (ii), the income, gain, losses and deductions of the Partnership shall be allocated under an interim closing of the books method.

ARTICLE XVI. AMENDMENTS

This Agreement may be amended only with the consent of the Limited Partner after a meeting of the Partners pursuant to Section 17.2. Consent of the General Partner is not required, subject to the condition that such amendment (i) may not in any manner allow the limited partners to take part in the management or control of the Partnership's business or modify their limited liability, and (ii) may not, without the consent of the General Partner, increase the obligations of the General Partner hereunder or adversely affect the rights of the General Partner hereunder. For purposes of this Article XVI, a Partner shall grant its consent to a proposed amendment unless such Partner reasonably determines that the proposed amendment is adverse to the Partner's interests.

ARTICLE XVII. MISCELLANEOUS

Section 17.1 Voting Rights.

(a) In conjunction with the consent rights of the Special Limited Partner as provided in this Agreement, the Limited Partner's and Special Limited Partner's prior approval by vote is required:

- (1) for any Sale of the Apartment Housing prior to such Sale
 - (2) to remove the General Partner and elect a substitute General Partner as provided in this Agreement;
 - (3) to elect a successor General Partner upon the Withdrawal of the General Partner unless otherwise provided in Section 13.3 of this Agreement
 - (4) for the dissolution of the Partnership;
 - (5) subject to the provisions of Article XVI, to amend this Agreement;
- or
- (6) for the Refinancing of the Mortgage Loan.

(b) On any matter where the Limited Partner has the right to vote, votes may be cast at a duly called meeting of the Partnership or through written action without a meeting, (Interest percentage for voting is in accordance with the percentages shown in Section 10.1 of this Agreement).

(c) The Special Limited Partner will have the right to consent to those actions or inactions of the Partnership and/or General Partner as otherwise set forth in this Agreement, and the General Partner is prohibited from any action or inaction requiring such consent unless such consent has been obtained.

Section 17.2 Meeting of Partnership.

Meetings of the Partnership may be noticed by any Partner. The notice for a meeting will specify the purpose of such meeting, and the time and the place of such meeting (which will be by telephone conference or at the principal place of business of the Partnership, or other arranged location or method). Any Partner calling a Partners' meeting shall provide written notice to all Partners. The meeting will not be held less than 15 days nor more than 30 days from the Partners' receipt of the notice. All meetings and actions of the Partnership will be governed in all respects, including matters relating to proxies, record dates and actions without a meeting, by the applicable provisions of the Act, as it will be amended from time to time.

Section 17.3 Notices.

Any notice given pursuant to this Agreement is effective if served personally on the Partner to be notified, or sent by overnight courier, or by certified mail, to the following address, or to such other address as a Partner may from time to time designate in writing:

To the General Partner:

WNC-Midlothian GP, LLC
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Anand Kannan

Hampstead Midlothian, LLC
1350 Columbia Street, Suite 802
San Diego, California 92101

With a copy to:

Nixon Peabody LLP
300 South Grand Avenue, Suite 4100
Los Angeles, California 90071
Attn: Edward Campbell

To the Limited Partner:

c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Michael J. Gaber

With a copy to:

Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102
Attention: Shane R. Deaver

To the Special Limited Partner:

WNC Housing, L.P.
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Michael J. Gaber

With a copy to:

Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102
Attention: Shane R. Deaver

Section 17.4 Successors and Assigns.

All the terms and conditions of this Agreement will be binding upon and inure to the benefit of the successors and assigns of the Partners.

Section 17.5 Amendment of Certificate of Limited Partnership.

(a) The General Partner, or any successor general partner, shall cause to be filed, within 30 days after the happening of any of the following events, an amendment to the Certificate of Limited Partnership reflecting the occurrence of any of the following:

- (1) a change in the name of the Partnership;
- (2) a change in the street address of the Partnership's principal executive office;
- (3) a change in the address, or the Withdrawal, of a General Partner, or a change in the address of the agent for service of process, or appointment of a new agent for service of process;

(4) the admission of a General Partner and that Partner's address; or

(5) the discovery by the General Partner of any false or erroneous material statement contained in the Certificate of Limited Partnership or any amendment thereto.

(b) The Certificate of Limited Partnership may also be amended in conformity with this Agreement at any time in any other respect that the General Partner determines.

(c) The General Partner shall cause the Certificate of Limited Partnership to be amended, when required or permitted as aforesaid, by filing a certificate of amendment thereto in the office of, and on a form prescribed by, the Secretary of State of Virginia. The certificate of amendment will set forth the Partnership's name, the Secretary of State's file number for the Partnership and other information as required by the Secretary of State.

(d) In the event of a Withdrawal or Involuntary Withdrawal of the General Partner, and if such General Partner does not file an amendment to the Certificate of Limited Partnership as specified in this Section 17.5, then the Special Limited Partner is hereby granted the specific authority to sign and file such amendment.

Section 17.6 Tax Matters Partner.

(a) The General Partner hereby is designated as the tax matters partner (the "Tax Matters Partner") within Code Section 6231(a)(7) of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in Treasury Regulations promulgated under Section 6231 of the Code, provided that, from and after the date of any event or occurrence described in Section 7.3 or Section 13.2, the Limited Partner shall ipso facto have the authority to act as the Tax Matters Partner of the Partnership unless the Limited Partner gives notice to the General Partner that, notwithstanding such event or occurrence, the Limited Partner directs the General Partner to continue to act as the Tax Matters Partner. Each Partner, by its execution of this Agreement, consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within 5 calendar days after the receipt of any correspondence or communication relating to the Partnership or any Partner from the IRS, the Tax Matters Partner shall forward to each Partner a photocopy of all such correspondence or communication(s). The Tax Matters Partner shall, within 5 calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(c) The Tax Matters Partner shall not, without the Consent of the Special Limited Partner, not to be unreasonably withheld or delayed:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Partnership (or the amount or character of any partnership items);

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Code Section 6231(a)(3));

(iii) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

(iv) Initiate or settle any judicial review or action concerning the amount or character of any partnership tax item(s) (within the meaning of Code Section 6231(a)(3));

(v) Intervene in any action brought by any other Partner for judicial review of a final adjustment; or

(vi) Take any other action not expressly permitted by this Section 17.6 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) In the event of any Partnership-level proceeding instituted by the IRS pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Partner shall consult with the Limited Partner regarding the nature and content of all action and defense to be taken by the Partnership in response to such proceeding. The Tax Matters Partner also shall consult with the Limited Partner regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Partnership (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Partnership or otherwise).

(e) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Net Operating Income or any discretionary reserves are set aside by the General Partner. To the extent that the Partnership does not have sufficient funds to pay such expenses, the General Partner shall have the obligation to provide funds for such purpose.

(f) The Partners acknowledge the amendment of the Code affecting the federal income tax audits of entities, such as the Partnership, that are treated as partnerships for federal income tax purposes, made by the Bipartisan Budget Act of 2015, PL 114-74 (the "2015 Budget Act"), effective January 1, 2018, and agree as follows:

(i) The Partners intend that the General Partner designate itself as the "partnership representative" under Section 6223 of the Code (the "Partnership Representative") as in effect beginning January 1, 2018, and that the General Partner take any and all action required under the Code or the tax regulations adopted pursuant to

Code Section 7805, as in effect from time to time, to designate the Partnership Representative.

(ii) The General Partner, in its capacity as Partnership Representative, shall be bound by the obligations and restrictions imposed on the Tax Matters Partner pursuant to this Section 17.9. By way of example and not limitation, the General Partner shall, within 5 calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS as described in Section 17.9(b)(ii) above, shall not take any of the actions described in Section 17.6(c) above without the Consent of the Special Limited Partner, and shall consult with the Limited Partner as to the matters described in Section 17.9(d) above.(iii)The Investor Limited Partner shall have the right to remove the Partnership Representative and designate its replacement if either of the following occur:(A) The Partnership Representative is the General Partner and the Limited Partner has grounds to remove the General Partner under Section; or (B) The Partnership Representative takes any action, or omits to take any action, if such action or omission is inconsistent with its duties and obligations under this Section 17.9; including without limitation, its failure to provide notices to the Limited Partner as required hereunder or its taking any of the actions described in Section 17.9(c) above without the consent of the Special Limited Partners or its failure to cause the Partnership to make an election described in Section 17.9(f)(v) below in the manner directed by the Limited Partner;

In the event the Partnership Representative is removed pursuant to this Section 17.9(f)(iii), the Limited Partner shall provide notice to the Partnership Representative informing the Partnership Representative of its removal and the reasons for the removal and the person who has been designated as the new Partnership Representative. The parties agree that, in the event a new Partnership Representative is designated by the Limited Partner pursuant to this Section 17.9(f)(iii), the Limited Partner and the new Partnership Representative shall each be authorized to provide notice to the Service of the change in Partnership Representative and the Service shall be entitled to rely conclusively on such notice.

(iv) The General Partner, in its capacity as Partnership Representative, shall be entitled to indemnification and reimbursement in the manner, and to the extent, that the Tax Matters Partner would be entitled to indemnification and reimbursement as described in Section 17.9(e) above.

(v) The General Partner shall make or not make, or cause the Partnership to make or not make, the following elections applicable under the amendments made by the 2015 Budget Act at the direction of the Limited Partner: (1) the election under Section 6226 to avoid an imputed underpayment by passing through adjustments to the Partners, (2) the election to apply an earlier effective date of the amendments made by the 2015 Budget Act, or (3) the election out of the provisions of Subchapter C of Chapter 63 of the Code, being Sections 6221 et. seq.

(vi) It is the intention of the Partners that the liability for any tax deficiency, loss of Tax Credits or recapture of Tax Credits owed to the IRS be divided among the Partners in a manner consistent with the terms of this Agreement, including without the limitation the provisions of Section 7.4 relating to the payment by the General Partner in respect of reduced, lost or recaptured Tax Credits. Thus, by way of example, if there were an event covered by Section 7.4

that would create (under current law) a liability of \$100,000 to the Investor Limited Partner or its members and an obligation under Section 7.4 for the General Partner to contribute \$100,000 that would be distributed to the Limited Partner, the Partners intend that, under the provisions enacted by the 2015 Budget Act, any direct liability of the Limited Partner or its members would be avoided by either (i) having the General Partner contribute \$100,000 to the Partnership that would be used to pay the corresponding imputed underpayment owed by the Partnership to the IRS, or (ii) to the extent allowed under the Code and Regulations, having the Partnership make the election under Code Section 6226 to avoid an imputed underpayment by passing through adjustments to the Partners, and passing through that adjustment solely to the General Partner.

(vii) Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the 2015 Budget Act), the Partners will evaluate and consider options available with respect to (A) preserving the allocation of responsibility and authority described in this Section 17.9, while conforming with the applicable provisions of the revised partnership audit procedures, and (B) avoiding direct liability to the IRS with respect to any tax obligation for which the Limited Partner is entitled to indemnification hereunder. The General Partner and the Limited Partner agree to work together in good faith to amend this Agreement if the parties determine that an amendment is required to maintain the intent of the Partners.

Section 17.7 Expiration of Compliance Period.

(a) Notwithstanding any provision hereof to the contrary (other than this Section 17.7), and it permitted in the Regulatory Agreement the Special Limited Partner will have the right at any time after the beginning of the last year of the Compliance Period to require, by written notice to the General Partner, that the General Partner promptly submit a written request to the applicable State Tax Credit Agency pursuant to Section 42(h) of the Code (or any successor provision) that such agency endeavor to locate within one year from the date of such written request a purchaser for the Apartment Housing who will continue to operate the Apartment Housing as a qualified low-income property, at a purchase price that is not less than the minimum amount set forth in Section 42(h)(6) of the Code (or any successor provision). In the event that the State Tax Credit Agency obtains an offer satisfying the conditions of the preceding sentence, the General Partner shall promptly notify the Special Limited Partner in writing with respect to the terms and conditions of such offer, and, if the Special Limited Partner notifies the General Partner that such offer should be accepted, the General Partner shall cause the Partnership promptly to accept such offer and to proceed to sell the Apartment Housing pursuant to such offer.

(b) Notwithstanding any other provision of this Agreement to the contrary, the Special Limited Partner will have the right at any time after the end of the Option Period to require, by written notice to the General Partner (the "Required Sale Notice"), that the General Partner promptly use its best efforts to sell the Apartment Housing by placing the Apartment Housing on the open market with a real estate agent knowledgeable in affordable housing. Upon receipt of a bona fide offer, and prior to selling the Apartment Housing, the General Partner shall submit the terms of any proposed sale to the Special Limited Partner for its approval in the manner set forth in Section 17.7(a). If the General Partner fails to sell the Apartment Housing within six months of receipt of the Required Sale Notice or if the Consent of the Special Limited Partner in its sole discretion to any proposed sale is withheld, then the Special Limited Partner

will have the right at any time thereafter to sell the Apartment Housing on terms acceptable to the Special Limited Partner (but not less favorable to the Partnership than any proposed sale previously rejected by the Special Limited Partner). In the event that the Special Limited Partner so obtains a buyer to purchase the Apartment Housing, it shall notify the General Partner in writing with respect to the terms and conditions of the proposed sale and the General Partner shall do all things necessary, including signing a purchase and sale agreement, a partnership amendment or other necessary or required agreements or consents to cause the Partnership promptly to sell the Apartment Housing to such buyer.

(c) General Partner Purchase Option. During the period beginning with the end of the Compliance Period and ending two years thereafter (“Option Period”), provided that the General Partner is not in default under this Agreement, the General Partner may give notice to the Limited Partner and the Special Limited Partner pursuant to Section 17.3 of this Agreement that it shall exercise its right to purchase the entire Interest of each of the Limited Partner and the Special Limited Partner in the Partnership (collectively the “LP Interest”) (the “Option Notice”). The purchase price of the LP Interest shall be the greater of (i) the aggregate of the Fair Market Value of the Interest of the Limited Partner and the Fair Market Value of the Interest of the Special Limited Partner; or (ii) the sum of (x) a cash payment equal to all federal, state and local taxes attributable to such sale, including those incurred or to be incurred by the Limited Partner or Special Limited Partner, or their Affiliates, and (y) the principal amount of the outstanding indebtedness secured by the Apartment Housing and any accrued interest on any such debt (which outstanding indebtedness may be assumed by the General Partner pursuant to clause (4) below) (the “Option Price”). Upon the Limited Partner’s and the Special Limited Partner’s receipt of the Option Notice, the following events shall occur:

(1) The Limited Partner and the Special Limited Partner shall negotiate with the General Partner for a period of 30 days from the date of the Option Notice to agree upon the Fair Market Value of the LP Interest. In the event an agreement is not reached within such 30-day period, then the General Partner, the Limited Partner or the Special Limited Partner may request that the Fair Market Value be determined in accordance with the process set forth below by sending notice in accordance with this Agreement to the Partners within 45 days of the date of the Option Notice (the “Appraisal Notice”). If an Appraisal Notice is not sent by either Partner within such time period, then the General Partner’s option expires.

(2) If the respective Fair Market Value of the LP Interest is not agreed upon as provided above and either the General Partner, the Limited Partner or the Special Limited Partner issues to the other Partners an Appraisal Notice within the time period specified, then the Fair Market Value of the LP Interest shall be determined by an appraisal. The appraisal shall be conducted by three Independent Appraisers. The General Partner and the Limited Partner shall each select an Independent Appraiser and the Independent Appraisers so selected shall select a third Independent Appraiser. The Independent Appraisers shall determine the Fair Market Value of the LP Interest, which appraisal shall assume that the Apartment Housing shall remain subject to the Tax Credit Conditions. The decision of the Independent Appraisers shall be made by the majority of such Independent Appraisers. The Independent Appraisers shall render a written report setting forth the Fair Market Value of the LP Interest (the “Appraisal Report”), which decision shall be rendered as expeditiously as possible by the Independent Appraisers and which decision shall be final and binding upon the Partners. The reasonable fees

and expenses of the Independent Appraisers shall be paid one-half by the General Partner and one-half by the Limited Partner.

(3) The General Partner shall have 45 days from the date of the Appraisal Report to determine whether to acquire the LP Interest at the Option Price. The General Partner shall exercise such right by written notice to the Partners within such 45-day period (“Acceptance Notice”). If the General Partner does not exercise its right to issue the Acceptance Notice then the General Partner’s option expires.

(4) If the General Partner determines to proceed with the purchase of the LP Interest, the Option Price shall be paid in cash (provided, in the General Partner’s discretion, a portion of the Option Price may be payable by the General Partner’s assumption of the outstanding debt of the Apartment Housing, if applicable) within 60 days following the Acceptance Notice, with interest thereon computed at the rate provided for in Section 6.4 hereof, and commencing on the date of the Acceptance Notice. If the General Partner issues the Acceptance Notice but does not pay the Option Price within the 60-day period then the General Partner’s option expires.

(5) If the General Partner does not acquire the LP Interest because the General Partner’s option expired, or for any other reason, then the Limited Partner and Special Limited Partner may thereafter, in their sole discretion, exercise any of their rights provided for in this Agreement or sell, donate or otherwise convey or transfer the LP Interest to a party or parties of their choosing, including a related party. In the event the Limited Partner and the Special Limited Partner exercise their right to convey or transfer the LP Interest pursuant to this Section, either Partner shall notify the General Partner in writing in accordance with this Agreement, and the General Partner shall do all things necessary, including signing a purchase and sale agreement, partnership amendment or other necessary or required agreements or consents to cause the conveyance or transfer of the LP Interest.

Section 17.8 Security Interest and Right of Set-Off.

As security for the performance of the respective obligations to which any General Partner may be subject under this Agreement, the Partnership and the Limited Partner will have (and each General Partner hereby grants to the Partnership and the Limited Partner) a security interest in the respective Interests of such General Partner and in all funds distributable to said General Partner to the extent of the amount of such obligation.

Section 17.9 Signage and Public Relations.

The General Partner shall allow the Special Limited Partner to place a sign at the Apartment Housing during rehabilitation, which sign will include the following language: “Financing provided in part by WNC & Associates, Inc.” The cost of the sign will be borne by the Limited Partner. In any Apartment Housing-related web and print media, and in any verbal remarks made in public about the Apartment Housing, the General Partner shall acknowledge the contributions of the Limited Partner. The General Partner shall invite representatives of the Limited Partner to participate in public relations opportunities including, but not limited to, speaking at ground-breaking and ribbon-cutting events. The General Partner will provide the

Limited Partner access to the Apartment Housing for the purpose of preparing photographic and/or schematic images of the Apartment Housing and access to such images prepared by the General Partner and will allow the Limited Partner to use any such images for the Limited Partner's or its Affiliates' marketing, including use on the Limited Partner's or its Affiliate's websites and in brochures and other printed advertisements.

Section 17.10 Environmental Compliance.

The General Partner hereby represents, warrants and agrees as follows:

(i) To the best knowledge of the General Partner, except as disclosed in the Phase I Environmental Site Assessment Report for The Belt Atlantic prepared by Partner Engineering and Science, Inc. dated November 15, 2017 (the "Environmental Report") (a) no Hazardous Substance was ever or is now present, used, treated, handled, transported, generated, manufactured, stored, Released (as defined in CERCLA) or disposed of on, at, under or about the Apartment Housing, and (b) the Apartment Housing is in compliance with all applicable Environmental Laws. The General Partner covenants that the Apartment Housing will be kept free of Hazardous Substance and will not be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Substance, except in connection with the normal maintenance and operation of any portion of the Apartment Housing. The General Partner shall comply, or cause there to be compliance, with all applicable federal, state and local laws, ordinances, rules and regulations with respect to Hazardous Substance and shall keep, or cause to be kept, the Apartment Housing free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations.

(ii) In connection with the acquisition of the Apartment Housing, the Partnership obtained the Environmental Report consistent with good commercial practice and, to the best knowledge of the General Partner, such inquiry substantially complied with 40 C.F.R. Part 312 and was sufficient for the Partnership to successfully establish an innocent purchaser defense pursuant to Section 9601(35) of CERCLA. The General Partner has reviewed the Environmental Report (and any subsequent studies recommended therein) and believes the same to be true, correct and complete in all respects. To the best knowledge of the General Partner, there is no fact, circumstance, event or condition, previously or subsequently occurring, which would or does make any statement in such survey untrue, false or misleading. None of the Partnership, the General Partner nor any of their Affiliates has given any waiver or release of liability pursuant to any Environmental Law to any person or entity in the chain of title of the Apartment Housing.

(iii) The Partnership has not been notified by any governmental authority, or otherwise, (a) of any known or threatened release of any Hazardous Substance on, at, under or about the Apartment Housing or any other site or vessel owned, occupied or operated by the Partnership, any General Partner, any Affiliate of a General Partner or a Person for whose conduct a General Partner was responsible, or (b) that the Apartment Housing is not in compliance with any Environmental Law. The General Partner will promptly notify the Limited Partner and the Special Limited Partner in writing (1) if it knows, or suspects or believes there may be any Hazardous Substance in, on, under, at, or around any part of the Apartment Housing, any Improvements, or the soil, groundwater or soil vapor, (2) if the General Partner or the

Partnership may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance, and (3) of any claim made or threatened by any Person, other than a governmental agency, against the Partnership or General Partner arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Apartment Housing.

(iv) There are no storage tanks of any kind, other than those being removed as part of the Completion of Construction, on, at, under or about the Apartment Housing, nor any gas or oil production wells, nor are there any surface impoundment areas used for waste disposal or storage of any kind. The drinking water supply for the Apartment Housing is fit for human consumption and, to the best knowledge of the General Partner, is in compliance with all applicable Environmental Laws. The General Partner will not install or allow to be installed any aboveground or underground storage tanks on the Apartment Housing.

(v) The General Partner has implemented, or caused to be implemented, the recommendations, if any, set forth in the Environmental Report (and any subsequent studies recommended therein). If the Apartment Housing has mold or moisture problems, or the potential therefor, the General Partner shall cause the Partnership to implement a moisture management and control program for the Apartment Housing approved by the Special Limited Partner. Such moisture management and control program must comply with all applicable requirements set forth in the Environmental Report and/or the engineering report for the Apartment Housing provided to the Limited Partners as of the date of this Agreement.

(vi) Each of the General Partners hereby jointly and severally, irrevocably and unconditionally agree to indemnify, protect, defend and hold harmless the Partnership, the Special Limited Partner, the Limited Partner and the respective partners, members, directors, officers, employees and agents of the Special Limited Partner and the Limited Partner (collectively "Indemnitees"), from and against any and all loss, cost, damage, action, cause of action, suit, penalty, fine, obligation, liability or expense, foreseeable or unforeseeable, including, without limitation, attorneys' fees and all foreseeable and unforeseeable consequential damages, including, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation of all closure and other required plans, whether such action is required or necessary prior to or following the date of this Agreement ("Environmental Expense"), directly or indirectly arising out of any use, generation, manufacture, presence, migration, dispersion, storage, treatment, handling, transportation, Release, or disposal, of Hazardous Substances in, on, under, at, to, from or around or in any way related to the Apartment Housing, including, without limitation, any migration of Hazardous Substances on, under or about the Apartment Housing from any adjacent or other nearby real property. The foregoing indemnification obligation of the General Partner survives the removal and/or withdrawal of such General Partner, the dissolution and termination of the Partnership, provided that such obligation will terminate following removal of the General Partner, but only with regard to any Environmental Expense related to any environmental condition that did not first exist prior to such removal, and the termination of the Compliance Period. Promptly upon any Indemnitee acquiring knowledge of any matter which may give rise to the indemnification described hereunder, such Indemnitee shall notify the General Partner thereof, and the General Partner will have the right, with counsel reasonably acceptable to the Indemnitee, to defend any

such matter. Any settlement of any matter as to which indemnification is required hereunder requires the Consent of the General Partner.

(vii) For purposes of this Section, the following definitions apply:

(a) “CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.

(b) “Environmental Laws” means any federal, state, or local law, code, ordinance, rule, regulation, permit, consent, approval, license, judgment, order, writ, judicial decision, common law rule, decree, agency interpretation, injunction, or other authorization or requirement however promulgated, issued or modified, relating to industrial hygiene or to environmental conditions, including, but not limited to, soil and groundwater conditions. For purposes hereof, “Environmental Laws” includes, without limitation, CERCLA, the Hazardous Materials Transportation Act, as amended, 39 U.S.C. Section 1801 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq.; or any similar applicable federal, state or local law now or hereinafter existing; and any regulation adopted or publication promulgated pursuant to any said law.

(c) “Hazardous Substance” means any substance defined as a hazardous substance, hazardous material, hazardous waste, toxic substance or toxic waste in any Environmental Law; provided, however, for purposes hereof, “Hazardous Substances” does not include any such substances normally and customarily used in the construction or operation of an apartment building similar to the Apartment Housing, provided such substances are used strictly in accordance with all Environmental Laws.

Section 17.11 Counterparts.

This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and said counterparts will constitute but one and the same instrument which may sufficiently be evidenced by one counterpart.

Section 17.12 Captions.

Captions to and headings of the Articles, sections and subsections of this Agreement are solely for the conveniences of the Partners, are not a part of this Agreement, and will not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

Section 17.13 Saving Clause.

If any provision of this Agreement, or the application of such provision to any Person or circumstance, is held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, will not be affected thereby.

Section 17.14 Certain Provisions.

If the operation of any provision of this Agreement would contravene the provisions of applicable law, or would result in the imposition of general liability on any Limited Partner or Special Limited Partner, such provisions will be void and ineffectual.

Section 17.15 Number and Gender.

All pronouns and any variations thereof will be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons may require.

Section 17.16 Entire Agreement.

This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and all prior understandings and agreements between the parties, written or oral, respecting this transaction are merged in this Agreement.

Section 17.17 Governing Law.

This Agreement and its application will be governed by the laws of the State.

Section 17.18 Attorney's Fees.

If any suit or action arising out of or related to this Agreement is brought by any Party to any such document, the prevailing Party will be entitled to recover the costs and fees (including without limitation reasonable attorneys' fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such Party in such suit or action, including without limitation to any post-trial or appellate proceeding.

Section 17.19 Third-Party Beneficiary Rights.

A non-Partner to this Agreement is an intended beneficiary of this Agreement, and a non-Partner to this Agreement will not have any right to enforce any term of this Agreement.

ARTICLE XVIII.

FREDDIE MAC MORTGAGE LOAN REQUIREMENTS

Until the Mortgage Loan is paid in full, the Partnership will remain a "Single Purpose Entity," which means at all times after the Effective Date will satisfy each of the following conditions:

(a) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Apartment Housing and activities incidental thereto.

(b) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Apartment Housing and such personal property attributable thereto as may be necessary for the operation of the Apartment Housing and will conduct and operate its business as presently conducted and operated.

(c) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.

(d) It will not merge or consolidate with any other Person.

(e) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than transfers permitted under the Mortgage Loan documents; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.

(f) It will not, without the prior unanimous written consent of all of the Partners, take any of the following actions:

- (i) File any insolvency, or reorganization case or proceeding, to institute proceedings to have the Partnership be adjudicated bankrupt or insolvent.
- (ii) Institute proceedings under any applicable insolvency law.
- (iii) Seek any relief under any law relating to relief from debts or the protection of debtors.
- (iv) Consent to the filing or institution of Bankruptcy against the Partnership.
- (v) File a petition seeking, or consent to, reorganization or relief with respect to the Partnership under any applicable federal or state law relating to Bankruptcy.
- (vi) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for the Partnership or a substantial part of its property.
- (vii) Make any assignment for the benefit of creditors of the Partnership.
- (viii) Admit in writing the Partnership's inability to pay its debts generally as they become due.
- (ix) Take action in furtherance of any of the foregoing.

(g) It will not amend or restate this Agreement if such change would cause the provisions set forth herein not to comply with the requirements set forth in this Article XVIII.

(h) It will not own any subsidiary or make any investment in, any other Person.

(i) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.

(j) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:

(A) The Mortgage Loan.

(B) The Development Fee.

(C) Operating Loans.

(D) Voluntary Funding.

(E) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Apartment Housing provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Tax-Exempt Note Loan and are paid within 60 days of the date incurred.

(k) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that the Partnership's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of the Partnership from such Affiliate and to indicate that the Partnership's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets will also be listed on the Partnership's own separate balance sheet.

(l) Except as set forth in this Agreement, it will only enter into any contract or agreement with any Partner or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.

(m) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(n) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the promissory notes evidencing the Mortgage Loan) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for

the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.

(o) It will file its own tax returns separate from those of any other Person and will pay any taxes required to be paid under applicable law.

(p) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.

(q) It will maintain or have access to adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, the aforementioned will not be deemed to require any Partner of the Partnership to contribute additional capital to the Partnership.

(r) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.

(s) It will pay (or cause the Management Agent to pay on behalf of the Partnership from the Partnership's funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, the aforementioned will not be deemed to require any Partner of the Partnership to contribute additional capital to the Partnership.

(t) It will not acquire obligations or securities of its Partners or Affiliates.

(u) Except as contemplated or permitted by the Management Agreement with respect to the Management Agent, it will not permit any Affiliate or constituent party independent access to its bank accounts.

(v) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Mortgage Loan documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities). Notwithstanding anything herein to the contrary, the Partnership may incur an obligation in the future to repay Operating Loans that may be made by the General Partner in accordance with this Agreement.

It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, the aforementioned will not be deemed to require any Partner of the Partnership to contribute additional capital to the Partnership.


[signatures begin on the following page]

IN WITNESS WHEREOF, this Amended and Restated Agreement of Limited Partnership of Midlothian Community Partners, LP, a Virginia limited partnership, is made and entered into as of the Effective Date.

MANAGING GENERAL PARTNER:

WNC-MIDLOTHIAN GP, LLC, a California limited liability company

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: 

Anand Kannan, President

ADMINISTRATIVE GENERAL PARTNER:

HAMPSTEAD MIDLOTHIAN, LLC, a California limited liability company

By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By: _____
Jeff Jallo, Vice President

[signatures continue on following page]

IN WITNESS WHEREOF, this Amended and Restated Agreement of Limited Partnership of Midlothian Community Partners, LP, a Virginia limited partnership, is made and entered into as of the Effective Date.

MANAGING GENERAL PARTNER:

WNC-MIDLOTHIAN GP, LLC, a California limited liability company

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: _____
Anand Kannan, President

ADMINISTRATIVE GENERAL PARTNER:

HAMPSTEAD MIDLOTHIAN, LLC, a California limited liability company

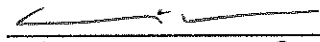
By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By:  _____
Jeff Jallo, Vice President

[signatures continue on following page]

**WITHDRAWING ORIGINAL LIMITED
PARTNER:**

**WNC INVESTMENT PARTNERS, LLC, a
California limited liability company**


By:  ^{AB}
Name: WILFRED COOPER JR
Title: MANAGER

[signatures continue on following page]

LIMITED PARTNER:

WNC Holding, LLC

By: WNC & Associates, Inc., its managing member

By: 
Michael J. Gaber
Chief Operating Officer

SPECIAL LIMITED PARTNER:

WNC Housing, L.P.

By: WNC & Associates, Inc., its general partner

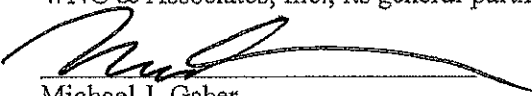
By: 
Michael J. Gaber
Chief Operating Officer

EXHIBIT A
LEGAL DESCRIPTION

All that certain lot, piece or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, lying, being and situate in the City of Richmond, Virginia and being more particularly described as follows:

Beginning at a point on south side of property owned by City of Richmond Public Works at North line of property owned by CSX Transportation, Inc.; thence along south side of property owned by City of Richmond Public Works N 82°51'20" E - 398.03' to a point at south line of Midlothian Turnpike; thence continuing along said line S 87°13'40" E - 100.30' to a point; thence continuing along said line along a curve to the left having a radius of 3578.13' for a distance of 659.89' to a point; thence continuing along said line N 82°12'20" E - 90.39' to the northwest intersection of Midlothian Turnpike and Wythemar Avenue; thence along west side of Wythemar Avenue S 9°00'00" W - 518.71' to the north line of property owned by City of Richmond Public Utilities; thence along said line N 81°00'00" W - 130.00' to a point; thence continuing along said line S 30°15'50" W - 170.00' to a point in north line of property owned by CSX Transportation Inc.; thence along said line N 59°44'10" W - 1097.34' to a point on south side of property owned by City of Richmond Public Works, said point of beginning.

EXHIBIT B

FORM OF LEGAL OPINION

_____, 2018

WNC Holding, LLC
WNC Housing, L.P.
c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, California 92614-6404

Re: **[Partnership Name]**

Ladies and Gentlemen:

You have requested our opinion with respect to certain matters in connection with the investment by WNC Holding, LLC, a California limited liability company (the “Limited Partner”), and WNC Housing, L.P., a California limited partnership (the “Special Limited Partner”), in **[Partnership Name]** (the “Partnership”), a **[Apartment State]** limited partnership formed to own, develop, **[construct/rehabilitate]**, finance and operate an Apartment Housing for low-income persons (the “Apartment Housing”) in **[Apartment City]**, **[Apartment County]** County, **[Apartment State]**. The original limited partner of the Partnership is **[OLP name]** (the “Original Limited Partner”). The general partner[s] of the Partnership **[is/are]** **[General Partner[s] Name]** (the “General Partner[s]”). The developer of the Apartment Housing is **[Developer name]** (the “Developer”). The guarantor of certain obligations of the General Partner is **[Guarantor name]** (the “Guarantor”).

In rendering the opinions stated below, we have examined and relied upon the following:

- (i) **[Partnership Organizational Documents];**
- (ii) **[Amended and Restated Agreement of Limited Partnership]** (the “Partnership Agreement”);
- (iii) **[GP Organizational Documents];**
- (iv) **[Developer Organizational Documents];**
- (v) **[Guarantor Organizational Documents];**
- (vi) the Title Policy, as defined in the Partnership Agreement;
- (vii) the Certification and Agreement entered into by the Partnership, the General Partner[s], and the Original Limited Partner, and dated ____;
- (viii) the Development Fee Agreement entered into by the Developer and the Partnership and dated _____, (the “Development Agreement”);

(ix) the Budget Agreement, entered into by the General Partner, the Limited Partner, and the Special Limited Partner and dated _____;

(x) the Guaranty Agreement made by the Guarantor and dated _____;

(xi) the Disbursement Agreement, entered into by the Partnership, the General Partner, [Construction Lender name], and [Disbursement Agent name] and dated _____;

(xii) the [reservation letter/carryover allocation] from _____ (the "State Agency") dated _____, 201_ awarding \$_____ in federal tax credits annually for each of 10 years; and

(xiii) such other documents, records and instruments as we have deemed necessary in order to enable us to render the opinions referred to in this letter.

For purposes of rendering the opinions stated below we have assumed that, in those cases in which we have not been involved directly in the preparation, execution or the filing of a document, (a) the document reviewed by us is an original document, or a true and accurate copy of the original document, and has not been subsequently amended, (b) the signatures on each original document are genuine, and (c) each party, other than the Partnership, the General Partner, the Developer and the Guarantor, who executed the document had proper authority and capacity to do so.

Based on the foregoing, we are of the opinion that:

(a) _____, one of the General Partners, is a [corporation/partnership] duly formed, validly existing and in good standing under the laws of the State of _____ and has full power and authority to enter into and perform its obligations under the Partnership Agreement and the other agreements referenced above to which it or the Partnership is a party (the "Related Agreements"). _____, one of the other General Partners, is a [corporation/partnership] duly formed, validly existing, and in good standing under the laws of the State of _____ and has full power and authority to enter into and perform its obligations under the Partnership Agreement and the Related Agreements.

(b) The Partnership is a limited partnership duly formed, validly existing, and in good standing under the laws of the State of [Apartment State] and the provisions of the Partnership Agreement and the Related Agreements conform with [Apartment State] law.

(c) The Partnership has full power and authority to own, develop, [construct/rehabilitate], finance and operate the Apartment Housing and to otherwise conduct business under the Partnership Agreement and the Related Agreements.

(d) Execution of the Partnership Agreement and the Related Agreements by the General Partner[s] and the Partnership, as applicable, has been duly and validly authorized by or on behalf of the General Partner[s] and the Partnership, as applicable, and, having been executed and delivered in accordance with its terms, each of the Partnership Agreement and the Related

Agreements constitutes the valid and binding agreement of the General Partner[s] and the Partnership, as applicable, enforceable in accordance with its terms.

(e) The execution and delivery of the Partnership Agreement and the Related Agreements by the General Partner[s], the Developer, and the Guarantor do not conflict with and will not result in a breach of any of the terms, provisions or conditions of any agreement or instrument known to counsel to which any of the General Partner[s], the Partnership, the Developer or the Guarantor is a party or by which any of them may be bound, or any law, order, rule, or regulation applicable to any of such parties of any court or governmental body or administrative agency having jurisdiction over any of such parties or over the property.

(f) To the best of counsel's knowledge, after due inquiry, there is no litigation or governmental proceeding pending or threatened against, or involving the Apartment Housing, the Partnership, or any General Partner, the Guarantor, or the Developer which would materially adversely affect the condition (financial or otherwise) or business of the Apartment Housing, the Partnership or any of the partners of the Partnership.

(g) To the best of counsel's knowledge, after due inquiry, there is no default existing or any condition which, with the passage of time or the giving of notice, or both, would result in a default under any agreement binding on the General Partner, the Guarantor, or the Developer relating to the Apartment Housing and none of the General Partner, the Guarantor or the Developer is in default with respect to any order, writ, injunction, decree or demand of any court or governmental authority.

(h) The Limited Partner and the Special Limited Partner have been admitted to the Partnership as limited partners of the Partnership under **[Apartment State]** law and are entitled to all of the rights of limited partners under the Partnership Agreement. Except as described in the Partnership Agreement, no person is a partner of or has any legal or equitable interest in the Partnership, and all former partners of record or known to counsel have validly withdrawn from the Partnership and have released any claims against the Partnership arising out of their participation as partners therein.

(i) Liability of the Limited Partner and the Special Limited Partner for obligations of the Partnership is limited to the amount of their capital contributions required by the Partnership Agreement. Exercise by the Limited Partner and the Special Limited Partner of their rights under the Partnership Agreement will not constitute taking part in the control or management of the business of the Partnership under **[Apartment State]** law.

(j) Neither the General Partner[s] of the Partnership nor the Limited Partner nor the Special Limited Partner will have any liability for the Mortgage Loan (as such term is defined in the Partnership Agreement), and the lender of the Mortgage Loan will look only to its security in the Apartment Housing for repayment of the Mortgage Loan.

(k) The Partnership owns a fee simple interest in the Apartment Housing

(l) [The Apartment Housing was not required to obtain an allocation of low-income housing tax credits ("LIHTC") from the State Agency because it is financed with the proceeds of tax-exempt bonds **[include previous sentence if bond financed]** The Apartment Housing has

obtained a **[reservation/carryover allocation]** of low income housing tax credits (“LIHTC”) from the State Agency. The final allocation of LIHTC and ultimate eligibility of the Apartment Housing for such final allocation are subject to a series of requirements which must be met, performed or achieved at various times prior to and after such final allocation. **[replace the preceding sentence with the following if tax-exempt bond financed: The final determination of the amount of LIHTC available with respect to the Apartment Housing and the ultimate eligibility of the Apartment Housing for such final determination are subject to a series of requirements which must be met, performed or achieved at various times prior to and after the date that the Apartment Housing is placed in service.]** Assuming all such requirements are met, performed or achieved at the time or times provided by applicable laws and regulations, the Apartment Housing will qualify for LIHTC.

(m) The Guarantor, if not an individual, was incorporated, duly organized, and is validly existing and in good standing under the laws of the State of **[Apartment State]**, is qualified to do business in every jurisdiction in which because of the nature of its activities or properties qualification is appropriate, and has all requisite power and authority to own and operate its properties and to carry on its business as now conducted.

(n) Each Guarantor (i) has full power and authority to execute, deliver and perform its obligations under and (ii) has duly authorized the execution, delivery and performance of the Guaranty Agreement (the “Guaranty”). The Guaranty has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor’s rights generally and general principles of equity (regardless of whether enforceability is considered a proceeding at law or equity).

(o) The Developer was incorporated, duly organized, and is validly existing and in good standing under the laws of the State of **[Apartment State]**, is qualified to do business in every jurisdiction in which because of the nature of its activities or properties qualification is appropriate, and has all requisite power and authority to own and operate its properties and to carry on its business as now conducted.

(p) The Developer (i) has full power and authority to execute, deliver and perform its obligations under, and (ii) has duly authorized the execution, delivery and performance of the Development Agreement. The Development Agreement has been duly executed and delivered by the Developer and constitutes the legal, valid and binding obligation of the Developer enforceable in accordance with its terms except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor’s rights generally and general principles of equity (regardless of whether enforceability is considered a proceeding at law or equity).

[Note – If the transaction has state low income or other local tax credits or property tax exemption, appropriate opinions regarding eligibility for credits or exemption should be added.]

I am a member of the Bar of the State of **[Apartment State]** and express no opinion as to the laws applicable in any other jurisdiction. All of the opinions set forth above are qualified to the extent that the validity of any provision of any agreement may be subject to or affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally. We do not express any opinion as to the availability of any equitable or specific remedy upon any breach of any of the covenants, warranties or other provisions contained in any agreement. We have not examined, and we express no opinion with respect to, the applicability of, or liability under, any Federal, state or local law, ordinance or regulation governing or pertaining to environmental matters, hazardous wastes, toxic substances or the like.

We express no opinion as to any matter except those set forth above. These opinions are rendered for use by the Limited Partner, its assignees, the Special Limited Partner and their legal counsel which may rely on this opinion. This opinion may not be delivered to or relied upon by any other person or entity without our express written consent.

Sincerely,

[Name]

EXHIBIT C
FORM OF COMPLETION CERTIFICATE
(to be used when rehabilitation completed)

COMPLETION CERTIFICATE

The undersigned, an architect duly licensed and registered in the State of Virginia, has reviewed the final working plans and detailed specifications for Midlothian Community Partners, LP, a Virginia limited partnership in connection with the rehabilitation of improvements on certain real property located in Richmond, Richmond County, Virginia (the "Improvements").

The undersigned hereby certifies (i) that the Improvements have been completed in accordance with the aforesaid plans and specifications, (ii) that a permanent certificate of occupancy and all other permits required for the continued use and occupancy of the Improvements have been issued with respect thereto by the governmental agencies having jurisdiction thereof, (iii) that the Improvements are in compliance with all requirements and restrictions of all governmental authorities having jurisdiction over the Improvements, including, without limitation, all applicable zoning, building, environmental, fire, and health ordinances, rules and regulations, and (iv) that all inspections required by local authorities have been completed and approved.

APARTMENT HOUSING ARCHITECT

Date: _____

Confirmed by:

GENERAL PARTNER

Date: _____

EXHIBIT D
ACCOUNTANT'S CERTIFICATE
[Accountant's Letterhead]

_____, 201_

WNC Holding, LLC
c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, California 92614-6404

Re: **Midlothian Community Partners, LP**
Certification as to Amount of Eligible Tax Credit Basis

Ladies and Gentlemen:

In connection with the acquisition by WNC Holding, LLC (the "Limited Partner") of a limited partnership interest in Midlothian Community Partners, LP, a Virginia limited partnership (the "Partnership"), which owns a certain parcel of land located in Richmond, **[Apartment County]** County, Virginia and improvements thereon (the "Apartment Housing"), the Limited Partner has requested our certification as to certain issues including the amount of low-income housing tax credits ("Tax Credits") available with respect to the Apartment Housing under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). Based upon our review of **[the financial information provided by the Partnership]** of the Partnership, we are prepared to file the Federal information tax return of the Partnership claiming annual Tax Credits in the amount of **[\$amount]**, which amount is based on an Eligible Basis (as defined in Section 42(d) of the Code) of the Apartment Housing of **[\$amount]**, a qualified basis (as defined in Section 42(c) of the Code) of the Apartment Housing of **[\$amount]** and an applicable percentage (as defined in Section 42(b) of the Code) of **[percent]%**.

Sincerely,

EXHIBIT E

**CONTRACTOR'S CERTIFICATE
[Contractor's Letterhead]**

_____, 201_

WNC Holding, LLC
c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, California 92614-6404

Re: Midlothian Community Partners, LP

Ladies and Gentlemen:

The undersigned **[Contractor Name]** (hereinafter referred to as "Contractor"), has furnished or through various contractors, sub-contractors, or material suppliers has contracted to furnish labor, services and/or materials to satisfy the Construction Contract (hereinafter collectively referred to as the "Work") in connection with the improvement of certain real property known as _____ located in **[Apartment City]**, **[Apartment County]** County, **[Apartment State]** (hereinafter known as the "Apartment Housing"). Any terms not defined herein will have the meaning ascribed in the Amended and Restated Agreement of Limited Partnership of **[Partnership Name]** (the "Partnership").

Contractor makes the following representations, warranties and covenants regarding the Work at the Apartment Housing with full knowledge that the Limited Partner will rely on these representations, warranties and covenants as a condition to making its Capital Contribution payment to the Partnership:

- Work on said Apartment Housing has been performed and completed in accordance with the Plans and Specifications for the Apartment Housing.
- Contractor acknowledges that **[the Construction Contract has been paid in full/upon the Partnership's receipt of the Limited Partner's placed in service Capital Contribution payment all amounts owed to Contractor, sub-contractor or material suppliers to complete the Work will be paid in full]** and all liens **[have been/will be]** released.
- Contractor acknowledges that the Partnership is not in violation of any terms and conditions of the Construction Contract.

The undersigned has personal knowledge of the matters stated herein and is authorized and fully qualified to execute this document on behalf of the Contractor.

KATERRA AFFORDABLE HOUSING, LLC

By: _____
Name: _____
Title: _____

EXHIBIT F DEPRECIATION SCHEDULE

Real Property: Unless the Consent of the Special Limited Partner is obtained permitting a different treatment, and except to the extent otherwise required by Section 168(g)(1)(B) of the Code, the Partnership shall elect to depreciate its residential rental property over 27.5 years using Modified Accelerated Cost Recovery System straight-line depreciation using the mid-month convention. Notwithstanding the foregoing, in the event the Partnership makes an election is made to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code, the Partnership shall depreciate its residential rental property over 30 years.

Personal Property: Use 5-year recovery period using mid-year 200% declining balance, if it relates to residential real estate. Personal property related to commercial space must use a 7-year recovery period using mid-year 200% declining balance.

The following costs have a 5-year recovery period:

- Removable appliances (not central climate control system equipment or water heaters)
- Draperies, blinds and shades, if they would be reusable if removed
- Carpeting, if its removal would not destroy the underlying floor
- Vinyl flooring, if its removal would be easy and not destroy the underlying floor
- Common area furnishings
- Photocopy equipment
- Calculators, adding machines
- Typewriters
- Computers
- Wall coverings, if their removal would not destroy the underlying wall
- Exit signs
- Security systems (not fire protection system, sprinkler system, smoke detectors, or fire escapes)
- Outdoor security lighting (not parking lot lighting)
- Fire extinguishers
- Decorative lighting and sconces (not light fixtures for central lighting)
- Outdoor decorative lighting, such as that lighting signs
- Telephone systems
- Corridor handrails (not bathroom or stairway)
- Raised floors to accommodate wiring in computer rooms

The following costs have a 7-year recovery period with a mid-year 200% declining balance:

- Office furnishings
- Cabinets and shelving
- Bulletin boards
- Conference or meeting room movable partitions

A percentage of all soft costs, including the development fee, is also allowed in personal property. The percentage is calculated by taking the ratio of personal property cost, excluding

development fee, to total development costs and multiplying the development fee by the calculated ratio.

Land improvements Cost Recovery: Use 15-year recovery period using mid-year 150% declining balance. The following costs have a 15-year recovery period. Items allowed in this section are costs attributable to excavation, grading, and removing soil necessary to the proper setting of buildings. Other costs allowable in this section are as follows:

- Roads and sidewalks
- Concrete work (curb and gutter)
- Fencing
- Landscaping (including, but not limited to, trees and shrubs) around the building which would be destroyed if the building were replaced
- Decorative walls which are part of the landscaping
- Parking lot (resurfacing it later is deducted as an expense)
- Initial parking lot striping (restriping it later is deducted as an expense)
- Street lights and signs
- Signs which identify the property or provide directions
- Parking lot lighting (not outdoor security lighting)
- Playground equipment
- Basketball court and backboard
- Tennis courts
- Swimming pools
- Jogging trails
- Flag pole
- Wastewater treatment plant and lift station to handle raw sewage
- Interest expense capitalized and related to any of the above costs
- The pro rata portion of all soft costs, including the general contractor/construction company profit, overhead, and general requirements and conditions allocable to items with a 15-year cost recovery period
- The pro rata portion of the development fee, profit and overhead allocable to items with a 15-year cost recovery period

Recovery of costs of sanitary sewer system and water utility/distribution system, including the sewer system outside the buildings: the following costs have a 20-year recovery period — 150% declining balance mid-year convention.

- Fire hydrants
- Manhole rings and covers
- Water meter
- Gate valves
- Flushing hydrants
- Cast iron fittings
- Valve boxes
- Air release valves
- Tapping sleeves
- PVC water pipe (outside)

- PVC sewer pipe (outside)
- PVC sewer fittings

EXHIBIT G
REPORT OF OPERATIONS
[to be attached to final draft]

EXHIBIT H

TITLE INSURANCE AND SURVEY REQUIREMENTS

[The Special Limited Partner hereby approves the Title Insurance and Survey provided to the Partnership as of the Effective Date, and any future Title Insurance and Survey diligence to be provided as set forth in the Agreement shall comply with the below requirements.]

Title Insurance Requirements

1. General. WNC requires an owner's title policy for all investments. A copy of the title policy/commitment (with all schedules, exhibits and endorsements), copies described below and the survey described below are to be provided to WNC at least 30 days before closing for WNC's counsel review and approval. A complete review can only be done upon receipt of all of this information. Incomplete information may result in a delay.
2. WNC Approval. The issuing agent and underwriter must be acceptable to WNC and its counsel.
3. Owner's Title Policy Form. The owner's title policy must be issued on an extended coverage 2006 American Land Title Association ("ALTA") form of owner's title insurance policy and afford the broadest coverage available in the state in which the Insured Property is located.
4. Insurance Amount. The amount of coverage under the owner's title policy must be no less than the total Project costs, including developer fee, less reserves.
5. Named Insured. The named insured under the title policy must be the limited partnership/limited liability company that owns or leases the Insured Property.
6. Insured Property. The Insured Property must be the real property owned or leased by the limited partnership/limited liability company, including all appurtenant easements.
7. Date of Policy. The effective date of the title policy must be the later of (a) the date and time of the recording of the deed/memorandum of lease or (b) the date of WNC's initial capital contribution.
8. Legal Description. The legal description must be set forth in Schedule A of the title policy or an exhibit attached to the title policy. The legal description of the Insured Property contained in the title policy must conform to the legal description shown on the survey of the Insured Property and must include all appurtenant easement parcels.
9. Easements. The title policy must insure, as separate parcels: (a) all appurtenant easements and other estates benefiting the Insured Property, and (b) all other rights, title, and interests under reciprocal easement agreements, access agreements, operating agreements, and agreements containing covenants, conditions, and restrictions benefiting

the Insured Property.

10. Exceptions to Coverage. All standard exceptions must be deleted or amended as follows:

(a) The exception for real estate taxes and assessments must reflect the year of such taxes and assessments and specifically state that they are not yet due and payable. The title policy must include, as an informational note, the property parcel number(s) or tax parcel identification number(s), as applicable. If rollback taxes are likely because of a change of use of the Insured Property, an estimate of the amount must be obtained prior to the initial closing.

(b) If the standard exception for tenants in possession cannot be deleted, the exception must be revised to read as follows: "Rights or claims of parties in possession under residential leases or occupants of apartment units, as tenants only, without any purchase rights."

(c) The standard survey exception to the title policy must be replaced with an exception for specific matters reflected on the approved survey.

(d) If the standard exception for filed or unfiled mechanics' or materialmen's liens cannot be deleted, it must be limited to liens filed after the date of the Title Policy.

(e) If the title policy contains a pending improvements clause, the minimum initial amount of title insurance coverage must be no less than the purchase price of the Insured Property.

(h) If Schedule B of the title policy contains any easements that are blanket in nature or otherwise not plottable, the title policy must provide affirmative insurance against any loss resulting from the exercise by the holder of such easement of its right to use or maintain that easement. ALTA Form 28.2-06 or an equivalent endorsement is required for this purpose.

11. Endorsements. Current versions of the following endorsements must be issued with the owner's title policy:

- ALTA 3.0 or 3.1 Zoning (as applicable).*
- ALTA 4.1 Condominium (if applicable).
- ALTA 5.1 PUD (if applicable).
- ALTA 8.2 Commercial Environmental Protection Lien.
- ALTA 9.1 or 9.2 Covenants, Conditions & Restrictions (as applicable).*
- ALTA 13 Leasehold (if applicable).
- ALTA 15.1 Non-imputation-Additional Insured – naming the following parties:
 - Additional Insured: Investor Limited Partner/Investor Member. (If a Special Limited Partner/Special Investor Member is an affiliate of WNC, it also must be named as an Additional Insured.)

- Other Parties: General Partner/Managing Member, Withdrawing Partner/Withdrawing Member, Special Limited Partner/Special Investor Member (if not an affiliate or WNC), approved principals and guarantors.
- ALTA 17 or 17.1 Access and Entry (as applicable).
- ALTA 17.2 Utility Access.
- ALTA 18 or 18.1 Tax Parcel (as applicable).
- ALTA 19 or 19.1 Contiguity (as applicable).
- ALTA 25 Same as Survey.*
- ALTA 26 Subdivision.
- ALTA 28 Easement - Damage or Enforced Removal (if applicable).
- ALTA 28.1 Encroachments - Boundaries and Easements (ifs applicable).
- ALTA 34 Identified Risk Coverage (if applicable).
- ALTA 35, 35.1, or 35.2
- ALTA 40 Tax Credit Endorsement (or Tax Benefit Endorsement if a Tax Credit Endorsement is not available). If a specific amount is reflected in the endorsement, it must be the total amount of WNC's capital contributions as Investor Limited Partner/Investor Member. If a WNC affiliate is a Special Limited Partner/Special Investor Member, a separate endorsement must be issued for the Special Limited Partner/Special Investor Member and any amount on that endorsement must equal the total amount of the Special Limited Partner's/Special Investor Member's capital contributions.
- Waiver of Arbitration (for policies of \$2 million or less).
- Standard New York Endorsement (New York deals only).
- Any additional endorsements WNC may reasonably require as a result of Project specific issues.

*If the Insured Property is unimproved at the time of initial closing, and a date down endorsement, a 3.1 Zoning Endorsement, a 9.2 Covenants, Conditions & Restrictions Endorsement, and an updated Survey Endorsement (referring to the approved As-Built Survey), cannot be issued after completion of the Project, the following endorsements are required with the title policy at initial closing:

- ALTA 3.2 Zoning - Land Under Development
- ALTA 9.8 Covenants, Conditions & Restrictions - Land Under Development
- ALTA 35.3 Minerals and Other Substances - Land Under Development

If any or all of the ALTA endorsements listed above are not available in the jurisdiction in which the Insured Property is located, any comparable endorsements that are available in that jurisdiction are required.

12. Shared Use and/or Reciprocal Easement Agreement: If the Project will share access/ingress/egress or amenities with another property, a Shared Use and/or Reciprocal Easement Agreement is required, in form satisfactory to WNC and for the title company to insure any beneficial easement rights.
13. Delivery of Copies. Legible copies of the following documents are required:

- Prior to initial closing, a draft of the Deed/Lease/Beneficial Easement that will vest title in the Partnership/Company. A recorded copy is required with the title policy.
- For rehab Projects, copies of all deeds in the chain of title evidencing ownership of the Insured Property for the last ten years.
- Prior to closing, a draft of any new or proposed plat. A recorded copy is required with the title policy.
- Prior to closing, a draft of any new shared use and/or reciprocal easement agreement. A recorded copy is required with the title policy.
- Recorded plat(s) or recorded survey(s) referenced in the Legal Description or in any exception to title.
- Site Plan showing all of the planned Project improvements, including striped parking spaces and proposed utilities.
- All recorded easements, encumbrances, restrictions and other matters shown as exceptions to title.

Survey Requirements

1. The General Partner/Managing Member must deliver (or have delivered) the following items to the surveyor, before the survey of the property is completed: (i) a current title policy/commitment; (ii) current record descriptions of any adjoiningers to the property (unless the lots are platted); (iii) any recorded easements benefitting the property; (iv) any recorded easements, servitudes or covenants burdening the property; and, (v) any unrecorded documents affecting the property which should be reflected on the survey.
2. The survey must satisfy the requirements of the "2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by the American Land Title Association/National Society of Professional Surveyors.
3. The initial survey must be dated no more than sixty (60) days prior to the initial closing. If an updated survey is due at completion, it must be dated on or after the date the Project was completed, as evidenced by issuance of the final certificate of occupancy. If an updated survey is due at stabilization, it must be dated on or after the date on which the Project achieved stabilized operations.
4. All parking restrictions and requirements applicable to the Insured Property must be shown on the survey. For all acquisition/rehabilitation projects, the current parking count must be included in the zoning table on the survey. If the zoning/land use requirements on an acquisition/rehabilitation project do not conform to current zoning/land use regulations, proof of legal nonconforming use must be noted on the survey. In addition, confirmation as to whether any improvement can be rebuilt in its existing footprint in the event of a casualty loss.
5. The actual zoning designation and all setback, use, height, and density requirements of the Insured Property must be shown on the survey. All setback lines are to be depicted on the Survey sketch.
6. The survey shall contain the following survey certification and be certified by a registered land surveyor licensed in the jurisdiction in which the Insured Property is located. The survey is to have the surveyor's original signature and seal affixed and shall reflect a current date and certification.

To (Partnership/Limited Liability Company), (Investor Limited Partner/Investor Member, its affiliates and any of their successors and/or assigns), (Special Limited Partner/Special Member, its affiliates and any of their successors and/or assigns), (name of title insurance agent), (name of title company), (name(s) of lender(s)), and (name of others as instructed by client):

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 6(b), 7(a), 7(b)(1), 8, 9, 10(a), 11, 13, and 16-20 of Table A thereof. The fieldwork was completed on _____.

Date of Plat or Map: (signed) (seal)

Registration No.

7. The full legal description and street address must be shown on the survey. The legal description must be identical to that contained in the title insurance commitment/policy. If the Insured Property is described as being on a recorded plat or map, the survey must contain a reference to such plat or map.
8. All perimeter property lines must be specifically identified on the survey. Show the location by courses and distances of the Insured Property. Clearly designate (a) the point of beginning and the relation of the point of beginning of the Insured Property to the monument from which it is fixed; (b) all servient easements; (c) the established building line; (d) all easements appurtenant to Insured Property; (e) the line of the street or streets abutting the Insured Property and the width of such streets; and (f) the location by courses and distances of the nearest intersection of two streets to the Insured Property.
9. Right-of-way lines for all streets adjacent to the Insured Property must be identified, pavement within the right-of-way must be identified, the width of the right-of-way and the width of the pavement must be labeled, and all rights-of-way must be labeled as public or private. The survey must disclose how access from the Insured Property to the adjacent streets exists.
10. A reference to the most recent title policy or commitment and title policy or commitment number must be included in a "Schedule B Notes Section" on the survey. All exceptions on the title policy or commitment must be plotted (or identified on the survey as not plottable). Indicate how each exception affects the property, and include the reason that any exceptions (except liens) are not plottable.
11. All easements affecting the Insured Property shall be identified by recording information (book and page or document number of instrument creating the easement).
12. Identify all utility lines that service the Insured Property and improvements (sewer, water, gas, electric and telephone). Indicate whether the utility line is above or below grade and show the sizes of the respective service if determinable.
13. Identify all aboveground tanks and specifically note any evidence of underground tanks and wells.
14. Show and describe encroachments or make a positive statement that there are no encroachments from or onto the Insured Property.
15. The specific flood zone within which the Insured Property is located must be stated on the survey. If any portion of the Insured Property is in a Special Flood Hazard Area, as designated on the applicable Flood Insurance Rate Map for the community, the boundaries must be delineated on the survey sketch and a FEMA flood zone designation of any such area within the Insured Property must be shown on the survey.

16. If existing improvements are to remain, show the relation of all structures and improvements on the Insured Property to (i) all boundary lines of the Insured Property; (ii) servient easements; (iii) established building setback lines; and (iv) street lines.

The survey should contain Table A, Items 1, 2, 3, 4, 6(b), 7(a), 7(b)(1), 8, 9, 10(a), 11, 13, and 16-20. The survey should contain a specific statement with regard to Table A, Items 16 and 17.

17. Obtain and provide a copy of evidence of the surveyor's professional liability insurance in an amount of not less than \$1,000,000 as provided by Table A, Item 20.

TABLE A

OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS

NOTE: The twenty (20) items of Table A may be negotiated between the surveyor and client. Any additional items negotiated between the surveyor and client shall be identified as 21(a), 21(b), etc. and explained pursuant to Section 6.D.ii.(g). Notwithstanding Table A Items 5 and 11, if an engineering design survey is desired as part of an ALTA/NSPS Land Title Survey, such services should be negotiated under Table A, Item 21.

If checked, the following optional items are to be included in the ALTA/NSPS LAND TITLE SURVEY, except as otherwise qualified (see note above):

1. ___ Monuments placed (or a reference monument or witness to the corner) at all major corners of the boundary of the property, unless already marked or referenced by existing monuments or witnesses in close proximity to the corner.

2. ___ Address(es) of the surveyed property if disclosed in documents provided to or obtained by the surveyor, or observed while conducting the fieldwork.

3. ___ Flood zone classification (with proper annotation based on federal Flood Insurance Rate Maps or the state or local equivalent) depicted by scaled map location and graphic plotting only.

4. ___ Gross land area (and other areas if specified by the client).

5. ___ Vertical relief with the source of information (e.g., ground survey, aerial map), contour interval, datum, and originating benchmark identified.

6. ___ (a) If set forth in a zoning report or letter provided to the surveyor by the client, list the current zoning classification, setback requirements, the height and floor space area restrictions, and parking requirements. Identify the date and source of the report or letter.

 ___ (b) If the zoning setback requirements are set forth in a zoning report or letter provided to the surveyor by the client, and if those requirements do not require an interpretation by the surveyor, graphically depict the building setback requirements. Identify the date and source of the report or letter.

7. ___ (a) Exterior dimensions of all buildings at ground level.

 (b) Square footage of:

 ___ (1) exterior footprint of all buildings at ground level.

 ___ (2) other areas as specified by the client.

- _____ (c) Measured height of all buildings above grade at a location specified by the client. If no location is specified, the point of measurement shall be identified.
8. _____ Substantial features observed in the process of conducting the fieldwork (in addition to the improvements and features required pursuant to Section 5 above) (e.g., parking lots, billboards, signs, swimming pools, landscaped areas, substantial areas of refuse).
9. _____ Number and type (e.g., disabled, motorcycle, regular and other marked specialized types) of clearly identifiable parking spaces on surface parking areas, lots and in parking structures. Striping of clearly identifiable parking spaces on surface parking areas and lots.
10. _____ (a) As designated by the client, a determination of the relationship and location of certain division or party walls with respect to adjoining properties (client to obtain necessary permissions).
- _____ (b) As designated by the client, a determination of whether certain walls are plumb (client to obtain necessary permissions).
11. _____ Location of utilities existing on or serving the surveyed property as determined by:
- observed evidence collected pursuant to Section 5.E.iv.
 - evidence from plans requested by the surveyor and obtained from utility companies, or provided by client (with reference as to the sources of information), and
 - markings requested by the surveyor pursuant to an 811 utility locate or similar request

Representative examples of such utilities include, but are not limited to:

- Manholes, catch basins, valve vaults and other surface indications of subterranean uses;
- Wires and cables (including their function, if readily identifiable) crossing the surveyed property, and all poles on or within ten feet of the surveyed property. Without expressing a legal opinion as to the ownership or nature of the potential encroachment, the dimensions of all encroaching utility pole crossmembers or overhangs; and
- Utility company installations on the surveyed property.

Note to the client, insurer, and lender - With regard to Table A, item 11, source information from plans and markings will be combined with observed evidence of utilities pursuant to Section 5.E.iv. to develop a view of the underground utilities. However, lacking excavation, the exact location of underground features cannot be accurately, completely, and reliably depicted. In addition, in some jurisdictions, 811 or other similar utility locate requests from surveyors may be ignored or result in an incomplete response, in which case the surveyor shall note

on the plat or map how this affected the surveyor's assessment of the location of the utilities. Where additional or more detailed information is required, the client is advised that excavation and/or a private utility locate request may be necessary.

12. _____ As specified by the client, Governmental Agency survey-related requirements (e.g., HUD surveys, surveys for leases on Bureau of Land Management managed lands).
13. _____ Names of adjoining owners according to current tax records. If more than one owner, identify the first owner's name listed in the tax records followed by "et al."
14. _____ As specified by the client, distance to the nearest intersecting street.
15. _____ Rectified orthophotography, photogrammetric mapping, remote sensing, airborne/mobile laser scanning and other similar products, tools or technologies as the basis for the showing the location of certain features (excluding boundaries) where ground measurements are not otherwise necessary to locate those features to an appropriate and acceptable accuracy relative to a nearby boundary. The surveyor shall (a) discuss the ramifications of such methodologies (e.g., the potential precision and completeness of the data gathered thereby) with the insurer, lender, and client prior to the performance of the survey, and (b) place a note on the face of the survey explaining the source, date, precision, and other relevant qualifications of any such data.
16. _____ Evidence of recent earth moving work, building construction, or building additions observed in the process of conducting the fieldwork.
17. _____ Proposed changes in street right of way lines, if such information is made available to the surveyor by the controlling jurisdiction. Evidence of recent street or sidewalk construction or repairs observed in the process of conducting the fieldwork.
18. _____ If there has been a field delineation of wetlands conducted by a qualified specialist hired by the client, the surveyor shall locate any delineation markers observed in the process of conducting the fieldwork and show them on the face of the plat or map. If no markers were observed, the surveyor shall so state.
19. _____ Include any plottable offsite (i.e., appurtenant) easements or servitudes disclosed in documents provided to or obtained by the surveyor as a part of the survey pursuant to Sections 5 and 6 (and applicable selected Table A items) (client to obtain necessary permissions).
20. _____ Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000 to be in effect throughout the contract term. Certificate of Insurance to be furnished upon request, but this item shall not be addressed on the

face of the plat or map.

21.

SURVEYOR'S CERTIFICATE

The undersigned, being a Registered Land Surveyor in the State of _____,
certifies to:

[Insured], and its successors and assigns
WNC Holding, LLC, and its affiliates, successors and assigns
WNC Housing, L.P., and its affiliates, successors and assigns
[Title Company]

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 11(b), 12, 13, 16, 17, 18, 19, 20(a) and 21 of Table A thereof. The field work was completed on _____.

Date of plat map:

Surveyor
Name: _____
Date: _____
Registration No. _____

[Seal]

[If the certificate is attached to rather than typed or otherwise reproduced on the face of the Survey, add a paragraph specifically identifying the Survey (such as by date, property description, and survey number) to which the certificate relates.]

LIST OF AGREEMENTS ATTACHED

Certification and Agreement
Development Fee Agreement
Budget Agreement
Guaranty Agreement

CERTIFICATION AND AGREEMENT

CERTIFICATION AND AGREEMENT made as of July 23, 2018 (the “Effective Date”) by Midlothian Community Partners, LP, a Virginia limited partnership (the “Partnership”); WNC-Midlothian GP, LLC, LLC, a California limited liability company (the “Managing General Partner”); Hampstead Midlothian, LLC, a Delaware limited liability company (the “Administrative General Partner” and together with the Managing General Partner hereinafter referred to collectively as the “General Partner”); and WNC Investment Partners, a California limited liability company (the “Original Limited Partner”), for the benefit of WNC Holding, LLC, a California limited liability company, and its assignees (the “Investment Partner”), and WNC & Associates, Inc., a California corporation (“WNC”).

WHEREAS, the Partnership proposes to admit the Investment Partner as a limited partner thereof pursuant to the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of even date herewith (the “Partnership Agreement”), in accordance with which the Investment Partner will make substantial capital contributions to the Partnership; and

WHEREAS, the Investment Partner and WNC have relied upon certain information and representations described herein in evaluating the merits of investment by the Investment Partner in the Partnership;

NOW, THEREFORE, to induce the Investment Partner to enter into the Partnership Agreement and become a limited partner of the Partnership, and for \$1.00 and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Partnership, the General Partner and the Original Limited Partner hereby agree as follows for the benefit of the Investment Partner and WNC.

1. Representations, Warranties and Covenants of the Partnership, the General Partner and the Original Limited Partner.

The Partnership, the General Partner and the Original Limited Partner jointly and severally represent, warrant and certify to the Investment Partner and WNC that, with respect to the Partnership, as of the date hereof:

1.1 The Partnership is duly organized and in good standing as a limited partnership pursuant to the laws of the state of its formation with full power and authority to own its apartment housing (the “Apartment Housing”) and conduct its business within such state; the Partnership, the General Partner and the Original Limited Partner have the power and authority to enter into and perform this Certification and Agreement; the execution and delivery of this Certification and Agreement by the Partnership, the General Partner and the Original Limited Partner have been duly and validly authorized by all necessary action; the execution and delivery of this Certification and Agreement, the fulfillment of its terms and consummation of the transactions contemplated hereunder do not and will not conflict with or result in a violation, breach or termination of or constitute a default under (or would not result in such a conflict, violation, breach, termination or default with the giving of notice or passage of time or both) any other agreement, indenture or instrument by which the Partnership or any General Partner or Original Limited Partner is bound or any law, regulation, judgment, decree or order applicable to

the Partnership or any General Partner or Original Limited Partner or any of their respective properties; this Certification and Agreement constitutes the valid and binding agreement of the Partnership, the General Partner and the Original Limited Partner, enforceable against each of them in accordance with its terms.

1.2 The General Partner has delivered to the Investment Partner, WNC or their affiliates all documents and information which would be material to a prudent investor in deciding whether to invest in the Partnership. All factual information provided to the Investment Partner, WNC or their affiliates either in writing or orally, did not, at the time given, and does not, on the date hereof, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

1.3 Each of the representations and warranties contained in the Partnership Agreement is true and correct as of the date hereof.

1.4 Each of the covenants and agreements of the Partnership and the General Partner contained in the Partnership Agreement has been duly performed to the extent that performance of any covenant or agreement is required on or prior to the date hereof.

1.5 All conditions to admission of the Investment Partner as the investment limited partner of the Partnership contained in the Partnership Agreement have been satisfied.

1.6 The Partnership is not (i) a tax-exempt entity; (ii) a real estate investment trust subject to taxation under Subchapter M of the Internal Revenue Code (“Code”); or (iii) a corporation subject to taxation under Subchapter S of the Code.

1.7 The General Partner is not a Person as to which the Partnership is restricted from doing business under regulations issued but the Office of Foreign Assets Control (including OFCA’s list of Specially Designated Nationals and Blocked Persons) or under the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit or Support Terrorism.

1.8 The General Partner certifies under penalty of perjury that the Federal Taxpayer Identification Number of the Partnership is correct.

1.9 The General Partner agrees that it (i) shall receive and hold Proprietary Information (as defined below) in trust and in strictest confidence; (ii) shall protect Proprietary Information from disclosure and in no new event take any action causing such Proprietary Information to lose its character as Proprietary Information; and (iii) shall not use, reproduce, distribute, disclose or otherwise disseminate Proprietary Information except as authorized by WNC. The general Partner agrees that disclosures of Proprietary Information by the General Partner may be made only to employees, agents or independent contractors of the General Partner or of its subsidiaries or affiliates who have a specific need to know such information; and who agree to hold and use the Proprietary Information consistent with the terms of this Agreement. For purposes hereof, “proprietary information” means information related to the Investment Partner or WNC which (i) is not public knowledge or generally known by the public,

including, but not limited to, work product, documentation, business plans, financial projections and other trade secrets; and (ii) derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use. Proprietary Information includes reports, investment summaries, financial projections, and other information provided to the General Partner. Proprietary Information does not include any information which (i) is disclosed by the General Partner pursuant to a requirement of a governmental agency or of law without similar restrictions or other protections against public disclosure or is required to be disclosed; or (ii) before being divulged by the General Partner (A) had become generally known to the public through no wrongful act of the General Partner; (B) has rightfully received by the General Partner from a third party without, to the General Partner's knowledge. Restriction on disclosure or breach of an obligation of confidentiality running directly or indirectly to the General partner; or (C) has been independently developed by the General Partner without use, directly or indirectly, of the Proprietary Information. Notwithstanding the foregoing, the General Partner shall be permitted to disclose Proprietary Information as may be necessary. But only to the extent necessary, to comply with any regulation or request of any governmental agency having supervisory authority over the General Partner, and may do so without notice to WNC of such disclosure.

1.10 No default has occurred and is continuing under the Partnership Agreement or any of the Project Documents (as such term is defined in the Partnership Agreement) for the Partnership.

1.11 The Partnership shall allocate to the Investment Partner the Projected Annual Tax Credits, or the Revised Projected Tax Credits, if applicable.

1.12 The General Partner agrees to take all actions necessary to claim the Projected Tax Credits, including, without limitation, the filing of Form(s) 8609 with the Internal Revenue Service.

1.13 No person or entity other than the Partnership holds any equity interest in the Apartment Housing.

1.14 The Partnership has the sole responsibility to pay all maintenance and operating costs, including all taxes levied and all insurance costs, attributable to the Apartment Housing.

1.15 The Partnership, except to the extent it is protected by insurance and excluding any risk borne by lenders, bears the sole risk of loss if the Apartment Housing is destroyed or condemned or there is a diminution in the value of the Apartment Housing.

1.16 No person or entity except the Partnership has the right to any proceeds, after payment of all indebtedness, from the sale, refinancing, or leasing of the Apartment Housing.

1.17 No General Partner is related in any manner to the Investment Partner, nor is any General Partner acting as an agent of the Investment Partner.

1.18 No event has occurred which would have a material adverse change on the Investment Partner's investment.

2. Miscellaneous.

2.1 This Certification and Agreement is made solely for the benefit of the Investment Partner and WNC, and their respective successors and assignees, and no other person will acquire or have any right under or by virtue of this Agreement.

2.2 This Certification and Agreement may be executed in several counterparts, each of which will be deemed to be an original, all of which together will constitute one and the same instrument.

2.3 Capitalized terms used but not defined in this Certification and Agreement will have the meanings given to them in the Partnership Agreement.

[signatures begin on following page]


IN WITNESS WHEREOF, this Certification and Agreement is made and entered into as of the Effective Date.

PARTNERSHIP:

**MIDLOTHIAN COMMUNITY PARTNERS,
LP**

By: WNC-MIDLOTHIAN GP, LLC, a California limited liability company, its Managing General Partner

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: 
Anand Kannan, President

By: HAMPSTEAD MIDLOTHIAN, LLC, a California limited liability company, its Co-General Partner

By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By: _____
Jeff Jallo, Vice President

IN WITNESS WHEREOF, this Certification and Agreement is made and entered into as of the Effective Date.

PARTNERSHIP:

**MIDLOTHIAN COMMUNITY PARTNERS,
LP**

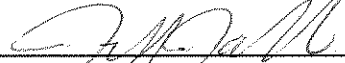
By: **WNC-MIDLOTHIAN GP, LLC**, a California limited liability company, its Managing General Partner

By: **WNC Development Partners, LLC**, a California limited liability company, its sole member

By: _____
Anand Kannan, President

By: **HAMPSTEAD MIDLOTHIAN, LLC**, a California limited liability company, its Co-General Partner

By: **The Hampstead Group, LLC**, a Delaware limited liability company, its managing member

By:  _____
Jeff Jallo, Vice President

GENERAL PARTNERS:

WNC-MIDLOTHIAN GP, LLC, a California limited liability company, its Managing General Partner

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: _____
Anand Kannan, President

HAMPSTEAD MIDLOTHIAN, LLC, a California limited liability company, its Co-General Partner

By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By: _____
Jeff Jallo, Vice President

[signatures continue on next page]

GENERAL PARTNERS:

WNC-MIDLOTHIAN GP, LLC, a California limited liability company, its Managing General Partner

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: _____
Anand Kannan, President

HAMPSTEAD MIDLOTHIAN, LLC, a California limited liability company, its Co-General Partner

By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By:  _____
Jeff Jallo, Vice President

[signatures continue on next page]

ORIGINAL LIMITED PARTNER:

**WNC INVESTMENT PARTNERS, LLC, a
California limited liability company**

By: _____ *ALC*
Name: WILFRED LODGER JR
Title: MANAGER

DEVELOPMENT FEE AGREEMENT

This Development Fee Agreement (“Agreement”), is entered into as of July 23, 2018 (the “Effective Date”) by and between The Hampstead Group, Inc., a California corporation and Community Preservation Partners, LLC, a California limited liability company (collectively, the “Developer”), and Midlothian Community Partners, LP, a Virginia limited partnership (“Owner”). Developer and Owner collectively may be referred to as the “Parties” or individually may be referred to as a “Party.”

RECITALS

A. Owner has acquired the real property located in Richmond, Virginia, as more particularly described in Exhibit A attached hereto and incorporated herein (the “Real Property”).

B. Owner intends to develop on the Real Property a 216 unit low-income rental housing complex and other related improvements (the “Apartment Housing”), which are intended to qualify for federal low-income housing tax credits (“Credits”).

C. Prior to the date of this Agreement, Developer has performed substantial development services with respect to the Apartment Housing as specified in Section 2.3 of this Agreement. Developer has also agreed to oversee the construction of the Apartment Housing until all construction work is completed and to provide certain services relating thereto. The Parties recognize and acknowledge that the Developer is, and has been, an independent contractor in all services rendered to, and to be rendered to, the Owner pursuant to this Development Fee Agreement.

D. Owner desires to commit its existing development agreement with Developer into writing through this Agreement for Developer’s services to manage, oversee, and complete development of the Apartment Housing. Developer desires to commit its existing development agreement with Owner into writing through this Agreement and Developer is willing to assign all development rights to the Apartment Housing to Owner, to undertake performance of such development services, and to fulfill all obligations of the Developer set forth in this Agreement, in consideration of Owner’s restated promise to pay to Developer the fee specified in this Agreement. The parties agree that this Agreement supersedes all prior agreements with respect to the subject matter hereof, whether oral or written.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises and undertakings in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Developer agree as follows.

SECTION 1 CERTAIN DEFINITIONS

As used in this Agreement, the following terms, when capitalized, have the following meanings. Capitalized terms used herein and not defined have the meanings ascribed to them in the Partnership Agreement.

“**Construction Documents**” means the contract documents between the Owner and the Contractor pertaining to the construction of the Apartment Housing.

“**Contractor**” means Katterra Affordable Housing, LLC.

“**Department**” means the Virginia agency responsible for the reservation and allocation of Tax Credits.

“**Development Fee**” means the fee for development services described in Section 2 of this Agreement.

“**Mortgage Loan**” or “**Mortgage Loans**” means the permanent nonrecourse financing wherein the Partnership promises to pay: Citibank, N.A., or its successor or assignee, the principal sum of \$22,975,000, plus compounded interest on the principal at 4.76% per annum over a term of 17 years and amortized over 420 months. Where the context admits, the term “**Mortgage Loan**” includes any mortgage, deed, deed of trust, note, regulatory agreement, security agreement, assumption agreement or other instrument executed in connection with the Mortgage Loan which is binding on the Partnership. If any Mortgage Loan is replaced or supplemented by any subsequent mortgage loan(s) or if the Partnership agrees to any loans not described herein, the term “**Mortgage Loan**” will refer to any such subsequent mortgage loan(s), provided that any substitution or change in a Mortgage Loan must receive the Consent of the Special Limited Partner.

“**Partnership Agreement**” means the Amended and Restated Agreement of Limited Partnership of Midlothian Community Partners, LP, a Virginia limited partnership.

SECTION 2 ENGAGEMENT OF DEVELOPER; FEE; SERVICES

2.1 Engagement; Term. Owner hereby confirms the engagement of Developer to act as developer of the Apartment Housing, and to perform the various covenants and obligations of the Developer under this Agreement. Developer hereby confirms and accepts such engagement and agrees to perform fully and timely each and every one of its obligations under this Agreement. The term of such engagement commences on the date the Developer began to provide services to the Owner and subject to the pre-payment provisions of Section 3 expires on December 31, 2033.

2.2 Development Fee. In consideration of Developer’s prior activities and Developer’s agreement to provide development services during the rehabilitation of the Apartment Housing, Owner agrees to pay the Developer a Development Fee in the amount of \$3,182,841 (“Development Fee”); provided, however, that the Development Fee will be reduced prior to the end of the first year of the Tax Credit Period, as necessary, to meet the 50% test for financing development costs from tax-exempt bond proceeds as described in Code Section 42(h)(4)(B), with the amount of such reduction to be determined by the Accountant and approved by the Special Limited Partner. The Development Fee will be payable in accordance with Section 3 of this Agreement.

2.3 Development Services.

(a) **Prior Services.** Owner acknowledges that Developer has, prior to the date hereof, performed substantial development services relating to the Apartment Housing. Such services (the "Prior Services") have included the following.

(1) Services Rendered Prior to the date hereof.

(A) Developer has identified a Contractor and recommended to the Owner to enter into a construction contract with the Contractor for the building of the Apartment Housing.

(B) Developer has estimated the cost of construction; determined the construction period; prepared a monthly-estimated construction chart reflecting the construction services required each month; and prepared a preliminary Development Budget.

(C) Developer has reviewed the plans and specifications for compliance with design criteria and construction contracts.

(D) Developer has identified an architect and recommended to the Owner to execute an architectural contract for the planning and design of the Apartment Housing.

(E) Developer has placed its own capital at risk in anticipation of the Apartment Housing being constructed.

(2) Other Prior Services.

(A) Developer has identified and recommended to Owner construction financing.

(B) Developer has negotiated and conferred with an insurance carrier to provide a builder's risk policy during construction.

(b) **Future Services.** Developer shall monitor construction of the Apartment Housing for Owner and shall provide Owner with information requiring Owner's intervention to resolve construction issues. Owner shall allow Developer full access to the Apartment Housing during the construction period. Developer and Developer's agents shall perform their work in a manner that minimizes interference with the management and operation of the Apartment Housing.

(1) Developer shall exert its best efforts to ensure that the Contractor performs its obligations under the Construction Documents in a diligent and timely manner.

(2) Developer shall monitor pre-construction conferences and review pre-construction documents, including drawings, specifications, contracts, and schedules.

(3) Developer shall identify construction issues and inform Owner of the same.

(4) Developer shall review subcontract bids received by the Contractor and make a recommendation to the Owner.

(5) Developer shall monitor field order and change order procedures and inform the Owner.

(6) Developer shall attend construction progress meetings at the Apartment Housing site to monitor construction progress and report to the Owner the outcome of those meetings.

(7) Developer shall review the Contractor's monthly pay applications.

(8) Developer shall monitor the Contractor's progress with respect to the approved Apartment Housing schedule and keep the Owner informed of all pertinent Apartment Housing issues and construction progress.

(9) Developer shall advise Owner with respect to relations with engineers, architects, and other construction professionals.

(10) Developer shall maintain relations with the City of Richmond and other governmental authorities having jurisdiction over development of the Apartment Housing and inform the Owner of any construction or building issues.

(c) **Assignment of Development Rights.** Developer hereby assigns to Owner all rights to the development of the Apartment Housing, including but not limited to, all tangible and intangible rights arising with respect to the name "Midlothian Community Partners, LP", the design of the Apartment Housing, the plans and specifications for the Apartment Housing and all rights arising under the agreements with Apartment Housing architects, engineers and other Apartment Housing design and construction professionals.

SECTION 3 DEVELOPMENT FEE PAYMENTS

3.1 Prior Services Rendered. The Parties acknowledge and agree that Developer has earned the sum of \$1,391,421 for services rendered prior to the date hereof, that said amount is reasonable in relation to the work performed, is fully earned as of that date and said amount will be paid in any event notwithstanding the termination of this Agreement. The Parties further acknowledge and agree that the Owner has accrued the Development Fee of \$1,391,421, under its method of accounting.

3.2 Payment of Development Fee. The Development Fee will be paid to the Developer (to be paid in the following percentages: 70% to the Managing General Partner and 30% to the Administrative General Partner) from capital contribution payments received by the Owner in accordance with Section 9.2(b) of the Partnership Agreement and from Mortgage Loan proceeds as permitted therein or approved by the Special Limited Partner. If the Development

Fee is not paid in full in accordance with Section 9.2(b) of the Partnership Agreement, then the balance of the Development Fee will accrue interest at 5.5% per annum and will be paid from either (i) available Net Operating Income in accordance with Section 11.1 of the Partnership Agreement (ii) Section 9.2(a) of the Partnership Agreement or (iii) the Guarantor, but in no event later than December 31, 2033.

3.3 Accrual of Development Fee. The Development Fee will be earned no later than the end of the first year of the tax credit period referenced in Section 42(f)(1) of the Code with respect to each building for which Credits are claimed. Once any portion of the Development Fee has been earned, it will be payable by the Owner in all events.

SECTION 4 TERMINATION

Neither Party to this Agreement will have the right to terminate this Agreement prior to the expiration of the term without cause. Owner may terminate this Agreement without further liability, for cause, which means any one of the following:

(a) a material breach by Developer of its obligations under this Agreement that is not cured within 30 days after notice thereof (or, as to any non-monetary obligations that is not reasonably capable of cure within 30 days, and provided that cure is commenced within 10 days of notice and diligently pursued thereafter to completion, within such time as may reasonably be necessary to complete such cure);

(b) a fraudulent or intentionally incorrect report by Developer to Owner with respect to the Apartment Housing; or

(c) any intentional misconduct or gross negligence by Developer with respect to its duties under this Contract.

Upon proper termination of this Agreement by Owner pursuant to this Section 4, all rights of Developer to receive unearned Development Fees pursuant to this Agreement with respect to services not yet performed will terminate. Developer will receive the full Development Fee for Prior Services and will receive a portion of the Development Fee for Future Services based on the percentage of Completion of Construction of the Apartment Housing at the time of termination. Nothing in this Section 4 will be deemed to prevent Owner from bringing an action against Developer to recover fully all damages resulting from any of the causes set forth in paragraphs (a), (b) or (c) above, or to prevent Owner from contending in any action or proceeding that the Future Services were not earned by Developer.

SECTION 5 GENERAL PROVISIONS

5.1 Notices. Notices required or permitted to be given under this Agreement will be in writing sent by overnight courier or mail, postage prepaid, to the Parties at the following addresses, or such other address as is designated in writing by the Party, provided, however, that any written communication containing such information sent to a Party actually received by a Party will constitute notice for all purposes of this Agreement.

If to Developer:

Community Preservation Partners
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Anand Kannan

The Hampstead Group, Inc.
1350 Columbia Street, Suite 802
San Diego, California 92101

If to Owner:

Midlothian Community Partners, LP
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: _____

5.2 Interpretation.

(a) **Headings.** The section headings in this Agreement are included for convenience only; they do not give full notice of the terms of any portion of this Agreement and are not relevant to the interpretation of any provision of this Agreement.

(b) **Relationship of the Parties.** Neither Party hereto will be deemed an agent, partner, joint venturer, or related entity of the other by reason of this Agreement and as such neither Party may enter into contracts or agreements which bind the other Party.

(c) **Governing Law.** The Parties intend that this Agreement be governed by and construed in accordance with the laws of the state of Virginia applicable to contracts made and wholly performed within Virginia by persons domiciled in Virginia.

(d) **Severability.** Any provision of this Agreement that is deemed invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining provisions of this Agreement.

5.3 Integration; Amendment. This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof. There are no promises, terms, conditions, obligations, or warranties other than those contained herein. This Agreement supersedes all prior communications, representations, or agreements, verbal or written, among the Parties relating to the subject matter hereof. This Agreement may not be amended except in writing.

5.4 Attorneys' Fees. If any suit or action arising out of or related to this Agreement is brought by any Party to any such document, the prevailing Party will be entitled to recover the costs and fees (including without limitation reasonable attorneys' fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other

costs of discovery) incurred by such Party in such suit or action, including without limitation to any post-trial or appellate proceeding.

5.5 Binding Effect. This Agreement will bind and inure to the benefit of, and be enforceable by, the Parties hereto and their respective successors, heirs, and permitted assigns.

5.6 Assignment. Neither Party may assign this Agreement without the consent of the other Party, including, in the case of an assignment by the Developer, the Consent of the Special Limited Partner of the Owner. No assignment will relieve any Party of liability under this Agreement unless agreed in writing to the contrary.

5.7 Third-Party Beneficiary Rights. No person not a Party to this Agreement is an intended beneficiary of this Agreement, and no person not a Party to this Agreement will have any right to enforce any term of this Agreement. Notwithstanding the foregoing, the Parties acknowledge that WNC Holding, LLC and its assignees will have the right to enforce any term of this Agreement.

5.8 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one agreement binding on all the Parties, notwithstanding that all Parties are not signatories to the same counterpart.

5.9 Further Assurances. Each Party agrees, at the request of the other Party, at any time and from time to time after the date hereof, to execute and deliver all such further documents, and to take and forbear from all such action, as may be reasonably necessary or appropriate in order more effectively to perfect the transfers or rights contemplated herein or otherwise to confirm or carry out the provisions of this Agreement.

5.10 Mandatory Arbitration. Any person enforcing this Agreement may require that all disputes, claims, counterclaims, and defenses (“Claims”) relating in any way to this Agreement or any transaction of which this Agreement is a part (the “Transaction”), be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Title 9 of the U.S. Code. All claims will be subject to the statutes of limitation applicable if they were litigated.

If arbitration occurs, one neutral arbitrator will decide all issues unless either Party’s Claim is \$100,000 or more, in which case three neutral arbitrators will decide all issues. All arbitrators will be active Virginia State Bar members in good standing. In addition to all other powers, the arbitrator(s) will have the exclusive right to determine all issues of arbitrability. Judgment on any arbitration award may be entered in any court with jurisdiction.


This arbitration clause cannot be modified or waived by either Party except in a writing that refers to this arbitration clause and is signed by both Parties.

[signatures begin on the following page]

IN WITNESS WHEREOF, the Parties have caused this Development Fee Agreement to be entered into as of the Effective Date.

DEVELOPER:

THE HAMPSTEAD GROUP, INC., a California corporation

By: 
Name: Jeff Jallo
Title: Vice President

COMMUNITY PRESERVATION PARTNERS, LLC, a California limited liability company

By: WNC & Associates, Inc., a California corporation, its sole member and manager

By: _____
Name: Anand Kannan
Title: Vice President

IN WITNESS WHEREOF, the Parties have caused this Development Fee Agreement to be entered into as of the Effective Date.

DEVELOPER:

THE HAMPSTEAD GROUP, INC., a California corporation

By: _____
Name: Jeff Jallo
Title: Vice President

COMMUNITY PRESERVATION PARTNERS, LLC, a California limited liability company

By: WNC & Associates, Inc., a California corporation, its sole member and manager

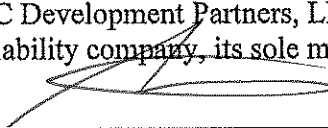
By: _____
Name: Anand Kannan
Title: Vice President

OWNER:

**MIDLOTHIAN COMMUNITY PARTNERS,
LP**

By: **WNC-MIDLOTHIAN GP, LLC**, a California limited liability company, its Managing General Partner

By: **WNC Development Partners, LLC**, a California limited liability company, its sole member

By: 

Anand Kannan, President

By: **HAMPSTEAD MIDLOTHIAN, LLC**, a California limited liability company, its Co-General Partner

By: **The Hampstead Group, LLC**, a Delaware limited liability company, its managing member

By: _____
Jeff Jallo, Vice President

OWNER:

**MIDLOTHIAN COMMUNITY PARTNERS,
LP**

By: **WNC-MIDLOTHIAN GP, LLC**, a California limited liability company, its Managing General Partner

By: **WNC Development Partners, LLC**, a California limited liability company, its sole member

By: _____
Anand Kannan, President

By: **HAMPSTEAD MIDLOTHIAN, LLC**, a California limited liability company, its Co-General Partner

By: **The Hampstead Group, LLC**, a Delaware limited liability company, its managing member

By: 

Jeff Jallo, Vice President

[Development Fee Agreement]

**Exhibit A
Legal Description**

All that certain lot, piece or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, lying, being and situate in the City of Richmond, Virginia and being more particularly described as follows:

Beginning at a point on south side of property owned by City of Richmond Public Works at North line of property owned by CSX Transportation, Inc.; thence along south side of property owned by City of Richmond Public Works N 82°51'20" E - 398.03' to a point at south line of Midlothian Turnpike; thence continuing along said line S 87°13'40" E - 100.30' to a point; thence continuing along said line along a curve to the left having a radius of 3578.13' for a distance of 659.89' to a point; thence continuing along said line N 82°12'20" E - 90.39' to the northwest intersection of Midlothian Turnpike and Wythemar Avenue; thence along west side of Wythemar Avenue S 9°00'00" W - 518.71' to the north line of property owned by City of Richmond Public Utilities; thence along said line N 81°00'00" W - 130.00' to a point; thence continuing along said line S 30°15'50" W - 170.00' to a point in north line of property owned by CSX Transportation Inc.; thence along said line N 59°44'10" W - 1097.34' to a point on south side of property owned by City of Richmond Public Works, said point of beginning.

BUDGET AGREEMENT

This Budget Agreement (“Agreement”) is entered into as of July 23, 2018 (the “Effective Date”) by and among Midlothian Community Partners, LP, a Virginia limited partnership (the “Owner”), WNC-Midlothian GP, LLC, a California limited liability company and Hampstead Midlothian, LLC, a Delaware limited liability company (collectively, the “General Partner”), WNC Holding, LLC, a California limited liability company (the “Limited Partner”), and WNC Housing, L.P., a California limited partnership (the “Special Limited Partner”). The Owner, the General Partner, the Limited Partner, and the Special Limited Partner collectively may be referred to as the “Parties” or individually may be referred to as a “Party.”

RECITALS

A. The Owner has acquired approximately 9.74 acres of land in Richmond, Virginia (the “Real Property”).

B. The Owner intends to develop on the Real Property a 216 unit low-income rental housing complex and other related improvements for family use, which are intended to qualify for federal low-income housing tax credits (the “Apartment Housing”).

C. On even date herewith, an amended and restated partnership agreement for the Owner (“Partnership Agreement”) was entered into by and between the General Partner, the Limited Partner, and the Special Limited Partner (the Partnership Agreement is incorporated herein by this reference as if the same were reproduced in full and any capitalized terms not defined in this Agreement have the meaning as defined in the Partnership Agreement).

D. The Parties recognize and acknowledge that the final construction cost determination involves substantial negotiations with lenders, contractors and governmental authorities.

E. The Parties recognize and acknowledge that a final operating budget involves substantial negotiations with lenders and governmental authorities.

F. The Limited Partner’s and the Special Limited Partner’s decision to execute the Partnership Agreement is based, in part, on their acceptance of the sources of funds available to develop the Apartment Housing, the cost of construction to build the Apartment Housing and the operating budget necessary to provide a positive Debt Service Coverage.

Now therefore, in consideration of the foregoing recitals which are a part of this Agreement, the mutual promises and undertakings in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

1. Source of Funds. Attached hereto as Exhibit A and incorporated herein by this reference is the Apartment Housing Sources and Application of Funds. The Sources and Application of Funds include sources from the Mortgage Loan, the Capital Contributions of the General Partner, the Limited Partner, the Special Limited Partner and other sources approved by

Midlothian Community Partners, LP
Budget Agreement

the Special Limited Partner. Moreover, the Sources and Application of funds specify the tax treatment of various items, which were considered and included in the underwriting and pricing of the Limited Partner's Capital Contribution. Unless expressly permitted in the Partnership Agreement, Consent of the Special Limited Partner is required for any change to the Sources and Application of Funds.

2. Development Budget. Attached hereto as Exhibit B and incorporated herein by this reference is the Development Budget in an amount equal to \$39,485,028. The Owner acknowledges and represents that the attached Development Budget includes the total of hard costs, soft costs and all other expenses to acquire, develop and construct the Real Property and the Apartment Housing.

3. Construction Proforma. Attached hereto as Exhibit C and incorporated herein by this reference is the Construction Proforma. The Owner acknowledges and represents that the attached Construction Proforma has been reviewed by and approved by the Contractor, the Construction Lender, Mortgage Lender if applicable and any governmental authorities if applicable. In accordance with Section 6.2(a) of the Partnership Agreement, if there are inadequate proceeds to pay the actual hard costs and soft costs of acquiring, developing and constructing the Apartment Housing (other than any deferred Developer fee) then the General Partner shall be responsible for and shall be obligated to pay such deficiencies.

4. Time Line. Attached hereto as Exhibit D and incorporated herein by this reference is a construction time line, Gantt chart or similar graph approved by the Special Limited Partner. The time line will include, at a minimum, a month-to-month, building-by-building analysis as to when each trade will start and complete the work for which they have been retained. If at any time during construction there is, or anticipated to be, a change in the construction schedule as displayed in the time line then the General Partner shall update the time line and provide the same to the Limited Partner and Special Limited Partner.

5. Operating Proforma. Attached hereto as Exhibit E and incorporated herein by this reference is the Operating Proforma. The Owner acknowledges and represents that the attached Operating Proforma has been reviewed by and approved by the Construction Lender, the Mortgage Lender and any governmental authorities, if applicable.

6. Notices. Any notice given pursuant to this Agreement may be served personally on the Party to be notified, or may be sent by overnight courier, or by certified mail to the following address, or to such other address as a Party may from time to time designate in writing:

To the General Partner:

Hampstead Midlothian, LLC
c/o The Hampstead Group, Inc.
1350 Columbia Street, Suite 802
San Diego, California 92101

WNC-Midlothian GP, LLC
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: _____

To the Limited Partner: WNC Holding, LLC
c/o WNC & Associates, Inc.
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Michael J. Gaber

To the Special Limited Partner: WNC Housing, L.P.
17782 Sky Park Circle
Irvine, California 92614-6404
Attn: Michael J. Gaber

7. Successors and Assigns. All the terms and conditions of this Agreement will be binding upon and inure to the benefit of the successors and assigns of the Parties.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and said counterparts will constitute but one and the same instrument which may sufficiently be evidenced by one counterpart.

9. Captions. Captions to and headings of the sections of this Agreement are solely for the conveniences of the Parties, are not a part of this Agreement, and will not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

10. Saving Clause. If any provision of this Agreement, or the application of such provision to any Person or circumstance, will be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, will not be affected thereby.

11. Governing Law. This Agreement and its application will be governed by the laws of Virginia.

12. Attorney's Fees. If any suit or action arising out of or related to this Agreement is brought by any party to any such document, the prevailing party will be entitled to recover the costs and fees (including without limitation reasonable attorneys' fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such party in such suit or action, including without limitation to any post-trial or appellate proceeding.

[Signatures begin on the following page]

In witness whereof, this Budget Agreement is made and entered into as of the Effective Date.

Midlothian Community Partners, LP
Budget Agreement

PARTNERSHIP:

**MIDLOTHIAN COMMUNITY PARTNERS,
LP**, a California limited partnership

By: **WNC-MIDLOTHIAN GP, LLC**, a
California limited liability company, its Managing
General Partner

By: WNC Development Partners, LLC, a California
limited liability company, its sole member

By: _____
Anand Kannan, President

By: **HAMPSTEAD MIDLOTHIAN, LLC**, a
California limited liability company, its Co-General
Partner

By: The Hampstead Group, LLC, a Delaware
limited liability company, its managing member

By: _____
Jeff Jallo, Vice President

GENERAL PARTNER:

WNC-MIDLOTHIAN GP, LLC, a California
limited liability company, its Managing General
Partner

By: WNC Development Partners, LLC, a California
limited liability company, its sole member

By: _____
Anand Kannan, President

[signatures continue on following page]

PARTNERSHIP:

MIDLOTHIAN COMMUNITY PARTNERS, LP, a California limited partnership

By: **WNC-MIDLOTHIAN GP, LLC**, a California limited liability company, its Managing General Partner

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: _____
Anand Kannan, President

By: **HAMPSTEAD MIDLOTHIAN, LLC**, a California limited liability company, its Co-General Partner

By: The Hampstead Group, LLC, a Delaware limited liability company, its managing member

By: 
Jeff Jallo, Vice President

GENERAL PARTNER:

WNC-MIDLOTHIAN GP, LLC, a California limited liability company, its Managing General Partner

By: WNC Development Partners, LLC, a California limited liability company, its sole member

By: _____
Anand Kannan, President

[signatures continue on following page]

**HAMPSTEAD MIDLOTHIAN, LLC, a
California limited liability company, its Co-General
Partner**

By: The Hampstead Group, LLC, a Delaware
limited liability company, its managing member


By: 
Jeff Jallo, Vice President

[signatures continue on following page]

LIMITED PARTNER:

WNC Holding, LLC

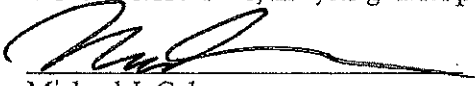
By: WNC & Associates, Inc., its managing
member

By: 
Michael J. Gaber
Chief Operating Officer

SPECIAL LIMITED PARTNER:

WNC Housing, L.P.

By: WNC & Associates, Inc., its general partner

By: 
Michael J. Gaber
Chief Operating Officer

[Budget Agreement]

**Exhibit A
Source of Funds**

[To be attached to final draft]

Sources and Applications of Funds
Belt Atlantic Apartments
Middleton Community Partners, LP

	Total	Capitalize	Funded Expenses	Non-Absorbed
Limited Partner Capital Contribution	11,683,211			
Special Limited Partner Cap. Contribution	100			
State Limited Partner Cap. Contribution	-			
General Partner Capital Contribution	2,377,764			
Deferred Dev. Fee	1,553,542			
Primary Mortgage	22,975,000			
Secondary Mortgage	-			
Tertiary Mortgage	-			
Fourth Mortgage	-			
Fifth Mortgage	-			
Investment Earnings	-			
Bridge NOI	695,611			
Construction Loan	22,975,000			
TOTAL SOURCES:	62,460,028			
Land	1,620,000			1,620,000
Existing Buildings	15,880,000	15,880,000		
Other Acquisition Costs	-			
Architect/Engineer/Survey	355,279	355,279		
Other Professional & Consulting	-			
Other Professional & Consulting	-			
Other Professional & Consulting	-			
School Fees/ Other Fees	-			
Local Permit Fees	-			
Tap Fees	-			
Other Fees & Permits	11,561	11,561		
Construction Costs*	5,880,633	5,880,633		
Demolition*	-			
Off Site Improvements*	-			
Non-Residential Structures*	-			
Energy Credit Property*	-			
Other Hard Costs	-			
Parking Facilities*	-			
Landscaping*	386,650	386,650		
Land Acquisition Fee	-			
WNEP Reimbursement	50,000			50,000
Syndication Fee	-			
General Requirements*	474,781	474,781		
Site Work*	105,000	105,000		
Commencement Period Taxes	18			
Construction Period Insur.	91,000	91,000		
Builder's Profit*	-			
Builder's Overhead*	633,041	633,041		
Construction Bond Premium	91,000	91,000		
Construction Contingency	920,284	920,284		
Const. Contingency Adjuster	-			
Construction Management*	548,687	548,687		
Acquisition Loan Costs	400,000			400,000
Expensed Construction Period Interest	-			
Expensed Negative Arbitrage	-			
Construction Loan Costs	180	110,600	110,600	
Const. Loan Origination Fee	180	-	-	
Construction Period Int.	-	2,938,148	-	
Bridge Loan Costs	-	906,357	-	906,357
Perm Loan Costs	180	-	-	
Perm Loan Origination Fee	180	-	-	
Legal Reserve/Const Title	-	158,380	-	
Title & Recording for Land	-	-	-	
Title & Recording for Perm Loan	180	-	-	
Bond Premium	180	223,469	-	223,469
Tax Credit Fees	180	91,219	-	91,219
TCAC Fees/9% Credit	180	-	-	
4% Credit Fees	180	-	-	
Miscellaneous Business Costs	180	445,237	-	445,237
Personal Property*	1,540,715	1,540,715		
Monitoring Fee	180	-	-	
Marketing Fee	12	-	-	
Cost Certification/Ltr of Credit	-	15,000	15,000	
Feasibility/Market Study	-	4,800	4,800	
Environment Report	-	2,500	2,500	
Tax Opinion	-	-	-	
Partnership Organization	180	220,883	-	220,883
Legal Fees	-	-	-	
Soft Cost Contingency	start here	537,517	509,156	28,361
Relocation Expenses	-	129,600	129,600	
General and Administrative	-	-	-	
Development Fee	3,182,841	3,182,841		
Developer Overhead	-	-	-	
Appraisal	5,200	5,200		
Other Soft Costs	25,800	25,800		
Negative Arbitrage	-	-	-	
Mortgage Insurance	180	-	-	
411a Fee	-	-	-	
Cost of Insurance	-	-	-	
HDC Fee	-	-	-	
Security	-	-	-	
Other Soft Costs	-	-	-	
Physical Needs Assessment	3,500	3,500		
Non-Eligible Items	-	-	-	
Rent-Up Reserve	-	-	-	
Operating Deficit Reserve	1,294,426	-	-	1,294,426
Construction Loan Repayment	22,975,000	-	-	22,975,000
TOTAL USES:	62,460,028	34,205,076	980,808	27,274,144

50% Test:

Bonds Used	22,975,000
Debt/Equity Ratio	34,205,076
Land Costs	1,620,000
Total Costs	35,825,076
Ratio:	64.18%

Asx

[Budget Agreement]

**Exhibit B
Development Budget**

[To be attached to final draft]

**Belt Atlantic Apartments
Midlothian Community Partners, LP**

GENERAL INFORMATION

Project Name	Belt Atlantic Apartments
No. of Units	216
Total Square Feet	203,160
Admission Date	7/1/2018
Construction start Date	7/1/2018
Construction Completion	4/1/2019
Construction Period in Months	9
Sales Date	1/1/2034
Tax Rate	21.00%
Percent Low Income	100.00%
Low Income Set-Aside	40/60
New Construction AFR	3.29%
Acquisition/Rehabilitation AFR	3.24%
Credit Reservation Amount	1,303,127
Calculated Tax Credit Amount	1,298,276
Tax Credits Taken	1,298,276
Tax Credit to Limited Partnership	1,298,016
Development Fee	3,182,841
Percent of Development Costs	8.06%
Builder's Profit/OH & General Requirements	
Percent of Construction Costs	
Construction Contract	-
Calculated Construction Contract	9,202,840

DEVELOPMENT COSTS

Land	1,620,000
Existing Buildings	15,880,000
Other Acquisition Costs	-
Architect/Engineer/Survey	556,279
Other Professional & Consulting	-
Other Professional & Consulting	-
Other Professional & Consulting	-
School Fees/ Other Fees	-
Local Permit Fees	-
Tap Fees	-
Other Fees & Permits	11,561
Construction Costs*	5,880,653
Demolition*	-
Off Site Improvements*	-
Non-Residential Structures*	-
Energy Credit Property*	-
Other Hard Costs	-
Parking Facilities*	-
Landscaping*	386,650
Land Acquisition Fee	-
WNC Reimbursement	50,000
Syndication Fee	-
General Requirements*	474,781
Site Work *	105,000
Construction Period Taxes	-
Construction Period Insur.	91,000
Builder's Profit*	-
Builder's Overhead*	633,041
Construction Bond Premium	91,000
Construction Contingency	920,284
Const. Contingency Adjuster	-
Construction Management*	548,687
Acquisition Loan Costs	400,000
Expensed Construction Period Interest	-
Expensed Negative Arbitrage	-
Construction Loan Costs	110,600
Const. Loan Origination Fee	-
Construction Period Int.	2,938,148
Bridge Loan Costs	906,357
Perm Loan Costs	-
Perm Loan Origination Fee	-
Legal /Escrow/Const Title	158,380
Title & Recording for Land	-
Title & Recording For Perm Loan	-
Bond Premium	223,469
Tax Credit Fees	91,219
TCAC Fees 9% Credits	-
4% Credit Fees	-
Miscellaneous Finance Costs	445,237
Personal Property*	1,540,715
Monitoring Fee	-
Marketing Fees	-
Cost Certification/Ltr of Credit	15,000
Feasibility/Market Study	4,600
Environment Report	2,600
Tax Opinion	-
Partnership Organization	220,383
Legal Fees	-
Soft Cost Contingency	537,517
Relocation Expenses	129,600
General and Administrative	-
Development Fee	3,182,841
Developer Overhead	-
Appraisal	5,200
Other Soft Costs	25,800
Negative Arbitrage	-
Mortgage Insurance	-
421a Fee	-
Cost of Issuance	-
HDC Fee	-
Security	-
Other Soft Costs	-
Physical Needs Assessment	3,500
Non-Eligible Items	-
Rent-Up Reserve	-
Operating Deficit Reserve	1,294,426
Total Development Cost	39,485,028
* Denotes construction contract items	
Development Costs/Unit	182,801
Base Construction Costs/Unit	42,606
Base Construction Costs/Rent SF	45,29848395

Ac

[Budget Agreement]

**Exhibit C
Construction Proforma**

[To be attached to final draft]

Construction Costs
Bel Air Atlantic Apartments
Milloblan Community Partners, LP

Enter Construction Contract Amt
 Tax Credit Fees Allowed in Block (Yes/No)
 Check box for exemption

Costs Loan Interest: by 31

	TRUE		TRUE			FALSE			FALSE		
	Origination	Predevelopment Costs Input	Acquisition	Partnership	Cost Certification	Total	Stage into Basis	Eligible Basis	Const. Contract		
ACQUISITION COSTS											
Land	1,612,638	-	1,612,638	-	-	1,612,638	0.00%	-	-		
Building Buildings	15,887,372	-	15,887,372	-	-	15,887,372	100.00%	15,887,372	-		
Other Acquisition Costs	-	-	-	-	-	-	-	-	-		
PROFESSIONAL FEES											
Architect/Engineer/Survey	164,300	-	164,300	-	-	164,300	100.00%	164,300	-		
Other Professional & Consulting	-	-	-	-	-	-	100.00%	-	-		
Other Professional & Consulting	-	-	-	-	-	-	100.00%	-	-		
Other Professional & Consulting	-	-	-	-	-	-	100.00%	-	-		
FEEB AND PERMITS											
School Fees/Other Fees	-	-	-	-	-	-	100.00%	-	-		
Local Permit Fees	-	-	-	-	-	-	100.00%	-	-		
Tap Fees	-	-	-	-	-	-	100.00%	-	-		
Other Fees & Permits	11,561	-	11,561	-	-	11,561	100.00%	11,561	-		
CONSTRUCTION COSTS											
Construction Costs*	6,996,653	-	6,996,653	-	-	6,996,653	100.00%	6,996,653	5,889,653		
Demolition*	-	-	-	-	-	-	0.00%	-	-		
Off-Site Improvements*	-	-	-	-	-	-	0.00%	-	-		
Non-Residential Structures*	-	-	-	-	-	-	100.00%	-	-		
Energy Grid Capacity*	-	-	-	-	-	-	100.00%	-	-		
Other Hard Costs	-	-	-	-	-	-	100.00%	-	-		
Parking Facilities*	-	-	-	-	-	-	100.00%	-	-		
Landscaping*	-	-	-	-	-	-	100.00%	-	-		
Land Acquisition Fee	-	-	386,650	-	-	386,650	100.00%	386,650	386,650		
WNC Release/Retain	50,000	-	50,000	-	-	50,000	0.00%	-	-		
Non-Residential Use	-	-	-	-	-	-	0.00%	-	-		
General Requirements*	-	-	474,781	-	-	474,781	100.00%	474,781	474,781		
Site Work*	-	-	105,000	-	-	105,000	100.00%	105,000	105,000		
Construction Period Taxes	-	-	91,000	-	-	91,000	100.00%	91,000	91,000		
Construction Period Insur.	-	-	91,000	-	-	91,000	100.00%	91,000	91,000		
Builder's Profit*	-	-	633,041	-	-	633,041	100.00%	633,041	633,041		
Builder's Overhead*	-	-	91,000	-	-	91,000	100.00%	91,000	91,000		
Construction Bond Premium	85,539	-	85,539	-	-	85,539	100.00%	85,539	85,539		
Construction Contingency	669,000	-	669,000	-	-	669,000	100.00%	669,000	669,000		
Const. Contingency Adjuster	-	-	548,487	-	-	548,487	100.00%	548,487	548,487		
Construction Management*	-	-	-	-	-	-	100.00%	-	-		
FINANCING COSTS											
Acquisition Loan Costs	-	-	400,000	-	-	400,000	0.00%	-	-		
Revised Construction Period Interest	-	-	-	-	-	-	0.00%	-	-		
Expensed Negative Amortize	-	-	-	-	-	-	0.00%	-	-		
Construction Loan Costs	99,600	-	110,600	-	-	110,600	100.00%	110,600	110,600		
Const. Loan Origination Fee	-	-	-	-	-	-	100.00%	-	-		
Construction Period Int.	2,038,148	-	2,038,148	-	-	2,038,148	100.00%	2,038,148	2,038,148		
Bridge Loan Costs	446,837	-	506,357	-	-	506,357	0.00%	-	-		
Perm Loan Costs	-	-	-	-	-	-	0.00%	-	-		
Perm Loan Origination Fee	-	-	-	-	-	-	0.00%	-	-		
Legal Review/Const Title	86,400	-	138,380	-	-	138,380	100.00%	138,380	138,380		
Title & Escrowing for Land	-	-	-	-	-	-	0.00%	-	-		
Title & Escrowing for Perm Loan	-	-	-	-	-	-	0.00%	-	-		
Bond Premium	246,687	-	223,469	-	-	223,469	100.00%	223,469	223,469		
Tax Credit Fees	87,601	-	91,219	-	-	91,219	0.00%	-	-		
TCAC Fees 3% Credit	-	-	-	-	-	-	0.00%	-	-		
4% Credit Fees	-	-	-	-	-	-	0.00%	-	-		
Miscellaneous Finance Costs	25,645	-	445,337	-	-	445,337	0.00%	-	-		
OTHER COSTS											
Personal Property*	1,540,715	-	1,540,715	-	-	1,540,715	100.00%	1,540,715	1,540,715		
Monitoring Fee	-	-	-	-	-	-	0.00%	-	-		
Marketing Fees	-	-	-	-	-	-	0.00%	-	-		
Cost Certification/Lit of Credit	7,000	-	15,000	-	-	15,000	100.00%	15,000	15,000		
Feasibility/Market Study	4,000	-	4,000	-	-	4,000	100.00%	4,000	4,000		
Environmental Report	18,000	-	2,600	-	-	2,600	100.00%	2,600	2,600		
Tax Opinion	-	-	-	-	-	-	0.00%	-	-		
Partnership Organization	175,000	-	220,183	-	-	220,183	100.00%	220,183	220,183		
Legal Fees	-	-	-	-	-	-	0.00%	-	-		
Soft Cost Contingency	445,800	-	537,517	-	-	537,517	100.00%	537,517	537,517		
Relocation Expenses	129,600	-	129,600	-	-	129,600	100.00%	129,600	129,600		
General and Administrative	-	-	-	-	-	-	100.00%	-	-		
Development Fee	3,483,009	-	3,187,841	-	-	3,187,841	100.00%	3,187,841	3,187,841		
Developer Overhead	-	-	-	-	-	-	100.00%	-	-		
Appraisal	5,200	-	5,200	-	-	5,200	100.00%	5,200	5,200		
Other Soft Costs	72,500	-	25,800	-	-	25,800	100.00%	25,800	25,800		
Negative Amortize	-	-	-	-	-	-	0.00%	-	-		
Mortgage Insurance	-	-	-	-	-	-	0.00%	-	-		
451a Fee	-	-	-	-	-	-	0.00%	-	-		
Cost of Inspection	-	-	-	-	-	-	0.00%	-	-		
HDC Fee	-	-	-	-	-	-	0.00%	-	-		
Security	-	-	-	-	-	-	0.00%	-	-		
Other Soft Costs	-	-	-	-	-	-	100.00%	-	-		
Physical Nasty Adjustments	3,500	-	3,500	-	-	3,500	100.00%	3,500	3,500		
Non-Eligible Items	-	-	-	-	-	-	0.00%	-	-		
Operating Deficit Reserve	-	-	1,294,426	-	-	1,294,426	0.00%	-	-		
Total Construction Costs	37,180,159		37,483,028	3,938,148	2,038,148	35,483,028		34,205,076	9,202,840		

* Excludes restricted construction costs

Other Debt Fee should be >= 31,294,416	
Original Construction Interest Calculation?	<input type="checkbox"/>
Calculated:	3,000
Reported:	3,038,148
Excess:	3,038,148
Includes only ineligible straight-line depreciable costs	<input type="checkbox"/>
Potential HTU Basis:	15,818,552
Ineligible costs for LHMTC:	0
HTU Basis:	15,818,552

Doc

[Budget Agreement]

**Exhibit D
Construction Time Line**

[To be attached to final draft]

Task Name	Duration	Start	Finish	Q1 Q2 Q3 Q4																			
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Re-Pointing	10d	04/01/19	04/12/19																				
Roofing	60d	08/13/18	11/02/18																				
Windows	48d	09/10/18	11/14/18																				
Siding	30d	09/17/18	10/26/18																				
Metals	25d	02/25/19	03/29/19																				
HVAC Panels	15d	03/11/19	03/29/19																				
Stairwell Panels	10d	02/25/19	03/08/19																				
Painting	60d	03/18/19	06/07/19																				
Signage	5d	06/03/19	06/07/19																				
Lighting	60d	08/13/18	11/02/18																				
Landscape	85d	08/13/18	12/14/18																				
Breezeways	90d	08/27/18	01/18/19																				
Ceiling Demo	90d	08/27/18	01/18/19																				
Reroute Conduits	90d	08/27/18	01/18/19																				
Building Interior	245d	08/13/18	08/09/19																				
Office Remodel	40d	08/13/18	10/05/18																				
Laundry Rooms	180d	11/12/18	08/09/19																				
Unit Renovations	206d	09/10/18	07/15/19																				
Unit Entry Doors	30d	09/10/18	10/19/18																				
HVAC/Mechanical	201d	09/17/18	07/15/19																				
Mock Units	20d	09/17/18	10/12/18																				
UFAS Units (4 Units)	45d	10/01/18	12/07/18																				
Standard Production (210 Units)	181d	10/15/18	07/15/19																				

AK

[Budget Agreement]

**Exhibit E
Operating Proforma**

[To be attached to final draft]

Operating Proforma
Belt Atlantic Apartments
Midlothian Community Partners, LP

Stabilized as of 2019

	Totals	% of AGI	Per Unit
<u>Operating Income</u>			
Gross Potential Rent	2,972,976	104.78%	13,764
Other Income	13,800	0.49%	64
Less Vacancy	(149,339)	-5.26%	(691)
Rural Housing Service Interest Credit	-	0.00%	-
Adjusted Gross Income	2,837,437	100.00%	13,136
<u>Operating Expenses</u>			
Utilities	283,217	9.98%	1,311
Maintenance	366,734	12.92%	1,698
Management Fee	102,240	3.60%	473
Administration	219,513	7.74%	1,016
Insurance	53,650	1.89%	248
Real Estate Taxes	120,468	4.25%	558
Other Expenses	-	0.00%	-
Total Operating Expenses	1,145,822	40.38%	5,305
Net Operating Income	1,691,615	59.62%	7,832
Stabilized Debt Service	1,378,230	48.57%	6,381
Replacement Reserve	64,800	2.28%	300
Cash Flow	248,585	8.76%	1,151
Stabilized Year DCR	1.18		
Metro Statistical Area	Richmond		
Median Income	83,200		

de

GUARANTY AGREEMENT

This Guaranty Agreement (“Agreement”) is made as of July 23, 2018 (the “Effective Date”) by The Hampstead Group, Inc., a California corporation, Chris Foster, an individual, resident of the State of California, Jeff Jallo, an individual, resident of the State of California and Greg Gossard, an individual, resident of the State of California (individually and collectively, “Guarantors”), for the benefit of Midlothian Community Partners, LP, a Virginia limited partnership (the “Partnership”), and WNC Holding, LLC, a California limited liability company, and its successors and assignees (the “Limited Partner”).

RECITALS

WHEREAS, on even date herewith, an amended and restated partnership agreement for the Partnership (the “Partnership Agreement”) was entered into by and between Hampstead Midlothian, LLC, a Delaware limited liability company, as the administrative general partner and WNC-Midlothian GP, LLC, a California limited liability company, as the managing general partner (collectively, the “General Partner”), WNC Housing, L.P., a California limited partnership, as the special limited partner, and the Limited Partner as the limited partner (the Partnership Agreement is incorporated herein by this reference as if the same were reproduced in full and any capitalized terms not defined in this Agreement will have the meaning as defined in the Partnership Agreement).

WHEREAS, pursuant to the terms of the Partnership Agreement, the General Partner: (1) is required to guarantee the completion of construction of a 216 unit low to moderate income housing complex located in Richmond, Virginia, as more fully described in Exhibit A attached hereto and incorporated herein by this reference, and any and all improvements now or hereafter to be constructed thereon (the “Apartment Housing”); (2) is required to guarantee the payment of all Operating Deficits incurred by the Partnership as a result of the operations of the Apartment Housing, including but not limited to real estate taxes; (3) is required to guarantee the annual allocation of tax credits to the Limited Partner; and (4) other matters identified in the Partnership Agreement.

WHEREAS, the Limited Partner would not have entered into the Partnership Agreement as a limited partner but for the agreement of Guarantors to provide the financial funds necessary to achieve Completion of Construction, to pay Operating Deficits, to pay Tax Credit deficits, and to guarantee certain other obligations of the General Partner. Guarantors are affiliates of the General Partner and will therefore benefit from the acquisition by the Limited Partner of a limited partnership interest in the Partnership.

NOW THEREFORE, in consideration of the foregoing and the promises, covenants and undertakings herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors hereby agree as follows:

SECTION 1. Guarantors hereby individually, jointly and severally guarantees to the Partnership and the Limited Partner, as applicable, the prompt payment and full performance of the provisions under Section 6.2, Section 6.3, Section 7.3, Section 7.4(a), Section 7.4(b), Section 7.4(c), Section 7.4(d), Article VIII, Section 9.2(a), Section 9.12, Section 9.13, Section 13.1(b),

and Section 17.10 of the Partnership Agreement, including all modifications thereof, pursuant to and in accordance with the terms and conditions set forth in the Partnership Agreement and in this Agreement. Guarantors also jointly and severally guarantee prompt payment of the Development Fee payable pursuant to the Development Fee Agreement entered into by Developer and the Partnership as of even date herewith.

SECTION 2. Guarantors further agree to pay all expenses paid or incurred by the Partnership and/or Limited Partner in endeavoring to collect Guarantors' obligations, or any part thereof, and in enforcing the provisions of this Agreement, including reasonable attorneys' fees if collected or enforced by law or through an attorney-at-law.

SECTION 3. No delay or failure on the part of the Partnership or Limited Partner in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Partnership of any right or remedy shall preclude other or future exercise thereof or the exercise of any other right or remedy. No action of the Partnership permitted hereunder shall in any way impair or affect this Agreement. For the purpose of this Agreement, Guarantors' obligations are guaranteed notwithstanding any right or power of anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such third party claim or defense shall impair or affect the obligations of Guarantors hereunder.

SECTION 4. This Agreement shall survive the death of any individual guarantor and shall be binding upon the Parties, and upon their legal representatives, estates, heirs, successors and assigns. Regarding the Limited Partner, this Agreement shall inure to the benefit of the successors, assignees or transferees of the Limited Partner.

SECTION 5. This Agreement has been made and delivered in the State of Virginia and shall be construed and governed under Virginia law.

SECTION 6. Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 7. The Parties recognize and acknowledge, and Guarantors agree and consent, that if the Partnership does not take legal action to enforce this Agreement, if and when by the terms of this Agreement it is enforceable, then the Limited Partner or its assignee may, on its own behalf and in its own name, commence legal proceedings to enforce the terms of this Agreement.

SECTION 8. Whenever the singular or plural number, masculine or feminine or neuter is used herein, it shall equally include the other where applicable.

SECTION 9. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument which may sufficiently be evidenced by one counterpart.

SECTION 10. The Guarantors shall maintain a net worth equal to at least \$5,000,000 and aggregate liquid assets equal to at least \$1,000,000, computed in accordance with generally accepted accounting principles and shall, by March 31st of each year, provide annual audited financial statements (provided, for each individual Guarantor, such statements shall be certified) to Limited Partner as evidence of such net worth.

SECTION 11. Guarantors consent to the jurisdiction and venue of the courts of Richmond County in the State of Virginia and/or to the jurisdiction and venue of any United States District Court in the State of Virginia having jurisdiction over Richmond County in any action or judicial proceeding brought to enforce, construe or interpret this Agreement. Guarantors agree to stipulate in any such proceeding that this Agreement is to be considered for all purposes to have been executed and delivered within the geographical boundaries of the State of Virginia, even if it was, in fact, executed and delivered elsewhere.

SECTION 12. Guarantors covenant and agree that neither its obligations to make payment in accordance with the terms of this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of a General Partner, or any remedy for the enforcement thereof resulting from the operation of any present or future provision of the bankruptcy laws or other statute, or from the decision of any court, nor shall such obligation or remedy for enforcement be impaired, modified, changed, released or limited in any manner by such event of bankruptcy.

SECTION 13. Guarantors covenant and agree that the execution and delivery and the observance and performance of this Guaranty by said Guarantors do not and will not conflict with or result in a breach of the terms or provisions of any existing rule, regulation or order of any court or governmental body or of any indenture, agreement or instrument to which any Guarantor is party, or by which it is bound, or to which it is subject, or constitute a default thereunder, and that this Guaranty has been duly executed and delivered by Guarantor and constitutes a valid and binding Guaranty enforceable in accordance with its terms.

SECTION 14. This Guaranty shall not be subject to any reduction, limitation, impairment, revocation or termination for any reason (other than the indefeasible payment in full in cash of any indebtedness or performance of the obligations), including but not limited to any claim of waiver, release, surrender, alteration or compromise of any of the indebtedness, and shall not be subject to any defense or setoff, counterclaim, recoupment, revocation or termination whatsoever, whether by reason of the invalidity, illegality or unenforceability of the indebtedness, the obligations or otherwise. Guarantors waive all presentments, demands for performance, notices of non-performance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty. Guarantors shall be jointly and severally liable for the obligations hereunder with any other guarantor thereof.

SECTION 15. It is expressly understood and agreed that this is a continuing guaranty and that any claim made by the Partnership or the Limited Partner against Guarantors pursuant to this Guaranty shall not preclude the Partnership or the Limited Partner from making a claim against any Guarantor for future payments. Any payment made by Guarantors pursuant to this Guaranty shall satisfy the obligation of the Partnership or the General Partner, as the case may

be, to make such payment, as if the Partnership or the General Partner, as the case may be, had made such payment itself.

SECTION 16. All rights, powers and remedies of the Partnership and the Limited Partner hereunder shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to the Partnership and the Limited Partner by law or in equity.

SECTION 17. Each Guarantor represents that it or he has read such of the documents given in connection with the Partnership Agreement as it or he deems it necessary or desirable to read and that it or he understands the terms of the Partnership Agreement and this Guaranty, including, without limitation, the effect of each of the waivers contained herein, and is competent to execute this Guaranty. Each Guarantor further covenants that it shall execute and deliver such further instruments and do further acts and things as may be reasonably required to carry out the intent and purposes of this Guaranty, including, but not limited to, the execution of a document reaffirming each of Guarantor's payment obligations contained in this Guaranty for the benefit of any successor to any Limited Partner.

SECTION 18. Each Guarantor warrants having established with the Partnership and the General Partner adequate means of obtaining, on an ongoing basis, such information as Guarantor may require concerning all matters bearing on the risk of nonpayment or nonperformance of the obligations. Each Guarantor assumes sole, continuing responsibility for obtaining such information from sources other than from the Partnership or the Limited Partner. Neither the Partnership nor the Limited Partner shall have any duty to provide any information to Guarantor.

SECTION 19 Each Guarantor hereby waives and agrees not to assert or take advantage of (1) all duty or obligation on the part of the Limited Partner to perfect, protect, not impair, retain or enforce any security for the payment of any indebtedness or performance of any of the other obligations guaranteed hereby, or (2) the defense of the statute of limitations and all suretyship defenses and defenses in the nature thereof in any action hereunder or in any action for the collection of any indebtedness or the performance of any other obligations guaranteed hereby.

SECTION 20 This Guaranty is a guaranty of payment and not of collection and is not conditioned or contingent upon the genuineness, validity, regularity or enforceability of the Partnership Agreement. Guarantor waives any right to require the Partnership or the Limited Partner to (a) proceed against the General Partner; (b) proceed against or exhaust any security held by the General Partner; or (c) pursue any other remedy in the Partnership's or the Limited Partner's power whatsoever. Guarantor agrees to waive any right of subrogation or reimbursement against the Partnership, or the General Partner, any right of subrogation against any collateral or security provided for in the Partnership Agreement and any right of contribution against any other guarantor or pledgor unless and until all amounts due by the General Partner under the Partnership Agreement have been paid in full and the Limited Partner has released, transferred or disposed of all of its right, title and interest in any collateral or security. To the extent Guarantor's waiver of these rights of subrogation, reimbursement or contribution as set forth herein are found by a court of competent jurisdiction to be void or voidable for any reason, Guarantor agrees that all rights of subrogation and reimbursement against the Limited Partner


and all rights of subrogation against any collateral or security shall be junior and subordinate to the Limited Partner's rights against the Partnership or the General Partner and to the Limited Partner's right, title and interest in such collateral or security, and all rights of contribution against any other guarantor or pledgor shall be junior and subordinate to the Limited Partner's rights against such other guarantor or pledgor.

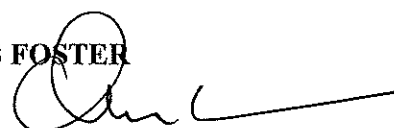
[signatures begin on following page]

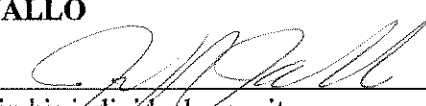
IN WITNESS WHEREOF, this Guaranty Agreement is made and entered into as of the Effective Date.

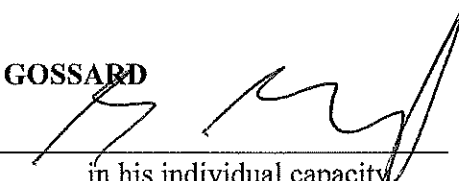
GUARANTOR:

THE HAMPSTEAD GROUP, INC., a California corporation

By: 
Name: Jeff Jallo
Title: Vice President

CHRIS FOSTER
By: 
in his individual capacity

JEFF JALLO
By: 
in his individual capacity

GREG GOSSARD
By: 
in his individual capacity

[Guaranty Agreement]

**EXHIBIT A
LEGAL DESCRIPTION**

All that certain lot, piece or parcel of land, together with the improvements thereon and the appurtenances thereunto belonging, lying, being and situate in the City of Richmond, Virginia and being more particularly described as follows:

Beginning at a point on south side of property owned by City of Richmond Public Works at North line of property owned by CSX Transportation, Inc.; thence along south side of property owned by City of Richmond Public Works N 82°51'20" E - 398.03' to a point at south line of Midlothian Turnpike; thence continuing along said line S 87°13'40" E - 100.30' to a point; thence continuing along said line along a curve to the left having a radius of 3578.13' for a distance of 659.89' to a point; thence continuing along said line N 82°12'20" E - 90.39' to the northwest intersection of Midlothian Turnpike and Wythemar Avenue; thence along west side of Wythemar Avenue S 9°00'00" W - 518.71' to the north line of property owned by City of Richmond Public Utilities; thence along said line N 81°00'00" W - 130.00' to a point; thence continuing along said line S 30°15'50" W - 170.00' to a point in north line of property owned by CSX Transportation Inc.; thence along said line N 59°44'10" W - 1097.34' to a point on south side of property owned by City of Richmond Public Works, said point of beginning.

LETTER AGREEMENT

July 20, 2018

RE: Midlothian Community Partners, L.P. (the "Partnership")

To Whom It May Concern:

WNC Holding, LLC, as the limited partner of the Partnership, and its successors and assigns (the "Limited Partner") and WNC Housing, L.P., as the special limited partner of the Partnership, and its successors and assigns (the "Special Limited Partner") have agreed to provide those certain capital contributions to the Partnership in accordance with provisions of the Amended and Restated Agreement of Limited Partnership of the Partnership (the "Partnership Agreement").

In connection with the negotiation of the terms of the Partnership Agreement, WNC-Midlothian GP, LLC, the managing general partner for the Partnership (the "Managing General Partner") has requested that counsel prepare this separate letter agreement. Managing General Partner acknowledges and agrees that Limited Partner and Special Limited Partner will be relying upon the information contained in this letter agreement.

All Capital Contributions funded by the Limited Partners pursuant to Section 7.2(a) of the Partnership Agreement shall be wired to the following account:

Bank/Title Co. Name:	City National Bank/Commonwealth Land Title Company			
ABA Routing Number:	<u>122016066</u>			
Account Name:	Commonwealth	Land	Title	Company
Account Number	555337302			
Reference:	09172319-CG / The Belt Atlantic			

AK

Any Capital Contributions funded by the Limited Partner subsequent to Sections 7.2(b) shall be wired to the following account; provided, however, that if the below-named individual who is authorized to confirm such wire(s) on behalf of the General Partner changes the General Partner shall promptly notify the Limited Partner at the address reflected in Section 17.3:

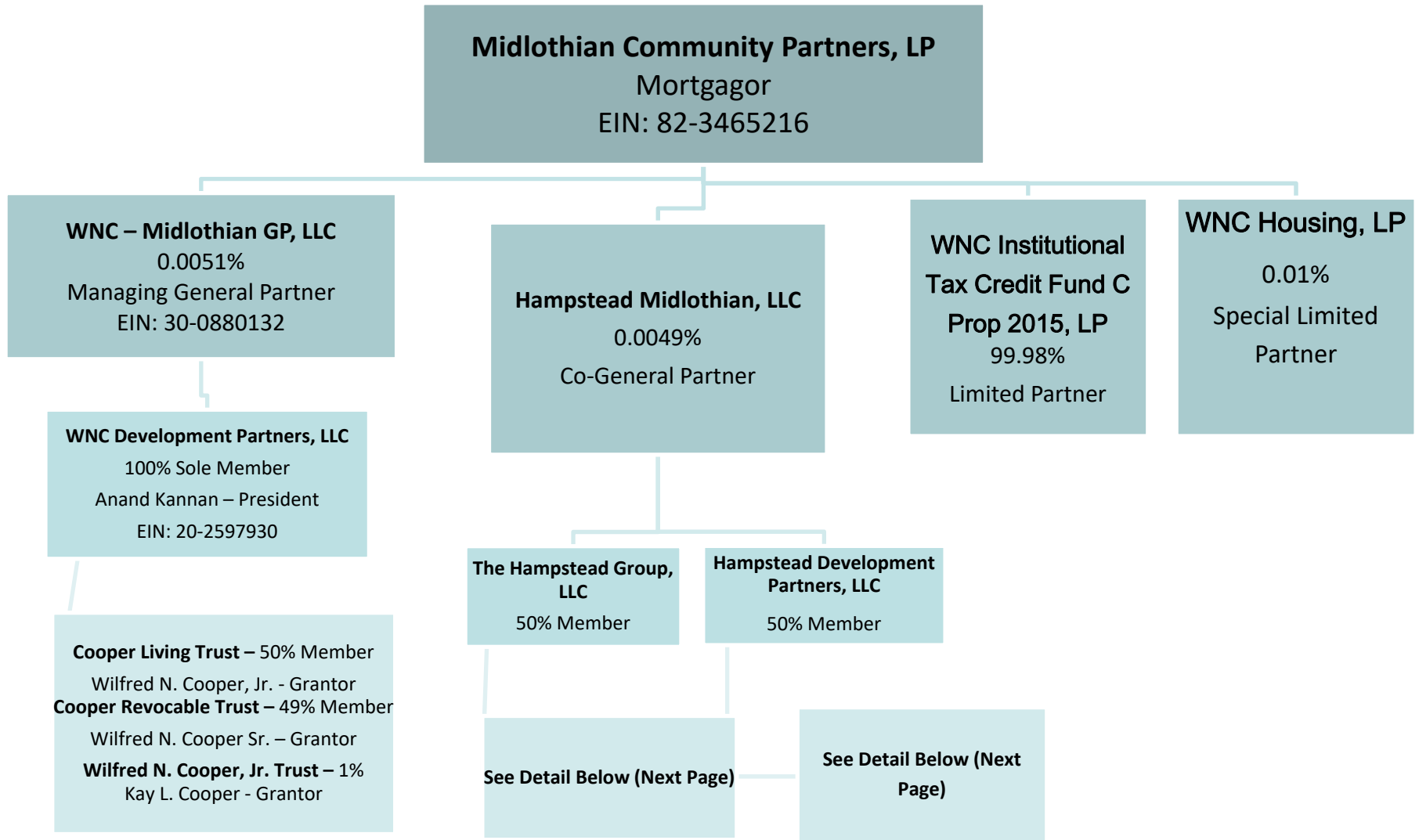
Bank Name:	Manufacturers & Traders Trust Company
ABA Routing Number:	<u>031100092</u>
Account Name:	Richmond Belt Atlantic Equity Account

AK

Account Number 1001
Reference: Richmond Belt Atlantic
Authorized Person to Brian Buchanan
Confirm Wire(s) _____

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Partnership Agreement.

Midlothian Community Partners, LP



Tab Q:

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

Sep 15 05 04:00p Lan Graber

203-2 -2629

p. 2

Sep-15-2005 04:08pm From-US DEPT of HUD

+18047712290

T-788 P.003 F-502

Attachment 12

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

PROJECT-BASED SECTION 8

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

PREPARATION OF CONTRACT

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

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

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number VA36M000042

Section 8 Project Number of Expiring Contract

FHA Project Number (if applicable) _____

Project Name City Line Apartments

Project Description³

155 A Mytilene Drive, Newport News, Virginia 23605-1852

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

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

United States of America – Department of Housing and Urban Development

Name of Owner

City Line Associates

2 TERM OF RENEWAL CONTRACT

a The term of the Renewal Contract begins on

September 1, 2005.

b Subject to the availability of sufficient appropriations to make housing assistance payments for any year in accordance with the Renewal Contract, as determined by HUD, the Renewal Contract shall run for a period of 20 year(s), beginning on the first day of the term.⁵ Section 8 housing assistance payments to the owner during the Renewal Contract term shall only be made from budget authority appropriated by the Congress, and available for this purpose.

3 RENEWAL CONTRACT

a Parties

- (1) This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (2) If HUD is the contract administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as contract administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) and section 11 (PHA default) of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 ("Section 8") (42 U.S.C. 1437f), and section 524(a) and (c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) ** (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384ff), as amended by section 531 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Pub. L. No. 106-74, October 20, 1999, 113 Stat. 1109ff).

c Expiring Contract

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

d Purpose of Renewal Contract

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

e Contract units

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

4 EXPIRING CONTRACT – PROVISIONS RENEWED

a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

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

- (1) The amount of the monthly contract rents;
- (2) Contract rent adjustments;
- (3) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section.

5 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the project are adjusted in accordance with section 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

b Contract rent adjustments

(1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) ("fifth year adjustment"), during the term of the Renewal Contract the contract administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements, using an operating cost adjustment factor (OCAF) established by HUD. Such adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for a fifth year adjustment.

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

- (a) This section 5(b)(2) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such anniversary of the Renewal Contract, the contract administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the contract administrator in accordance with HUD requirements,

necessary to set the contract rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(b) To assist in the redetermination of contract rents, the contract administrator may require that the owner submit to the contract administrator a rent comparability study prepared (at the owner's expense) in accordance with HUD requirements.

(3) Procedure for rent adjustments during renewal term

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

(4) No other adjustments

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

6 OWNER WARRANTIES

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

7 OWNER NOTICE

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

8 APPLICABLE REQUIREMENTS

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

9 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 of the Renewal Contract, and if HUD determines, and so notifies the contract administrator and the owner, that the contract administrator is unable to carry out the provisions of section 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

10 DISTRIBUTIONS

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

11 PHA DEFAULT

- a This section of the Renewal Contract applies if the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal

Contract to a PHA contract administrator, for the purpose of PHA administration of the Renewal Contract.

- b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as contract administrator, to make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract, and that the owner is not in default of its obligations under the Renewal Contract, HUD will take actions HUD determines necessary for the continuation of housing assistance payments to the owner in accordance with the Renewal Contract.

12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT

- a This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

13 EXCLUSION OF THIRD-PARTY RIGHTS

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

carry out functions or responsibilities in connection with contract administration under the ACC.

14 WRITTEN NOTICES

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator (Print)

United States of America - Department of Housing and Urban Development

By: *[Signature]*

Signature of authorized representative

JAMES PEUSO
Charles C. Faroliner, Director, Multifamily Program Center

Name and official title (Print)

Date 9/16/05

Owner

Name of Owner (Print)

City Line Associates

See Attached

By: *[Signature]*

Signature of authorized representative

Lance Graber, Executive Vice President

Name and title (Print)

Date September 16, 2005

Owner:

City Line Associates,
a Virginia limited partnership

By: LAC Properties GP II Limited Partnership,
a Delaware limited partnership,
its general partner

By: LAC Properties QRS II Inc.,
a Delaware corporation,
its general partner


By: 
Lance Graber
Executive Vice President

EXHIBIT A

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

Number of Units	Number of Bedrooms	Contract Rent
100	1	\$504
100	2	\$588

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 5b(3) of the Renewal Contract.

**EXHIBIT B
DISTRIBUTION LIMITATIONS**

FOR PROJECT NOT SUBJECT TO DISTRIBUTION LIMITATIONS:

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

FOR PROJECT SUBJECT TO DISTRIBUTION LIMITATIONS:

If the project is subject to any limitations on distribution of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitations on distribution shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution as calculated and approved by HUD in accordance with Chapter Three of the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, issued January, 2001 (the "Guidebook").

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.

Tab R:

Documentation of Operating Budget and Utility Allowances

This deal does not require
information behind this tab.

Tab S:

Supportive Housing Certification

This deal does not require
information behind this tab.

Tab T:

Funding Documentation

This deal does not require
information behind this tab.

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing



Virginia Housing Free Housing Education Acknowledgement

I _____, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here www.virginiahousing.com/renters.

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: _____

Resident Signature: _____

Date: _____

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

This deal does not require
information behind this tab.

Tab W:

Internet Safety Plan and Resident Information Form (if internet amenities selected)

The Apartment Internet Guidelines

Acknowledgement

I _____, have read, understand, acknowledge, and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in The City Line Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The City Line common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by The Heights at Jackson Village. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in City Lines' Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____

City Line Apartments

INTERNET SECURITY PLAN

The internet service at City Line will have a rotating password that is only accessible to residents. The network router will be 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 kids! 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. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



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.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

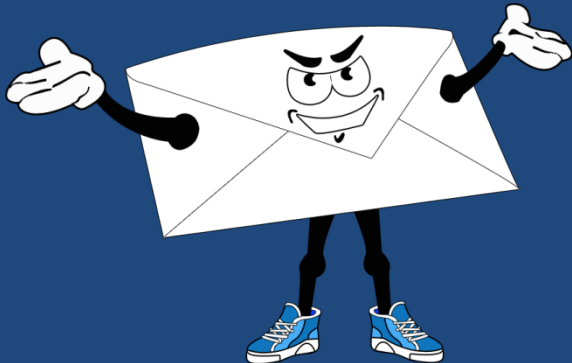
Spam



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/>



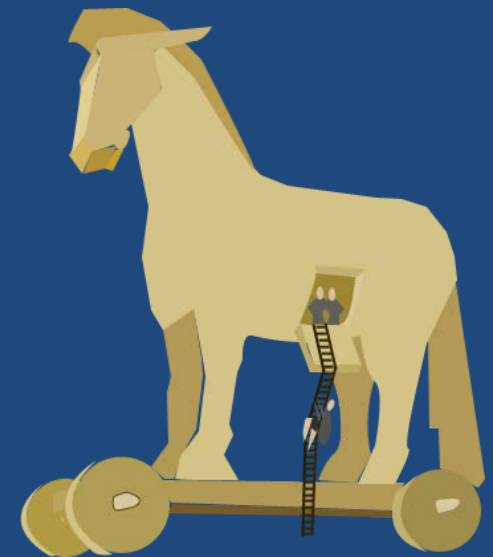
Trojan Horse

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.

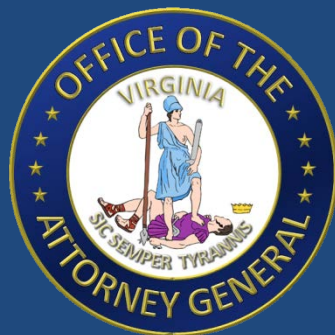
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior 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

City Line Apartments Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that City Line Apartments will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

The Management Agent will be responsible for the management of City Line Apartments. WinnResidential, the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, WinnResidential will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

WinnResidential is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. WinnResidential, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Associate Director or the Executive Director of WinnResidential.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of

Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

WinnResidential will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- Area Center for Independent Living (757-827-0275)
- Virginia Board for People with Disabilities (804-786-0016)
- Virginia Department for Aging and Rehabilitative Services (804-662-7000)

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- Unless prohibited by and applicable federal subsidy program.
- A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.
- Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.
- Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status
- Target Population units will be confirmed by VHDA.

2. Internet Search

WinnResidential Apartments will also be listed on the following websites:

www.virginiahousingsearch.com

www.hud.gov

www.craigslist.org

accessva.org

dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the Lynchburg area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** –A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.
- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the

Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. WinnResidential encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home

visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit and no negative rental history and no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note- If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which YOUR Apartments is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.

- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.
- Held Vacant for 60 Days**

Unit must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 60-point Units and 30-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit or a 30-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

April 12, 2022

City Council of
Newport News, Virginia

**Newport News Redevelopment and Housing Authority
Proposed Financing for City Line Community Partners, LP**

City Line Community Partners, LP, a Virginia limited partnership (the “Applicant”), has requested that the Newport News Redevelopment and Housing Authority (the “Authority”) issue up to \$35,000,000 of its revenue bonds (the “Bonds”) to assist the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as City Line Apartments, to consist of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Project will be owned by the Borrower.

As set forth in the resolution of the Authority attached as Exhibit C to the certificate described below (the “RHA Resolution”), the Authority has agreed to issue the Bonds as requested. The Authority has conducted a public hearing (the “Public Hearing”) on the proposed financing of the Project and has recommended that you approve the issuance of the Bonds in satisfaction of the requirements set forth in Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the “Virginia Code”).

Attached hereto is (1) a certificate evidencing the conduct of the Public Hearing and adoption of the RHA Resolution, (2) the fiscal impact statement required pursuant to Virginia Code Section 15.2-4907, (3) a summary of the comments expressed at the Public Hearing and (4) the form of resolution suggested by counsel to evidence your approval.



Secretary, Newport News Redevelopment and
Housing Authority

CERTIFICATE

The undersigned Secretary of the Newport News Redevelopment and Housing Authority (the "Authority") certifies as follows:

1. A meeting of the Authority was duly called and held at 8:30 a.m. on March 15, 2022 pursuant to proper notice given to each commissioner of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the foregoing arrangements provided a reasonable opportunity for persons of differing views to participate and be heard.

2. The Chair announced the commencement of a public hearing on the application of City Line Community Partners, LP and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in Newport News, Virginia (the "Notice"), with the second publication appearing not less than seven days nor more than twenty-one days prior to the hearing date. A copy of the Notice has been filed with the records of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of a resolution ("Resolution") adopted at such meeting of the Authority by a majority of the commissioners present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, this 15th day of March, 2022.



Secretary, Newport News Redevelopment and
Housing Authority

[SEAL]

Exhibits:

- A - Copy of Certified Notice
- B - Summary of Statements
- C - Resolution

EXHIBIT A
NOTICE OF PUBLIC HEARING

(See Attached)



VIRGINIA
MEDIA

Sold To:
McGuireWoods LLP - CU80128575
Gateway Plaza 800 East Canal Street
Richmond, VA 23219

Bill To:
McGuireWoods LLP - CU80128575
Gateway Plaza 800 East Canal Street
Richmond, VA 23219

Affidavit of Publication

**State of Illinois
County of Cook**

Order Number: 7157876
Purchase Order:

This day, Jeremy Gates appeared before me and, after being duly sworn, made oath that:

- 1) He/she is affidavit clerk of Daily Press, a newspaper published by Daily Press, LLC in the city of Newport News and the state of Virginia
- 2) That the advertisement hereto annexed has been published in said newspaper on the dates stated below
- 3) The advertisement has been produced on the websites classifieds.pilotonline.com and <https://www.publicnoticevirginia.com>

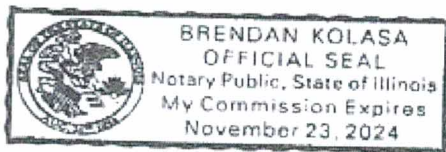
Published on: **Mar 01, 2022; Mar 08, 2022.**

Jeremy Gates

Subscribed and sworn to before me in my city and state on the day and year aforesaid this 8 day of March, 2022

My commission expires November 23, 2024

Notary Signature



Notary Stamp



**NOTICE OF PUBLIC HEARING
ON PROPOSED REVENUE BOND
FINANCING BY NEWPORT
NEWS REDEVELOPMENT AND
HOUSING AUTHORITY**

Notice is hereby given that the Newport News Redevelopment and Housing Authority (the "Authority"), whose address is 227 27th Street, Newport News, VA 23607, will hold a public hearing on the application of City Line Community Partners, LP (the "Applicant"), a Virginia limited partnership whose business address is 17782 Sky Park Circle, Irvine, CA 92614. The Applicant has requested the Authority to issue up to \$35,000,000 of its revenue bonds (the "Bonds"), in one or more series of qualified residential rental bonds, at one time or from time to time pursuant to a plan of finance, to assist the Applicant in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping an affordable housing development to be known as City Line Apartments, to consist of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605 (the "Project") including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"). The Project will be owned by the Applicant or an entity affiliated with and controlled by or under common ownership with the Applicant.

THE ISSUANCE OF THE BONDS AS REQUESTED BY THE APPLICANT WILL NOT CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OTHER POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND NEWPORT NEWS, VIRGINIA, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING NEWPORT NEWS, VIRGINIA, WILL BE PLEDGED TO THE PAYMENT OF SUCH BONDS BUT WILL BE PAYABLE SOLELY FROM THE REVENUES DERIVED FROM THE APPLICANT AND PLEDGED TO THE PAYMENT THEREOF.

The public hearing, which may be continued or adjourned, will be held at 8:30 o'clock a.m. on Tuesday, March 15, 2022, before the Authority at 227 27th Street, Newport News, VA 23607. Any person interested in the issuance of the Bonds or the facilities to be financed or refinanced with the bond proceeds may appear at the hearing and present his or her views.

This notice is published, and the public hearing is being held by or on behalf of the Authority as issuer of the proposed revenue bonds, as required by Section 147(f) of the Code and the regulations promulgated thereunder.

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

3/1 & 3/8/22 7157876

EXHIBIT B

SUMMARY OF STATEMENTS

Representatives of City Line Community Partners, LP and McGuireWoods LLP, bond counsel, participated in the public hearing to explain the proposed plan of financing. No one from the public who participated in the public hearing expressed opposition to the proposed bond issue.

EXHIBIT C
RESOLUTION
(See Attached)

RESOLUTION OF THE NEWPORT NEWS REDEVELOPMENT AND HOUSING
AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF UP TO \$35,000,000
MULTIFAMILY REVENUE BONDS FOR
CITY LINE APARTMENTS

RECITALS

A. The Newport News Redevelopment and Housing Authority (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 Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Newport News, Virginia (the “City”).

B. To further the Act’s purposes, at the request of City Line Community Partners, LP, a Virginia limited partnership (the “Applicant”), the Authority has determined to issue and sell its Multifamily Revenue Bonds in a principal amount not in excess of \$35,000,000 (the “Bonds”), pursuant to the Act, for the purpose of assisting the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in financing or refinancing a portion of the costs of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as City Line Apartments, to consist of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Applicant has represented that the Project will be owned by the Borrower.

C. Based on the representations of the Applicant and the information submitted concerning the Project, the Authority has determined that the issuance and sale of the Bonds will benefit the inhabitants of Newport News, Virginia and the Commonwealth by promoting their health, welfare, convenience and prosperity.

NOW, THEREFORE, BE IT RESOLVED BY THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY OF NEWPORT NEWS, VIRGINIA THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. Based on the representations of the Applicant and the information submitted concerning the Project, it is hereby found and determined that the Project will further the public purposes of the Act by promoting the health and welfare of the Commonwealth, the City of Newport News, Virginia and their citizens.

3. Based on the representations of the Applicant and the information concerning the Project, it is hereby found and determined that the facilities which are the subject of the Project will constitute facilities for use primarily as safe and affordable single or multifamily residences, as described in the Act.

4. To induce the Borrower to acquire, construct, renovate, rehabilitate and equip the facilities which are the subject of the Project as safe and affordable single or multifamily residences within the meaning of the Act, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Project by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds in an aggregate principal amount not to exceed \$35,000,000 upon terms and conditions as shall be mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents as shall be satisfactory to the Authority and its counsel. The Bonds may be issued in one or more series at one time or from time to time, but in no event later than December 31, 2023, pursuant to the terms of a subsequent resolution or resolutions adopted by the Authority.

5. It having been represented by the Applicant to the Authority that it is necessary to proceed with the financing of the Project, the Authority hereby agrees that the Borrower may proceed with the plans for the Project, enter into contracts related to the financing of the Project 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 or any portion thereof. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

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. As a condition of the issuance of the Bonds by the Authority, the Borrower shall agree in the Bond Documents to indemnify and save harmless the Authority, its commissioners, officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

8. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority (including, without limitation, any application fee and origination fee or annual fee, as applicable), 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 from moneys provided by the Borrower. If for any reason the Bonds are not issued, it is understood that all such fees and 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 Project expenditures with proceeds from the issuance of the Bonds within the meaning of Treasury Regulations Section 1.150-2.

10. The Chair, the Vice Chair, the Secretary/Treasurer of the Authority, any Assistant Secretary of the Authority, or the designee of any of them, any of whom may act alone, are hereby authorized 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.

11. 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 of Newport News, Virginia 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.

12. 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, directors, 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 or any political subdivision thereof, including the Authority or the Council of the City (the “City Council”) (and the Bonds shall so state on their face), and neither the Commonwealth nor any such political subdivision thereof shall be generally 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, 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.

13. The Authority (including its commissioners, officers, directors, 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. The Authority’s agreement 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 to approve the issuance of the Bonds.

14. The Applicant, by receiving the benefit of this resolution, has agreed that the Borrower will cause the documents executed in connection with the issuance of the bonds to contain a covenant, in form and substance satisfactory to the Authority and its counsel, substantially to the effect that the Borrower will agree to pay to the Authority, at the selection of the Borrower, either (i) a one-time 1/2 of 1% of the total bond issue amount up front or (ii) an annual administrative fee which shall be due and payable on the date of issuance of the Bonds and on each annual anniversary date thereof until payment in full of the Bonds 1/8 of 1% of the outstanding principal amount of the Bonds.

15. The Authority recommends that the City Council approve the issuance of the Bonds.

16. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the City Council.

17. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

18. This resolution shall take effect immediately upon its adoption.

Adopted: March 15, 2022

CERTIFICATE

The undersigned Secretary of the Newport News Redevelopment and Housing Authority, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the commissioners of the Authority at a meeting duly called and held on March 15, 2022, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of March 15, 2022.



Secretary, Newport News Redevelopment and
Housing Authority

[SEAL]

FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING

Date: March 15, 2022

To the City Council
of Newport News, Virginia

Applicant: City Line Community Partners, LP

Facility: City Line Community Partners, LP

1.	Maximum amount of financing sought.	\$	35,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$	10,240,417
3.	Estimated real property tax per year using present tax rates.	\$	265,000
4.	Estimated personal property tax per year using present tax rates.	\$	De minimis
5.	Estimated merchants' capital tax per year using present tax rates.	\$	N/A
6.	(a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality.	\$	1,440,000
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$	2,160,000
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$	2,160,000
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$	3,240,000
7.	Estimated number of regular employees on year round basis.		3
8.	Average annual salary per employee.	\$	46,800


Chairman, Newport News Redevelopment and
Housing Authority

[Proposed Form of City Council Resolution]

**RESOLUTION OF THE CITY COUNCIL OF NEWPORT NEWS, VIRGINIA,
APPROVING THE ISSUANCE BY THE
NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY OF ITS UP TO
\$35,000,000 MULTIFAMILY REVENUE BONDS FOR CITY LINE COMMUNITY
PARTNERS, LP**

WHEREAS, the Newport News Redevelopment and Housing Authority (the “Authority”) is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has considered the application of City Line Community Partners, LP, a Virginia limited partnership (the “Applicant”) requesting that the Authority issue up to \$35,000,000 of its revenue bonds (the “Bonds”) to assist the Applicant or an entity affiliated with and controlled by, or under common ownership with, the Applicant (the Applicant or such resulting ownership entity hereinafter referred to as the “Borrower”) in acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project to be known as City Line Apartments, to consist of 100 one-bedroom units and 100 two-bedroom units, including laundry facilities, two playgrounds and a basketball court, to be located on approximately 12.4 acres of land located at 155 Mytilene Dr A, Newport News, Virginia 23605 (the “Project”), including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds. Based on representations of the Applicant, the Project is structured to meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”). The Applicant has represented that the Project will be owned by the Borrower; and

WHEREAS, Section 147(f) of the Code provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of such bonds; and

WHEREAS, the Authority issues its bonds on behalf of the city of Newport News, Virginia and the facilities related to the Project to be financed or refinanced with the Bonds are located in the city of Newport News, Virginia; and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representative, the city of Newport News, Virginia constitutes the next highest governmental unit with such a representative, and the members of the City Council of city of Newport News, Virginia (the “City Council”) constitute the applicable elected representatives of the city of Newport News, Virginia; and

WHEREAS, the Authority has recommended that the City Council approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution authorizing the issuance of the Bonds, a certificate of the public hearing (including a summary of statements expressed at the hearing) and a fiscal impact statement have been filed with the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEWPORT NEWS, VIRGINIA:

1. The City Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, to satisfy the requirements of Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended, to permit the Authority to assist in the financing of the Project.

2. 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.

3. The Bonds shall provide that neither the city of Newport News, Virginia nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged thereto and that neither the faith and credit nor the taxing power of the city of Newport News, Virginia or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. In adopting this resolution, the city of Newport News, Virginia, including its elected supervisors, representatives, officers, employees and agents, shall not be liable for, and hereby disclaim all liability for, any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

5. This resolution shall take effect immediately upon its adoption.

The undersigned Clerk of the City Council of Newport News, Virginia certifies that the foregoing Resolution was adopted by the City Council on April 12, 2022.

WITNESS my signature and the seal of the City Council of Newport News, Virginia, this 12th day of April, 2022.

Clerk, City Council of
Newport News, Virginia

[SEAL]

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

This deal does not require
information behind this tab.

Tab AA:

Priority Letter from Rural Development

This deal does not require
information behind this tab.

Tab AB:

Socially Disadvantaged Population
Documentation

This deal does not require
information behind this tab.