
2023 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 16, 2023**

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2023 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is 12:00 PM Richmond Virginia time on March 16, 2023. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	jd.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Jonathan Kinsey	jonathan.kinsey@virginiahousing.com	(804) 584-4717
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Lauren Dillard	lauren.dillard@virginiahousing.com	(804) 584-4729
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Jaki Whitehead	jaki.whitehead@virginiahousing.com	(804) 343-5861

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	For Mixed Use Applications only - indicates have costs are distributed across the different construction activities
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2023 Low-Income Housing Tax Credit Application For Reservation

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

<input checked="" type="checkbox"/>	\$1,000 Application Fee (MANDATORY)
<input checked="" type="checkbox"/>	Electronic Copy of the Microsoft Excel Based Application (MANDATORY)
<input checked="" type="checkbox"/>	Scanned Copy of the <u>Signed</u> Tax Credit Application with Attachments (excluding market study, 8609s and plans & specifications) (MANDATORY)
<input checked="" type="checkbox"/>	Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application)
<input checked="" type="checkbox"/>	Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY)
<input checked="" type="checkbox"/>	Electronic Copy of the Specifications (MANDATORY)
<input checked="" type="checkbox"/>	Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab)
<input type="checkbox"/>	Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request)
<input type="checkbox"/>	Electronic Copy of Appraisal (MANDATORY if acquisition credits requested)
<input type="checkbox"/>	Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested)
<input checked="" type="checkbox"/>	Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)
<input checked="" type="checkbox"/>	Tab B: Virginia State Corporation Commission Certification (MANDATORY)
<input checked="" type="checkbox"/>	Tab C: Principal's Previous Participation Certification (MANDATORY)
<input checked="" type="checkbox"/>	Tab D: List of LIHTC Developments (Schedule A) (MANDATORY)
<input checked="" type="checkbox"/>	Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY)
<input checked="" type="checkbox"/>	Tab F: RESNET Rater Certification (MANDATORY)
<input checked="" type="checkbox"/>	Tab G: Zoning Certification Letter (MANDATORY)
<input checked="" type="checkbox"/>	Tab H: Attorney's Opinion (MANDATORY)
<input checked="" type="checkbox"/>	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)
<input checked="" type="checkbox"/>	Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY)
	Tab K: Documentation of Development Location:
<input checked="" type="checkbox"/>	K.1 Revitalization Area Certification
<input checked="" type="checkbox"/>	K.2 Location Map
<input checked="" type="checkbox"/>	K.3 Surveyor's Certification of Proximity To Public Transportation
<input checked="" type="checkbox"/>	Tab L: PHA / Section 8 Notification Letter
<input type="checkbox"/>	Tab M: Locality CEO Response Letter
<input type="checkbox"/>	Tab N: Homeownership Plan
<input checked="" type="checkbox"/>	Tab O: Plan of Development Certification Letter
<input checked="" type="checkbox"/>	Tab P: Development Experience and Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)
<input checked="" type="checkbox"/>	Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
<input checked="" type="checkbox"/>	Tab R: Documentation of Operating Budget and Utility Allowances
<input type="checkbox"/>	Tab S: Supportive Housing Certification and/or Resident Well-being
<input checked="" type="checkbox"/>	Tab T: Funding Documentation
<input checked="" type="checkbox"/>	Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing
<input checked="" type="checkbox"/>	Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
<input checked="" type="checkbox"/>	Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)
<input checked="" type="checkbox"/>	Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
<input type="checkbox"/>	Tab Y: Inducement Resolution for Tax Exempt Bonds
<input checked="" type="checkbox"/>	Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation
<input checked="" type="checkbox"/>	Tab AA: Priority Letter from Rural Development
<input type="checkbox"/>	Tab AB: Social Disadvantage Certification

VHDA TRACKING NUMBER

2023-C-55

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/16/2023

1. Development Name: Grayson Manor
2. Address (line 1): 224 Nichols Drive
 Address (line 2): _____
 City: Independence State: VA Zip: 24348
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Grayson County
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 602.01
7. Development is located in a **Qualified Census Tract**..... TRUE *Note regarding DDA and QCT*
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** FALSE
10. Development is located in a **Revitalization Area designated by resolution** TRUE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 9
 Planning District: 3
 State Senate District: 40
 State House District: 5

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

Renovation of 32 one-bedroom senior apartment community.

VHDA TRACKING NUMBER

2023-C-55

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/16/2023

16. Local Needs and Support

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

Chief Executive Officer's Name: Laura Ratcliffe
Chief Executive Officer's Title: Independence Town Manager Phone: 276-773-3703
Street Address: 317 East Main Street
City: Independence State: VA Zip: 24348

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

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

Chief Executive Officer's Name: Stephen A Boyer
Chief Executive Officer's Title: Grayson County Administrator Phone: (276) 773-2471
Street Address: PO Box 217
City: Independence State: VA Zip: 24348

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

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

B. RESERVATION REQUEST INFORMATION**1. Requesting Credits From:**

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

Non Profit Pool

or

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

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)**2. Type(s) of Allocation/Allocation Year**

Carryforward Allocation

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2023.b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2023, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2023 credits pursuant to Section 42(h)(1)(E).**3. Select Building Allocation type:**

Rehabilitation

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

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

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

5. Planned Combined 9% and 4% Developments

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

If true, provide name of companion development: _____

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

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

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

Must Select One: 30

Definition of selection:

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

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

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

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Grayson Manor Apartments, LLC

Developer Name: Community Housing Partners Corporation

Contact: M/M ☒ Ms. First: Samantha MI: B Last: Brown

Address: 4915 Radford Ave, Suite 300

City: Richmond St. ☒ VA Zip: 23230

Phone: (804) 614-2682 Ext. Fax: (804) 343-7201

Email address: sbrown@chpc2.org

Federal I.D. No. 872317550 (If not available, obtain prior to Carryover Allocation.)

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

Additional Contact: Please Provide Name, Email and Phone number.

Ray Wetherbee, ray.wetherbee@chpc2.org, 585-626-0400

- 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
CHP Grayson Manor Apartments, LLC	(540) 382-2002	Managing Member	0.009%
Community Housing Partners Corporation	(540) 382-2002	Sole Member of Mana	
Jeffrey K. Reed	(540) 382-2002	President of CHPC	
VCDC Equity Fund 26, LLC	(804) 482-5388	Investor Member	99.990%
Chris Sterling	(804) 482-5388	President	
VAHM, LLC	(804) 482-5388	Special Member	0.001%
Chris Sterling	(804) 482-5388	President	
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%

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

C. OWNERSHIP INFORMATION

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

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

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

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

3. Developer Experience:

May select one or more of the following choices:

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: ☒ Purchase Contract

Expiration Date: 8/1/2023

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 8/1/2023 .

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

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

D. SITE CONTROL**3. Seller Information:**

Name: Grayson Manor Limited Partnership

Address: 448 Depot Street

City: Christiansburg St.: VA Zip: 24073

Contact Person: Jeffrey K Reed Phone: (540) 382-2002

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Community Housing Partners Corpora	(540) 382-2002	General Partner	0.01%
Jeffrey K Reed	(540) 382-2002	President of CHPC	
CHP Grayson Manor, LLC	(540) 382-2002	Limited Partner	99.99%
Community Housing Partners Corpor	###	Sole and Managing Member	
Jeffrey K Reed	###	President of CHPC	
			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:	Concrad Garcia	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen	DEI Designation?	FALSE
Address:	200 S. 10th St. Suite 1600, Richmond, VA 23219		
Email:	cgarciawilliamsmullen.com	Phone:	(804) 420-6910
2. Tax Accountant:	Kevin Rayfield	This is a Related Entity.	FALSE
Firm Name:	Dixon Highes Goodman LLP	DEI Designation?	FALSE
Address:	1829 Eastchester Drive, High Point, NC 27265		
Email:	kevin.rayfield@dhg.com	Phone:	(336) 822-4364
3. Consultant:	Traci Dusenbury Tate	This is a Related Entity.	FALSE
Firm Name:	Halcon Companies, LLC	DEI Designation?	TRUE
Address:	2615 Anderson HWY Suite B Powhatan, VA 23126	Role:	LIHTC Consultant
Email:	traci@halconcompanies.com	Phone:	804-376-7290
4. Management Entity:	JR Riddlebarger	This is a Related Entity.	TRUE
Firm Name:	Community Housing Partners Corporation	DEI Designation?	FALSE
Address:	448 Depot St., Christiansburg, VA 24703		
Email:	janet.riddlebarger@chpc2.org	Phone:	(540) 595-0945
5. Contractor:	Larry Parlo	This is a Related Entity.	TRUE
Firm Name:	Community Housing Partners Corporation	DEI Designation?	FALSE
Address:	4915 Radford Ave. NE, Suite 300, Richmond, VA 23230		
Email:	larry.parlo@chpc2.org	Phone:	(804) 239-0322
6. Architect:	Colin Arnold	This is a Related Entity.	FALSE
Firm Name:	Arnold Design Studio	DEI Designation?	FALSE
Address:	930 Cambria St. NE, Christiansburg, VA 24073		
Email:	carnold@arnolddesignstudio.com	Phone:	(540) 239-2671
7. Real Estate Attorney:	Lauren Nowlin	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen	DEI Designation?	FALSE
Address:	200 S. 10th St. Suite 1600, Richmond, VA 23219		
Email:	lnowlin@williamsmullen.com	Phone:	(804) 420-6585
8. Mortgage Banker:	Costa Canavos	This is a Related Entity.	FALSE
Firm Name:	Berkadia Commercial Mortgage	DEI Designation?	FALSE
Address:	707 E. Main St., Suite 1300, Richmond, VA 23219		
Email:	costa.canavos@berkadia.com	Phone:	(804) 780-9235
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..... FALSE

Action: If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal

- b. This development has received a previous allocation of credits..... TRUE
If so, when was the most recent year that this development received credits? 2021

- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... TRUE

- 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..... FALSE

- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE

i. Subsection (I)..... FALSE

ii. Subsection (II)..... FALSE

iii. Subsection (III)..... FALSE

iv. Subsection (IV)..... FALSE

v. Subsection (V)..... FALSE

- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE

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

F. REHAB INFORMATION**3. Rehabilitation Credit Information**

- a. Credits are being requested for rehabilitation expenditures..... 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:

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... FALSE
 or
 Nonprofit meets eligibility requirements for nonprofit pool and points..... TRUE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Other

Name: Community Housing Partners Corporation

Contact Person: Samantha Brown

Street Address: 4915 Radford Ave, Suite 300

City: Richmond State: VA Zip: 23230-3521

Phone: (804) 614-2682 Contact Email: sbrown@chpc2.org

G. NONPROFIT INVOLVEMENT**D. Percentage of Nonprofit Ownership (All nonprofit applicants):**Specify the nonprofit entity's percentage ownership of the general partnership interest: 100.0%**3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal****A. TRUE**

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

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

Name of qualified nonprofit: Community Housing Partners Corporation

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

Name of Local Housing Authority _____

B. FALSE

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

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

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

H. STRUCTURE AND UNITS INFORMATION**1. General Information**

- | | | | |
|--|----------------|----------|-----------|
| a. Total number of all units in development | <u>32</u> | bedrooms | <u>32</u> |
| Total number of rental units in development | <u>32</u> | bedrooms | <u>32</u> |
| Number of low-income rental units | <u>32</u> | bedrooms | <u>32</u> |
| Percentage of rental units designated low-income | <u>100.00%</u> | | |
-
- | | | | |
|---------------------------------------|-----------|----------|-----------|
| b. Number of new units:..... | <u>0</u> | bedrooms | <u>0</u> |
| Number of adaptive reuse units: | <u>0</u> | bedrooms | <u>0</u> |
| Number of rehab units:..... | <u>32</u> | bedrooms | <u>32</u> |
-
- 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..... 23,701.64 (Sq. ft.)
- e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... 2,142.15 (Sq. ft.)
- f. Nonresidential Commercial Floor Area (Not eligible for funding)..... 0.00
- g. Total Usable Residential Heated Area..... 21,559.49 (Sq. ft.)
- h. Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**..... 0.00%
- i. Exact area of site in acres 3.960
- j. Locality has approved a final site plan or plan of development..... TRUE
If **True**, Provide required documentation (**TAB O**).
- k. Requirement as of 2016: Site must be properly zoned for proposed development.
ACTION: Provide required zoning documentation (**MANDATORY TAB G**)
- l. Development is eligible for Historic Rehab credits..... FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION**2. UNIT MIX**

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

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	673.73	SF	32	32
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			32	32

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

3. Structures

- a. Number of Buildings (containing rental units)..... 4
- b. Age of Structure:..... 26 years
- c. Maximum Number of stories:..... 1
- 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 INFORMATIONg. 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).

If true, # of Elevators.

Elevator Type (if known)

FALSE0

i. Roof Type

Pitched

j. Construction Type

Frame

k. Primary Exterior Finish

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

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

l. Describe Community Facilities:

Community Room, kitchen, and Laundry

m. Number of Proposed Parking Spaces

41

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.

TRUEIf **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 structureNotes 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	37.20%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	37.20%
Project Wide Absorption Period (Months)	3

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:**

- | | |
|---------------|--|
| <u>TRUE</u> | a. A community/meeting room with a minimum of 749 square feet is provided. |
| <u>85.00%</u> | b1. Percentage of brick covering the exterior walls. |
| <u>0.00%</u> | 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. |
| <u>TRUE</u> | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| <u>TRUE</u> | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| <u>TRUE</u> | 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> |
| <u>FALSE</u> | g. Each unit is provided free individual high speed Internet access. |
| or | |
| <u>FALSE</u> | h. Each unit is provided free individual WiFi access. |
| <u>TRUE</u> | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| or | |
| <u>FALSE</u> | j. Full bath fans are equipped with a humidistat. |
| <u>FALSE</u> | k. Cooking surfaces are equipped with fire prevention features |
| or | |
| <u>TRUE</u> | l. Cooking surfaces are equipped with fire suppression features. |
| <u>FALSE</u> | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| <u>TRUE</u> | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| <u>FALSE</u> | o. All interior doors within units are solid core. |
| <u>TRUE</u> | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| <u>TRUE</u> | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| <u>0%</u> | r. Percentage of development's on-site electrical load that can be met by a renewable energy electric system (for the benefit of the tenants) |
| <u>FALSE</u> | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

J. ENHANCEMENTS

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

- TRUE a. All cooking ranges have front controls.
- TRUE b. Bathrooms have an independent or supplemental heat source.
- TRUE 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:

TRUE Earthcraft Gold or higher certification

FALSE

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

FALSE U.S. Green Building Council LEED certification

FALSE

Enterprise Green Communities (EGC) Certification

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

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

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

TRUE Zero Energy Ready Home Requirements

FALSE

Passive House Standards

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


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

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

0% of Total Rental Units

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

If not, please explain: _____



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

I. UTILITIES

1. Utilities Types:

a. Heating Type Heat Pump

b. Cooking Type Electric

c. AC Type Central Air

d. Hot Water Type Electric

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	14	0	0	0
Air Conditioning	0	6	0	0	0
Cooking	0	5	0	0	0
Lighting	0	22	0	0	0
Hot Water	0	13	0	0	0
Water	0	17	0	0	0
Sewer	0	32	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$109	\$0	\$0	\$0

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

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

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**)

TRUE

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

TRUE

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

FALSE

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

FALSE

Supportive Housing (as described in the Tax Credit Manual)

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

K. SPECIAL HOUSING NEEDS

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

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

3. Leasing Preferences

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

Organization which holds waiting list: Rooftop of Virginia Community Action Program

Contact person: Cliff Testerman

Title: Housing/Facilities Director

Phone Number: (276) 236-7131

Action: Provide required notification documentation (TAB L)

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

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

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

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

4. Target Population Leasing Preference

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

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

First Name: JR

Last Name: Riddlebarger

Phone Number: (540) 595-0945 Email: janet.riddlebarger@chpc2.org

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

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

6. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 811 Certificates

FALSE Section 8 Project Based Assistance

TRUE 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: _____ 32

How many years in rental assistance contract? _____ 1.00

Expiration date of contract: _____ 12/31/2023

There is an Option to Renew..... TRUE

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

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

L. UNIT DETAILS

1. Set-Aside Election:

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

Note: In order to qualify for any tax credits, a development must meet one of three minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test), (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

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

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
32	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
32	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
5	15.63%	40% Area Median
27	84.38%	50% Area Median
0	0.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
32	100.00%	Total

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

2. Unit Detail

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

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



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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	50% AMI	27	2	567.93	\$670.00	\$18,090
Mix 2	1 BR - 1 Bath	40% AMI	5	3	567.09	\$670.00	\$3,350
Mix 3							\$0
Mix 4							\$0
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0

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L. UNIT DETAILS

Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0
Mix 23							\$0
Mix 24							\$0
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
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Mix 49							\$0
Mix 50							\$0
Mix 51							\$0
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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

L. UNIT DETAILS

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
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	32	5					\$21,440

Total Units	32	Net Rentable SF:	TC Units	18,169.58
			MKT Units	0.00
			Total NR SF:	18,169.58

Floor Space Fraction (to 7 decimals)	100.000000%
--------------------------------------	-------------

M. OPERATING EXPENSES**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing				\$208
2. Office Salaries				
3. Office Supplies				\$6,541
4. Office/Model Apartment	(type _____)			\$0
5. Management Fee				\$29,568
12.22% of EGI	\$924.00	Per Unit		
6. Manager Salaries				\$9,938
7. Staff Unit (s)	(type _____)			\$0
8. Legal				\$100
9. Auditing				\$3,150
10. Bookkeeping/Accounting Fees				\$6,075
11. Telephone & Answering Service				\$3,080
12. Tax Credit Monitoring Fee				\$800
13. Miscellaneous Administrative				\$0
Total Administrative				\$59,460

Utilities

14. Fuel Oil				\$0
15. Electricity				\$472
16. Water				\$267
17. Gas				\$0
18. Sewer				\$0
Total Utility				\$739

Operating:

19. Janitor/Cleaning Payroll				
20. Janitor/Cleaning Supplies				\$3,815
21. Janitor/Cleaning Contract				\$0
22. Exterminating				\$1,152
23. Trash Removal				\$7,258
24. Security Payroll/Contract				\$400
25. Grounds Payroll				\$0
26. Grounds Supplies				\$0
27. Grounds Contract				\$7,232
28. Maintenance/Repairs Payroll				\$28,220
29. Repairs/Material				\$0
30. Repairs Contract				\$800
31. Elevator Maintenance/Contract				\$0
32. Heating/Cooling Repairs & Maintenance				\$480
33. Pool Maintenance/Contract/Staff				\$0
34. Snow Removal				\$600
35. Decorating/Payroll/Contract				\$0
36. Decorating Supplies				\$300
37. Miscellaneous				\$5,571
Totals Operating & Maintenance				\$55,828

M. OPERATING EXPENSES**Taxes & Insurance**

38. Real Estate Taxes	\$12,928
39. Payroll Taxes	\$4,638
40. Miscellaneous Taxes/Licenses/Permits	\$641
41. Property & Liability Insurance	\$7,315
42. Fidelity Bond	\$0
43. Workman's Compensation	
44. Health Insurance & Employee Benefits	\$12,920
45. Other Insurance	\$0
Total Taxes & Insurance	\$38,442

Total Operating Expense \$154,469

Total Operating Expenses Per Unit \$4,827 **C. Total Operating Expenses as % of EGI** 63.86%

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$9,600

Total Expenses	\$164,069
-----------------------	------------------

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	3/15/2021	Ray Wetherbee
b. Site Acquisition	5/15/2023	Ray Wetherbee
c. Zoning Approval		
d. Site Plan Approval		
2. Financing		
a. Construction Loan		
i. Loan Application	4/7/2022	Ray Wetherbee
ii. Conditional Commitment		
iii. Firm Commitment	12/1/2022	Ray Wetherbee
b. Permanent Loan - First Lien		
i. Loan Application	4/30/2021	Ray Wetherbee
ii. Conditional Commitment		
iii. Firm Commitment	1/31/2022	Ray Wetherbee
c. Permanent Loan-Second Lien		
i. Loan Application	4/30/2021	Ray Wetherbee
ii. Conditional Commitment		
iii. Firm Commitment	1/31/2022	Ray Wetherbee
d. Other Loans & Grants		
i. Type & Source, List	Neighborworks, CHP	Ray Wetherbee
ii. Application	10/21/2021	Ray Wetherbee
iii. Award/Commitment	12/31/2022	Ray Wetherbee
2. Formation of Owner	2/9/2021	Lauren Nowlin
3. IRS Approval of Nonprofit Status	6/6/1980	Harriet Dorsey
4. Closing and Transfer of Property to Owner	5/15/2023	Ray Wetherbee
5. Plans and Specifications, Working Drawings	4/12/2023	Colin Arnold
6. Building Permit Issued by Local Government	10/27/2022	Ray Wetherbee
7. Start Construction	5/25/2023	Larry Parlo
8. Begin Lease-up	9/25/2023	JR Riddlebarger
9. Complete Construction	3/1/2024	Larry Parlo
10. Complete Lease-Up	3/5/2024	JR Riddlebarger
11. Credit Placed in Service Date	4/1/2024	Ray Wetherbee

O. PROJECT BUDGET - HARD COSTS**Cost/Basis/Maximum Allowable Credit**

Complete cost column and basis column(s) as appropriate

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

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

Must Use Whole Numbers Only!		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"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)	1,837,046	0	0	1,837,046
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	1,837,046	0	0	1,837,046
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	250,000	0	0	250,000
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
Total Land Improvements	250,000	0	0	250,000
Total Structure and Land	2,087,046	0	0	2,087,046
r. General Requirements	99,000	0	0	99,000
s. Builder's Overhead	66,000	0	0	66,000
(3.2% Contract)				
t. Builder's Profit	66,000	0	0	66,000
(3.2% Contract)				
u. Bonds	50,000	0	0	50,000
v. Building Permits	0	0	0	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: _____	0	0	0	0
z. Other 2: construction contingency	237,000	0	0	237,000
aa. Other 3: _____	0	0	0	0
Contractor Costs	\$2,605,046	\$0	\$0	\$2,605,046

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!		To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.		
		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"	(D)	"70 % Present Value Credit"
Item	(A) Cost	(B) Acquisition	(C) Rehab/ New Construction	
2. Owner Costs				
a. Building Permit	0	0	0	0
b. Architecture/Engineering Design Fee \$2,063 /Unit)	66,000	0	0	66,000
c. Architecture Supervision Fee \$275 /Unit)	8,787	0	0	8,787
d. Tap Fees	0	0	0	0
e. Environmental	15,000	0	0	0
f. Soil Borings	28,000	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	24,611	0	0	24,611
h. Appraisal	8,000	0	0	0
i. Market Study	7,000	0	0	0
j. Site Engineering / Survey	20,000	0	0	20,000
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	37,500	0	0	37,500
n. Construction Interest (5.3% for 18 months)	112,000	0	0	89,600
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	3,300	0	0	3,300
q. Permanent Loan Fee (0.0%)	7,000	0	0	0
r. Other Permanent Loan Fees	6,125	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	0	15,000
u. Accounting	0	0	0	0
v. Title and Recording	80,000	0	0	40,000
w. Legal Fees for Closing	183,000	0	0	60,000
x. Mortgage Banker	11,300	0	0	0
y. Tax Credit Fee	17,001			
z. Tenant Relocation	118,700	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	10,000	0	0	0
ac. Operating Reserve	108,000	0	0	0
ad. Contingency	8,189	0	0	8,189
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

<input type="checkbox"/> ag. Servicing Reserve	0			
(1) Other* specify: Rent up reserve	30,000	0	0	0
(2) Other* specify: leasing/marketing	1,000	0	0	0
(3) Other* specify: construction loan inspectio	12,000	0	0	12,000
(4) Other* specify: construction loan T&R	40,000	0	0	0
(5) Other * specify: construction loan legal	40,000	0	0	30,000
(6) Other* specify: capital needs	4,500	0	0	4,500
(7) Other* specify: WDO, sewer inspection	10,000	0	0	10,000
(8) Other* specify: investor diligence	10,000	0	0	
(9) Other* specify:		0	0	
Owner Costs Subtotal (Sum 2A..2(10))	\$1,042,013	\$0	\$0	\$429,487
Subtotal 1 + 2 (Owner + Contractor Costs)	\$3,647,059	\$0	\$0	\$3,034,533
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	355,662	0	0	355,662
4. Owner's Acquisition Costs Land	157,465			
Existing Improvements	629,858	0		
Subtotal 4:	\$787,323	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$4,790,044	\$0	\$0	\$3,390,195

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:

\$562,126

Proposed Development's Cost per Sq Foot

\$169 Meets Limits

Applicable Cost Limit by Square Foot:

\$192

Proposed Development's Cost per Unit

\$125,085 Meets Limits

Applicable Cost Limit per Unit:

\$222,528

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	4,790,044	0	0	3,390,195
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		0	0	3,390,195
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	1,017,059
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			0	4,407,254
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		0	0	4,407,254
7. Applicable Percentage (Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)		9.00%	9.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$0	\$396,653
			\$396,653 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. Skyline Bank	12/12/22	12/13/22	\$2,129,595	Jonathan Kruckow
2.				
3.				
Total Construction Funding:			\$2,129,595	

- 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	(Whole Numbers only)		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost			
1. Rural Development (RD)	10/1/2021		\$418,978	\$10,652	1.00%	50	50
2. REACH	8/1/2022	11/9/2022	\$427,000	\$21,465	2.95%	30	30
3. DHCD VHTF	10/28/2021	1/31/2022	\$900,000	\$9,000	1.00%	30	30
4. CHP	1/5/2023	2/27/2023	\$300,000	\$20,527	6.00%	35	35
5. HIEE	10/21/2021	1/31/2022	\$161,180	\$0	AFR	0	0
6. Neighborworks	1/5/2023	3/1/2021	\$500,000	\$0	AFR	0	35
7.							0
8.							
9.							
10.							
Total Permanent Funding:			\$2,707,158	\$61,644			

- 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.	Neighborworks	3/1/2021	\$500,000
2.	DHCD HTF	1/31/2022	\$900,000
3.	HIEE	1/31/2022	\$161,180
4.			
5.			
Total Subsidized Funding			\$1,561,180

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$418,978
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$427,000
g.	HOME Funds	\$0
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$900,000
k.	Other: HIEE	\$161,180
l.	Other: Neighborworks	\$500,000

Grants*

a.	CDBG	\$0
b.	UDAG	\$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: CHP	\$300,000

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS**6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:**

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

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

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

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

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

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

c. FALSE Other _____

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

R. EQUITY**1. Equity****a. Portion of Syndication Proceeds Attributable to Historic Tax Credit**

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

b. Equity that Sponsor will Fund:

i. Cash Investment	\$100	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$71,269	(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 \$71,369

2. Equity Gap Calculation

a. Total Development Cost		\$4,790,044
b. Total of Permanent Funding, Grants and Equity	-	\$2,778,527
c. Equity Gap		\$2,011,517
d. Developer Equity	-	\$198
e. Equity gap to be funded with low-income tax credit proceeds		\$2,011,319

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Virginia Community Development Corporation (VCDC)		
Contact Person:	Christopher Sterling	Phone:	(804) 482-5388
Street Address:	1840 W. Broad Street, Suite 200		
City:	Richmond	State:	VA
		Zip:	23220

b. Syndication Equity

i. Anticipated Annual Credits	\$228,582.00
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	\$228,559
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$2,011,319

c. Syndication:	Private
d. Investors:	Corporate

4. Net Syndication Amount

Which will be used to pay for Total Development Costs

\$2,011,319

5. Net Equity Factor

Must be equal to or greater than 85%

87.9999366536%

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			\$4,790,044
2. Less Total of Permanent Funding, Grants and Equity	-		\$2,778,527
3. Equals Equity Gap			\$2,011,517
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)			87.9999366536%
5. Equals Ten-Year Credit Amount Needed to Fund Gap			\$2,285,817
Divided by ten years			10
6. Equals Annual Tax Credit Required to Fund the Equity Gap			\$228,582
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)			\$396,653
8. Requested Credit Amount		For 30% PV Credit:	\$0
		For 70% PV Credit:	\$228,582
Credit per LI Units	\$7,143.1875	Combined 30% & 70% PV Credit Requested	
Credit per LI Bedroom	\$7,143.1875		
			\$228,582

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	\$21,440
Plus Other Income Source (list): <u>laundry income</u>	\$234
Equals Total Monthly Income:	\$21,674
Twelve Months	x12
Equals Annual Gross Potential Income	\$260,091
Less Vacancy Allowance <u>7.0%</u>	\$18,206
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$241,885

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

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): _____	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <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	\$241,885
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$241,885
d. Total Expenses	\$164,069
e. Net Operating Income	\$77,816
f. Total Annual Debt Service	\$61,644
g. Cash Flow Available for Distribution	\$16,172

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	241,885	246,722	251,657	256,690	261,824
Less Oper. Expenses	164,069	168,991	174,061	179,283	184,661
Net Income	77,816	77,731	77,596	77,407	77,163
Less Debt Service	61,644	61,644	61,644	61,644	61,644
Cash Flow	16,172	16,087	15,952	15,763	15,519
Debt Coverage Ratio	1.26	1.26	1.26	1.26	1.25

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	267,060	272,401	277,849	283,406	289,075
Less Oper. Expenses	190,201	195,907	201,784	207,838	214,073
Net Income	76,859	76,494	76,065	75,569	75,002
Less Debt Service	61,644	61,644	61,644	61,644	61,644
Cash Flow	15,215	14,850	14,421	13,925	13,358
Debt Coverage Ratio	1.25	1.24	1.23	1.23	1.22

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	294,856	300,753	306,768	312,904	319,162
Less Oper. Expenses	220,495	227,110	233,923	240,941	248,169
Net Income	74,361	73,643	72,845	71,963	70,993
Less Debt Service	61,644	61,644	61,644	61,644	61,644
Cash Flow	12,717	11,999	11,201	10,319	9,349
Debt Coverage Ratio	1.21	1.19	1.18	1.17	1.15

Estimated Annual Percentage Increase in Revenue

2.00% (Must be \leq 2%)

Estimated Annual Percentage Increase in Expenses

3.00% (Must be \geq 3%)

U. Building-by-Building Information

Must Complete

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

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		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.	VA9700201	8			Independence VA		24348				\$0	\$1,101,814	04/01/24	9.00%	\$99,163
2.	VA9700202	8			Independence VA		24348				\$0	\$1,101,813	04/01/24	9.00%	\$99,163
3.	VA9700203	8			Independence VA		24348				\$0	\$1,101,814	04/01/24	9.00%	\$99,163
4.	VA9700204	8			Independence VA		24348				\$0	\$1,101,813	04/01/24	9.00%	\$99,163
5.											\$0				\$0
6.											\$0				\$0
7.											\$0				\$0
8.											\$0				\$0
9.											\$0				\$0
10.											\$0				\$0
11.											\$0				\$0
12.											\$0				\$0
13.											\$0				\$0
14.											\$0				\$0
15.											\$0				\$0
16.											\$0				\$0
17.											\$0				\$0
18.											\$0				\$0
19.											\$0				\$0
20.											\$0				\$0
21.											\$0				\$0
22.											\$0				\$0
23.											\$0				\$0
24.											\$0				\$0
25.											\$0				\$0
26.											\$0				\$0
27.											\$0				\$0
28.											\$0				\$0
29.											\$0				\$0
30.											\$0				\$0
31.											\$0				\$0
32.											\$0				\$0
33.											\$0				\$0
34.											\$0				\$0
35.											\$0				\$0

32 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

\$0

\$0

\$4,407,254

\$0

\$0

\$396,653

Number of BINS: 4

V. STATEMENT OF OWNER

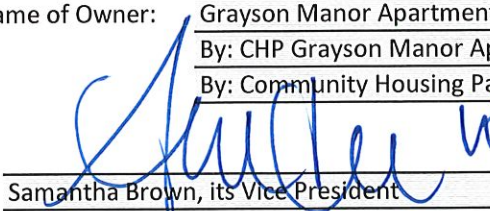
The undersigned hereby acknowledges the following:

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.

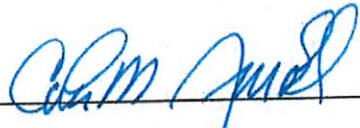
Legal Name of Owner: Grayson Manor Apartments, LLC
By: CHP Grayson Manor Apartments, LLC, its Managin
By: Community Housing Partners Corporation, Manag
By: 
Its: Samantha Brown, its Vice President
(Title)

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: Colin Arnold
Virginia License#: 11337
Architecture Firm or Company: Arnold Design Studio

By: 
Its: Colin Arnold, Principal
(Title)

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

W.

LIHTC SELF SCORE SHEET**Self Scoring Process**

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

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

MANDATORY ITEMS:

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

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

1. READINESS:

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

Y	0 or -50	0.00
N	0 or -25	0.00
Y	0 to 10	10.00
N	0 or 10	0.00
Y	0 or 15	15.00
N	0 or 15	0.00
Total:		25.00

2. HOUSING NEEDS CHARACTERISTICS:

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

Y	0 or up to 5	5.00
N	0 or 20	0.00
32.59%	Up to 40	40.00
N	0 or 5	0.00
N	0 or 10	0.00
10%	0, 20, 25 or 30	25.00
Y	0 or 15	15.00
N	Up to 20	0.00
Total:		85.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			47.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 50	50.00
or c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Provides approved resident services or eligible childcare services	N	0 or 15	0.00
e. Provides telephonic or virtual health services	N	0 or 15	0.00
f. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
g. Development will be Green Certified	Y	0 or 10	10.00
h. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
i. Developments with less than 100 low income units	Y	up to 20	20.00
j. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			137.00

4. TENANT POPULATION CHARACTERISTICS:

	Locality AMI	State AMI			
	\$55,300	\$71,300			
a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00		
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	0.00		
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00		
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	15.63%	Up to 10	10.00		
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00		
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	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	50.00		
Total:			60.00		

5. SPONSOR CHARACTERISTICS:

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

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit	Up to 200	141.23
b. Cost per unit	Up to 100	87.58
Total:		228.81

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	Y	0 or 5	5.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
Total:			70.00

400 Point Threshold - all 9% Tax Credits

TOTAL SCORE: 625.81

300 Point Threshold - Tax Exempt Bonds

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	20.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	1.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
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. % of renewable energy electric systems	10	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>44.00</u>
All elderly units have:		
t. Front-control ranges	1	1.00
u. Independent/suppl. heat source	1	1.00
v. Two eye viewers	1	1.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>3.00</u>
Total amenities:		<u>47.00</u>

X.

Development Summary

Summary Information

2023 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Grayson Manor
-------------------	---------------

Cycle Type:	9% Tax Credits	Requested Credit Amount:	\$228,582
Allocation Type:	Rehabilitation	Jurisdiction:	Grayson County
Total Units	32	Population Target:	Elderly
Total LI Units	32		
Project Gross Sq Ft:	23,701.64	Owner Contact:	Samantha Brown
Green Certified?	TRUE		

Total Score 625.81

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$2,707,158	\$84,599	\$114	\$61,644
Grants	\$0	\$0		
Subsidized Funding	\$1,561,180	\$48,787		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$2,087,046	\$65,220	\$88	43.57%
General Req/Overhead/Profit	\$231,000	\$7,219	\$10	4.82%
Other Contract Costs	\$287,000	\$8,969	\$12	5.99%
Owner Costs	\$1,042,013	\$32,563	\$44	21.75%
Acquisition	\$787,323	\$24,604	\$33	16.44%
Developer Fee	\$355,662	\$11,114	\$15	7.43%
Total Uses	\$4,790,044	\$149,689		

Income		
Gross Potential Income - LI Units		\$260,091
Gross Potential Income - Mkt Units		\$0
Subtotal		\$260,091
Less Vacancy %	7.00%	\$18,206
Effective Gross Income		\$241,885

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$59,460	\$1,858
Utilities	\$739	\$23
Operating & Maintenance	\$55,828	\$1,745
Taxes & Insurance	\$38,442	\$1,201
Total Operating Expenses	\$154,469	\$4,827
Replacement Reserves	\$9,600	\$300
Total Expenses	\$164,069	\$5,127

Cash Flow	
EGI	\$241,885
Total Expenses	\$164,069
Net Income	\$77,816
Debt Service	\$61,644
Debt Coverage Ratio (YR1):	1.26

Total Development Costs

Total Improvements	\$3,647,059
Land Acquisition	\$787,323
Developer Fee	\$355,662
Total Development Costs	\$4,790,044

Proposed Cost Limit/Sq Ft:	\$169
Applicable Cost Limit/Sq Ft:	\$192
Proposed Cost Limit/Unit:	\$125,085
Applicable Cost Limit/Unit:	\$222,528

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	32
# of 2BR	0
# of 3BR	0
# of 4+ BR	0
Total Units	32

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	5
50% AMI	0	27
60% AMI	32	0
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

I. Efficient Use of Resources

Credit Points for 9% Credits:

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

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

Combined Max	\$396,653	
Credit Requested	\$228,582	
% of Savings	42.37%	
Sliding Scale Points		141.23

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	\$4,002,721	
Total Square Feet	23,701.64	
Proposed Cost per SqFt	\$168.88	
Applicable Cost Limit per Sq Ft	\$192.00	
% of Savings	12.04%	
Total Units	32	
Proposed Cost per Unit	\$125,085	
Applicable Cost Limit per Unit	\$222,528	
% of Savings	43.79%	
Max % of Savings	43.79% Sliding Scale Points	87.58

Tab A:

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

**GRAYSON MANOR APARTMENTS, LLC,
A VIRGINIA LIMITED LIABILITY COMPANY**

SECOND AMENDED AND RESTATED OPERATING AGREEMENT

As of February 28, 2023

THE MEMBERSHIP INTERESTS EVIDENCED BY THIS SECOND AMENDED AND RESTATED OPERATING AGREEMENT (THE "AGREEMENT") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE MEMBERSHIP INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH. IN ADDITION, THE SALE OR TRANSFER OF SUCH MEMBERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS SET FORTH IN ARTICLE IX HEREOF.

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**GRAYSON MANOR APARTMENTS, LLC
A VIRGINIA LIMITED LIABILITY COMPANY**

SECOND AMENDED AND RESTATED OPERATING AGREEMENT

THIS SECOND AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of February 28, 2023, by and among CHP GRAYSON MANOR APARTMENTS, LLC, a Virginia limited liability company (the "Managing Member"), COMMUNITY HOUSING PARTNERS CORPORATION, a Virginia non-stock corporation, as a withdrawing member ("CHPC, the "Withdrawing Member"); VCDC EQUITY FUND 26, LLC, a limited liability company formed under the laws of the Commonwealth of Virginia (the "Investor Member") and VAHM, LLC, a Virginia limited liability company formed under the laws of the Commonwealth of Virginia (the "Special Member").

WHEREAS, Lauren D. Nowlin, as organizer, executed a Certificate of Organization (the "Certificate") for the formation of Grayson Manor Apartments, LLC (the "Company") pursuant to the terms of the Revised Uniform Limited Liability Company Act of the Commonwealth of Virginia (the "Act"), which Certificate was subsequently filed with the State Corporation Commissioner of the Commonwealth of Virginia (the "State of Formation") on February 9, 2021;

WHEREAS, the Managing Member and CHPC previously executed an Amended and Restated Operating Agreement of the Company dated as of May, 1 2022 (the "Initial Agreement");

WHEREAS, the Investor Member wishes to join the Company as the Investor Member, and the Special Member wishes to join the Company as the Special Member;

WHEREAS, the Withdrawing Members wish to withdraw from the Company;

WHEREAS, the Managing Member, the Special Member and the Investor Member wish to continue the Company pursuant to the Act by amending and restating the Original Agreement in its entirety;

WHEREAS, the Company has been formed to develop, rehabilitate, own, maintain and operate 4 apartment buildings containing 32 units located at 224 Nichols Drive, Independence, Virginia and known as Grayson Manor Apartments (the "Project");

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Operating Agreement to (i) continue the Company under the Act; (ii) withdraw the Withdrawing Members from the Company; (iii) admit the Investor Member and Special Member to the Company as Members; and (iv) set forth all of the provisions governing the Company;

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set

forth in this Second Amended and Restated Operating Agreement, which reads in its entirety as follows:

ARTICLE I
CONTINUATION OF COMPANY

1.01 Continuation. The undersigned hereby continue the Company as a limited liability company under the Act.

1.02 Name. The name of the Company is Grayson Manor Apartments, LLC.

1.03 Principal Place of Business. The principal place of business of the Company shall be 448 Depot Street NE, Christiansburg, VA 24073. The Company may change the location of its principal place of business to such other place or places within the Commonwealth of Virginia as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal place of business. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

1.04 Agent for Service of Process. The name of the Agent for service of process is J. Conrad Garcia, who is a resident of Virginia and a member of the Virginia State Bar, and whose address is William Mullen Center, 200 South 10th Street, Richmond, Virginia, 23219.

1.05 Withdrawal of Withdrawing Member and Admission of Investor Member and Special Member. The Withdrawing Member hereby withdraws as Member of the Company, and represents and warrants that they have no interest in the Company and as a member in the Company is not entitled to any fees, distributions, compensation or payments from the Company and that he/she/it has no interest in any property or assets of the Company. The Investor Member and Special Member are hereby admitted to the Company as the sole investor member and special member.

1.06 Term. The term of the Company commenced as of the date of the filing of the Certificate with the Secretary of the Commonwealth of Virginia, and shall continue in perpetuity, unless the Company is sooner dissolved in accordance with the provisions of this Agreement.

1.07 Recording of Articles. Upon the execution of this Second Amended and Restated Operating Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt recording of an amendment to the Certificate if and as required by the Act, including filing with the State Corporation Commission of the Commonwealth of Virginia. All fees for filing shall be paid out of the Company's assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the Commonwealth of Virginia.

1.08 Commitment Letter; Right to Withdraw. The Members hereby acknowledge that the Investor Member and Company have entered into that certain conditional Commitment Letter dated September 28, 2021 (the "Commitment Letter"), a copy of which is attached hereto as Exhibit M, pursuant to which the Investor Member has an exclusive right to invest in the Project. The Investor Member's commitment to invest in the Project is subject to the conditions set forth in the Commitment Letter (the "Commitment Letter Conditions"). Neither the Managing Member, the Guarantor nor anyone acting on their behalf or at their direction shall sell, assign, encumber or otherwise transfer any right, title or interest in or with respect to the Project or the Tax Credits without the prior written consent of Investor Member. Further, neither the Managing Member, the Guarantor nor anyone on their behalf shall communicate, solicit bids, negotiate or enter into any contracts, agreements or other understandings with any syndicators, brokers or Limited with respect to investments in the Tax Credits. The Company shall proceed to carry out the Commitment Letter through a Second Amended and Restated Operating Agreement (the "Second Amended and Restated Operating Agreement"), which the parties hereto agree to use reasonable, timely and good faith efforts to negotiate the Second Amended and Restated Operating Agreement on or before May 1, 2023, or such later date as to which the Investor Member Consents, if it is executed (the "Closing Date"). However, the Investor Member and Special Member shall not be obligated to execute the Second Amended and Restated Operating Agreement if prior to the Closing Date, the Commitment Letter Conditions are not satisfied. In the event the Second Amended and Restated Operating Agreement is not executed by the Closing Date, or earlier as determined by the Investor Member, the Investor Member and Special Member shall have the right, by providing written notice of withdrawal to the Managing Member, to withdraw as Members of the Company and terminate the Commitment Letter and the Managing Member shall repurchase the Investor Member and Special Member interests pursuant to Section 5.05 hereof. Upon such withdrawal, the Investor Member and Special Member shall have no further obligations under this Agreement or the Commitment Letter to contribute capital to the Company or take any other actions.

ARTICLE II DEFINED TERMS

In addition to the terms defined in the preamble to this Agreement, the following terms used in this Agreement shall have the meanings specified below:

"Accountants" means Dixon Hughes Goodman LLP or such other firm of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Investor Member, to prepare financial statements and provide other services to the Company. Dixon Hughes Goodman LLP (or other independent accountants approved by the Investor Member) shall review and execute all tax returns for the Company.

"Act" means the Virginia Limited Liability Company Act, as may be amended from time to time during the term of the Company.

“Actual Credit” means as of any point in time, the total amount of the LIHTC allocated by the Company to the Investor Member, representing ninety-nine and ninety-nine hundredths percent (99.99%) of the aggregate LIHTC reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal period after giving effect to the following adjustments: (a) the credit to such Capital Account of any amounts which such Member is obligated to restore under this Agreement or is deemed to be obligated to restore pursuant to either (i) the penultimate sentences of Treas. Reg. §1.704-2(g)(1) and Treas. Reg. §1.704-2(i)(5), or (ii) amounts that the Member is treated as obligated to restore under Treas. Reg. §1.704-1(b)(2)(ii)(c); and (b) the debit to such Capital Account of the amounts described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, partner, managing member or trustee, any corporation, limited partnership, limited liability company or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, managing member, general partner, trustee or holder of ten percent (10%) or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the term “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Affiliate Guarantor” means Community Housing Partners Corporation, which is an Affiliate of the Managing Member.

“Affiliate Guaranty” means the guaranty of the performance of the obligations of the Managing Member under this Agreement and the obligations of the Developer under the Development Agreement for the benefit of the Investor Member given by the Affiliate Guarantor, which Affiliate Guaranty is in the form of **Exhibit D**.

“Affiliated Company” means a limited liability company in which the Managing Member or an Affiliate thereof is a member or a limited partnership in which the Managing Member or an Affiliate is a partner, and in which the Investor Member or an Affiliate of the Investor Member is a member or limited partner.

“Agency” means the Virginia Housing Development Authority, in its capacity as the agency designated to allocate LIHTC, acting through any authorized representative.

“Agreement” means this Second Amended and Restated Operating Agreement, as amended from time to time.

“Articles” means the Company’s Articles of Organization or any other instrument or document which is required under the laws of the State of Formation to be signed by the Managing Member and filed in the appropriate public offices within the State of Formation to perfect or maintain the Company as a limited liability company under the laws of the State of Formation, to effect the admission, withdrawal or substitution of any Member of the Company, or to protect the limited liability of the members as Members under the laws of the Commonwealth of Virginia.

“Asset Management Fee” shall have the meaning set forth in Section 8.21.

“Assumed Investor Member Tax Liability” means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Investor Member pursuant to Section 11.01(b) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the Investor Member pursuant to Sections 11.07(a) and (d) through (j) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

“Assumed Managing Member Tax Liability” means for any given year the product of (i) the sum of (A) the Profits, if any, allocated to the Managing Member pursuant to Section 11.01(b) plus (B) any items of income, gain, loss, deduction or credit which are specially allocated to the Managing Member pursuant to Sections 11.07(a) and (d) through (j) times (ii) a percentage equal to the sum of (C) the highest federal corporate tax rate for such year plus (D) the highest state corporate tax rate for such year.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 60 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates his approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

"Breakeven Operations" means the date following Final Closing upon which the gross operating revenues from the normal operation of the Project received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Company) for a period of three (3) consecutive calendar months after Final Closing equals or exceeds all actual incurred and accrued operational costs of the Project for the applicable measurement period, including, but not limited to, taxes, assessments, reserve fund for replacement deposits and mandatory debt service payments (taking into account any applicable interest rate subsidies), the Asset Management Fee and a ratable portion of the annual amount (as reasonably estimated by the Managing Member) of those seasonal and/or periodic expenses (such as utilities, maintenance expenses and real estate taxes or service charges in lieu of real estate taxes) which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, for such period of three (3) consecutive calendar months, on an annualized basis (based on the lesser of actual expenses or projections of the Company), as evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet of the Company indicating that all trade payables have been satisfied (or with respect to trade payables within sixty (60) days of the date the services were performed or goods were delivered, the trade payables shall not be past due and the Company shall have an adequate cash reserve for the payment of such trade payables), all as shall be subject to the approval of the Investor Member. For the purpose of calculating Breakeven Operations only, the following costs shall not be considered operating costs of the Project: payments to be made under the Development Agreement and payments of the Incentive Management Fee. Managing Member shall be permitted to defer payment of 1.5% of the management fee for the calculation of Breakeven Operations so long as Sponsor is the property manager and no default exists under the property management agreement.

"Capital Account" means the capital account of a Member as described in Section 11.06.

"Capital Contribution" means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Company by each Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

"Capital Transaction" means any transaction out of the ordinary course of the Company's business which is capital in nature, including without limitation, the disposition, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Members), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part or all of the Project.

"Capital Transaction Administrative Fee" means the fee payable under Section 11.04(c) upon the exit of the Investor Member from the Company at the end of the Compliance Period.

"Carveouts" has the meaning set forth in Section 4.01(g).

"Certificate" has the meaning set forth in the Recitals hereof.

"Certified Credits" means ninety-nine and ninety-nine hundredths percent (99.99%) of the annual LIHTC that the Accountants certify in writing to the Company that the Company will be

able to claim during each full fiscal year during the Credit Period for all buildings in the Project assuming full compliance with the rent restrictions and income limitations of Section 42 of the Code. The calculation of the Certified Credits shall be based, among other things, on the Form(s) 8609 issued by the Agency for all the buildings comprising the Project and on the cost certification prepared in connection with the application by the Company for Form(s) 8609. Once the Certified Credits are determined, they shall not be adjusted during the term of this Agreement; provided, however, if with respect to an LIHTC Recapture Event the Managing Member makes a payment under Section 8.11(c), then the Certified Credits shall be reduced prospectively by the annual reduction in LIHTC attributable to such LIHTC Recapture Event.

“Certified Credit Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Certified Credit Capital Decrease” has the meaning set forth in Section 5.01(e)(i).

“Certified Credit Capital Increase” has the meaning set forth in Section 5.01(e)(i).

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

“Company” means Grayson Manor Apartments, LLC, a Virginia limited liability company.

“Completion Loan” has the meaning set forth in Section 8.11(a).

“Compliance Period” means the “compliance period” as defined in and determined in accordance with Section 42(i) of the Code.

“Consent” means the prior written consent or approval of the Investor Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited.

“Construction Contract” means the construction contract in the guaranteed maximum amount of \$1,931,000 (including all exhibits and attachments thereto) to be entered into between the Company and the Contractor, pursuant to which the Project is to be rehabilitated. Such Construction Contract shall be subject to the Consent of the Investor Member.

“Construction Loan” means the Project Loan from a private lender identified on **Exhibit F** hereto.

“Contractor” means Community Housing Partners Corporation, a Virginia nonstock corporation, which is the general construction contractor for the Project.

“Continued Compliance Sale” has the meaning set forth in Section 8.03(a).

“Counsel” or “Counsel for the Company” means Williams Mullen or such other attorney or law firm upon which the Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be

chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Credit Period” means the ten-year “credit period” as defined in and determined in accordance with Section 42(f) of the Code.

“Debt Service Coverage Ratio” shall mean a fraction, the numerator of which is the difference between all cash actually received by the Company on a cash basis from normal operations plus accrued project-based rental assistance under Section 8 of the Housing Act, less all accrued operational costs of the Project, including any required deposits to a capital replacement reserve, and the denominator of which is all mandatory debt service, reserve, mortgage insurance premium and/or other cash requirements imposed by the Project Loan documents properly allocable to a particular period on an annualized basis, as determined by the Accountants (but not including loans to be repaid solely from available Net Cash Flow).

“Designated Individual” means the person appointed by the Partnership Representative to be the “designated individual” with the sole authority to bind the Partnership Representative pursuant to the Code and Treasury Regulations.

“Developer” means Community Housing Partners Corporation.

“Development Agreement” means the Amended and Restated Development Agreement between the Company and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee, in the form set forth in Exhibit A.

“Development Budget” means the acquisition, construction, rehabilitation, development and financing budget for the acquisition, construction, rehabilitation, development, financing and operation of the Project, including without limitation the rehabilitation of all improvements, the furnishing of all personalty in connection therewith, and the operation of the Project which Budget is attached hereto as Exhibit H, and any amendments thereto made with the Consent of the Investor Member; provided, however, no Consent shall be required to (i) reallocate construction budget line items as long as the Project remains in balance and basis is not adversely impacted;. The Development Budget shall also include a calculation of the Projected LIHTC for the Project indicating the assumptions regarding basis which underlie such calculation, a 15-year income/expense pro forma, profit/loss statement, cash flow statement, depreciation/amortization schedule, capital account, minimum gain and 30 year analysis and a calculation of net sale proceeds.

“Development Costs” means all of the following: (i) all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land (and any improvements thereon) and the development or rehabilitation of the Project, including payment of the Development Fee, amounts due under the Construction Contract, any construction cost overruns, the cost of any change orders and all costs necessary to achieve Substantial Completion; (ii) all costs to achieve Initial Closing and Final Closing, and satisfy any escrow deposit requirements which are conditions to the Final Closing, including any amounts necessary for local taxes, utilities, mortgage

insurance premiums, casualty and liability insurance premiums, and any applicable loan fees, discounts or other expenses; (iii) for the period prior to Breakeven Operations, all costs, payments and deposits needed to avoid a default under any Project Loan, including without limitation, all required deposits to satisfy any requirements of a Project Lender to keep a Project Loan “in balance”; (iv) all costs and expenses relating to remedying any environmental problem or condition or Hazardous Materials that existed on or prior to Final Closing; and (v) all Operating Deficits incurred by the Company prior to the achievement of Qualified Occupancy and the achievement of at least 93% physical and economic occupancy during the six-month period while Breakeven Operations are achieved.

“Development Fee” means the fee payable by the Company to the Developer pursuant to Section 8.12 of this Agreement.

“Downward Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Early Delivery Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Economic Risk of Loss” has the meaning specified in Treas. Reg. §1.752-2.

“Environmental Consultant” has the meaning set forth in Section 5.01(j).

“Environmental Reports” collectively means the Phase I and Phase II environmental assessments, wetlands reports, lead and asbestos reports, abatement reports and other environmental reports as applicable and acceptable to the Investor Member.

“Excess Development Costs” means all Development Costs in excess of the proceeds of the Project Loans and all Capital Contributions the Managing Member and Investor Member are required to make hereunder.

“Extended Use Agreement” means the Extended Use Regulatory Agreement and Declaration of Restrictive Covenants executed by the Company and the Agency on July 13, 2021, setting forth certain terms and conditions under which the Project is to be operated.

“Final Closing” means the occurrence of all of the following: (i) Substantial Completion, (ii) approval by the Project Lenders, if any, of the Company’s certification of actual costs as to the development and rehabilitation of the Project (not including the funding of the Operating Reserve), (iii) disbursement by all Project Lenders of any and all previously undisbursed Project Loan proceeds, and (iv) commencement of amortization as to all Project Loans (to the extent any Project Loan requires principal amortization).

“Final Mortgage Amount” means the principal amount of all of the Project Loans, advanced at or prior to the Final Closing, before any reduction resulting from repayments of principal thereof.

“Financing Closing” means the date upon which one or more of the Project Loans is closed and the initial disbursement is made thereunder. The Financing Closing is anticipated to occur on or before March 1, 2023.

“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size.

“Guarantor LIHTC Compliance Loan” has the meaning set forth in Section 8.11(c)(v).

“Hazardous Substances” has the meaning set forth in Section 16.07(e).

“Hazardous Waste Laws” has the meaning set forth in Section 16.07(e).

“HUD” means the U.S. Department of Housing and Urban Development.

“Incentive Management Fee” means the fee payable by the Company to the Managing Member pursuant to Section 8.13 of this Agreement.

“Initial Amount” has the meaning set forth in Section 4.02(q).

“Initial Closing” means the date upon which one or more of the Project Loans is closed and the initial disbursement is made thereunder. The Initial Closing is anticipated to occur on March 1, 2023.

“Initial Period” has the meaning set forth in Section 8.11(b).

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

“Investor Member” means, initially, VCDC Equity Fund 26, LLC, a Virginia limited liability company.

“Investor Member Due Diligence Costs” has the meaning set forth in Section 5.01(f).

“IRS” means the Internal Revenue Service of the United States or any successor agency.

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

“Late Delivery Capital Adjustment” has the meaning set forth in Section 5.01(e)(i).

“Lease-Up Reserve” has the meaning set forth in Section 4.02(s).

“LIHTC” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“LIHTC Compliance Guaranty” means, collectively, the Managing Member obligations set forth in Section 8.11(c).

“LIHTC Recapture Event” means (a) the filing of a tax return, an Administrative Adjustment Request, IRS Forms 8995 or 8986, or an amended return by the Company evidencing a reduction in the qualified basis of the Project causing a recapture of LIHTC previously allocated to the Investor Member, (b) a reduction in the qualified basis of the Project following an audit by the IRS which results in the assessment of a deficiency by the IRS against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court and any other federal tax court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company with respect to any LIHTC previously claimed in connection with the Project, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

“LIHTC Reduction Guaranty Payment” has the meaning set forth in Section 5.01(e)(ii).

“LIHTC Shortfall” means, as to any period of time, the difference between the Certified Credit for such period of time and the Actual Credit for such period of time. For purposes of determining the amount of the LIHTC Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.01(e) because of a Late Delivery Capital Adjustment, the LIHTC Shortfall for such period of time shall be reduced by the Late Delivery Capital Adjustment.

“Liquidator” means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

“Loan Agreement” means any loan agreement and/or similar agreement with respect to the terms and conditions of the making of any of the Project Loans, which will be entered into between the Company and any one of the Project Lenders at or prior to the Final Closing.

“Losses” has the meaning set forth in the definition of “Profits” and “Losses.”

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.15.

“Management Agreement” means the agreement between the Company and the Management Agent providing for the marketing and management of the Project by the Management Agent.

“Managing Member” means CHP Grayson Manor Apartments, LLC, a Virginia limited liability company, and any other Person admitted as a Managing Member pursuant to this Agreement, and their respective successors as any such successor may be admitted pursuant to this Agreement, including those Persons admitted pursuant the provisions of Sections 6.02 and 6.03.

“Managing Member Pledge” has the meaning set forth in Section 8.19.

“Managing Member’s Special Capital Contribution” has the meaning set forth in Section 5.01(b).

“Member” means any Managing Member, Investor Member or Special Member.

“Member Nonrecourse Debt” means any Nonrecourse Debt (or portion thereof) for which a Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

“Member Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(i)(2), and the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year shall be determined in accordance with the rules of Treas. Reg. §1.704-2(i)(2).

“Minimum Gain” means the amount determined by computing with respect to each Nonrecourse Debt the amount of gain, if any, that would be realized by the Company if it disposed of the asset securing such liability (in a taxable transaction) in full satisfaction thereof (and for no other consideration), and by then aggregating the amounts so computed. For purposes of determining the amount of such gain with respect to a liability, the adjusted basis for federal income tax purposes of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treas. Reg. §1.704-2(d)(2).

“Minimum Set-Aside Test” means the set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Company has selected or will select the 40-60 Set-Aside Test as restricted by Code Section 42(g)(1) to require at least 40% of the units in the Project be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size, as the Minimum Set-Aside Test.

“MM Loans” means the loans which may be made by the Managing Member to the Company pursuant to Section 5.07(a) hereof, including any accrued interest thereon. Operating Deficit Loans shall not constitute MM Loans.

“Mortgage” means any deed of trust to be given by the Company in favor of any Project Lender as maker of a Project Loan, constituting a lien on the Project and securing a Project Loan.

“Net Cash Flow” means the sum of (i) all cash received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (except to the extent forfeited to the Company), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance, other than fire and extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the Managing Member with the approval of the Project Lenders, if required, less the sum of (x) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Company’s business (whether or not such expenditure is deducted, amortized or capitalized for tax purposes), including the management fee to the Management Agent and the Asset Management Fee, (y) all payments on account of any loans made to the Company (whether such loan is made by a Member or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or pursuant to any loans made by any Members where repayment of such loans is to be made out of Net Cash Flow, and (z) any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Project Lenders or the Investor Member, or may be determined from time to time by the Managing Member with the approval of the Investor Member and the Project Lenders, if required, to be advisable for the operation of the Company.

“Net Projected Tax Liabilities” means, as determined by the Accountants, based on the Company’s tax records, and any final adjustments made prior to the availability of proceeds of Capital Transaction(s) for distribution, the cumulative amounts of the respective projected liabilities (collectively, the “Projected Tax Liabilities”) of the Managing Member, the Investor Member’s members, and their respective partners and members, if any (collectively, the “Company Taxpayers”), for any and all federal, state, and local taxes, including any recapture of prior LIHTC, to be imposed on the Company Taxpayers by reason of all Capital Transactions of the Company from which the proceeds in question are to be distributed, any and all prior Capital Transactions of the Company (to the extent proceeds from such prior Capital Transactions equal to the Projected Tax Liabilities for such prior transactions were not distributed) and any liquidation of the Company. Such projections of liabilities shall estimate the applicable tax rate or rates for the Managing Member (based on actual or projected taxable income) and shall assume the maximum applicable tax rate or rates for each of the Investor Member’s partners or members, if any (without regard to actual taxable income), in effect at the time of each Capital Transaction, in all cases without regard to the alternative minimum tax, limitations on the use of business tax credits, or other factors that may affect tax liability in particular cases, and without adjustment for any variance from actual tax liabilities that may later occur.

“New Allocation” has the meaning set forth in Section 11.07(m)(ii).

“Nonrecourse Debt” means any Company liability that is considered nonrecourse for purposes of Treas. Reg. §1.1001-2 (without regard to whether such liability is a recourse liability under Treas. Reg. §1.752-1(a)(1)).

“Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(b)(1).

“Nonrecourse Liability” means any Company liability (or portion thereof) for which no Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

“Note” means any mortgage or deed of trust promissory note given by the Company in favor of a Project Lender evidencing a Project Loan.

“Notice” means a writing containing the information required by this Agreement to be communicated to a Member and sent by any manner set forth in Section 16.08, to such Member at such Member’s address as specified pursuant to Section 16.08, the date of receipt thereof (or the next business day if the date of receipt is not a business day) or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable, being deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Member actually received by such Member shall constitute Notice for all purposes of this Agreement.

“Operating Deficit” means the amount by which the gross receipts of the Company from lease payments, and all other income and receipts of the Company (other than proceeds of any loans to the Company, Capital Contributions, and investment earnings not available for distribution on funds on deposit in the Reserve Fund for Replacements, and other such reserve or escrow funds or accounts not available for distribution) for a particular period of time, is exceeded by the sum of all the actual operating expenses, including all debt service, operating and maintenance expenses, required deposits into the Reserve Fund for Replacements, any fees to the Project Lenders and/or any applicable mortgage insurance premium payments and all other Company obligations or expenditures, and excluding payments for construction of the Project and fees and other expenses and obligations of the Company to be paid from the Capital Contributions of the Investor Member to the Company pursuant to this Agreement during the same period of time.

“Operating Deficit Loan” shall have the meaning set forth in Section 8.11(b) of this Agreement.

“Operating Reserve” means the reserve referred to in Section 4.02(r).

“Partnership Representative” has the meaning set forth in Section 11.08 of this Agreement.

“Payment Date” means the date which is ninety (90) days after the end of the Company’s fiscal year with respect to the preceding fiscal year.

“Percentage Interest” means the percentage Interest of each Member as set forth in Sections 5.01(a) and (c).

“Permanent Loan” means the loans set forth on **Exhibit F** hereto and described as permanent loans.

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

“Plans and Specifications” means the plans and specifications for the Project stamped with the seal of an architect and/or engineer, which are subject to the approval of the Investor Member, and any changes thereto made in accordance with the terms of this Agreement.

“Post Closing Obligations” means those conditions to the Investor Member’s obligation to fund all or any portion of its Capital Contribution as more fully described on the Post Closing Letter attached hereto as **Exhibit K**.

“Prime Rate” means the interest rate announced from time to time by The Wall Street Journal as the prime lending rate expressed as a percent per annum. The “Prime Rate” shall be adjusted semi-annually on January 1 and July 1 of each year.

“Profits” and “Losses” mean, for each fiscal year of the Company, an amount equal to the Company’s taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (a) the income of the Company that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Company which are not deductible in computing its taxable income and not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Company asset is revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), then the amount of any adjustment to the value of such Company asset shall be taken into account as gain or loss from the disposition of such Company asset for purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of any Company asset which has been revalued pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(f) and with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the adjusted value of such Company asset, notwithstanding that the adjusted tax basis of such Company asset differs from the adjusted value; (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Company asset which has been revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f); and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to Sections 11.07(b) through (n) shall not be taken into account in computing Profits or Losses.

“Project” means the land currently owned by the Company in Independence, Virginia and the improvements to be rehabilitated, owned and operated thereon by the Company, and to be known as Grayson Manor Apartments.

“Project Documents” means and includes the Construction Contract, the Mortgage(s), Notes, Loan Agreements, Regulatory Agreement, Rental Assistance Agreement, Extended Use Agreement, Management Agreement and all instruments delivered to (or required by) the Project Lenders or the Agency to the extent not otherwise listed in this definition.

“Project Lender” means any lender in its capacity as a lender of one of the Project Loans, or its successors and assigns in such capacity, acting through any authorized representative.

“Project Loans” means those loans set forth and described on Exhibit F hereto. Notwithstanding the foregoing, the Investor Member acknowledges that the Company may apply for funding from the Federal Home Loan Bank (“FHLB”) and to the extent the Company is awarded those funds the Company is authorized to enter into documents evidencing the loan in form and substance reasonably acceptable to the Investor Member, so long as said funds are used to repay the Development Fee or other uses approved by the Investor Member and the FHLB.

“Projected LIHTC” has the meaning set forth in Section 4.01(p).

“Qualified Contract” has the meaning set forth in Section 42(b)(h)(F) of the Code.

“Qualified Occupancy” shall mean occupancy of a LIHTC unit by a Qualified Tenant.

“Qualified Tenants” shall mean tenants under executed leases of at least six (6) months who at the time of their initial occupancy of the Project satisfy the (i) rent restriction and (ii) minimum set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in the Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income.

“Recapture Amount” has the meaning set forth in Section 11.02(c).

“Regulations” or “Treasury Regulations” or “Treas.Reg.” means the Income Tax Regulations issued under the Code.

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Company and any Project Lender or any applicable government agency, whether prior to, at or after the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.

“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the low-income units in the Project cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.

“Rental Assistance Agreement” means the USDA Section 515 Rental Assistance Agreement between the Partnership and USDA Rural Development Rural Housing Service with respect to 32 units.

“Reserve Fund for Replacements” means the cash funded reserve for replacements required pursuant to Section 4.02 (q).

“Special Additional Capital Contribution” means the Special Additional Capital Contributions of the Investor Member under Section 5.01(d)(vii).

"Special Member" means VAHM, LLC, a Virginia limited liability company, or its assignee.

"Sponsor" means Community Housing Partners Corporation.

"Sponsor Loans" means those loans described in **Exhibit "F"** as being made to the Sponsor from the Company.

"State Designation" means, with respect to the Project, the allocation by the Agency of LIHTC, as evidenced by the receipt by the Company of either a carryover allocation of LIHTC meeting the requirements of Section 42(h)(1)(E) of the Code and Treasury Regulations or IRS Form 8609 executed by the Agency as to all buildings in the Project for which such form is required.

"Substantial Completion" means the date that the Company receives a certificate or certificates of substantial completion from the Architect (the "Certificate of Substantial Completion") necessary to permit the use and occupancy of 100% of the units in the Project; provided, however, that Substantial Completion shall not be deemed to have occurred if on such date any liens or other encumbrances as to title to the Land and the Project exist (to the extent not fully bonded off by the Company), other than those securing any Project Loan and/or those Consented to by the Investor Member.

"Substitute Investor Member" means any Person admitted to the Company as an Investor Member pursuant to Section 9.02.

"Surplus Cash" means any Net Cash Flow which, pursuant to the Project Documents or rules or regulations of any Project Lenders or the Agency, is permitted to be distributed to the Members.

"Title Company" means Stewart Title Guaranty Company.

"Unpaid Fee" has the meaning set forth in Section 5.01(b).

"Unpaid LIHTC Shortfall" means the outstanding amount of any LIHTC Shortfall for all the fiscal years of the Company, reduced by any amounts of Unpaid LIHTC Shortfall distributed to the Investor Member pursuant to Article XI of this Agreement. The unpaid LIHTC Shortfall shall bear interest at the "long-term applicable Federal rate" (as defined in Section 1274 of the Code) determined as of the date of the Investor Member's First Capital Contribution, compounded monthly.

"USDA" means United States Department of Agriculture.

"USDA Loan" means the Project Loan from USDA identified on **Exhibit F** hereto

"VH or Authority" means Virginia Housing Development Authority, its successors and assigns.

"VHCC" means Virginia Housing Capital Corporation, a Virginia corporation and the managing member of the Investor Member.

"Withdrawing Member" means CHPC.

ARTICLE III PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to acquire the Land and to develop, finance, rehabilitate, own, maintain, lease, operate and sell or otherwise dispose of the Project, in order to obtain long-term appreciation, cash income, LIHTC and tax losses. The Company will operate the Project in a manner that furthers the charitable purpose of Community Housing Partners Corporation by providing decent, safe, sanitary and affordable housing for low income persons and families. In the event of the conflict between the operation of the Project in a manner consistent with such charitable purpose and any duty of the Managing Member to operate the Project in order to maximize profits for the Investor Members, such charitable purpose shall prevail; provided, however, that in operating the Project no decision shall be made inconsistent with the requirements of any Regulatory Agreement.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

(a) acquire the Land on which the Project is to be located and any improvements thereon;

(b) construct, rehabilitate, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements so long as the Extended Use Agreement, the Regulatory Agreement and the Loan Agreements, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

(e) borrow money and issue evidences of indebtedness in furtherance of the Company business and secure any such indebtedness by mortgage, pledge, or other lien; provided,

however, that unless otherwise specifically allowed under this Agreement or otherwise Consented to by the Investor Member, any Project Loans, and any evidences of indebtedness thereof and any documents amending, modifying or replacing any of such loans shall have the legal effect that at and after Final Closing the Company and the Members shall have no personal liability for the repayment of the principal of or payment of interest on any Project Loan, and that the sole recourse of any Project Lender, with respect to the principal thereof and interest thereon, shall be to the property securing such Project Loan, except for any Carveouts, the Construction Loan and the Sponsor Loans that are recourse in nature;

(f) maintain and operate the Project, including hiring the Management Agent (which Management Agent may be any of the Members or an Affiliate thereof) and entering into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Project Lenders, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Company, or for the refinancing of any mortgage loan on the property of the Company;

(h) enter into the Loan Agreement, the Regulatory Agreement, and the Extended Use Agreement, providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to LIHTC and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Members, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Company business.

ARTICLE IV REPRESENTATIONS, WARRANTIES AND COVENANTS; DUTIES AND OBLIGATIONS

4.01 Representations, Warranties and Covenants Relating to the Project and the Company. As of the date hereof, the Managing Member hereby represents, warrants and covenants to the Company and to the Members that:

(a) Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate, partnership, limited liability company or trust actions or proceedings. The Managing Member is

duly organized, validly existing and in good standing under the laws of the state of its formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) Rehabilitation of Project. The rehabilitation and development of the Project shall be undertaken and shall be completed in a timely and workmanlike manner in accordance with (i) all applicable requirements of the Project Loans and the Project Documents, (ii) all applicable requirements of all appropriate governmental entities, and (iii) the Plans and Specifications of the Project that have been or shall be hereafter approved by the Investor Member and, if required, the Project Lenders and any applicable governmental entities, as such Plans and Specifications may be changed from time to time with the approval of the Investor Member and the Project Lenders, if required, and any applicable governmental entities, if such approval shall be required; it shall promptly provide copies of all change orders to the Investor Member.

(c) Zoning and Related Matters. At the date hereof, at the Financing Closing and at the time of commencement of rehabilitation and thereafter continuously, the Land is and will be properly zoned for the Project, all consents, permissions and licenses required by all applicable governmental entities have been obtained, and the Project conforms and will conform to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations.

(d) Plans and Specifications. The Managing Member has sent to the Investor Member the Plans and Specifications (including, without limitation, all working drawings) and all construction schedules, approved construction draws, certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to the Plans and Specifications, all documents pertaining to the Project Loan and any other information that is relevant to the rehabilitation and development of the Project.

(e) Public Utilities. All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently available and will be operating properly and in sufficient capacity for the Project at the time of receipt of the Certificate of Substantial Completion. The Managing Member will keep all such utilities operating in a manner sufficient to service the Project.

(f) Title Insurance. An owner's title insurance policy of a financially responsible institution acceptable to the Investor Member, in an amount equal to the principal amount of the Project Loans and the Capital Contributions of the Managing Member and the Investor Member, in favor of the Company, will be issued at or prior to the Initial Closing subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's title insurance policies and which are Consented to by the Investor Member and with such endorsements to such policy as the Investor Member may request. Good and marketable fee simple title to the Land will be held by the Company. The Managing Member has not made any misrepresentation or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company or the Managing Member's ability to perform its obligations hereunder.

(g) Non-Recourse Loans. Except as otherwise provided herein, at and after the Final Closing, there shall be no direct or indirect personal liability of the Company, any of the Members, or any Affiliates of the Company or Members for the repayment of the principal of or payment of interest on any Project Loan, and the sole recourse of any Project Lender under any Project Loan with respect to the principal thereof and interest thereon shall be to the property securing the indebtedness, except for any liability of the Managing Member with respect to customary "carveouts" that are set forth in loan documents relating to the Project Loans (the "Carveouts") to which the Investor Member has Consented. However, the Managing Member shall be personally liable for the obligations of the Company under the Sponsor Loans that are recourse to the same extent as if it were the general partner in a Virginia limited partnership.

(h) No Defaults. The Managing Member is not aware of any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any agreement, contract, lease, or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, the Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, the Project or Company.

(i) No Violation. The execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Company or the Managing Member or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Company or the Managing Member is a party or by which the Company, Managing Member or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project.

(j) Construction Contract. The Construction Contract has been entered into between the Company and the Contractor; no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor for the Project other than the amounts set forth in the Construction Contract or as evidenced by change orders approved by the Project Lenders and as otherwise disclosed in writing to and approved by the Investor Member; and all change orders to date have been paid in full. In addition, no consideration or fee shall be paid to the Developer or Managing Member by the Contractor.

(k) Letter of Credit. A letter of credit in an amount and in a form, and from an issuer satisfactory to the Project Lenders and the Investor Member, will be obtained by the Contractor at or before Financing Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Project Lenders and the Investor Member; in the alternative, the obligations of the Contractor will be guaranteed by the Managing Member and the Affiliate Guarantors and secured by cash, letter of credit or other security acceptable to the Project Lenders and the Investor Member.

(l) Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit I attached hereto.

(m) No Undisclosed Financial Responsibilities. Neither the Company, nor the Managing Member, either individually or on behalf of the Company, has incurred any financial responsibility with respect to the Project prior to the date of execution of this Agreement, other than (i) that disclosed to the Investor Member, or (ii) obligations which will be fully satisfied at or prior to the Financing Closing. As of the date hereof and hereafter continuously, unless the Investor Member otherwise Consents or unless otherwise specifically provided for herein, the only indebtedness of the Company with respect to the Project are the Project Loans, if any, described on Exhibit F. Without limiting the generality of the foregoing, neither the Managing Member, any of its Affiliates nor the Company, has entered, or shall enter, into any agreement or contract for any loans (other than the Project Loan) or for the payment of any Project Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to any Project Loan.

(n) Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the Commonwealth of Virginia, and shall have and shall continue to have full power and authority to acquire the Land and to own, develop, construct, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State of Formation and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Members and to enable the Company to engage in its business.

(o) Restrictions on Sale or Refinancing. No restrictions on the sale or refinancing of the Project, other than restrictions that may be set forth in the Project Documents, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member is an Investor Member, be placed upon the sale or refinancing of the Project.

(p) Projected LIHTC. The Projected LIHTC applicable to the Project is \$52,375.00 for 2023, \$207,781.00 for each year 2024 through 2032 and \$155,406.00 for 2033 which equals the amount of LIHTC the Managing Member has projected will be available to the Company. There is and at all times shall continue to be sufficient eligible basis (as defined in Section 42 of the Code) to provide the full amount of the Projected LIHTC. The Managing Member represents and warrants that the Project has not been placed in service, nor title transferred (other than to the Company) in the prior ten (10) years in a manner that would disqualify it for purposes of the acquisition LIHTC.

(q) Compliance with Agreements. To the best of its knowledge after due inquiry, the Managing Member, either individually or on behalf of the Company, has fully complied with all applicable provisions and requirements of any and all contracts, options and other agreements with respect to the purchase of the Land and the ownership, development, financing and operation of the Project, including all Project Documents; it shall take, and/or cause the Company to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements.

(r) State Designation. On November 18, 2021, the Company received valid State Designation with respect to the Project.

(s) Applicable Income and Rent Restrictions. The Project is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating LIHTC under Section 42 of the Code. The Company will comply with the so-called “40-60 Set-Aside Test” of Code Section 42(g)(1)(B), so that at least 40% of the units in the Project will be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size. In addition to the foregoing, five (5) units shall be occupied by individuals with incomes 40% or less of area median income, as adjusted for family size. Further, twenty-seven (27) units shall have rent levels at 50% or less of area median income.

(t) Term of Extended Use Agreement. The term of the Extended Use Agreement will not exceed 30 years and neither the Extended Use Agreement nor any other document, instrument or agreement to which the Company is a party shall restrict, limit or waive the right of the Company to cause a termination of the Extended Use Agreement prior to the end of such 30-year term in accordance with Code Section 42(h)(6)(E)(i)(II).

(u) Ownership of Managing Member. Community Housing Partners Corporation owns and shall continue to own at all times during the term of the Company one hundred percent (100%) of all classes of interests of the Managing Member.

(v) Title to Project; Taxes and Assessments. The Company has and shall have at all times good and marketable title to the Project, subject only to permitted exceptions thereto to which the Investor Member has given its Consent. All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Project.

(w) Taxpayer Certifications. On behalf of the Company, the Managing Member will cause to be filed any and all certifications and other documents on a timely basis with the IRS, the Agency and all other Authorities, as have been and may be required to support the full amount of Projected LIHTCs.

(x) Taxation and Limited Liability. No event has occurred that has caused, and the Managing Member will not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an “association” taxable as a corporation, rather than as a partnership; or (ii) the Investor Member or the Special Member to be liable for the Company’s obligations in excess of its Capital Contributions.

(y) No Tax-Exempt Use Property. No portion of the Project is or will be treated as “tax exempt use property” as defined in Section 168(h) of the Code. In the event the Managing Member or any member or shareholder of the Managing Member is controlled by a tax-exempt entity, such entity will make the election permitted under Section 168(h)(6)(F) of the Code. The

Managing Member shall not allow the Company to enter into any lease with a tax-exempt entity without the prior written approval of the Special Member.

(z) No Abusive Tax Shelter. The Managing Member has not received notice from the IRS that it has considered the Managing Member to be involved in any abusive tax shelter and is not aware of any facts, which if known to the IRS, would cause such notice to be issued.

(aa) Required Consents; No Defaults Under Loan Documents. The Company has obtained all consents required for the admission of the Investor Member to the Company, including but not limited to, the consent of the holder(s) of the Project Loans, if necessary, and any required consents of applicable Authorities.

(ab) Bankruptcy. No Bankruptcy, including, without limitation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, reorganization or other proceedings are pending or threatened against the Company or the Managing Member. The Managing Member will not permit such a Bankruptcy to occur.

(ac) Governmental Actions. To the best of the Managing Member's knowledge, there is no official action of any Authority, pending or threatened, which in any way would (i) have a material adverse effect on the Company, the Project, the Investor Member or the LIHTC; (ii) involve any intended public improvements which improvements may result in any charge in excess of \$10,000 being levied against the Land; or (iii) any special assessment, being levied against or assessed upon the Land or the Project. There is no existing, proposed or contemplated, plan to widen, modify or realign any street or highway contiguous to the Land. The Managing Member will promptly notify the Investor Member of any such official actions or plans, if and as they arise.

(ad) Moratoria; Assignments; Dedications. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or proposed to be imposed, by any Authority or any public or private utility having jurisdiction over the Land which would have a material adverse effect upon the use or occupancy of the Project. No special assessments have been levied against the Project or by an Authority upon the commencement or completion of any construction, alteration or rehabilitation on or of the Project or any portion thereof. The Managing Member will promptly notify the Investor Member of any such actions, if and as they arise. Except as previously disclosed in writing to and approved by the Investor Member, the completion of the improvements, alteration or rehabilitation on or to the Project or any portion thereof will not require the dedication of any portion of the Project by any Authority.

(ae) No Defects, Compliance. Upon completion of the Project, there will be no material physical or mechanical defects or deficiencies in the condition of the Project, including, but not limited to, the roofs, exterior walls or structural components of the Project and the heating, air conditioning, plumbing, ventilating, elevator, utility, sprinkler and other mechanical and electrical systems, apparatuses and appliances located in, or about, the Land which would materially and adversely affect the Project or any portion thereof (beyond those deficiencies which are in the process of being remedied by the Contractor pursuant to the Construction Contract). The

Project is free from infestation by termites or other pests, insects, animals or other vermin and the Managing Member will keep it so. The Project conforms (or will timely conform) to all governmental regulations, including, without limitation, all zoning, building, health, fire and environmental rules, regulations ordinances or requirements or environmental laws, regulations or procedures applicable to the Project where the failure to conform would result in a material adverse effect.

(af) No Defective Soils Conditions. To the best of the Managing Member's knowledge after due inquiry, there are no defects or conditions of the soil that would have a material adverse effect upon the use, occupancy and operation of the Project. The soil condition of the Land is such that it will support all of the improvements to be located thereon for its foreseeable life, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations. The improvements on the Land, as built, will be or are constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations were then, have since been and will be provided.

(ag) Rights of First Refusal; Options. Except as contemplated by the Amended and Restated Purchase Option and Right of First Refusal Agreement set forth in Exhibit L attached hereto, neither the Managing Member nor the Company has entered into (nor will enter into) any contracts for the sale of the Project, the LIHTC with respect thereto, or any interest in the Project or Company other than in contemplation of this Agreement, nor do there exist any rights of first refusal or options to purchase the Project, the LIHTC with respect thereto, or any interest in the Company.

(ah) Securities Law Compliance. The Managing Member has or will have timely complied or cause the timely compliance with all applicable Federal and state securities laws in connection with the offer and sale of the interest in the Company to the Investor Member.

(ai) Truth and Completeness of Representations and Disclosures. No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investor Member pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. All material information concerning the Project known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, has been disclosed by the Managing Member to the Investor Member and there are no facts or information known to the Managing Member or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, which would make any of the facts or information submitted by the Managing Member to the Investor Member with respect to the Project inaccurate, incomplete or misleading in any material respect.

(aj) Compliance with Fair Housing Act. At all times during the term of this Agreement, the Company shall comply with the provisions of the Fair Housing Act, as amended, including, but not limited to, complying with all provisions thereof relating to housing for the elderly.

(ak) Lenders to Project Entities Generally. Subject to provisions of this Agreement with respect to related party loans, an investor member or partner, including without limitation the Federal Home Loan Mortgage Corporation (such investor member or partner being referred to herein as a “Mortgagee”), in any entity that is a Member herein at any time may make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Company (any such loan being referred to as a “Mortgage Loan”). Under no circumstances will a Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Member. A Mortgagee may take any actions that the Mortgagee, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan). By acquiring an interest in the Company, each Member acknowledges that no Mortgagee owes the Company or any Member any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being a limited partner or member in a Member. Neither the Company nor any Member will make any claim against a Mortgagee, or against the Member in which the Mortgagee is a member or partner, relating to a Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Company or to any Member based in any way upon the Mortgagee’s status as a partner or member of a Member.

(al) Member Loans. Except for any deferred payments by the Company to the Developer of the Developer Fee, no Member or any Affiliate of a Member shall make or purchase a loan to the Company unless the Company receives an opinion of competent tax counsel to the effect that such loan will have no adverse tax consequences to any of the Members.

(am) Rental Assistance Agreement and Project Provided Temporary Subsidy. 32 units in the Project currently receive, and shall continue to receive, USDA Section 515 Rental Assistance. The Managing Member shall continue to comply with all regulations governing the administration of the USDA Section 515 Rental Assistance program and abide by all terms of the Rental Assistance Agreement. The Company will provide a tenant rental subsidy to current tenants in the Project who are not receiving a subsidy under the Rental Assistance Agreement for a period of two years from the date hereof in accordance with the USDA Loan documents.

(an) Development Budget. The Development Budget attached hereto as **Exhibit H** is accurate and complete. The assumptions underlying the calculations therein are reasonable and based upon the Managing Member’s knowledge and experience.

(ao) Reportable Transactions. The Company and its Members shall be permitted to disclose to any and all Persons, without limitation of any kind, the “tax treatment and tax structure” (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. The Managing Member shall (A) promptly notify the Investor Member of any “reportable transaction” under Code Section 6707(A)(c) or Treasury Regulation Section 1.6011-4 in which the Company shall engage or which it reports under Code Section 6111, and (B) maintain investor lists with respect to the Company as required under Code Section 6112. The Managing Member shall be responsible for its expenses or penalties attributable to its failure to report a reportable transaction or maintain lists (in accordance with Code Section

6112) as required by the Managing Member or the Company under the Code and applicable Treasury Regulations. Material advisors are required to supplement information disclosed to the IRS if the information provided in a filed disclosure is no longer accurate, in such instances, the Managing Member agrees to provide timely supplemental information about the Project to the IRS and the Investor.

(ap) Reasonableness of Fees. All fees to be paid to the Managing Member or any Affiliate of the Managing Member hereunder or otherwise in connection with the development of the Project are reasonable in amount and consistent with standard practice in the industry.

(aq) REAC and HUD Reports. The Managing Member shall advise the Investor Member of any REAC (Real Estate Assessment Center) inspection reports it receives with respect to the Project as well as any notices from HUD indicating any adverse findings with respect to the Project, including, but not limited to, the following:

- (i) management review findings;
- (ii) Section 8 HAP contract violations; and
- (iii) HUD Regulatory Agreement violations.

(ar) Governmental Review and Approvals/HUD 2530 Language. The Company shall not acquire or proceed with the development of the Project unless approval is obtained from HUD if such approval is required in connection with such development or acquisition. If the acquisition or development of the Project necessitates the filing of a Form 2530 Previous Participation Certificate with HUD (a "Previous Participation Certification"), the Managing Member shall so notify the Investor Member and such acquisition or development shall not proceed without the required Form 2530 filing. The Managing Member shall also provide adequate information to the Investor Member to enable any of its members to file any additional documents that may be required by HUD. Such information shall include but not be limited to the following:

- (i) type of financing and governmental agency providing such assistance, FHA project number, Section 8 contract number or other agency identification number (if any);
- (ii) closing date/date of receipt of assistance;
- (iii) date that the Project is intended to be acquired and/or the development is to be financed by the Company;
- (iv) property address and last inspection date/rating;
- (v) status of any pre-existing loan on the project (current, defaulted, assigned or foreclosed) and if ever defaulted, an explanation as to the causes of such default/foreclosure.

(as) OFAC Requirements. The Managing Member and its Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a Person with whom a U.S. Person is prohibited from transacting business. "U.S. Person" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(at) Survival of Representations and Warranties. All of the representations, warranties and covenants contained herein shall be deemed to be re-made as of the date of each Capital Contribution made by the Investor Member and shall survive the date of Final Closing and the funding date of each such Capital Contribution. The Managing Member shall indemnify and hold harmless the Investor Member against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

4.02 Duties and Obligations Relating to the Project and the Company. The Managing Member shall have the following duties and obligations with respect to the Project and the Company:

(a) Qualifying for LIHTC. It shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for LIHTC, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) issuance of IRS Form(s) 8609 with respect to the LIHTC, (iii) issuance of the Certificate of Substantial Completion and any governmental approvals required to permit occupancy of the Project, and (iv) Financing Closing and Final Closing, and (v) compliance with all material provisions of the Project Documents.

(b) Tax Treatment of Company. While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have known after due inquiry will (i) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation.

(c) Securities Law Matters. The Managing Member shall prepare and timely file all appropriate reports for the Company with the Securities and Exchange Commission and state securities administrators.

(d) Limited Liability Status. The Managing Member shall (i) file such certificates and do such other acts as may be required to qualify and maintain the Company as a limited liability company under the Act and to qualify the Company to transact business in all such other jurisdictions as may be required under the applicable provisions of law, and (ii) take or cause

the Company to take all reasonable steps deemed necessary by counsel to the Company to assure that the Company is at all times classified as a partnership for federal income tax purposes.

(e) Good Faith of Managing Member. It shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.

(f) No Security Interests or Encumbrances; Debt Service Coverage Ratio. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for the Project Loans, the Mortgages, and any additional security agreements executed in connection therewith. From and after the Final Closing, the Project shall maintain a Debt Service Coverage Ratio of at least 1.15:1.0.

(g) Basis Adjustments. It will execute on behalf of the Company all documents necessary pursuant to Sections 732, 743 and 754 of the Code to elect to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member, provided that such election would not have a material adverse effect on the Managing Member as confirmed by the Accountants.

(h) Payment of Development Fee. It guarantees payment by the Company of the Development Fee as provided in Section 5.01(b).

(i) Tax Returns and Financial Statements. It shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns and shall provide the Investor Member with the opportunity to review and Consent to drafts of all such returns at least twenty (20) days prior to their filing date, and will incorporate the changes of the Investor Member. In addition, the Managing Member shall provide the Investor Member with the opportunity to have not less than twenty (20) days to review drafts of audited financial statements prior to their finalization and will incorporate the changes of the Investor Member.

(j) Compliance with Governmental and Contractor Obligations. It shall comply and cause the Company to comply with the provisions of all applicable governmental and contractual obligations, including any Regulatory Agreement.

(k) Tax Elections. It has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the LIHTC or depreciation, as are necessary to achieve and maintain the maximum allowable LIHTC and tax benefits to the Investor Member, unless otherwise directed in writing by the Investor Member. The Managing Member will make

the election to be taxable under Section 168(h) of the Code. In connection herewith, the Company will not make an election to opt out of the bonus depreciation available under Section 168(k) of the Code without the Consent of the Investor Member.

(l) Fines and Penalties. It shall be responsible for the payment of any fines or penalties imposed by any applicable governmental authority or any Project Lender pursuant to the Project Documents and any documents executed in connection with obtaining the LIHTC (other than with respect to payments of principal or interest under any Project Loan) attributable to any action or inaction of it or its Affiliates.

(m) Notification of Default or IRS Proceedings. It shall immediately notify the Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans or any other financial, contractual or governmental obligation of the Company or the Managing Member, or (ii) any IRS proceeding regarding the Project or the Company.

(n) Notification of Construction Delays. If at any time during the rehabilitation of the Project, (i) rehabilitation stops or is suspended for a period of ten (10) consecutive days, or (ii) rehabilitation has been delayed so that in the reasonable determination of the Managing Member (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract, or (B) the Projected LIHTCs for any year during the Credit Period may not be achieved, the Managing Member shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Investor Member.

(o) Bank Accounts. The Managing Member shall establish in the name and on behalf of the Company such bank accounts as shall be required to facilitate the operation of the Company's business. The Company's funds shall not be commingled with any other funds of the Managing Member or any of its Affiliates, including, without limitation, any other limited liability company in which the Managing Member is a managing member. Promptly upon the request of the Investor Member, the Managing Member shall obtain and deliver to the Investor Member full, complete and accurate statements of the amount and status of all Company bank accounts and all withdrawals therefrom and deposits thereto.

(p) Basis Boost. The Project is located in the following census tract: 602.010. This census tract is a qualified census tracts in 2021 so that the Project can take into account the 130% basis boost allowed for projects located in such qualified census tracts.

(q) Reserve Fund for Replacements. It shall establish and maintain a segregated replacement reserve, in a lending institution acceptable to the Special Member, to provide for working capital needs, improvements, replacements and any other contingencies of the Company. Upon the making of the first Capital Contribution, \$206,000 shall be deposited into the Reserve Fund for Replacements which represents the amount of the existing replacement reserve acquired by the Company in connection with the acquisition of the Project. Commencing upon year the Project is placed in service, the Managing Member shall cause the Company to annually deposit into a segregated reserve account, \$300.00 per unit per year or such greater amount

required by USDA from the Company's gross operating revenues into the Reserve Fund for Replacements ("Ongoing Amount"), increased annually as required by USDA, if applicable. Withdrawals from the Reserve Fund for Replacements shall require the Consent and signature of USDA and will also require prior notice of such withdrawal to the Investor Member. Withdrawals from the Reserve Fund for Replacements shall require the Consent and signature of the Investor Member (or Special Member) which is not to be unreasonably withheld; provided, that Consent of the Investor Member (or Special Member) for withdrawals are not required if such withdrawals are reflected in an annual budget that has been approved by the Investor Member (or Special Member) or are required by a Project Lender or Special Member. The Managing Member shall not increase the amount in the Reserve Fund for Replacements materially above the amount required to be maintained by this Section 4.02(q) without the Consent of the Investor Member, which Consent shall not be unreasonably withheld. Notwithstanding anything to the contrary in this Section 4.02(q), however, the amount of the Reserve Fund for Replacements shall be increased if necessary to satisfy the requirements of any Project Lender or any Authority having jurisdiction over the Project.

(r) Operating Reserves. In addition to the requirements of Section 4.02 (q), in order to meet operating expenses of the Company which exceed operating income available for the payment thereof, the Managing Member shall cause the Company to deposit into a segregated reserve account in a lending institution acceptable to the Special Investor Member (the "Operating Reserve") to fund operating expenses and debt service in excess of operating revenues and to pay any Unpaid Fee, as that term is defined in Paragraph 5.01(b) hereof. The initial amount of \$100,000.00 shall be funded from the proceeds of the Sixth Capital Contribution; provided, however, that if there are insufficient funds from the aforementioned sources, the Managing Member shall be required to fund the Operating Reserve. Disbursements from the Operating Reserve for the aforementioned purposes shall constitute MM Loans by the Managing Member only to the extent of amounts funded by it into the Operating Reserve pursuant to the previous sentence. Additionally, the Managing Member shall cause the Company to deposit into the Operating Reserve amounts sufficient to maintain a balance of \$100,000.00, from Net Cash Flow as set forth in Section 11.03(b) hereof. The Managing Member shall have the right to use any funds in the Operating Reserve to pay the costs of the exercise by the Managing Member of its option set forth in Section 8.03(b) hereof or to pay Deferred Development Fee upon the Investor Member exit pursuant to such option. Except as otherwise provided in this Agreement, withdrawals from the Operating Reserve shall require the prior written approval of the Special Member not to be unreasonably withheld.

(s) Lease-Up Reserve. By the time of receipt of the Certificate of Substantial Completion, the Managing Member shall establish and cause the Company to fund and maintain a lease-up reserve (the "Lease-Up Reserve") in the name of the Company and maintained in a segregated Company account established for this purpose. The amount of the Lease-Up Reserve shall be \$30,000.00 and shall be fully funded by the proceeds of the Second Capital Contribution. Withdrawals from the Lease-up Reserve account shall require the Consent and signature of the Investor Member, which Consent shall not be unreasonably withheld, conditioned or delayed. At such time as the Project Property shall have achieved and maintained for a period of at least three months at least 93% occupancy (measured by both physical occupancy and "paid" occupancy based upon the then current rents for apartment units) and three months of Breakeven Operations

any unused portion of the Lease-Up Reserve shall be used to pay a portion of the deferred developer fee.

(t) Pre-Development Activities. The Managing Member shall be specifically and solely responsible for the following duties:

- (1) Analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state.
- (2) Identifying potential land sites.
- (3) Analyzing the demographics of potential sites.
- (4) Analyzing a site's economy and forecast future growth potential.
- (5) Determining the site's zoning status and possible rezoning actions.
- (6) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (7) Performing environmental tests on selected sites.
- (8) Negotiating the purchase of the land upon which the Project is located and its related financing.
- (9) Performing any other duties or activities relating to the acquisition of the land upon which the Project is located.

(u) Tax Cut and Jobs Act of 2017. The parties acknowledge that the Tax Cut and Jobs Act of 2017 (the "Act") has become law. Notwithstanding the foregoing, the Members agree to work together to make appropriate elections and tax return reporting choices to avoid reducing the Investor Member's expected benefits from being a member of the Company. In this regard and without limiting the foregoing, the Managing Member agrees that unless directed otherwise by the Investor Member, the Company shall make the election under Code Section 163(j)(7)(B) as provided in the Act to be an Electing Real Property Trade or Business. In addition, if directed by the Investor Member, the Managing Member shall elect out of bonus depreciation allowed under Section 167(k) on one or more classes of property for one or more years or if allowable, elect less than the maximum amount of bonus depreciation.

4.03 Single Purpose Entity. The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. If the Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its

shareholders or members. The Managing Member has observed and shall continue to observe all necessary or appropriate corporate formalities in the conduct of its business. The Managing Member shall keep its books and records separate and distinct from those of its shareholders, members and affiliates. The Managing Member shall clearly identify itself as a legal entity separate and distinct from its shareholders, members and its affiliates in all dealings with other Persons. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.

ARTICLE V
MEMBERS, MEMBERSHIP INTERESTS
AND OBLIGATIONS OF THE COMPANY.

5.01 Members; Capital Contributions; Company Interests.

(a) Initial Managing Member Contribution. The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are as follows:

(i) Name and Address:
CHP Grayson Manor Apartments, LLC
448 Depot Street NE,
Christiansburg, VA 24073

(ii) Capital Contribution: \$100 plus all of its rights, title and interest in, to and under all agreements, licenses, approvals, permits, LIHTC applications and allocations and any other tangible or intangible personal property which is related to the Project or which is required to permit the Company to pursue its business and carry out its purposes as contemplated in this Agreement.

(iii) Percentage Interest: 0.009%

(b) Managing Member's Special Capital Contribution. In the event that the Company has not paid all or part of the amounts due under the Development Agreement ("Unpaid Fee") on or before the earlier of (i) the thirteenth (13th) anniversary of placement in service of the Project, or (ii) the date required under the Development Agreement, the Managing Member shall contribute to the Company an amount equal to any such Unpaid Fee (the "Managing Member's Special Capital Contribution") and the Company shall thereupon make a payment in an equal amount to the Unpaid Fee; provided, however, that prior to the making of the Managing Member's Special Capital Contribution, funds in the Operating Reserve may be used to pay the Unpaid Fee, subject to approval by the Investor Member, and after application of the approved portion of the Operating Reserve, any remaining Unpaid Fee shall be paid using the Managing Member's Special Capital Contribution.

(c) Investor Members. The Investor Member and the Special Member, respectively, their principal officer and places of business and Percentage Interests are as follows:

(i) The Investor Member, its principal office and place of business, and its Percentage Interest are as follows:

VCDC Equity Fund 26, LLC 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	Capital Contribution of the Investor Member 99.99% is as set forth in subparagraph (d) immediately below.
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(ii) The Special Member, its principal office and place of business, its Percentage Interest and its Capital Contribution are as follows:

VAHM, LLC 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	\$10.00	0.001%
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(d) Investor Member Capital Contributions. Subject to the provisions of this Agreement, including, without limitation, the provisions of Sections 5.01(e) and 5.03, the Investor Member shall be obligated to make Capital Contributions to the Company in the amount of \$1,828,475.00 payable in installments as follows. However, in addition to such Contributions, the Capital Contributions of the Investor Members shall be deemed to include, and their respective Capital Accounts shall so reflect, each Investor Member's allocable share of Capitalized Bridge Loan Interest as determined by the Company's Accountants in consultation with each Investor Member.)

(i) First Capital Contribution. The amount of the First Capital Contribution shall be One Hundred Eighty-Two Thousand Eight Hundred Forty-Seven and No/100 Dollars (\$182,847.00). After satisfaction of all of the conditions set forth below, and review and approval of the items described below, the Investor Member shall make the remainder of the First Capital Contribution. A portion of the First Capital Contribution in the amount of \$999.99 will be made on the date hereof. After satisfaction of all of the conditions set forth below, and review and approval of the items described below, the Investor Member shall make the remaining portion of the First Capital Contribution. A portion of the First Capital Contribution in the amount of \$55,000.00 will be disbursed when the remainder of the First Capital Contribution is paid and shall be used to pay the Investor Member's Due Diligence Costs and the remaining portion of the First Capital Contribution shall be used to pay for approved costs of the Development of the Project, including payment of a portion of the Development Fee in the amount of \$15,000.00.

(A) Closing Date and Initial Closing. The Closing Date and the Initial Closing occur;

(B) Title Policy. The Title Company shall have issued the Company's title policy in an amount equal to the acquisition and development cost of the Project, showing the

Company as owner of fee simple title to the Land and subject to only such exceptions as are acceptable to the Investor Member, and containing utilities, non-imputation, zoning, survey, access, tax parcel and such other endorsements as the Investor Member may require;

- (C) Environmental Matters. The Investor Member shall have received a report satisfactory to the Investor Member confirming no material adverse environmental conditions, including, without limitation, evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority;
- (D) Legal Opinion. The Investor Member shall have received a legal opinion as set forth in Section 5.04;
- (E) Permanent Financing. The Investor Member shall have received copies of all commitment letters or agreements from all of the Company's anticipated financing sources, in form and substance acceptable to the Investor Member, necessary to meet the Company's financial needs for the Project.
- (F) Survey. The Investor Member shall have received and approved an ALTA Survey, dated no more than ninety (90) days prior to the date of funding;
- (G) Plans and Specifications. The Investor Member shall have received and approved Plans and Specifications for the Project;
- (H) Permits. The Investor Member shall have received a copy of all permits and licenses required for the construction and rehabilitation of the Project, issued by the appropriate governmental authorities;
- (I) Construction Financing. Evidence that all construction financing proceeds are available, including copies of all executed construction financing documents;
- (J) Credits. Evidence from the Agency that the Project will qualify for annual LIHTC of at least \$248,761.00 in the form of the carryover allocation, including any cost-certification delivered to the Agency in connection with the carryover of LIHTC;
- (K) Construction Contract. The general construction contract, in form and substance acceptable to the Investor Member and with a fixed price or maximum upset price acceptable to the Investor Member, and with a general contractor reasonably acceptable to the Investor Member;
- (L) Financials. Current financial statements of the Developer, verification of background information to be provided to the Investor Member by the Managing Member and there having been no changes in the tax laws or treasury regulations

or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Investor Member's investment in the Company;

- (M) USDA Financing and Related Matters. Copies of the loan documents evidencing (1) the assumption of the existing USDA debt terms acceptable to the Investor Member, (2) the assumption of the Rental Assistance Agreement, (3) the continuation of the USDA Rural Development interest credit on the existing USDA debt, and (4) the acquisition of the funds held in the replacement reserve for the existing USDA debt;
- (N) VCDC Construction Information Form. The Contractor shall provide documentation showing at least 50% of the construction contract cost is identified by either executed agreement(s) or LOI(s) with named subcontractor(s); and
- (P) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy its due diligence requirements including, without limitation, (i) those documents listed on the Investor Member's closing checklist, a copy of which has been previously delivered to the Managing Member; and (ii) such additional items requested by the Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(ii) Second Capital Contribution. The amount of the Second Capital Contribution shall be One Hundred Eighty-Two Thousand Eight Hundred Forty-Seven and No/100 Dollars (\$182,847.00). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Second Capital Contribution in the amount requested by the Managing Member in the manner set forth below to pay for the cost of the rehabilitation of the Project and to pay a portion of the Development Fee in the amount of \$15,000.00.

- (A) First Capital Contribution Paid. The occurrence of the Investor Member's First Capital Contribution;
- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;

- (D) Physical Inspection. A construction consultant selected by the Investor Member shall have prepared a physical inspection report and certified that 25% of the work has been completed in accordance with the Plans and Specifications;
- (E) Title Policy. The Title Company shall have issued: (1) a "date down" endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Financing Closing, except as shall be acceptable to the Investor Member; and (2) such other endorsements as the Investor Member may reasonably require;
- (F) Managing Member Elections. The Managing Member will provide evidence that it has made the election to be taxable under Code Section 168(h)(6)(F)(ii) and that such election was effective prior to placement in service of the Project. The Managing Member will also provide evidence that it has filed Form 8832 with the IRS electing to be taxed as a corporation and that such election was effective prior to placement in service of the Project;
- (G) VCDC Construction Information Form. The Contractor shall provide an update to the VCDC Construction Information Form; and
- (H) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request satisfy its due diligence requirements including, without limitation, (i) the Post Closing Obligations, if any, as set forth in Exhibit K attached hereto; and (ii) such additional items requested by Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(iii) Third Capital Contribution. The amount of the Third Capital Contribution shall be One Hundred Eighty-Two Thousand Eight Hundred Forty-Seven and No/100 Dollars (\$182,847.00). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Third Capital Contribution in the amount requested by the Managing Member in the manner set forth below to pay for the cost of rehabilitation of the Project.

- (A) Second Capital Contribution Paid. The occurrence of the Investor Member's Second Capital Contribution;
- (B) Sworn Statements. The Investor Member shall have received a written request for an advance from the Managing Member in form satisfactory to the Investor Member, accompanied by current owner's and contractor's sworn statements;
- (C) Managing Member's Certificate. The Investor Member shall have received a certificate from the Managing Member that the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Second Capital Contribution, and that the Managing Member and the

Company are not in default of any of their obligations hereunder and under the Project Documents as of the date of the proposed Second Capital Contribution;

- (D) As Built Plans and Specifications. The Managing Member shall have submitted to the Investor Member a written document executed by the Managing Member, the architect and the Contractor certifying no material change to the “for-construction” Plans and Specifications previously approved by the Project Lenders and Investor Member;
- (E) Permits, Licenses and Certificate of Substantial Completion. The Investor Member shall have received a copy of any permits and licenses which are required for the operation and use of the Project issued by the appropriate governmental authorities for the Project in its entirety, and a copy of the Certificate of Substantial Completion;
- (F) Architect’s Certificate. The Managing Member shall have delivered to the Investor Member the Certificate of Substantial Completion in a form reasonably requested by the Investor Member;
- (G) Payment of Taxes. The Investor Member shall have received satisfactory evidence (which may be included in the title policy described below) that all real property taxes and assessments for the Project due and payable through the date of funding have been timely and fully paid;
- (H) Title Policy. The Title Company shall have issued: (1) a “date down” endorsement to the title policy extending the effective date of the title policy to the date of funding and showing no exceptions to the title other than the exceptions reflected on the title policy as of Financing Closing, except as shall be acceptable to the Investor Member; and (2) such other endorsements as the Investor Member may reasonably require; and
- (I) Other Documentation. The Investor Member shall have received such other documentation as it may reasonably request to satisfy (i) the Post Closing Obligations, if any, as set forth in Exhibit K attached hereto; and (ii) such additional items requested by Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(iv) Fourth Capital Contribution. The amount of the Fourth Capital Contribution shall be One Million One Hundred Seven Thousand Seven Hundred Fifty-Four and no/100 Dollars (\$1,107,754.00). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fourth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, first to repay the Construction Loan, then to pay for the cost of rehabilitation of the Project, including without limitation Development Fee in the anticipated amount of \$12,761.00.

- (A) Third Capital Contribution Paid. The occurrence of the Investor Member's Third Capital Contribution;
- (B) Draft Cost Certification. Receipt and approval of a draft cost certification of Eligible Basis (as defined in Code Section 42(d)) for the Project prepared by the Accountants;
- (C) Managing Member Certificate. Receipt of a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 continue to be true and accurate through the date of the proposed Fourth Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or the Project at such time;
- (D) Legal Opinion. The Investor Member shall have received an update of the legal opinion previously delivered to the Investor Member in connection with its making the Initial Capital Contribution;
- (E) Evidence of Applicable Fraction. The Investor Member shall have received satisfactory evidence that the Applicable Fraction (as defined in Code Section 42(c)(1)(B)) for the Project equals or exceeds twenty percent (20%) determined as of the date of the proposed Third Capital Contribution;
- (F) Title Policy. The Title Company shall have issued a final date down endorsement to the title policy extending the date of the title policy through the date of final funding of the Project Loans and the Third Capital Contribution and showing no exceptions to title other than those exceptions reflected on the title policy as of Initial Closing and other exceptions as may be acceptable to the Investor Member;
- (G) Final Closing. Simultaneously with Final Closing, provided that the Investor Member has received fifteen (15) days' prior written notice of the date of Final Closing, and has received copies of any loan documents (including loan riders) executed in connection with the permanent financing that have not been previously delivered to the Investor Member; and
- (H) Other Documentation. The Investor Member shall have received such other documentation as it reasonably request to satisfy (i) the Post Closing Obligations, if any, as set forth in **Exhibit K** attached hereto; and (ii) such additional items requested by Investor Member to otherwise verify the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

Amounts disbursed pursuant to Sections 5.01(d)(i)-(iii), and to the extent necessary to pay for the costs of rehabilitation, any amount under Section 5.01(d)(iv), shall be disbursed through an escrow agreement in form and substance satisfactory to the Investor Member. All investment earnings on

the Investor Member's Capital Contributions disbursed through an escrow shall inure to the benefit and belong to the Investor Member.

(v) Fifth Capital Contribution. The amount of the Fifth Capital Contribution shall be Seventy-Two Thousand One Hundred Eighty and No/100 Dollars (\$72,180.00). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Fifth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, for payment of the Developer Fee in the amount of \$72,180.00.

- (A) Fourth Capital Contribution Paid. The occurrence of the Investor Member's Fourth Capital Contribution;
- (B) Qualified Occupancy. Achievement of occupancy of one hundred percent (100%) of the residential units in the Project by Qualified Tenants, and the Managing Member, if requested by the Investor Member, shall demonstrate such occupancy by submitting to the Investor Member certified rent rolls and tenant qualification forms that confirm that such tenants qualify under Section 42 of the Code;
- (C) Breakeven Operation. The last day of the month following the month in which Breakeven Operations occurs (with the Project having achieved at least 93% physical and economic occupancy for the three-month period in which Breakeven Operations has been achieved) and the Project has achieved a Debt Service Coverage Ratio on all mandatory debt service of 1.15 for the three consecutive months in which Breakeven Operations has been achieved;
- (D) Managing Member Certificate. The Investor Member shall have received a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Fifth Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or Project at such time;
- (E) Cost Certification. Receipt of an audited cost certification of Eligible Basis (as defined in Code Section 42(d)) for the Project prepared by the Accountants;
- (F) 8609's. Receipt of the Form(s) 8609 for the entire Project executed by the Agency;
- (G) Company Tax Return. The Investor Member shall have received a complete copy of the Company's 2023 tax return; and
- (H) Other Documentation. The Investor Member shall have received such other documentation reasonably request to satisfy (i) the Post Closing Obligations, if any, as set forth in **Exhibit K** attached hereto; and (ii) such additional items requested by Investor Member to otherwise verify the accuracy of the representations and

warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(vi) Sixth Capital Contribution. The amount of the Sixth Capital Contribution shall be One Hundred Thousand and No/100 Dollars (\$100,000.00). After satisfaction of all of the conditions set forth below, and review and approval by the Investor Member of the items described below, the Investor Member shall make the Sixth Capital Contribution in the amount requested by the Managing Member in the manner set forth below, to set up the Operating Reserve. Any portion of the Sixth Capital Contribution which is not deposited concurrently with the Sixth Capital Contribution will bear interest at the rate of 1.50% per annum. The Sixth Capital Contribution must be fully contributed within twenty-four months of the date of the Fifth Capital Contribution. If, at any time beginning with Final Closing, the Members determine there is a need to pay Operating Deficits within the aforementioned twenty-four (24) month period, the Investor Member will release funding from Sixth Capital Contribution to the Company to cover such need.

- (A) Fifth Capital Contribution Paid. The occurrence of the Investor Member's Fifth Capital Contribution;
- (B) Managing Member Certificate. The Investor Member shall have received a certificate from the Managing Member that (1) the representations, warranties and covenants in Sections 4.01 and 4.02 are true and accurate as of the date of the proposed Sixth Capital Contribution and (2) the Company and the Managing Member are not in default of any of their obligations with respect to the Company or Project at such time; and
- (C) Other Documentation. The Investor Member shall have received such other documentation as reasonably request to satisfy (i) the Post Closing Obligations, if any, as set forth in **Exhibit K** attached hereto; and (ii) such additional items requested by Investor Member to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in Article IV.

(vii) Investor Member's Special Additional Capital Contributions. If, in any fiscal year of the Company, the Investor Member's Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a Special Additional Capital Contribution to the Company, in an amount reasonably required to avoid the reduction of the Investor Member's Capital Account balance to or below zero. If the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Investor Member shall receive a guaranteed payment pursuant to Section 5.06 for the use of its Special Additional Capital Contribution. Whenever the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this paragraph, the Managing Member shall have the option, in its sole and absolute discretion, to make Special Additional Capital Contributions to the Company, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Member at that time.

(e) Adjustment to Capital Contributions of Investor Member. Following determination of Certified Credits, the Accountants shall make a determination as to whether there is a Downward Capital Adjustment. If events subsequent to such determination result in a decrease in the Capital Contributions of the Investor Member due to a Late Delivery Capital Adjustment, then the Accountants shall recalculate the Downward Capital Adjustment to take into account such Late Delivery Capital Adjustment. Following the determination of a Downward Capital Adjustment and/or a Late Delivery Capital Adjustment, the Managing Member or the Company, as appropriate, shall make payments as required under Section 5.01(e)(ii).

(i) The following definitions shall apply for purposes of determining adjustments to Capital Contributions:

- A. "Certified Credit Capital Adjustment" shall equal the product of (A) Certified Credits for the Credit Period (excluding any LIHTC resulting from an increase in qualified basis under Code Section 42(f)(3)), minus \$52,375.00 times (B) \$0.8800 and (C) times ten (10). The Certified Credit Capital Adjustment may be a positive or negative number.
- B. "Certified Credit Capital Decrease" means a negative Certified Credit Capital Adjustment.
- C. "Certified Credit Capital Increase" means a positive Certified Credit Capital Adjustment.
- D. "Downward Capital Adjustment" shall mean the following: (A) if either there is a Certified Credit Capital Decrease or if the Certified Credit Capital Adjustment is zero, then the Certified Credit Capital Decrease plus the Late Delivery Capital Adjustment; or (B) if there is a Certified Credit Capital Increase, the positive amount, if any, by which the Late Delivery Capital Adjustment exceeds the Certified Credit Capital Increase.
- E. "Late Delivery Capital Adjustment" shall mean the amount, if any, by which \$52,375.00 in calendar year 2023 exceeds Actual Credits for such year multiplied by \$0.8800.
- F. "Early Delivery Capital Adjustment" shall mean the product of (a) \$0.8800 and (b) the amount, if any, by which Actual Credits for calendar year 2023 exceed \$52,375.00 (but in no event shall the total Early Delivery Capital Adjustment exceed \$10,000); provided, however, that if the Project does not achieve 100% Qualified Occupancy by December 31, 2023 then the Investor Member shall not be obligated to make an Early Delivery Capital Adjustment despite the delivery of Actual Credit as described herein.

(ii) If there is a Downward Capital Adjustment, then the Capital Contributions of the Investor Member shall be immediately reduced by the Downward Capital Adjustment. The Downward Capital Adjustment shall

first reduce the Fourth Capital Contribution (if it has not previously been funded), and then to the extent necessary, the Fifth Capital Contribution, then to the extent necessary, the Sixth Capital Contribution. If the Downward Capital Adjustment exceeds the total of all unfunded Capital Contributions (prior to the reduction under this provision), then the Managing Member shall make a payment immediately to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the Investor Member as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. In the event that the Managing Member fails to make such payment in full and the Investor Member, in its sole discretion, elects not to exercise its remedies under Sections 5.05 or 6.05, as applicable, any amount not so paid by the Managing Member as required shall be payable out of Net Cash Flow and proceeds of Capital Transactions, as provided under Sections 11.03 and 11.04. Any payment required to be paid to the Investor Member pursuant to the preceding sentence out of Net Cash Flow and the proceeds of Capital Transactions shall be referred to as a "LIHTC Reduction Guaranty Payment". The Early Delivery Capital Adjustment, if applicable, shall be made at the time of the Fourth Capital Contribution. Notwithstanding anything to the contrary in this Agreement, if the actual amount of LIHTC falls with 5% of the Projected LIHTC for 2024, neither the Late Delivery Capital Adjustment or Early Delivery Capital Adjustment shall be made

(f) Payment of Investor Member Due Diligence Costs. The Managing Member shall pay the costs and expenses incurred by the Investor Member in connection with the due diligence activities of the Investor Member and the closing of the transactions described herein, including Investor Member's legal fees and expenses, such Investor Member Due Diligence Costs not to exceed \$55,000.00.

(g) Additional Investor Members. Without the Consent of all of the Members, no additional Persons may be admitted as additional Investor Members and Capital Contributions may be accepted only as and to the extent expressly provided for in this Article V.

(h) Deposit of Capital Contributions. Except as otherwise provided in Section 5.01(d) herein, the cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member's discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement.

(i) No Liability for Investor Member or Special Member. Except as may otherwise be provided under applicable law, no Investor Member or Special Member shall be bound by, or personally liable for, the expenses, liabilities or obligations of the Company.

(j) Payment of Environmental Assessment Consultant Fees. The Managing Member acknowledges that, on behalf of the Investor Member, the Investor Member or its Affiliate may retain an environmental consultant (the "Environmental Consultant") to review and give recommendations related to environmental reports that are provided to the Investor Member by the Managing Member (including, but not limited to, Phase I and Phase II environmental assessments, wetlands reports, lead and asbestos reports, abatement reports and other environmental reports required by the Environmental Consultant, to the reasonable satisfaction of the Environmental Consultant) for the Land, or the construction and rehabilitation of existing buildings, if the reports indicate the possible presence of hazardous materials on or near the Project or if such reports appear incomplete or inadequate for purposes of making such a determination. The Company shall be solely responsible for the payment of the fees of the Environmental Consultant.

5.02 Return of Capital Contribution. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of his Capital Contribution.

5.03 Withholding of Capital Contribution Upon Default.

(a) Conditions Giving Rise to Withholding. In the event that (a) the Managing Member, or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement or the operating agreement as to an Affiliated Company, after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (b) any Project Lender shall have declared the Company to be in default under any Project Loan or under any of the mortgage loans as to an Affiliated Company, or (c) foreclosure proceedings shall have been commenced against the Project or against the Project owned by an Affiliated Company, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its reasonable election, may cause the withholding of payment of any Capital Contribution otherwise payable to the Company (including while any cure period is in effect).

(b) Release to Company Following Cure. All amounts so withheld by the Investor Member under this Section 5.03 shall be promptly released to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

5.04 Legal Opinions. As a condition precedent to the Investor Member's obligation to make its Capital Contributions hereunder, the Investor Member must receive the opinion of Williams Mullen of Richmond, Virginia, Counsel for the Company and the Managing Member, which opinion shall explicitly state that Applegate & Thorne-Thomsen, P.C. of Chicago, Illinois, counsel to the Investor Member, may explicitly rely upon it, that:

(a) the Company is a duly formed and validly existing limited liability company under the Act, and the Company has full power and authority to own and operate the Project and to conduct its business hereunder; the Company is duly qualified to transact its business in the Commonwealth of Virginia; the Investor Member has been validly admitted as an investor member

of the Company entitled to all the benefits of an investor member under this Agreement, and the Interest of the Investor Member in the Company is the Interest of an investor member with no personal liability for the obligations of the Company, and the exercise of the rights and remedies of the Investor Member under this Agreement do not constitute participating in the control of the business of the Company;

(b) the Managing Member is duly and validly organized and is validly existing in good standing as a limited liability company under the laws of the Commonwealth of Virginia, with full power and authority to enter into and perform its obligations hereunder and under the Managing Member Pledge; the Managing Member is duly qualified to transact its business in the Commonwealth of Virginia;

(c) unless otherwise permitted under this Agreement, there is and shall be no direct or indirect personal liability of the Company or of any of the Members or their Affiliates for the repayment of the principal of and payment of interest on any Project Loan, and the sole recourse of the Project Lender, with respect to the principal thereof and interest thereon, shall be to the assets of the Company securing such indebtedness;

(d) execution of this Agreement and the Managing Member Pledge by the Managing Member has been duly and validly authorized by or on behalf of such Managing Member and, having been executed and delivered in accordance with its terms, this Agreement and the Managing Member Pledge constitute the valid and binding agreement of the Managing Member, enforceable in accordance with their respective terms, and execution hereof and thereof by the Managing Member is not in violation of any contract, agreement, charter, bylaw, resolution, judgment, order, decree, law or regulation to which the Managing Member is bound or as to which it is subject;

(e) [Intentionally Omitted];

(f) to the best of its knowledge after due inquiry, there are no defaults existing with respect to any of the Project Documents;

(g) to the best of its knowledge after due inquiry, no event of Bankruptcy has occurred with respect to the Company or the Managing Member; and

(h) the Affiliate Guaranty has been duly executed by the Affiliate Guarantor and constitutes the valid and binding obligation of the Affiliate Guarantor, enforceable in accordance with its terms; and

(i) the Company has received a carryover allocation of LIHTC for the Projected LIHTCs from the Agency, which is the appropriate state of local authority for the jurisdiction in which the Project is located.

In addition, the Investor Member shall have received from counsel to Investor Member an overall tax opinion, addressing all material tax issues and indicating that the financial

projections and tax credit calculation contained in the Development Budget appear reasonable and complete.

5.05 Repurchase Obligation.

(a) Conditions for Repurchase. If (i) Final Closing has not occurred by December 15, 2024 (or such later date as may be Consented to by the Investor Member); (ii) the IRS Form(s) 8609 are not issued by the Agency so as to allow the Credit Period to commence in 2023; (iii) the Company fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (iv) the Company's basis in the Project for federal income tax purposes, as finally determined by the Accountants or pursuant to an audit by the IRS, as of December 31, 2022, shall have been less than ten percent (10%) of the Company's reasonably expected basis in the Project, as required pursuant to Section 42(h)(1)(E) of the Code; (v) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period; (vi) the Project has not generated at least 70% of the Projected LIHTC for 2024 and 85% of the Projected LIHTC any year thereafter; or (vii) Investor Member exercises its rights pursuant to the Post Closing Letter set forth in Exhibit K, or (viii) the Closing Date has not occurred by a date determined by Limited Partner pursuant to Section 1.08 hereof but in no event later than December 31, 2023, then the Managing Member shall, within fifteen (15) days of the occurrence thereof, send to the Investor Member Notice of such event and of its obligation to purchase the Interest of the Investor Member hereunder and return to the Investor Member its Capital Contributions in the event the Investor Member, in its sole discretion, requires in a Notice to the Managing Member such purchase of the Interest of the Investor Member. Thereafter, the Managing Member, within thirty (30) days of the mailing date of Notice by the Investor Member of such election, shall acquire the entire Interest of the Investor Member in the Company by making payment to the Investor Member, in cash, of an amount equal to the sum of its Capital Contributions.

(b) Upon receipt by the Investor Member of any such payment of its Capital Contributions, the Interest of the Investor Member and all further obligations of the Investor Member hereunder shall terminate, and, to the extent that the Investor Member has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the Investor Member from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the Investor Member (as a result of its respective participation hereunder) may be subject.

5.06 Guaranteed Payments. No later than ninety (90) days after the end of the Company's fiscal year, any Member who has made a Special Additional Capital Contribution hereunder shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Additional Capital Contributions. The Company shall invest any amounts contributed as a Special Additional Capital Contribution as reasonably directed by the contributing Member. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest as set forth above.

5.07 MM Loans.

(a) MM Loans. The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Excess Development Costs under its Construction Completion Guaranty under Section 8.11(a) or Operating Deficit under its Operating Deficit Guaranty under Section 8.11(b) hereof, to make "MM Loans" pursuant to this Section 5.07(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company, provided, however, that the Managing Member shall not enter into any such MM Loan with the Company if such MM Loan would cause a reallocation of LIHTC or tax benefits among the Members. MM Loans shall be on the following terms: (i) interest shall accrue on the MM Loans at an annual interest rate of eight percent (8%), compounded annually; and (ii) MM Loans shall be repayable solely as set forth in Sections 11.03 and 11.04 of this Agreement.

(b) Documentation of MM Loans. At the request of a Member, which request may be made quarterly, any MM Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such MM Loans made during the preceding calendar quarter. MM Loans shall be unsecured loans. MM Loans shall not be considered Capital Contributions and shall not increase such Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a MM Loan, in no event shall interest accrue on any MM Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

ARTICLE VI CHANGES IN MANAGING MEMBERS

6.01 Withdrawal of the Managing Member.

(a) The Managing Member may withdraw from the Company or sell, transfer or assign its Interest as Managing Member only with the prior Consent of the Investor Member, and of the Agency and the Project Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by the Agency and the Project Lenders, if required, of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member.

(b) In the event that a Managing Member withdraws from the Company or sells, transfers or assigns its entire Interest pursuant to Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

6.02 Admission of a Successor or Additional Managing Member. A Person shall be admitted as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member and the Investor Member, and consented to by the Agency and the Project Lenders, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement by executing a counterpart thereof, (ii) all the terms and provisions of the Loan Agreement and the Project Documents by executing counterparts thereof or an assumption agreement, if requested by the Project Lenders, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member, and a certificate of amendment to the certificate of organization evidencing the admission of such Person as a Managing Member shall have been filed, and all other actions required by Section 1.07 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Company with evidence satisfactory to counsel for the Company of its authority to become a Managing Member, to do business in the Commonwealth of Virginia and to be bound by the terms and provisions of this Agreement; and

(d) Counsel for the Company shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Company or will cause it to be classified other than as a partnership for federal income tax purposes.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) In the event of the Bankruptcy of a Managing Member or the withdrawal, death or dissolution of a Managing Member, or an adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity) the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 6.01(a) of this Agreement, then the Company shall be terminated, unless within ninety (90) days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence or breach of Section 6.01(a), the Investor Member elects to designate the Special Member or such other entity as the Investor Member may desire as a successor Managing Member and continue the Company upon the conversion of such Special Member to the Managing Member of the Company. Consequences of the removal of the Managing Member shall be determined under Section 6.05 hereof.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member or breach of Section 6.01(a), such Managing Member shall immediately cease to be a Managing Member and its Interest shall without further action be converted to an Investor Member Interest; provided, however, that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, such Managing Member shall cease to be a Managing Member only upon the expiration of ninety (90) days after Notice to the Investor Member of the Bankruptcy, death, dissolution, declaration of incompetence or default of such Managing Member; and provided further that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, the converted Company Interest of such replaced Managing Member shall be ratably reduced to the extent necessary to insure that the substitute Managing Member(s) holds a .009% Percentage Interest (as set forth in Section 5.01).

(c) Except as set forth above, such conversion of a Managing Member Interest to an Investor Member Interest shall not affect any rights, obligations or liabilities (including, without limitation, any of the Managing Member's obligations under Section 8.11 herein) of the Bankrupt, deceased, dissolved, removed, incompetent or defaulted Managing Member existing prior to the Bankruptcy, death, dissolution, removal, incompetence or default of such person as a Managing Member (whether or not such rights, obligations or liabilities were known or had matured).

(d) If, at the time of the withdrawal, Bankruptcy, death, dissolution, adjudication of incompetence or default under Section 6.01(a) of a Managing Member, the Bankrupt, withdrawn, deceased, dissolved, incompetent or defaulted Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Members of such Bankruptcy, death, dissolution, adjudication of incompetence or default, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved, incompetent or defaulted Managing Member and his having ceased to be a Managing Member. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 6.03.

6.04 Restrictions on Transfer of Managing Member's Interests. This is an agreement under which applicable law excuses the Investor Member from accepting performance from (i) any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., (ii) a trustee of any such debtor, (iii) and/or the assignee of any such debtor or trustee. The Investor Member has entered into this Agreement with the Managing Member in reliance upon the unique knowledge, experience and expertise of the Managing Member, and its officers in the planning and implementation of the acquisition of the Project and in the area of affordable housing and development in general. The foregoing restriction on transfer is based in part on the above factors. The Managing Member expressly agrees that the Investor Member shall not be required to accept performance under this Agreement from any person other than the Managing Member,

including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee.

6.05 Removal of the Managing Member.

(a) Conditions for Removal. The Investor Member shall have the right to remove the Managing Member:

(i) for (A) any fraud, gross negligence, intentional misconduct, or breach of fiduciary duty, or (B) failure to exercise reasonable care with respect to any material matter in the discharge of its duties and obligations as Managing Member (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Project or assets of the Company), or

(ii) upon the occurrence of any of the following:

(A) the Managing Member or the Company shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or the Loan Agreement, or any material provisions of any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Project, which violation has not been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable;

(B) the Managing Member or the Company shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(e), 5.05 and/or 8.11, (ii) violated any material provision of applicable law, or (iii) the representation and warranty contained in Section 4.01(u) are and/or becomes false or inaccurate;

(C) the Managing Member or the Company shall have caused any Project Loan to go into default, which default remains uncured after the expiration of any applicable cure period;

(D) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

(1) cause the termination of the Company for federal income tax purposes;

(2) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation;

(3) in the reasonable opinion of the Investor Member, cause a recapture or reduction annually of fifteen percent (15%) or more in Certified Credits;

(4) violate any federal or state securities laws;

(5) cause the Investor Member to be liable for Company obligations in excess of its Capital Contributions; or

(E) the amount of Actual Credits for any year are, or are projected by the Accountants to be, less than eighty five percent (85%) of the Projected LIHTCs for that year; or less than ninety percent (90%) of Certified Credits if Certified Credits have been determined and adjustments to the capital contribution of the Investor Member have been made as may be required under Section 5.01(e);

(F) Intentionally Omitted;

(G) the Managing Member fails to timely and promptly discharge the Management Agent if at any time cause for such removal exists;

(H) Bankruptcy or similar creditor's action is filed by or against the Company, the Managing Member or any Affiliate Guarantor; or

(I) any default by the Affiliate Guarantor under the Affiliate Guaranty;

(J) failure of the Affiliate Guarantor to maintain a minimum net worth of \$1,000,000.00;

(K) failure of the Company to achieve Breakeven Operations within six (6) months of the Company's achievement of 93% occupancy; or

(L) any act or omission by the Managing Member that would substantially reduce tax benefits, or substantially increase tax liabilities, of the Investor Member.

(b) Procedure for Removal. The Investor Member shall give Notice to all Members and to the Project Lenders of its determination that the Managing Member shall be removed. The Managing Member shall have thirty (30) days after receipt of such Notice to cure any default or other reason for such removal, in which event it shall remain as Managing Member. If, at the end of thirty (30) days, the Managing Member has not cured any default or other reason for such removal, it shall cease to be Managing Member and the powers and authorities conferred on it as Managing Member under this Agreement shall cease and the Interests of such Managing Member shall be transferred to the Special Member or its designee which, without further action,

shall become the Managing Member; in such event, upon becoming the Managing Member, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents.

(c) Managing Member Obligations and Liability Following Removal.

(i) In the event that the Managing Member is removed as aforesaid prior to the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Section 8.11 of this Agreement; provided however, that if amounts otherwise payable to the Managing Member as fees are applied to meet the obligations of the Managing Member as stated in Sections 5.01, 5.05 and 8.11 of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duties as Managing Member of the Company. If the Managing Member is removed as Member of the Company prior to the Final Closing as aforesaid, the Managing Member shall not be entitled to payment of any further installments of the Incentive Management Fee, or other fees which otherwise would have been due and payable under or pursuant to various Sections of this Article VI or Article VII.

(ii) In the event that the Managing Member is removed as aforesaid after the Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the Managing Member's obligations and liabilities under Section 8.11(b) of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member or Affiliates thereof as fees are applied by the Company to pay Operating Deficits, such application shall serve to reduce any such liabilities after the Final Closing, except for any liability incurred as the result of its negligence, misconduct, fraud or breach of its fiduciary duty as Managing Member of the Company. If the Managing Member is removed as Member of the Company at any time after the Final Closing, the Developer or its successor(s) shall continue to be paid subsequent to such removal, in accordance with the terms and conditions of this Agreement, any installments of the Development Fee which would have otherwise been due and payable to it pursuant to Section 8.12 and which are not otherwise being withheld; provided, however, upon any such removal of the Managing Member after the Final Closing, no further installments of the Incentive Management Fee shall be paid which are attributable to any period after such removal.

(d) Power of Attorney. The Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 6.05. The election by the Investor Member to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy which the Investor Member or any other Member might have with respect to the Managing Member in connection with its undertakings and responsibilities under this Agreement.

ARTICLE VII
ASSIGNMENT TO THE COMPANY

The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Project, including the following:

- (a) all contracts with architects, contractors and supervising architects with respect to the development of the Project;
- (b) all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Project and all governmental approvals obtained, including planning, zoning and building permits;
- (c) any and all commitments with respect to the Project Loans and the LIHTC;
- (d) any and all rights under and pursuant to the Project Documents; and
- (c) any other work product related to the Project.

ARTICLE VIII
RIGHTS, OBLIGATIONS AND POWERS
OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member, Special Member and of the Company. The Managing Member shall devote such time as is necessary to the affairs of the Company.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Project Lender and/or Agency rules and regulations and the provisions of the Loan Agreement, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute and deliver, on behalf of the Company, the Loan Agreements, the Regulatory Agreement, the Extended Use Agreement, the Notes, the Mortgages, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto provided the

Investor Member shall be provided with the opportunity to review and Consent to any such documents prior to their execution by the Managing Member, as shall be required in connection with the Project Loans, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith; provided, however, that copies of all applications for advances of proceeds of the Project Loans shall be provided to the Investor Member prior to the disbursement of any funds pursuant thereto and shall be subject to the Consent of the Investor Member; and provided further that any such applications which provide for the disbursement of funds of the Company in lieu of or in addition to the proceeds of the Project Loans shall be subject to the Consent of the Investor Member. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

8.02 Limitations Upon the Authority of the Managing Member.

(a) The Managing Member shall not have any authority to:

(i) perform any act in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, the Loan Agreements, or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by the Investor Members under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(v) borrow from the Company or commingle Company funds with funds of any other Person; or

(vi) execute or deliver any general assignment for the benefit of creditors or file a petition or acquiesce in the filing of a petition for Bankruptcy.

(b) The Managing Member shall not, without the Consent of the Investor Member (which Consent shall not be unreasonably withheld, with the parties hereto agreeing and acknowledging that withholding such Consent would be reasonable if the action would likely be inconsistent with preserving the Project as a low-income housing project), have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) amend the terms of any Project Loan to be other than those set forth on **Exhibit F** attached hereto;

(iii) borrow in excess of \$10,000.00 in the aggregate at any one time outstanding on the general credit of the Company, except MM Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 8.20;

(iv) following Final Closing, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or which are at a cost in excess of \$50,000.00 in a single Company fiscal year, or rebuild the Project with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 13.03;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) following Final Closing, refinance any Project Loan;

(vii) confess a judgment against the Company in excess of \$5,000;

(viii) admit any person as a Managing Member or an Investor Member, or withdraw as Managing Member, except as otherwise set forth in this Agreement;

(ix) do any act in contravention of this Agreement or any other agreement to which Company is a party;

(x) execute or deliver any assignment for the benefit of the creditors of the Company;

(xi) transfer or hypothecate the Managing Member's interest as a Managing Member in the Company, including its interest in Company allocations or distributions, except as otherwise provided in this Agreement;

(xii) dissolve the Company or take any action which would result in dissolution;

(xiii) refinance, prepay or materially modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Project, or borrow funds or participate in a merger or consolidation with any other entity;

(xiv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;

(xv) materially change any accounting method or practice of the Company;

(xvi) file a voluntary petition for bankruptcy of the Company;

(xvii) make any expenditure or incur any liability on behalf of the Company in excess of \$50,000.00 which is not identified in the budget provided by the Managing Member to the Investor Member;

(xviii) borrow funds from the Company;

(xix) enter into or materially modify the Construction Contract (or any other construction contract), or agree to any change order under the Construction Contract (or any other construction contract) if any such change order is for \$50,000 or more, or is proposed when the amount of previous change orders plus the proposed change order would exceed \$50,000 (over the life of the Company); provided, however, the Managing Member may reallocate line items from soft costs to hard costs to pay for change orders

(xx) commingle Company funds or assets with the funds or assets of the Managing Member or any Company or other entity owned or operated by the Managing Member to the Investor Member;

(xxi) possess Company property or assign rights in specific property for other than a business purpose of the Company;

(xxii) take any action which would cause the termination of the Company for federal income tax purposes under Code Section 708;

(xxiii) make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or Regulations, including, without limitation, any election under Section 42 (including an election to treat any year other than 2023 as the first year of the Credit Period (as defined in Code Section 42) for the Project) or Section 754 of the Code or any other tax election affecting the amount, timing, availability or allocation of any LIHTC;

(xxiv) enter into any agreement or take any action without the prior consent of the Investor Member with respect to any matters for which the prior consent of the Investor Member is a prerequisite therefore;

(xxv) approve any increase in fees to the Managing Member or any affiliate of the Managing Member;

(xxvi) change in ownership, control or management of the Managing Member;

(xxvii) allow this Agreement to be amended; or

(xxviii) invest assets of the Company in (A) investments specifically not contemplated by this Agreement, or (B) in investments other than U.S. Treasury Bills, Notes or Bonds, or bank accounts, money market accounts or certificates of deposit in institutions insured by the Federal Deposit Insurance Corporation. However, investment of such assets may be expanded upon approval by the Investor Member.

8.03 Sale of Project.

(a) Right of First Refusal and Option. Pursuant to the terms of the Right of First Refusal/Option Agreement, a qualified 501(c)(3) Affiliate of the Managing Member or its qualified assignee under Section 42(i)(7) of the Code shall have a right to exercise its right of first refusal or option to purchase the Project, including all improvements, rights, fixtures, personality located at the Project, and reserves (to the extent permissible under Section 42(i)(7) of the Code at a price as provided in the Right of First Refusal/Option Agreement. The rights of the Investor Member or Special Member to approve the exercise of rights under the Right of First Refusal/Option Agreement will be set forth in such Agreement.

(b) Investor Member Put. At all times after the end of the Compliance Period, the Investor Member, shall have the right, in its sole and absolute discretion, to put its entire Interest (and that of the Special Member) to the Managing Member (or its designee) upon payment of an exit fee equal to \$20,000. Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the parties.

8.04 Management Purposes. In conducting the business of the Company, the Managing Member shall be bound by the Company's purposes set forth in Article III.

8.05 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve.

8.06 Managing Member or Affiliates Dealing with Company. The Managing Member or any Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, (d) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the Managing Member or any Affiliate shall be compensated by the Company for his services. Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days' Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to all Investor Members in the reports required under Section 13.02. Neither the

Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.06.

8.07 Other Activities. Except as limited in Section 8.06, Affiliates of the Managing Member may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as general partner of other limited partnerships or the managing member of limited liability companies which own, either directly or through interests in other companies or partnerships, government assisted housing developments similar to the Project. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.08 Liability for Acts and Omissions. No Managing Member or Affiliate thereof shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, provided that the protection afforded the Managing Member pursuant to this Section 8.08 shall not apply in the case of negligence, misconduct, fraud or any breach of fiduciary duty as Managing Member with respect to such acts or omissions. Any loss or damage incurred by any Managing Member or Affiliate thereof by reason of any act or omission performed or omitted by it or any of them in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by the Managing Member or Affiliate thereof by reason of negligence, misconduct or fraud of the Managing Member or Affiliate thereof, or any breach of fiduciary duty as Managing Member, with respect to such acts or omissions) shall be paid from Company assets (except for reserves) to the extent available (but the Investor Members shall not have any personal liability to the Managing Member or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Managing Member or Affiliate(s) thereof or on account of the payment thereof).

8.09 Indemnification of Investor Member and the Company. The Managing Member and the Company shall, jointly and severally, indemnify, defend, and save harmless the Investor Member and Special Member from and against any claim, loss, expense, action or damage, including without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel) asserted against the Investor Member or Special Member based on any act, omission, malfeasance or nonfeasance of the Company or the Managing Member, including without limitation any claim that the Investor Member or Special Member is liable for any indebtedness of the Company and excluding only liability directly caused by the Investor Member or Special Member's gross negligence or bad faith conduct. In addition, the Managing Member and the Company shall, jointly and severally, indemnify, defend, save and hold harmless the Investor Member and Special Member, and their representatives, from and against any and all costs, losses, liabilities, damages, lawsuits, proceedings (whether formal or informal), investigations, judgments, orders, settlements, recoveries, obligations, deficiencies, claims and expenses (whether or not arising out of third party claims), including, without limitation, interest, penalties, attorneys' fees and all amounts paid in investigation, or settlement of any of the

foregoing, incurred in connection with or arising out of or resulting from the operations of the Managing Member, the Company or the Project prior to the date of this Agreement.

8.10 Net Worth of Managing Member. The Managing Member shall maintain a minimum net worth in an amount as may be necessary to assure that the Company will be taxed as a partnership, and not as an association taxable as a corporation, for federal income tax purposes.

8.11 Construction of the Project, Construction Cost Overruns, Operating Deficits; Other Managing Member Guarantees.

(a) Construction Completion Guaranty.

(i) The Company has entered into the Construction Contract. The Managing Member shall be responsible for:

(A) achieving completion of construction of the Project on a timely basis in accordance with the Plans and Specifications for the Project, the terms of this Agreement, the Project Documents and all legal requirements;

(B) meeting all requirements for obtaining the Certificate of Substantial Completion;

(C) fulfilling all actions required of the Company to assure that the Project satisfies the Minimum Set-Aside Test and the Rent Restriction Test;

(D) causing the making of the Project Loans by the respective Project Lenders; and

(E) achieving Final Closing.

(ii) The Managing Member hereby is obligated to pay all Excess Development Costs; the Company shall have no obligation to pay any Excess Development Costs. Any amounts paid by the Managing Member pursuant to this subsection (a) shall be in the form of a loan to the Company (a "Completion Loan"). Any Completion Loan will be in the following terms: (A) it shall be unsecured; (B) shall bear interest at the applicable federal rate; (C) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (D) a Completion Loan shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members. To the extent the Development Fee has not been paid, the Managing Member may, with the approval of the Special Member, defer more of the payment of the Development Fee instead of making a Completion Loan, provided that the deferred Development Fee will be paid within fifteen (15) years and will not cause a reallocation of depreciation deductions throughout the Compliance Period.

(iii) In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.11(a), an amount not in excess of the total of any remaining unpaid installments of the Development Fee due pursuant to Section 8.12 shall be suspended by the Company until such obligations are met by the Managing Member.

(b) Operating Deficit Guaranty. In the event that, at any time during the period commencing on the end of the Construction Completion Guaranty period set forth in subsection (a) through the Compliance Period, an Operating Deficit shall exist, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s) after available funds in the Operating Reserve have been exhausted (subject to the terms of Section 4.02(r) hereof). Funds provided under this subsection (b) shall be in the form of a loan to the Company (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (iv) Operating Deficit Loans shall be fully subordinated to payment of Project Loans, MM Loans, and indebtedness of the Company to all Persons other than Members. In the event that the Managing Member shall fail to make any such Operating Deficit Loan as aforesaid, the Company shall utilize amounts otherwise payable as installments of the Development Fee pursuant to Section 8.12 of this Agreement to meet the obligations of the Managing Member pursuant to this Section 8.11(b). Amounts so utilized shall also constitute payment and satisfaction of installments of the Development Fee and such other fees payable under the aforesaid Section of this Agreement, and the obligation of the Company to make such installment payments pursuant to such Sections, as well as the Investor Member's obligation to make future Capital Contributions, shall be reduced correspondingly. For the purpose of this Section 8.11(b), all expenses shall be paid on a sixty (60) day current basis. Notwithstanding the foregoing to the contrary, the Operating Deficit Guaranty is limited as to the Guarantor to the extent provided for in Section 1 of the Guaranty.

(c) LIHTC Compliance Guaranty. (i) If with respect to any fiscal year of the Company there is a LIHTC Shortfall, the Managing Member shall, within forty-five (45) days following the close of such fiscal year, pay the Investor Member an amount equal to (A) the amount of LIHTC previously allocated to the Investor Member and subsequently disallowed because of such LIHTC Recapture Event multiplied by \$0.8800, (B) all penalties and interest imposed by the Code and assessed against the Investor Member by the IRS with respect to any LIHTC Shortfall, and (C) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B) and this clause (C) of this Section 8.11(c)(i) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rates imposed on corporate tax payers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member), together with interest on such amounts at the Prime Rate accruing from such payment due date.

(ii) The Managing Member irrevocably and unconditionally guarantees payments specified in this Section 8.11(c)(ii) to the Investor Member if there is a LIHTC Recapture Event. The payments required by this Section 8.11(c)(ii) shall be the sum of the following amounts: (A) an amount equal to the amount of the LIHTC Shortfall for the fiscal year(s) caused

by such LIHTC Recapture Event multiplied by \$0.8800, (B) the “credit recapture amount” (as defined in Code Section 42(j)(2)) allocated to the Investor Member because of such LIHTC Recapture Event multiplied by \$0.800; (C) all penalties and interest imposed by the Code and assessed against the Investor Member by the IRS with respect to such LIHTC Recapture Event; (D) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B), (C) and this clause (D) of this Section 8.11(c)(ii) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rate imposed on corporate taxpayers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member), together with interest on such amounts at the Prime Rate accruing from the date the Investor Member remits funds to a taxing authority with respect to a LIHTC Recapture Event; and (E) if the cause of the LIHTC Recapture Event will, in determination of the Investor Member, decrease the maximum amount of LIHTC that will be available to the Company and allocated to the Investor Member during the remainder of the Compliance Period, assuming full compliance with Section 42 of the Code, then an amount equal to the total amount of such decrease. The Managing Member shall make such payment to the Investor Member within forty-five (45) days of the LIHTC Recapture Event.

(iii) The LIHTC Compliance Guaranty set forth herein shall not apply to amounts due solely to the transfer by the Investor Member of all or a portion of its Interest in the Company, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required by this Agreement), or to changes in the tax law after the date hereof with which the Managing Member is unable to comply despite the exercise of its good faith and reasonable efforts.

(iv) Subject to the provisions of Section 4.02(r), the Managing Member may use funds in the Operating Reserve to make payments required by this Section 8.11(c) prior to using its own funds. If any amounts are owed under this Section 8.11(c) prior to the time that the Investor Member has made all of its Capital Contributions, any future Capital Contributions shall be reduced by the amount to be paid hereunder.

(v) Funds provided by the Affiliate Guarantor with respect to the Managing Member’s obligations under subparagraphs (i) or (ii) above shall be in the form of a loan to the Company (the “Guarantor LIHTC Compliance Loan”). Any Guarantor LIHTC Compliance Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall bear no interest; and (iii) it shall be repayable solely from Net Cash Flow or the proceeds of a Capital Transaction or liquidation at the time and in the amounts set forth in Sections 11.04 and 12.02(a) of this Agreement. Notwithstanding the foregoing, the Investor Member shall have the authority to treat any guarantee payment made on behalf of the Company by its Managing Member or the Affiliate Guarantor as (i) a capital contribution to the capital of the Company by the Managing Member in the amount of such guarantee payment that is matched with a corresponding upward adjustment to such Managing Member’s capital account in the Company or (ii) as a loan (as described above) by the Managing Member in the amount of such guarantee payment, so as to minimize any possible unintended increase in the amount of depreciation and LIHTCs allocated to the Managing Member; provided that any losses or other deductions, other than depreciation,

relating to such capital contribution or loan, shall be allocated to the Managing Member making such guarantee payment.

(d) Project Loan Funding Guaranty. The Managing Member irrevocably and unconditionally guarantees and covenants that the Company shall receive full funding of the Project Loans on or before October 1, 2024, on the terms set forth on Exhibit F attached hereto. The Managing Member represents and warrants that the source of funds for the Project Loans do not include, in whole or in part, "federal subsidies" within the meaning of Code Section 42(i) (i.e. the source of funds for the Project Loans does not include, in whole or in part, a "tax-exempt obligation," an obligation the interest on which is exempt from tax under Code Section 103). The Project Loan documents shall contain such other terms as may be Consented to by the Investor Member.

8.12 Development Fee. The Company has entered into a Development Agreement (materially in the form of Exhibit A attached hereto) of even date herewith with the Developer for its services in connection with the development and construction of the Project. In consideration for such services, a Development Fee in a total amount equal to \$355,662.00 shall be payable by the Company, in accordance with the terms of the Development Agreement and Article XI of this Agreement. In no event shall full payment of the Development Fee be later than the thirteenth anniversary of placement in service. It is anticipated that \$240,721.00 of the Development Fee will be deferred and paid pursuant to Article XI.

8.13 Incentive Management Fee. The Company has entered into an Incentive Management Fee Agreement in the form attached hereto as Exhibit B, with the Managing Member of even date herewith for its services in managing the business of the Company for the period from the date hereof throughout the term of the Company. In no event shall the Incentive Management Fee be cumulative. Payment of such fee shall be in accordance with any applicable requirements of the Project Lenders.

8.14 Withholding of Fee Payments.

(a) Conditions for Withholding. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement, or under the operating agreement with respect to an Affiliated Company, after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of thirty (30) days from and after the date of such Notice, or (ii) any Project Lender shall have declared the Company to be in default under any Project Loan or under any of the mortgage loans as to an Affiliated Company, or (iii) foreclosure proceedings shall have been commenced against the Project or against a Project owned by the Affiliated Company, then (A) the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any installment of fees and/or allowance payable pursuant to Sections 4.02(s), 8.12 and/or 8.13; and payment of any Operating Deficit Loan, MM Loan or Completion Loan; and (B) the Managing Member shall be liable for the Company's payment of any and all installments of the Development Fee payable pursuant to Section 8.12.

(b) Release of Fees. All amounts so withheld by the Company under this Section 8.14 shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

8.15 Selection of Management Agent; Terms of Management Agreement. The Company shall engage such person, firm or company as the Managing Member may select, and as the Investor Member may approve, which approval shall not be unreasonably withheld (hereinafter referred to as "Management Agent") to manage the operation of the Project during the rent up period and following Final Closing. The Management Agent must be a VH certified property manager. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Special Member, but in no event will the annual management fee be greater than 11.50% of the annual gross revenues of the Project, or such maximum fee permitted by USDA. The contract between the Company and the Management Agent and the management plan for the Project shall be in the form set forth in Exhibit G, with such changes acceptable to the Agency and/or the Project Lenders, if required, and reasonably acceptable to the Special Member. Such contract shall provide, among other things, that it shall be cancelable upon thirty (30) days' prior notice from the Company, and that the Management Agent will accrue the management fee to the extent necessary at any time to prevent a default under any Project Loan (after the expiration of any applicable grace, notice and cure periods). Whenever the management agent for the Project is the Managing Member or an Affiliate of the Managing Member, the management agreement shall provide that it is immediately terminable at the election of the Investor Member or Special Member in the event of (a) the removal or withdrawal of the Managing Member, or (b) any material breach of or noncompliance with any provision of this Agreement by the Managing Member or any Affiliate of the Managing Member (after the expiration of any applicable grace, notice and cure periods). Any other agreement entered into by the Company and any Managing Member or any Affiliate thereof shall specifically provide that such agreement shall be immediately terminable at the election of the Investor Member or Special Member if the Managing Member is removed or withdraws. Community Housing Partners Corporation is approved by the parties hereto as the initial Management Agent.

8.16 Removal of the Management Agent. The Managing Member:

(a) may, upon receiving any required approval of the Project Lenders and the Investor Member, dismiss the Management Agent as the entity responsible for the Project under the terms of the contract between the Company and the Management Agent, and

(b) shall, at the request of the Investor Member, remove the Management Agent if such Member determines that the same is necessary to protect the interest of the Company or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Company and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Project, or the Project Lenders-approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of LIHTC.

8.17 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which is not an Affiliate of the Managing Member shall be named by the Managing Member, subject to the approval of the Project Lenders, if required, and the approval of the Investor Member.

8.18 Loans to the Company The Company is authorized to receive Operating Deficit Loans and MM Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received an Operating Deficit Loan, or MM Loan to pay such amounts, then the Company may borrow such funds as are needed from a Person or organization, other than a Member or an Affiliate of a Member, in accordance with the terms of this Section 8.18, for such period of time and on such terms as the Managing Member and the Investor Member may agree; provided, however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Company without the prior approval of the Investor Member except that such approvals shall not be required in the case of the hypothecation of personal property purchased by the Company and not included in the security agreements executed by the Company at the time of Financing Closing. Nothing in this Section 8.18 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

8.19 Affiliate Guaranty. Concurrently with the execution of this Agreement, the Managing Member shall deliver to the Investor Member (a) the Affiliate Guaranty fully executed by each Affiliate Guarantor, (b) a pledge and security agreement executed by the Managing Member in the form of **Exhibit E** attached hereto (the "Managing Member Pledge"), wherein the Managing Member pledges and grants a security interest in its Managing Member interest in the Company and in each Affiliated Company to secure its obligation under this Agreement, and (c) an opinion of counsel to the Affiliate Guarantors in form satisfactory to the Investor Member regarding the Affiliate Guaranty and the Managing Member Pledge.

8.20 Intentionally Omitted.

8.21 Asset Management Fee. The Company will pay, as an operational expense of the Company, to the Investor Member, or at the request of the Investor Member, to Virginia Housing

Capital Corporation (“VHCC”) an Asset Management Fee, in the annual amount of \$3,150.00 in 2024 and increasing annually by 3.0%. Any Asset Management Fee which is not paid in any year shall accrue and be payable in subsequent years pursuant to Section 11.03(b). This Fee will be paid annually no later than December 31 of the year in which payment is due.

8.22 Public Relations. The Managing Member shall provide written and timely notice of any groundbreaking, ribbon-cutting or other public relations ceremonies for the Project to the Investor Member and recognize the Investor Member and the Investor Member’s members at such public relations ceremonies.

ARTICLE IX TRANSFERS AND RESTRICTIONS ON TRANSFERS OF INTERESTS OF INVESTOR MEMBERS

9.01 Restrictions on Transfer of Investor Members’ Interests.

(a) Under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Investor Member Interest be permitted unless the Managing Member, in its sole discretion, shall have Consented thereto, and the Project Lenders, if required, also shall have Consented thereto, provided however, that the Managing Member shall not unreasonably withhold its Consent to the pledge by the Investor Member of its Investor Member Interest or a transfer of its right to receive distributions hereunder, so long as no pledgee or transferee shall have any right to become a Substitute Investor Member in the Company or exercise any voting rights of the Investor Member.

(b) The Investor Member whose interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer.

(c) Nothing in this Section 9.01 shall limit the authority of the Investor Member to sell, transfer and/or assign interests within the Investor Member or to transfer Interests of the Investor Member to (i) any Affiliate of the Investor Member or Special Member, in the sole discretion of the Investor Member, at any time and from time to time, or (ii) provided the Investor Member remains obligated to make any unpaid Capital Contributions, to any other Person once during the term of this Agreement upon Notice to the Managing Member(s).

9.02 Admission of Substitute Investor Members.

(a) Subject to the other provisions of this Article IX, an assignee of the Interest of an Investor Member (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company only upon the satisfactory completion of the following:

(i) Consent of the Managing Member (which may be withheld in its sole discretion), and the consent of the Project Lenders, if required, shall have been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amended Agreement and/or Articles evidencing the admission of such Person as an Investor

Member pursuant to the requirements of the Act, provided, however, that no Consent shall be required for any sale, transfer or assignment pursuant to Section 9.01 (c);

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may require in order to effect the admission of such Person as an Investor Member;

(iii) an amended Agreement and/or Articles evidencing the admission of such Person as an Investor Member shall have been filed for recording pursuant to the requirements of the Act;

(iv) if the assignee is a corporation, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel for the Company of its authority to become an Investor Member under the terms and provisions of this Agreement; and

(v) the assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment.

(b) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member upon his signing of an amendment to this Agreement agreeing to be bound hereby.

(c) If the Managing Member has determined it will Consent to the admission, the Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section and making all official filings and publications. In such event, the Company shall take all such action, including the filing, if required, of any amended Agreement and/or Articles evidencing the admission of any Person as an Investor Member, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article IX to the admission of such Person as an Investor Member of the Company. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Investor Member.

9.03 Rights of Assignee of Company Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member's Interest, but does not become a Substitute Investor Member, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the

same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.

ARTICLE X RIGHTS AND OBLIGATIONS OF INVESTOR MEMBERS

10.01 Management of the Company. No Investor Member shall take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, no Investor Member shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Investor Member shall have any power or authority with respect to the Company except insofar as the consent of any Investor Member shall be expressly required and except as otherwise expressly provided in this Agreement.

10.02 Limitation on Liability of Investor Members. The liability of each Investor Member is limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Member shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall any Investor Member be personally liable for any obligations of the Company, except as and to the extent provided in the Act. No Investor Member shall be obligated to make loans to the Company.

10.03 Other Activities. Any Investor Member may engage in or possess interests in other ventures of every kind and description for its own account, including without limitation, serving as general partner or managing member of other limited partnerships or limited liability companies which own, either directly or through interests in other limited liability companies or limited partnerships, government-assisted housing projects similar to the Project. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

ARTICLE XI PROFITS, LOSSES AND DISTRIBUTIONS

11.01 Allocation of Profits and Losses Other Than From Capital Transactions.

(a) Manner of Determination. Profits, Losses and credits for all purposes of this Agreement shall be determined in accordance with the definition of the same under Article II of the Agreement (as applicable) and in accordance with the accrual accounting method and in accordance with applicable Code sections and Treasury Regulations governing same.

(b) Allocations. All Profits and Losses, except those items in Sections 11.02, 11.05 and 11.07 below, shall be allocated to the Members in accordance with their Percentage Interests. Every item of income, gain, loss, deduction, or tax preference entering into the computation of such Profits and Losses, or applicable to the period during which such Profits and Losses were realized, shall be considered allocated to each Member in the same proportion as

Profits and Losses are allocated to such Member.

(c) Intentionally Omitted.

(d) Special Member Allocation. Notwithstanding any provisions in the Agreement to the contrary, in no event shall the Special Member be allocated more than its Percentage Interest, determined as of the date hereof, of any item of Company income, gain, loss, deduction, credit or basis.

11.02 Allocation of Profits and Losses from Capital Transactions. Except to the extent provided in Sections 11.07, Profits and Losses recognized by the Company upon a Capital Transaction shall be allocated in the following manner:

(a) Profits shall be allocated (i) first, to the Members with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Capital Accounts in the Company; provided that no gain shall be allocated under this Section 11.02(a)(i) to a Member once such Member's Capital Account is brought to zero and (ii) second, gains in excess of the amount allocated under (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members' respective Capital Accounts so that the proceeds distributed under Section 11.04(e) and (h) will be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent of and in proportions to the respective positive balances in all Members' Capital Accounts, and (ii) second, any remaining Losses to the Members in accordance with the manner in which they bear the economic risk of loss associated with such Losses or, if none, to the Members in accordance with their Percentage Interests.

(c) Any portion of the Profits treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Recapture Amount had been previously allocated.

11.03 Distributions: Net Cash Flow.

(a) Determination of Net Cash Flow. Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative. Wherever there is a reference to the distribution of Net Cash Flow pursuant to the provisions of this Agreement, Net Cash Flow shall be deemed to be limited to Surplus Cash available for distribution. Income received by the Company from the period commencing with the date of receipt of the Certificate of Substantial Completion and ending on the date of the Final Closing shall not be distributed and shall be used by the Company to pay for Development Costs, subject to the Consent of the Investor Member.

(b) Manner of Distribution. Subject to the approval of the Project Lenders, if

required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) first, to the Investor Member until the aggregate amount of distributions made to the Investor Member under this Section 11.03(b)(i) for the current and all prior years equals the Assumed Investor Member Tax Liability for the current and all prior years (to the extent not previously credited to Investor Member with New Cash Flow);

(ii) second, to the Investor Member in an amount equal to any LIHTC Reduction Guaranty Payment or Unpaid LIHTC Shortfall;

(iii) third, to the Managing Member until the aggregate amount of distributions made to the Managing Member under this Section 11.03(b)(iii) for the current and all prior years equals the Assumed Managing Member Tax Liability for the current and all prior years;

(iv) fourth, to the payment of the accrued but unpaid Asset Management Fee;

(v) fifth, to replenish the Operating Reserve up to a balance of \$100,000.00 (or such higher amount as agreed to by the Members);

(vi) sixth, to the Developer until all amounts due under the Development Agreement have been paid in full;

(vii) seventh, to the pro rata payment of any outstanding Operating Deficit Loans and MM Loans, based upon the respective outstanding balances of each;

(viii) eighth, 90% of the balance to the payment of the Incentive Management Fee; and

(ix) thereafter, 99.99% to the Investor Member; 0.009% to the Managing Member; and 0.001% to the Special Member.

Notwithstanding anything to the contrary contained herein, if the amount of the total distribution to the Investor Member under Section 11.03(b) is less than 10% of the Net Cash Flow of the Project, then the Investor Member shall receive a priority distribution before any distributions under Section 11.03(b)(viii) and (ix) in an amount such that, when added to the sum distributable to the Investor Member under Section 11.03(b), shall equal 10% of the Net Cash Flow.

(c) Distributions to be Subject to Regulatory Restrictions. Notwithstanding the foregoing, during such time as regulations of the Project Lenders are applicable to the Project, the total amount of Net Cash Flow which may be so distributed to the Members with respect to any fiscal year shall not exceed such amounts as such regulations permit to be distributed.

11.04 Distributions: Capital Transactions and Liquidation of Company. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company

assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to any Project Loan and all expenses of the Company incident to any such sale or refinancing), excluding (1) debts and liabilities of the Company to Members or any Affiliates, and (2) all unpaid fees owing to the Managing Member under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) one percent (1%) of the gross proceeds of the Capital Transaction to the Special Limited Partner, or its assignee as a Capital Transaction Administrative Fee;

(d) to the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Member, an amount equal to any outstanding LIHTC Reduction Guaranty Payment, or any Unpaid LIHTC Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal); (ii) to the Investor Member, an amount equal to any Special Additional Capital Contribution; (iii) to the payment of any outstanding MM Loans and loans made by the Managing Member pursuant to Section 8.11(a)(i) and/or 8.11(a)(ii) pro rata based on their respective outstanding balances, if applicable; (iv) amounts due under the Development Agreement; (v) amounts due with respect to Operating Deficit Loans, if any; and (v) any other such debts and liabilities, including debts to Affiliates of the Managing Member set forth on Exhibit F hereto;

(e) to the Managing Member and Investor Members in proportion to the relative amounts of Net Projected Tax Liabilities of the Managing Member and the Investor Member's members or partners and their respective members or partners until they each have received, cumulatively, an amount equal to their respective Net Projected Tax Liabilities;

(f) to the Developer to pay any deferred Development Fee or any other amounts due under the Development Agreement;

(g) to payment of the Guarantor LIHTC Compliance Loan (or, if funds provided are a capital contribution under Section 8.11(c)(v), as a return of such capital);

(h) up to six percent (6%) of the gross proceeds from such liquidation or Capital Transaction (or such lesser reasonable amount), as the case may be, to the Managing Member, or its assignee, as a sales/commission in payment of any activities it has performed that are similar to that of a third party broker (provided that the amount of this fee will be reduced by any brokerage fee paid by the Company to a third party broker and shall not be paid in connection with a sale to an Affiliate); and

(i) the balance, 0.009% to the Managing Member, 99.99% to the Investor

Member, and 0.001% to the Special Member.

Written determination of the proposed distributions of proceeds of Capital Transactions, showing all relevant calculations and assumptions, shall be delivered to the Investor Member and Special Member not later than twenty (20) days prior to the Company entering into any agreement for a Capital Transaction, and written confirmation or any revision thereof shall be delivered to the Investor Member and Special Member not later than twenty (20) days prior to the making of any such distribution. Distributions hereunder shall be made within five (5) days of the Company's receipt of such proceeds.

11.05 Distributions and Allocations: General Provisions.

(a) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all profits and losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee ratably on the basis of the number of monthly periods in such year before, and the number of monthly periods on and after, the first day of the month during which such Person is admitted as a substitute Member.

(b) The Company shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Project Lenders, distribute Net Cash Flow not less frequently than annually in the manner provided in Section 11.03(b).

(c) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(d) In the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the IRS with respect to a taxable year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be

allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Operating Deficit Loans pursuant to Section 8.11(b), any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) Any income attributable to the Capital Contribution of the Managing Member will be allocated to the Managing Member.

(i) Any income attributable to the modification of any of the Project Loan(s) shall be allocated 100% to the Managing Member.

11.06 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the income and gain for tax purposes of the Company, including income or gain exempt from tax; and there shall be charged against each Member's Capital Account the amount of all cash flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any sale or refinancing of the Project distributed to such Member, and such Member's distributive share of the losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treas. Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. § 1.704-1(b)(2)(iv).

(b) Deficit Capital Accounts; Regulatory Liquidation. In the event that the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall make Capital Contributions in the amount of such deficit in compliance with Treas. Reg. § 1.704-1(b)(2)(ii)(b)(3). In the event that the Investor Member's Capital Account should have a deficit balance at such time, it shall have no obligation to fund or otherwise contribute capital to the Company in connection with such deficit.

11.07 Special Allocations. Notwithstanding anything to the contrary contained in Section 11.01(a) or (b), the following special allocations in all events apply in determining the allocation

of Profits and Losses among the Members and are made prior to the allocations required under Sections 11.01(a) and (b):

(a) Depreciation and LIHTC.

(i) Depreciation (cost recovery) deductions and LIHTC are allocated to the Members in accordance with their Percentage Interests.

(ii) Any recapture of LIHTC is allocated to the Members that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction and LIHTC associated therewith.

(b) Limitation on Allocations of Losses.

(i) To the extent the allocation of any Losses to a Member would cause that Member to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Company, then those Losses will not be allocated to that Member, but rather will be specially allocated to the remaining Members in proportion with their relative interests in the Company.

(ii) In the event some but not all of the Members would have Adjusted Capital Account Deficits due to an allocation of Losses, the limitation set forth in this Section 11.07(b) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member who is not a Managing Member under Treas. Reg. §1.704-1(b)(2)(ii)(d). All Losses in excess of the limitation set forth in this Section 11.07(b) shall be allocated to the Managing Member.

(c) Profit Chargeback. To the extent any Losses are specially allocated to a Member in accordance with Section 11.07(b), then Profits will thereafter first be specially allocated to such Member in proportion to and in an amount (1) up to but not exceeding the amount of any such special allocation of Losses away from such Member under such subparagraph (b) but (2) not to the extent that Losses or depreciation deductions would be allocated to the remaining Members in excess of the amount permitted by 11.07(b).

(d) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their Percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member or Members that bear the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(b)(4) and Treas. Reg. §1.704-2(i).

(f) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Member shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such year (and,

if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(g)(2). In the event that such net decrease in the Company's Minimum Gain occurs in connection with the disposition of all or any portion of the Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(f) shall be determined in accordance with and only to the extent required by Treas. Reg. §1.704-2(f) and (j)(2)(i).

(g) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's Minimum Gain during any taxable year with respect to a Member Nonrecourse Debt, the Member bearing the Economic Risk of Loss with respect to such Member Nonrecourse Debt shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(i)(4). In the event that such net decrease in the Member's Minimum Gain occurs in connection with the disposition of all or any portion of Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(g) shall be determined in accordance with and only to the extent required by the provisions of Treas. Reg. §1.704-2(i) and (j)(2)(ii).

(h) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Company income or gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Member as quickly as possible. The special allocations required pursuant to this subparagraph (h) are made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 11 have been tentatively made as if this subparagraph (h) were not in the Agreement. This subparagraph (h) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

(i) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Member must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 11.07(i) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article XI have been tentatively made as if this Section 11.07(i) and Section 11.07(h) hereof were not in the Agreement.

(j) §754 Adjustment. To the extent an adjustment to the adjusted tax basis of any

Company Property undertaken pursuant to §734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Members under Treas. Reg. §1.704-1(b)(2)(iv)(m), then the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the regulations.

(k) Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 11.07(h) through (i), subsequent income, loss or items thereof shall be allocated (subject to the provisions of Sections 11.07(h) and (i)) to the Members so that, to the extent possible in the judgment of the Managing Member, the net amount of allocations shall be equal to the amount that would have been allocated had Section 11.07 not been applied. Notwithstanding the foregoing, the allocation of depreciation deductions will be governed by Section 11.07(a) and this Section 11.07(k) shall not apply to allocations of depreciation deductions.

(l) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treas. Reg. §1.752-3(a)(3), the Members' respective interests in Company Profits and deductions shall equal their Percentage Interests (determined without regard to Section 11.07(a)-(k)).

(m) Authority to Vary Allocations to Preserve and Protect Members' Intent

(i) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article XI, the Managing Member shall, upon the direction in writing of the Special Member, allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI as necessary to ensure that all allocations of income, gain, loss, deduction or credit (or item thereof) to the Members are permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.07 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or approval of any Member shall be required.

(ii) In making any allocation (the "new allocation") under Section 11.07(m)(i), the Managing Member is authorized to act only upon the direction in writing of the Special Member or the Investor Member.

(iii) If the Managing Member receives a recommendation from the Accountants to make any new allocation in a manner less favorable to the Investor Member than is otherwise provided for in this Article XI, then the Managing Member shall do so only with the Investor Member's or the Special Member's Consent and only after having given the Investor Member and the Special Member the opportunity to discuss such allocation with the Accountants, and only after the Managing Member has been advised by the Accountants that it is permitted by

Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Members as nearly as possible to the allocations thereof otherwise contemplated by this Article XI.

(n) Grant Income. Any income recognized as a result of any receipt of grants by the Company shall be allocated one hundred percent (100%) to the Managing Member. However, if the Managing Member is exempt from federal income taxation under Code Section 501(c)(3) or any other Code provision, then the allocations to the Managing Member under this Section 11.07(n) shall be limited to the highest percentage of the Company's property treated as tax-exempt use property, as reflected in the Projections.

(o) Intentionally Omitted.

11.08 Designation of Partnership Representative. The Members hereby authorize the Company to appoint the Managing Member to serve as the partnership representative of the Company pursuant to Section 6223 of the Code ("Partnership Representative") and to engage in such undertakings as are required of the Partnership Representative of the Company, as provided in the Code and applicable Treasury Regulations. For each applicable tax year, the Managing Member shall cause the Company to appoint as the Designated Individual a person who is employed by the Managing Member or its Affiliate, has sufficient experience and authority to represent the Company in all dealings with the IRS, and is Consented to by the Investor Member or Special Member. If the Designated Individual is unable to perform the role required, no longer meets the requirements of the Code and Treasury Regulations or ceases to be employed by the Managing Member or its Affiliate, the Managing Member shall take all necessary action to cause such person to resign as the Designated Individual and to cause the Company to designate a successor representative that would otherwise qualify under this Agreement and under the Code and Treasury Regulations as a permissible Designated Individual. The Managing Member shall take any and all action required under the Code or Treasury Regulations (including on all applicable Company tax returns), as in effect from time to time, to cause the Company to designate the Managing Member as the Partnership Representative and the chosen person as the Designated Individual. The Managing Member shall cause the Designated Individual to agree to comply with all restrictions and obligations imposed on the Partnership Representative as set forth in this Agreement. In the event that the Special Member exercises its right to become a managing member and to assume duties of the Partnership Representative, the pre-existing Partnership Representative will resign in accordance with Treas. Reg. § 301.6223-1(d)(1) and the Company will redesignate the new managing member as Partnership Representative in accordance with Treas. Reg. § 301.6223-1(d)(1).

Each Member, by its execution of this Agreement, Consents to such designation of the Partnership Representative by the Company and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

11.09 Authority of Partnership Representative.

(a) The Partnership Representative shall have and perform all of the duties required under the Code and Treasury Regulations, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Member to the IRS;

(ii) Represent the Company in all dealings with the IRS and state and local taxing authorities in accordance with the obligations and restrictions imposed by this Agreement;

(iii) Within five calendar days after the receipt by the Managing Member or an Affiliate thereof or the Company of any correspondence or communication relating to the Company or a Member or an Affiliate of a Member from the IRS or state or local taxing authority, the Partnership Representative shall forward to each Member a photocopy of all such correspondence or communication(s). The Partnership Representative shall, within five calendar days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the IRS or state or local taxing authority.

(iv) Unless otherwise directed by the Investor Member, to preserve the ability to make corrections to the Partnership's IRS Form 1065 pursuant to an amended return and Schedule K-1s up to the extended due date, the Partnership Representative shall cause the Company to timely file Form 7004- Application of Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns.

(b) The Partnership Representative shall, upon request by the Investor Member, permit the Investor Member to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative appeals process.

(c) The Partnership Representative shall, solely upon request by the Investor Member, make an election pursuant to Sections 6221 or 6226 of the Code on behalf of the Company, including, but not limited to, the filing of IRS Forms 8985 and 8986, provided the Company is permitted to make such election pursuant to the Code or Treasury Regulations thereunder.

(d) The Partnership Representative shall not without the Consent of the Special Member:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount or character of any Company tax items);

(ii) Engage an accounting firm or counsel to represent the Company before the IRS;

(iii) Settle any audit with the IRS concerning the adjustment or readjustment of any Company item(s);

(iv) File IRS Forms 8985 or 8986 or a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request or select the forum for judicial review of any IRS determination;

(v) Initiate or settle any judicial review or action concerning the amount or character of any Company tax item(s);

(vi) Intervene in any action brought by any other Member for judicial review of a final Company administrative adjustment;

(vii) Make an election pursuant to Sections 6221(b) or 6226(a) of the Code, including, but not limited to, the filing of IRS Forms 8985 and 8986, on behalf of the Company;

(viii) Take action pursuant to Treasury Regulations promulgated under Section 6225(c); or

(ix) Take any other action not expressly permitted by this Section 11.09 on behalf of the Members of the Company in connection with any administrative or judicial tax proceeding.

(e) In the event of any Company-level proceeding instituted by the IRS pursuant to Sections 6221 through 6241 of the Code or by any other federal, state or local tax authority, the Partnership Representative shall consult with the Special Member regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding. The Partnership Representative also shall consult with the Special Member regarding the nature and content of any proceeding pursuant to Sections 6221 through 6241 of the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Company or otherwise). The Partnership Representative will provide the Investor Member and Special Member with notice reasonably in advance of any meetings or conferences with respect to any administrative or judicial proceedings relating to the determination of Company items at the Company-level (including any meetings or conferences with counsel or advisors to the Company with respect to such proceedings) and the Investor Member and Special Member shall have the right to participate, at the Investor Member's and Special Member's sole cost and expense, in any such meetings or conferences. In any such proceedings, the Partnership Representative shall take any action or omit to take any action, if reasonably requested by the Investor Member or Special Member.

(f) If, at any time, the Managing Member desires to accept a settlement offer or other proposed resolution of a tax dispute, and the Investor Member and Special Member do not, then, to the extent permitted by the Code and Treasury Regulations, the Special Member may elect to take control of such tax dispute (including by being appointed as the Partnership Representative for the relevant period) and resolve such tax dispute in the best interest of the Company, as reasonably determined by the Special Member. If exercised, this election shall apply only to such contested tax dispute and not to any other past, future, or pending dispute with a tax

authority or other Company matter. Moreover, the exercise of this election shall not relieve the Managing Member of any of its other obligations under this Agreement, including its obligation to manage the Company.

(g) In the event that an election described in Code Section 6226(a) is not made with respect to any notice of final partnership adjustment, each Member shall be obligated to make a capital contribution in an amount equal to such Member's share of the imputed underpayment (and any associated interest and penalties) owed by the Company under Code Section 6225. For purposes of the preceding sentence, each Member's share of such imputed underpayment (and associated interest and penalties) shall be determined by taking into account (i) such Member's share of the income, gain, loss, deductions, basis and credits to which such adjustment and imputed underpayment relate, as determined by the Accountants; (ii) such Member's obligation (if any) to indemnify, defend, or hold harmless the Company or any other Member for such imputed underpayment (and any associated interest and penalties) under this Agreement; (iii) such Member's obligations and liabilities arising from or related to such Member's representations, warranties and covenants in this Agreement; and (iv) the obligations of the Managing Member(s) under Section 5.01(e) (relating to Tax Credit adjustments). For example, if an imputed underpayment were to relate to an adjustment or disallowance of Tax Credits previously allocated to the Investor Member, and such adjustment or disallowance would give rise to an obligation of the Managing Member to make a capital contribution under Section 5.01(e) (relating to Tax Credit adjustments), then such Managing Member, rather than the Investor Member, would be required to make the capital contribution described in this paragraph.

11.10 Expenses of Partnership Representative. The Company shall indemnify and reimburse the Partnership Representative for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the Managing Member. The Managing Member shall have the obligation to provide funds for such purpose to the extent that Company funds are not otherwise available therefor. The taking of any action and the incurring of any expense by the Partnership Representative in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Partnership Representative and the provisions on limitations of liability of the Managing Member and indemnification set forth in Section 8.08 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such. Sections 11.08, 11.09 and this Section 11.10 of the Agreement shall survive termination of any Member's interest in the Company for any reason and shall be binding on all Members, including former Members.

ARTICLE XII

SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 6.03, unless a majority in interest of the other Members, within ninety (90) days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company, subject to the provisions of Section 6.03;

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the Commonwealth of Virginia.

12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a Certificate of Cancellation shall be filed in such offices within the Commonwealth of Virginia as may be required or appropriate and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Members that, upon liquidation within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g) ("Liquidation") of the Company, any Liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective positive Capital Account balances and in accordance with Treas. Reg. §1.704-1(b)(2)(ii)(b)(2). The Members believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon Liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02, 11.03 and 11.05, allocate the Company's gains, profits and losses in a manner that will, as nearly as possible, cause the distribution of Liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances. If the Company's gains, profits and losses are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit Liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then Liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would

cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE XIII BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

13.01 Books of Account. The Managing Member shall keep proper and complete books of account for the Company. Such books of account shall be kept at the principal office of the Company and shall be open at all times for examination and copying by the Investor Member or its authorized representatives. The Managing Member shall retain such books of account for six years after the later of the termination of the Company or the end of all applicable compliance periods under the Regulations. All decisions as to the fiscal year and accounting methods to be used by the Company shall be made only with the prior written consent of the Investor Member. In addition, the Managing Member shall comply with all record keeping and record retention requirements applicable to low-income housing projects under the Code and Regulations, and shall provide such information to the Members for their compliance.

13.02 Financial Reports.

(a) Annual Reports. (i) Within 100 days after the end of each fiscal year of the Company, the Managing Member shall cause to be delivered to the Member with respect to such fiscal year the following financial statements:

- (1) Audited financial statements for the Company (consisting of a balance sheet, income statement and statement of cash flows) prepared in accordance with generally accepted accounting principles, consistently applied;
- (2) A statement and reconciliation of each Member's Capital Account;
- (3) A statement of the tax basis for the computation of the Tax Credits and depreciation deductions;

- (4) A cash flow statement for such year, which includes a detailed itemization of all Company receipts and expenses, including the amount of fees, expenses and other compensation paid by the Company to the Managing Member and its Affiliates;
- (5) A narrative report summarizing the status of the Company's operations; and
- (6) the current rent roll for the Project, certified by the Management Agent and Managing Member, and, if requested by Special Member, tenant files; and

(ii) Within 45 days after the end of each fiscal year of the Company, the Managing Member shall deliver or cause to be delivered to the Members with respect to such fiscal year a statement showing all items of income, gain, loss, deduction and credit of the Company for federal income tax purposes and each Member's allocable share thereof. The Members shall have a period of 10 days after their receipt of the aforementioned tax statement to review the same and give any comments thereon to the Managing Member; it being the express understanding of the parties hereto that the Managing Member will in no event file or cause any tax returns or reports of the Company to be filed prior to the expiration of the aforementioned 10-day period. After the expiration of the aforementioned 10-day period (and any longer period of time which shall be necessary to respond to the changes thereto requested by a Member), but in no event later than the date prescribed by law therefor, the Managing Member shall cause all tax returns and reports required to be filed by the Company to be prepared and timely filed with the appropriate authorities and shall furnish to the Members such tax returns and reports, and all information necessary for the preparation by the Members, and their partners, partners and shareholders, of their federal, state and local, if any, income tax returns. The Managing Member shall retain such tax returns and reports for the Company for as long as is required by applicable law, but not less than five years.

(b) Monthly Reports. Within ten days after the end of each month, the Managing Member shall deliver to the Members with respect to such month a cash flow statement for the Company, with a detailed itemization of all Company receipts and expenses, and with such additional information as shall be reasonably requested by the Members (the foregoing, collectively, the "Cash Flow Report"). Notwithstanding the foregoing, if the Investor Member believes that the Project is experiencing or may experience adverse operating results or any other material adverse condition, the Investor Member, by Notice to the Managing Member, may require the delivery of Cash Flow Reports within five days after the end of each month, until such time as the Investor Member believes that the adverse condition affecting the Project is no longer present or threatened. At Investor Member's request, copies of all proposed leases and tenant income certification information for the initial occupant of each dwelling unit shall be delivered concurrently with such Cash Flow Report prior to execution thereof by the Company.

(c) Quarterly Reports. Within ten days after the end of each quarter, the Managing Member shall deliver to the Members with respect to each month within that quarter a cash flow statement for the Company, with a detailed itemization of all Company receipts and expenses, and

with such additional information as shall be reasonably requested by the Members (the foregoing, collectively, the "Cash Flow Report"). Notwithstanding the foregoing, if the Investor Member believes that the Project is experiencing or may experience adverse operating results or any other material adverse condition, the Investor Member, by notice to the Managing Member, may require the delivery of Cash Flow Reports within five days after the end of each month, until such time as the Investor Member believes that the adverse condition affecting the Project is no longer present or threatened. At Investor Member's request, copies of all proposed leases and tenant income certification information for the initial occupant of each dwelling unit shall be delivered concurrently with such Cash Flow Report prior to execution thereof by the Company.

(d) Governmental and Lender Reports. The Managing Member shall also deliver to the Investor Member any financial or performance report required to be provided by the Company to any federal, state or local governmental agency or to any Company lender. Any such report shall be delivered to the Investor Member within five days after such report is filed with any such governmental agency or Company lender.

13.03 Budgets and General Disclosure. The Managing Member shall prepare and deliver to the Investor Member no later than the 60 days prior to the beginning of each fiscal year of the Company a detailed annual operating and capital improvements budget for the operation of the Project during such fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the Managing Member or its Affiliates. Such a budget shall be deemed "approved" for purposes of this Agreement only when such budget has been approved by the Investor Member. For any annual capital expenditure amounts contained in a budget "approved" by the Investor Member, related withdrawals from any replacement reserve account for same are also deemed approved by the Investor Member. The Managing Member shall keep the Investor Member informed concerning the general state of the business and financial condition of the Company and shall, upon the reasonable request of the Investor Member, furnish to the Investor Member full information, accounts and documentation concerning the state of the business and financial condition of the Company. The Managing Member shall also provide the following statements or disclosures to the Investor Members:

(a) Semiannual Reports. Semiannually, within 45 days after the end of the second and fourth fiscal quarters of the Company, until the later to occur of the following events: (i) all Capital Contribution installments of the Investor Member have been made, or (ii) the Project is placed in service, a report on the status of the Company. Such report will include the following, and will contain updated and revised information if there has been any change in facts previously reported.

(i) a description of the Project, including the status of rehabilitation to be performed in connection with the Project (which information shall be provided on the Project until rehabilitation is complete);

(ii) a description of the financing for the Project, including mortgage financing, any state or local government loans, any operating deficit guaranty, the Investor Member's

Capital Contributions to the Company and any other contributions or loans to the Company;

(iii) a description of any applicable rental subsidy for the Project;

(iv) the terms of any performance bonds, development cost guarantees, operating deficit guarantees and other credit enhancements provided in connection with the Project;

(v) the fees, and other financial incentives provided to the Managing Member and its Affiliates; and

(vi) any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(b) Annual Reports. Within 100 days after the end of each fiscal year of the Company, a statement prepared by the Managing Member, which statement shall include the following:

(i) a report summarizing the fees, commissions, compensation and other remuneration and reimbursed expenses paid by the Company for such fiscal year to the Managing Member or any Affiliates of the Managing Member and the services performed;

(ii) a report of the activities and investments of the Company during the period covered by the report; and

(iii) a comparison of actual and projected tax benefits for the year.

The statement will be accompanied by audited financial statements of any Affiliate Guarantor.

(c) Demands for Payment. Within three business days of the exercise thereof, any draw or call upon or demand for payment of or under any operating deficit guarantee, operating reserve, contractor performance bonds or completion guarantee.

(d) Notices of Default. Immediately upon notice of such a default, any default by the Company in any loan, including any state or local government loan or other financial obligation, of the Company or its Managing Member.

(e) Notices of IRS Proceedings. Immediately upon receipt of such notice, any notice of any IRS proceeding or any other audit, review or inspection by an federal, state or local governmental agency or Project Lender involving the Company.

13.04 Tax Information. The Managing Member shall file all necessary tax forms related to the formation of the Company, including, if required, Form 8264 (related to the registration of a tax shelter).

13.05 Selection of Accountants. The Accountants shall be a firm of certified public accountants that are experienced in LIHTC and that will prepare the Company's year-end financial statements and the Company's annual tax returns. The fee of such Accountants shall be paid by the Company.

13.06 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member, the Company may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election.

13.07 Fiscal Year and Accounting Method. The fiscal year of the Company shall be the fiscal year of the Investor Member, which ends December 31; provided, however, that upon request from the Investor Member, the fiscal year of the Company shall become the calendar year. All Company accounts shall be determined on an accrual basis.

13.08 Late Report Penalties. (i) In the event that the reports of information provided for in Sections 13.02(b) or 13.03 above are, at any time, not provided within the time frames set forth therein, the Managing Member shall be obligated to pay to the Investor Member the sum of \$100.00 per day, as liquidated damages, for each day from the date upon which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided in form acceptable to the Investor Member. In the event that the reporting requirements set forth in any of the above provisions of this Article XIII are not met, the Investor Member, in its reasonable discretion, may direct the Managing Member to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Investor Member; provided, however, that if the Managing Member and the Investor Member cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Member in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Managing Member.

ARTICLE XIV AMENDMENTS

14.01 Proposal and Adoption of Amendments. This Agreement may be amended by the Managing Member with the Consent of the Investor Member; provided that such Consent shall not be unreasonably withheld as to any proposed amendment which does not affect the obligations of the Managing Member or the rights of any of the Members under this Agreement; and further provided that, if the Investor Member proposes an amendment to this Agreement which either (a) increases or imposes upon the Investor Member the obligation to restore a deficit balance in its Capital Account, or (b) prospectively decreases the obligation of the Investor Member to restore a deficit balance in its Capital Account in a subsequent Fiscal Year of the Company, the Managing Member shall effectuate the adoption of such amendment; provided, however, that the Managing

Member shall not be liable to the Investor Member for any adverse tax consequences that may result from any such increase or decrease.

ARTICLE XV CONSENTS, VOTING AND MEETINGS

15.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited.

15.02 Submissions to Investor Members. The Managing Member shall give the Investor Member Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of the Investor Members. Such Notice shall include any information required by the relevant provision or by law.

15.03 Meetings: Submission of Matter for Voting. A majority in Interest of the Investor Members shall have the authority to convene meetings of the Company and to submit matters to a vote of the Members.

ARTICLE XVI GENERAL PROVISIONS

16.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

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

16.04 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the

Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06 Liability of the Investor Member. Notwithstanding anything to the contrary contained herein, neither the Investor Member nor any of its members shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member under this Agreement, except that the Investor Member shall be personally obligated to fund its Capital Contributions when, as and if required by this Agreement and subject to any defenses and offsets it may have with respect to the funding of such Capital Contributions. In the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member, shall be either against the Interest of the Investor Member and the capital contributions of the members of the Investor Member (either directly or through another Investor Member) allocated to, and remaining for investment in, the Company; provided, however, that under no circumstances shall the liability of the Investor Member for any such default be in excess of the amount of Capital Contribution payable by the Investor Member to the Company, under the terms of this Agreement, at the time of such default, less the value of the Interest of the Investor Member, if such Interest is claimed as compensation for damages.

16.07 Environmental Protection.

(a) The Managing Member warrants and represents that to the best of the Managing Member's knowledge, after diligent inquiry, except as disclosed in the Phase I Environmental Site Assessment, that has been delivered to the Investor Member, there presently are not, in, on, or under the Project nor will there be, in, on, or under the Project, upon completion of the construction: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601, et seq., as amended ("CERCLA"), or any other hazardous or toxic substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to, petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous Substances"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the Project under any federal, state, or local law, rule, regulation, or ordinance.

(b) The Managing Member further represents and warrants that except as disclosed in the Phase I Environmental Site Assessment, that has been delivered to the Investor Member, (i) neither it nor, to the best of its knowledge, any other party has been, is or will be involved in operations at or, pursuant to the Managing Member's best knowledge, near the Land, which operations could lead to (A) a determination of liability under the Hazardous Waste Laws as to the Company or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will

use best efforts not to permit, any tenant or occupant of the Project to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Project.

(c) The Managing Member further warrants and represents to the best of the Managing Member's knowledge that except as disclosed in the Phase I Environmental Site Assessment that has been delivered to the Investor Member, the Project is in compliance with all applicable Hazardous Waste Laws, and the Managing Member has not received notice of any violations of the Hazardous Waste Laws. The Managing Member covenants and agrees to take all necessary action within its control to ensure that the Project is in compliance with the Hazardous Waste Laws at all times and that the Project remains free from the presence of any Hazardous Substances in, on or under the Project. The Managing Member will promptly deliver any notice it may receive of any violation of the Hazardous Waste Laws to the Investor Member and the Special Member.

(d) The Managing Member agrees to indemnify and hold harmless the Company, the Investor Member, the Special Member, and any member of the Investor Member (the "Indemnified Parties") from and against all claims, actions, causes of action, liability, and expense (including, without limitation, attorneys' fees, court costs, and remedial and response costs) incurred or suffered by, or asserted by any person, entity, or governmental agency against the Indemnified Parties due to breach of the Managing Member of the Company's representations, warranties, or covenants, or a violation of the Hazardous Waste Laws, or the presence of Hazardous Substances in, on, or under the Project. The foregoing indemnification shall be a recourse obligation of the Managing Member and shall (to the full extent permitted by law) survive the dissolution of the Company and the death, dissolution, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the Managing Member.

(e) For purposes of this Agreement, the term "Hazardous Waste Laws" shall mean any governmental requirements pertaining to land use, air, soil, subsoil, surface water, groundwater (including the quality of, protection, clean-up, removal, remediation or damage of or to land, air, soil, subsoil, surface water and groundwater), including, without limitation, the following laws as the same may be from time to time amended: the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401 et seq., the Transportation Safety Act of 1974, portions of which are located at 49 U.S.C. § 1801 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., or any so-called "superfund" or "superlien" law, together with any other foreign or domestic laws (federal, state, provincial or local), common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, release or threatened releases of any Hazardous Substances into ambient air, land, soil, subsoil, surface water, groundwater, personal property or structures, or otherwise relating to the manufacture, processing distribution, use treatment, storage, disposal, transport, discharge or handling of any Hazardous Substances, now or at any time hereafter in effect.

16.08 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express (or another nationally recognized overnight delivery service) for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

(a) To the Investor Member:

VCDC Equity Fund 26, LLC
c/o Virginia Housing Capital Corporation
1840 West Broad Street, Suite 200
Richmond, Virginia 23220-2151
Attention: Robert Newman

with a copy to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place
Suite 1900
Chicago, Illinois 60605
Attention: Diane K. Corbett

(b) To the Managing Member:

CHP Grayson Manor Apartments, LLC
c/o Community Housing Partners Corporation
448 Depot Street NE
Christiansburg, VA 24073
Attention: Samantha Brown

With a copy to:

Williams Mullen Center
200 S. 10th Street
Richmond, VA 23219
Attention: Lauren D. Nowlin

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express (or another nationally recognized overnight delivery service) or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express (or another nationally recognized overnight delivery service)

or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

16.09 Headings. All section headings are for convenience only and shall not be taken into consideration in interpreting or otherwise construing this Agreement.

16.10. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

16.11. Additional Restrictions Relating to USDA Loan. All Notwithstanding any other provision of this Agreement to the contrary, so long as there exists of record any mortgage or deed of trust between the Company and USDA encumbering property owned by the Company, or so long as there exists of record any mortgage or deed of trust executed by the Company which is insured by USDA encumbering property owned by the Company, and any such mortgage or deed of trust has not been released from record, the following actions shall require the prior written approval of USDA: admission of new Members, withdrawal of a Managing Member, admission of a Managing Member, amendment of this Agreement and selling of all or substantially all of the assets of the Company. Notwithstanding any other provisions in this Agreement to the contrary, so long as there exists of record any mortgage or deed of trust between the Company and USDA encumbering property owned by the Company, or so long as there exists of record any mortgage or deed of trust executed by the Company is insured by USDA encumbering property owned by the Company, and any such mortgage or deed of trust has not been released from record, then under no circumstances shall the Managing Members of the Company maintain less than a five percent (5%) financial interest in the Company.

16.12 VH Mortgage Requirements. Notwithstanding any other provision of this Agreement, this limited liability company and the Members shall be subject to regulation and supervision by the Virginia Housing Development Authority ("VHDA") in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of VHDA, and the Regulatory Agreement executed or to be executed by the Company for the benefit of VHDA and shall be further subject to the exercise by VHDA of the rights and powers conferred on VHDA thereby. Notwithstanding any other provision of this Agreement, VHDA may rely upon the continuing effect of this provision which shall not be amended, altered, waived, supplemented or otherwise changed without the prior written consent of VHDA.

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Second Amended and Restated Operating Agreement of Grayson Manor Apartments, LLC as of the date first written above.

MANAGING MEMBER:

CHP Grayson Manor Apartments, LLC,
a Virginia limited liability company

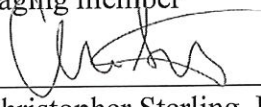
By: Community Housing Partners Corporation,
a Virginia nonstock corporation,
its Managing Member

By: 
Santanah Brown, Vice President

INVESTOR MEMBER:

VCDC Equity Fund 26, LLC, a Virginia limited liability company

By: Virginia Housing Capital Corporation, its
managing member

By: 
Christopher Sterling, President

SPECIAL MEMBER:

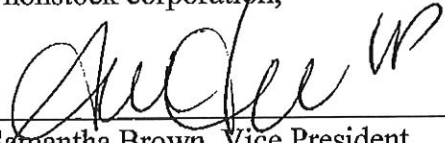
VAHM, LLC, a Virginia limited liability company

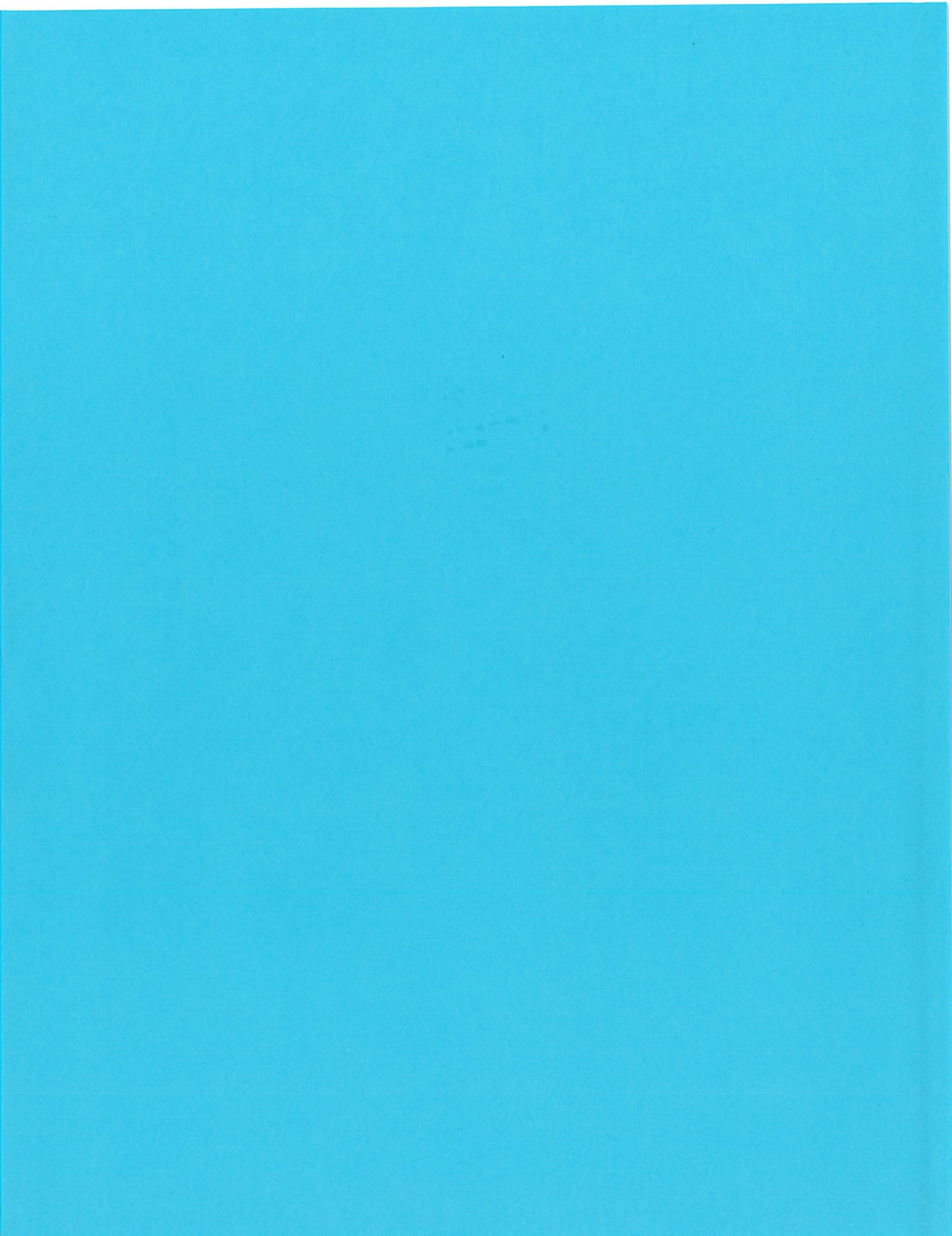
By: 
Christopher Sterling, President

WITHDRAWING MEMBER:

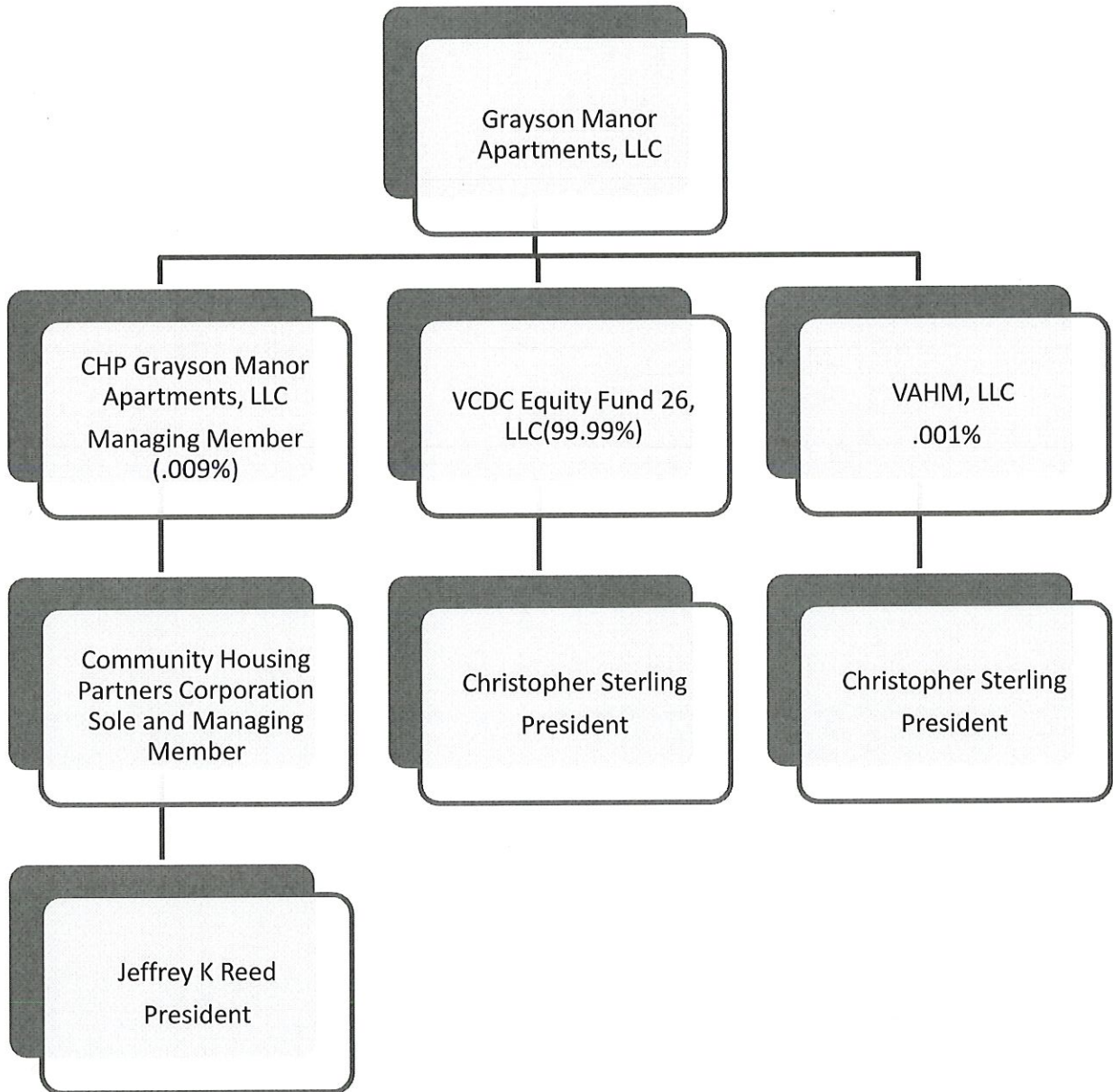
Community Housing Partners Corporation, a
Virginia nonstock corporation,

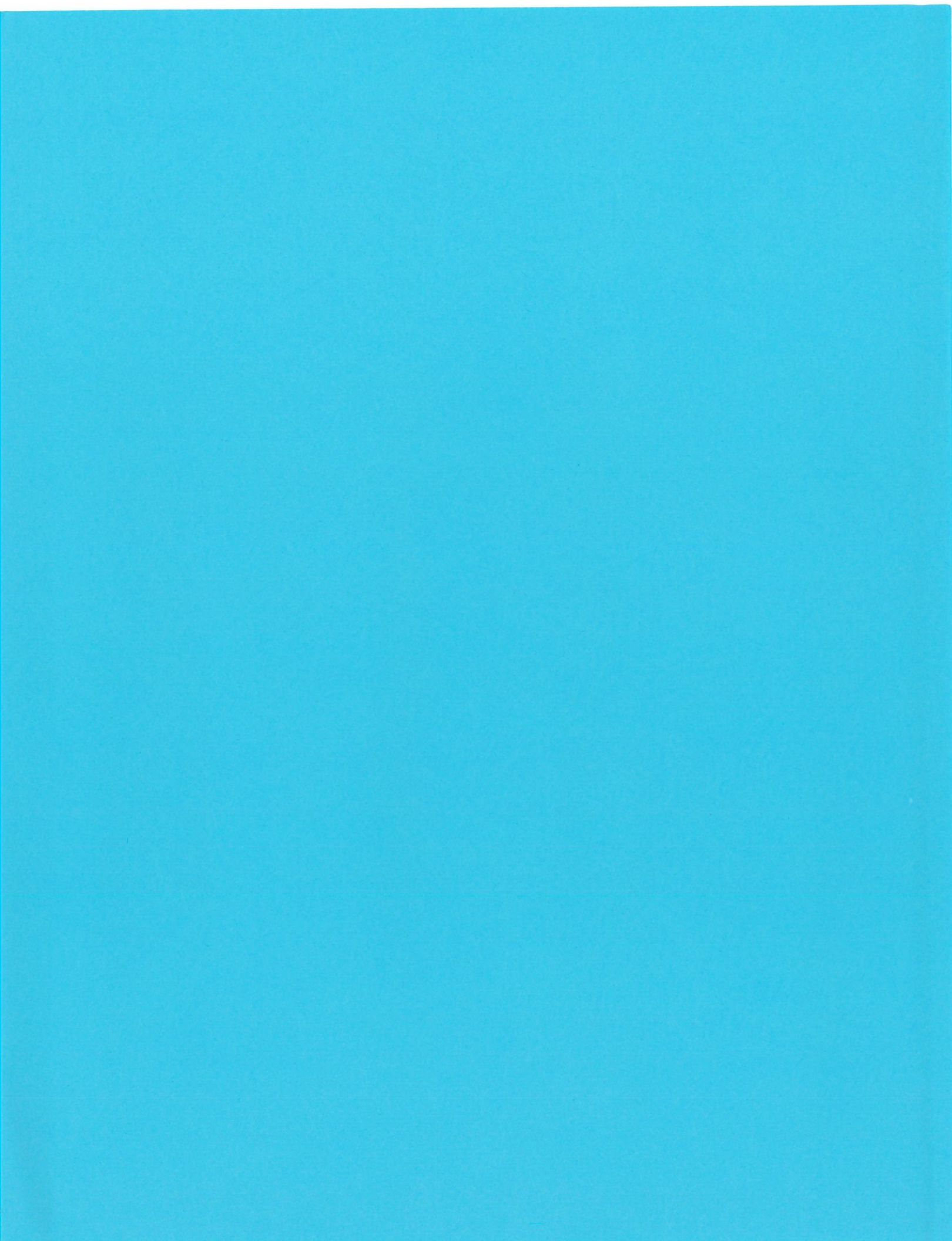
By: _____


Samantha Brown, Vice President



Grayson Manor Organizational Chart





DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of 9/27/22 by and between **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company (the "Company"), and **COMMUNITY HOUSING PARTNERS CORPORATION**, a Virginia not-for-profit corporation (the "Developer").

WITNESSETH:

WHEREAS, the Company has been formed to acquire, develop, construct, own, maintain and operate certain property as low-income residential rental housing, to be known as Grayson Manor, to be located in the Town of Independence, County of Grayson, Virginia (the "Project");

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

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

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

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

Section 1. Development Services.

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

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

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been

approved by the managing member of the Company ("Managing Member") unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the management agent of the Project ("Management Agent"),

and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

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

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

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

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

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

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

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

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

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, or in the cost thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

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

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

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

Section 3. Accounts and Records.

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

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

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

Section 4. Obligation To Complete Construction.

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

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the "Development Amount") equal to Three Hundred Fifty-Five Thousand Six Hundred Sixty-Two and No/100 Dollars (\$355,662.00) or (b) the maximum amount which conforms to the developer fee standards imposed by the Virginia Housing Development Authority. The Development Amount shall be deemed to have been earned as follows:

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

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

- (i) Fifteen Percent (15%) at the time of Closing;
- (ii) Ten Percent (10%) at the time of Twenty-Five percent (25%) completion of construction;
- (iii) Fifteen Percent (15%) at the time of completion of construction;
- (iv) Thirty Five Percent (35%) at conversion of construction period financing; and
- (v) Balance at qualified occupancy and breakeven.

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

Section 6. Applicable Law.

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

Section 7. Binding Agreement.

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

Section 8. Headings.

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

Section 9. Terminology.

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

Section 10. Benefit of Agreement.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP GRAYSON MANOR APARTMENTS, LLC, a
Virginia limited liability company, its Managing
Member

By: COMMUNITY HOUSING PARTNERS
CORPORATION, a Virginia nonstock corporation,
its Managing Member



By: _____(SEAL)
Name: Samantha Brown
Title: Vice President

DEVELOPER:

COMMUNITY HOUSING PARTNERS CORPORATION,
a Virginia nonstock corporation



By: _____(SEAL)
Name: Samantha Brown
Title: Vice President

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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:

That Grayson Manor Apartments, LLC is duly organized as a Limited Liability Company under the law of the Commonwealth of Virginia;

That the Limited Liability Company was formed on February 9, 2021; and

That the Limited Liability Company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

March 6, 2023

A handwritten signature in cursive script, reading "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

Tab C:

Principal's Previous Participation Certification
(MANDATORY)

Appendices continued

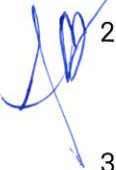
Previous Participation Certification

Development Name Grayson Manor

Name of Applicant (entity) Grayson Manor Apartments, LLC

CHP Grayson Manor Apartments, LLC (Managing Member)

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; See Pinebrook Summary
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
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

Appendices continued

governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.

12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

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

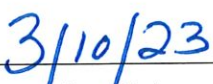
Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature



Printed Name



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

Pinebrook Village Apartments Summary

The Mortgagor of Pinebrook Village was Greenbrier-Pinebrook LLC, a single asset entity which is wholly owned by Greenbrier Woods Corporation, a 501(c)(3) organization. Greenbrier Woods Corporation is legally unrelated but shares some Board members and officers with Community Housing Partners Corporation (CHPC) – also a 501(c)(3) organization based in Virginia. CHPC has a 35 year history of meeting the housing needs of low and moderate income families. CHPC owns and manages over 5,200 affordable apartments in Virginia, North Carolina, Kentucky and Florida. Many of the properties that CHPC has preserved are HUD assisted. CHPC's track record demonstrates that it is a responsible and successful housing developer and has been an excellent partner for HUD and other housing funders.

- The property was transferred to Greenbrier Woods in a bargain sale/donation transaction by the previous owner in June of 2002. The transfer was part of a two property donation – the second property, Yorkshire Apartments (now the Woods at Yorktown) was successfully rehabilitated by CHPC through the use of Low Income Housing Tax Credits. Tax Credits could not be accessed for Pinebrook since the presence of the Section 8 Moderate Rehab contract precluded their use. At the time of the transfer, the property had been accepted into Mark to Market processing. The new owner continued that process but was informed in 2003 by OHMAR (now OHAP) that the property was, in fact, not eligible for restructuring due to the lock-out provision on the underlying financing – something that Greenbrier Woods was not aware of at the time that it acquired the property. The owner appealed that decision to OHMAR due to the poor condition at the property and the need for rehabilitation and debt restructuring through M2M. In late 2003, the property was accepted back into the M2M process, this time using the bond defeasance model.
- The owner continued with this process and was making progress until August of 2004. On August 31-September 1, Tropical Storm Gaston stalled over the Richmond area and deposited 16 inches of rain in a 10 hour period causing widespread flooding in the Richmond area. As a result of this storm Richmond received a Federal Disaster declaration. Pinebrook Village was severely flooded by this storm. All of the first floor units were affected. The Owner worked to relocate all of the first floor tenants off site and carried out demolition of the first floor units to remove carpets, padding and drywall that had been saturated. The units were treated to remediate mold.
- The property was not located in a flood zone and consequently did not carry flood insurance. The Mark to Market program represented the only

option for generating the resources necessary to repair these units and bring them back on line. The Mark to Market proposal was revised and submitted to OHMAR in December of 2004. Early in 2005, an OHAP committee determined that the property was not "preservation worthy" based upon the physical condition of the property and market considerations. The owner appealed this decision and prepared a new submission to refute the basis of this decision. Late in June 2005, OHAP determined that the property was "preservation worthy" based upon the new information. However, they required all new reports which took until December 2005 to complete.

- The Building Official for the City of Richmond took the position after the flood that the current residents on the second floor could remain at the property but that no new residents could move in until the entire property had been rehabilitated. As a result, the population at the property continued to decline after September 1, 2004. By January of 2006, there were only 20 residents remaining and the City had reached the end of its patience with respect to starting rehabilitation. The owner had still not received a decision from OHAP at that time. In January, the city determined that the property was no longer fit for habitation and ordered the remaining residents to move out. The owner accomplished the relocation of these residents by February 1. OHAP subsequently denied the M2M restructuring on the basis that there were no longer any residents at the property.
- By this time, the owner had already invested over \$650,000 of its own funds in order to continue to carry the property, make necessary improvements and keep the loan current while waiting for the M2M process to reach its conclusion. With the denial of the M2M and the property completely vacant, the owner reluctantly made the decision to stop mortgage payments on February 1, 2006.
- Subsequent conversations with the HUD area office staff in Richmond identified another possible strategy for the preservation of this property. This would involve the refinance of the property through tax exempt bonds that would carry the 4% tax credits. The combination of the new financing and the tax credit equity would be sufficient to carry out the rehab that had been contemplated through the M2M program. The Virginia Housing Development Authority would be the source of this financing and would be prepared to provide such financing on the condition that a new FHA insurance commitment is obtained. The owner explored these options and believed that such a course would have been feasible and would have allowed for the pay off of the existing indebtedness and the prevention of the assignment of this loan and the consequent loss to the FHA insurance fund.

- In order to accomplish this, the owner requested in early March of 2006 that HUD take the necessary action to break the lock out on the existing insured financing. That request argued that the decision to break the lock-out would not have had any additional adverse effect on the investors since the loan was already on a certain path to assignment and insurance claim. HUD denied this request and thus ended any further opportunity to payoff the mortgage and rehabilitate the property.
- In November, 2010, HUD sold the property at public auction.

Since 2002, CHPC worked in good faith with HUD to try to rehabilitate and preserve this property. CHPC remained committed to this goal despite the serious obstacles along the way and, as noted above, expended \$650,000 of its own funds as evidence of this good faith and of its non profit mission. During the four years following the acquisition of Pinebrook, CHPC worked closely with the Richmond HUD office to complete a successful restoration of this property and made extraordinary efforts to accomplish this goal. CHPC continues to carry out this mission to create and preserve housing for low income families and continues its work with HUD as a partner.

Tab D:

List of LIHTC Developments (Schedule A)
(MANDATORY)

Appendices continued

List of LIHTC Developments (Schedule A)

Development Name Grayson Manor
 Name of Applicant Grayson Manor Apartments, LLC

INSTRUCTIONS:

1. A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
2. 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 for the past 15 years.
4. Use separate pages as needed, for each principal.

Principal's Name Community Housing Partners Corporation

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* ☒ YES ☐ NO

	Development Name and 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.	Lafayette Village Elderly Williamsburg, VA	Williamsburg-Lafayette Village Elderly, LLC (804) 343-7201	Y	32	32	12/2007	7/2008	N
2.	Lafayette Village Family Williamsburg, VA	Williamsburg-Lafayette Village Family, LLC (804) 343-7201	Y	112	112	12/2007	7/2008	N
3.	Lafayette Square Williamsburg, VA	Williamsburg-Lafayette Square, LLC (804) 343-7201	Y	106	106	12/2007	7/2008	N
4.	Courthouse Green Spotsylvania, VA	Spotsylvania-Courthouse Green, LLC (804) 343-7201	Y	40	40	12/2007	7/2008	N
5.	Boodry Place Morehead, KY	Boodry Place, LLC (606) 780-0249	N	32	32	6/2008	4/2009	N
6.	College Green II Warsaw, VA	Warsaw-College Green II, LLC (804) 343-7201	Y	16	16	7/2008	5/2009	N
7.	Rutledge Hills Amherst, VA	Amherst-Rutledge Hills, LLC (434) 946-7758	Y	48	48	4/2009	2/2010	N
8.	Spicer's Mill Orange, VA	Orange-Spicer's Mill, LLC (804) 343-7201	Y	40	40	5/2009	2/2010	N

Appendices continued

	Development Name and 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"
9.	Old Farm Village Apartments Christiansburg, VA	CHPC-Old Farm Village, LLC (540) 382-2002	Y	84	84	5/2011	12/2011	N
10.	Friendship Village Apts. Virginia Beach, VA	Virginia Beach-Friendship Village, LLC (540) 382-2002	Y	110	109	10/2011	5/2012	N
11.	Parkview Gardens Farmville, VA	Farmville-Parkview Gardens, LLC (540) 382-2002	Y	80	79	6/2012	8/2013	N
12.	Hilltop Terrace Apartments Lexington, NC	Lexington-Hilltop Historic, LLC (540) 382-2002	Y	63	63	11/2012	10/2013	N
13.	Warwick SRO Newport News, VA	Warwick SRO, LP (757) 244-2836	Y	88	88	7/2013	12/2013	N
14.	Greenstone on 5th Apartments Charlottesville, VA	Blue Ridge Commons Apartments, LLC (540)382-2002	Y	202	167	12/2013	11/2012	N
15.	Rivermont Apartments Martinsville, Va	The Apartments of Rivermont, LLC (540) 382-2002	Y	99	99	12/2013	8/2014	N
16.	Dolly Ann Apartments Covington, VA	CHPC-Dolly Ann, LLC (540)382-2002	Y	108	108	8/2011	4/2012	N
17.	Main Cross Mt. Sterling, KY	Mt. Sterling-Main Cross, LLC (540) 382-2002	Y	51	51	12/2013	11/2014	N
18.	Bettie Davis Apartments Suffolk, VA	Bettie Davis, LLC (540) 382-2002	Y	60	60	1/2014	7/2015	N
19.	Laurel Woods Apartments Pulaski County, VA	Laurel Woods Apartments, LLC (540)382-2002	Y	46	46	5/2014	11/2014	N
20.	Langston Park Apartments Hopewell, VA	Langston Park Apartments, LLC (540) 382-2002	Y	56	56	12/2015	7/2016	N
21.	Hunting Hills Apartments Radford, VA	Hunting Hills Apartments, LLC (540) 382-2002	Y	12	12	3/2016	8/2016	N
22.	Smokey Ridge Apartments Christiansburg, VA	Smoke Ridge, LLC (540)382-2002	Y	52	52	8/2016	9/2016	N
23.	Overlook Terrace Apartments Fredericksburg, VA	Apartments at Overlook Terrace, LLC (540) 382-2002	Y	72	72	12/2015	11/2016	N
24.	Highland Crossing Apartments Spartanburg, SC	Highland Avenue, LLC (540) 382-2002	Y	72	72	11/2016	2/2017	N
25.	Tranquility at the Lakes Virginia Beach, VA	SUL Tranquility Lakes, LLC (540) 382-2002	Y	40	40	12/2016	7/2017	N
26.	Kippax Place Apartments Hopewell, VA	Kippax Place Apartments, LLC (540) 382-2002	Y	100	100	12/2016	10/2018	N

Appendices continued

	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"
27.	Belleville Meadows Suffolk, VA	Belleville Meadows, LLC (540) 382-2002	Y	128	128	12/2016	7/2018	N
28.	Lindsay Hill Lorton, VA	Cumberland Court Apartments, LLC (540) 382-2002	Y	55	55	12/2016	10/2018	N
29.	Primrose Place Apartments Baltimore, MD	Primrose Place Apartments, LLC (540) 382-2002	Y	125	125	5/2016	7/2018	N
30.	Planters Woods Apartments South Hill, VA	Planters Woods South Hill, LLC (540) 382-2002	Y	46	46	11/2017	5/2018	N
31.	Powell Valley Village Apartments Jonesville, VA	Powell Valley Jonesville Apartments, LLC (540) 382-2002	Y	34	34	5/2017	1/2018	N
32.	Apartments at Kingsridge Henrico County, VA	Apartments at Kingsridge, LLC (540) 382-2002	Y	72	72	10/2018	7/2019	N
33.	The Residences at North Hill 2 Alexandria, VA	The Residences at North Hill 2, LLC (540) 382-2002	N	75	75	TBD	TBD	N
34.	Senior Residences at North Hill Alexandria, VA	The Senior Residences at North Hill, LLC (540) 382-2002	N	63	63	TBD	TBD	N
35.	Apartments at Kingsridge 2 Henrico County, VA	Apartments at Kingsridge 2, LLC (540) 382-2002	Y	71	71	9/2021	11/2022	N
36.	North Hill Bond 94 Alexandria, VA	The Residences at North Hill Bond 94, LLC (540) 382-2002	N	94	94	TBD	TBD	N
37.	North Hill Bond 47 Alexandria, VA	The Residences at North Hill Bond 47, LLC (540) 382-2002	N	47	47	TBD	TBD	N
38.	J. Van Story Branch Apartments Baltimore, MD	Van Story Branch Apartments, LLC (540) 382-2002	Y	350	350	11/2018	7/2022	N
39.	Senior Townsquare at Dumfries Triangle, VA	Senior Townsquare at Dumfries, LLC (540) 382-2002	Y	40	40	TBD	TBD	N
40.	Apartments at Kingsridge 3 Henrico County, VA	Apartments at Kingsridge 3, LLC (540) 382-2002	Y	24	24	6/2022	TBD	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.

Appendices continued

	Development Name and 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"
41.	Northway Galax, VA	Northway Family, LLC (540) 382-2002	Y	72	72	TBD	TBD	N
42.	Wellesley Newport News, VA	Wellesley Commons Apartments, LLC (540) 382-2002	Y	40	40	TBD	TBD	N
43.	Holly Court Kilmarnock, VA	Holly Court Senior Apartments, LLC (540) 382-2002	Y	40	40	TBD	TBD	N
44.	Grayson Manor Independence, VA	Grayson Manor Apartments, LLC (540) 382-2002	Y	32	32	TBD	TBD	N
45.	Crestview Senior Dumfries, VA	Crestview Senior, LLC (540) 382-2002	Y	60	60	TBD	TBD	N
46.	Legacy on Main Blacksburg, VA	Legacy on Main, LLC (540) 382-2002	Y	56	56	TBD	TBD	N
47.	Townsquare at Dumfries Dumfries, VA	Townsquare at Dumfries Bond, LLC (540) 382-2002	Y	227	227	9/2020	8/2022	N
48.								
49.								
50.								
51.								
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53.								
54.								
55.								
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57.								
58.								

Tab E:

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

**FOURTH AMENDMENT TO
CONTRACT OF PURCHASE**

THIS FOURTH AMENDMENT TO CONTRACT OF PURCHASE (this “Fourth Amendment”) is made and entered into this 10th day of March, 2023 between **GRAYSON MANOR LIMITED PARTNERSHIP**, a Virginia limited partnership (“Seller”), and **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company (“Buyer”).

BACKGROUND:

A. Seller and Buyer have entered into that certain Contract of Purchase dated as of March 15, 2021, as amended by that certain First Amendment to Contract of Purchase dated October 29, 2021, as further amended by that certain Second Amendment to Contract of Purchase dated April 25, 2022, and as further amended by that certain Third Amendment to Contract of Purchase dated January 24, 2023 (collectively, the “Agreement”), with respect to the sale of certain real property located in the County of Grayson, Virginia, and described more particularly in the Agreement.

B. Seller and Buyer desire to amend the Agreement as hereinafter set forth.

C. All capitalized terms used herein without definition shall have the meanings given to the same in the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Agreement, and intending to be legally bound hereby, agree that the Agreement is amended as follows:

1. Settlement. The Agreement is hereby amended by deleting the second sentence of Section 2 thereof in its entirety and replacing it with the following:

“In the event that Settlement has not occurred by August 1, 2023, this Agreement shall be null and void.”

2. Ratification. Except as expressly modified herein, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. The Agreement, as modified by this Fourth Amendment, is hereby ratified and affirmed in all respects. If anything contained in this Fourth Amendment conflicts with any terms of the Agreement, then the terms of this Fourth Amendment shall prevail.

3. Successors and Assigns. This Fourth Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.


4. Counterparts. This Fourth Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this Fourth Amendment as of the day and year first above written.

SELLER:

GRAYSON MANOR LIMITED PARTNERSHIP,
a Virginia limited partnership

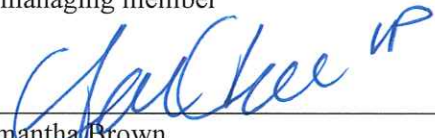
By;  (SEAL)
Name: Jeffrey K. Reed
Title: President

BUYER:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP Grayson Manor Apartments, LLC,
a Virginia limited liability company,
its Managing Member

By: Community Housing Partners Corporation,
a Virginia nonstock corporation,
its managing member

By:  (SEAL)
Name: Samantha Brown
Title: Vice President

**THIRD AMENDMENT TO
CONTRACT OF PURCHASE**

THIS THIRD AMENDMENT TO CONTRACT OF PURCHASE (this “Third Amendment”) is made and entered into this 24th day of January, 2023 between **GRAYSON MANOR LIMITED PARTNERSHIP**, a Virginia limited partnership (“Seller”), and **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company (“Buyer”).

BACKGROUND:

A. Seller and Buyer have entered into that certain Contract of Purchase dated as of March 15, 2021, as amended by that certain First Amendment to Contract of Purchase dated October 29, 2021, and as further amended by that certain Second Amendment to Contract of Purchase dated April 25, 2022 (collectively, the “Agreement”), with respect to the sale of certain real property located in the County of Grayson, Virginia, and described more particularly in the Agreement.

B. Seller and Buyer desire to amend the Agreement as hereinafter set forth.

C. All capitalized terms used herein without definition shall have the meanings given to the same in the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Agreement, and intending to be legally bound hereby, agree that the Agreement is amended as follows:

1. Purchase Price. The Agreement is hereby amended by deleting the last sentence of Section 1 thereof in its entirety and replacing it with the following:

“The purchase price to be paid by Buyer for the Property at Settlement (the “Price”) shall be equal to Seven Hundred Eighty-Seven Thousand Three Hundred Twenty-Three and 00/100 Dollars (\$787,323.00).”

2. Ratification. Except as expressly modified herein, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. The Agreement, as modified by this Third Amendment, is hereby ratified and affirmed in all respects. If anything contained in this Third Amendment conflicts with any terms of the Agreement, then the terms of this Third Amendment shall prevail.

3. Successors and Assigns. This Third Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

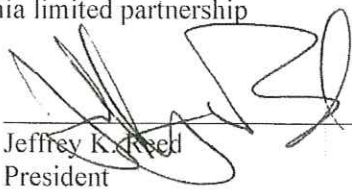
4. Counterparts. This Third Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this Third Amendment as of the day and year first above written.

SELLER:

GRAYSON MANOR LIMITED PARTNERSHIP,
a Virginia limited partnership

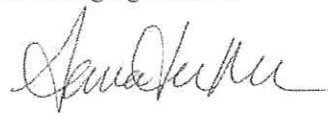
By:  (SEAL)
Name: Jeffrey K. Reed
Title: President

BUYER:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP Grayson Manor Apartments, LLC,
a Virginia limited liability company,
its Managing Member

By: Community Housing Partners Corporation,
a Virginia nonstock corporation,
its managing member


By: _____ (SEAL)
Name: Samantha Brown
Title: Vice President

**SECOND AMENDMENT TO
CONTRACT OF PURCHASE**

THIS SECOND AMENDMENT TO CONTRACT OF PURCHASE (this "**Second Amendment**") is made and entered into this 25th day of April 2022 between **GRAYSON MANOR LIMITED PARTNERSHIP**, a Virginia limited partnership ("Seller"), and **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company ("Buyer").

BACKGROUND:

A. Seller and Buyer have entered into that certain Contract of Purchase dated as of March 15, 2021, as amended by that certain First Amendment to Contract of Purchase dated October 29, 2021 (collectively, the "Agreement"), with respect to the sale of certain real property located in the County of Grayson, Virginia, and described more particularly in the Agreement.

B. Seller and Buyer desire to amend the Agreement as hereinafter set forth.

C. All capitalized terms used herein without definition shall have the meanings given to the same in the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Agreement, and intending to be legally bound hereby, agree that the Agreement is amended as follows:

1. **Settlement**. The Agreement is hereby amended by deleting the second sentence of Section 2 thereof in its entirety and replacing it with the following:

"In the event that Settlement has not occurred by April 30, 2023, this Agreement shall be null and void."

2. **Ratification**. Except as expressly modified herein, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. The Agreement, as modified by this Second Amendment, is hereby ratified and affirmed in all respects. If anything contained in this Second Amendment conflicts with any terms of the Agreement, then the terms of this Second Amendment shall prevail.

3. **Successors and Assigns**. This Second Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

4. **Counterparts**. This Second Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this Second Amendment as of the day and year first above written.

SELLER:

GRAYSON MANOR LIMITED PARTNERSHIP,
a Virginia limited partnership

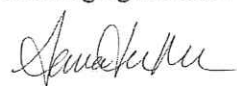
By:  (SEAL)
Name: Jeffrey K. Reed
Title: President

BUYER:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP Grayson Manor Apartments, LLC,
a Virginia limited liability company,
its Managing Member

By: Community Housing Partners Corporation,
a Virginia nonstock corporation,
its managing member

By:  (SEAL)
Name: Samantha Brown
Title: Vice President

The first part of the paper discusses the importance of understanding the cultural context of the research. It highlights the need for researchers to be sensitive to the values and beliefs of the communities they are studying. This is particularly important in the field of education, where cultural differences can significantly impact learning outcomes.

The second part of the paper focuses on the methodology used in the study. It describes the process of selecting participants, collecting data, and analyzing the results. The authors emphasize the importance of using a mixed-methods approach to gain a comprehensive understanding of the research topic.

The third part of the paper presents the findings of the study. It discusses the results of the quantitative data analysis and the insights gained from the qualitative interviews. The authors conclude that there are significant differences in learning outcomes between the two groups, and these differences can be attributed to cultural factors.

The final part of the paper discusses the implications of the findings for future research and practice. It suggests that educators should be aware of the cultural context of their students and tailor their teaching methods accordingly. Additionally, it calls for further research to explore the underlying reasons for the observed differences.

**FIRST AMENDMENT TO
CONTRACT OF PURCHASE**

THIS FIRST AMENDMENT TO CONTRACT OF PURCHASE (this "First Amendment") is made and entered into this 29th day of October, 2021 between **GRAYSON MANOR LIMITED PARTNERSHIP**, a Virginia limited partnership ("Seller"), and **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company ("Buyer").

BACKGROUND:

A. Seller and Buyer entered into that certain Contract of Purchase dated March 15, 2021 (the "Agreement"), with respect to the sale of certain real property and improvements thereon located in the County of Grayson, Virginia, and described more particularly in the Agreement.

B. The parties desire to amend the Agreement as hereinafter set forth.

C. All capitalized terms used herein without definition shall have the meanings given to the same in the Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Agreement, and intending to be legally bound hereby, agree that the Agreement is amended as follows:

1. Settlement. The Agreement is hereby amended by deleting Section 2 thereof in its entirety and replacing it with the following:

" 2. Settlement. Unless this Agreement is sooner terminated as provided in this Agreement, the closing of the sale of the Property shall take place at such place as the parties hereto may agree, on a date for closing which shall be within not less than 15 days, nor more than 60 days, after the date of a written notice from Buyer to Seller (the "Buyer Notice"), requesting that the closing occur (the "Settlement"). In the event the Settlement has not occurred by September 30, 2022, this Agreement shall be null and void. In any event, without the consent of both parties, Settlement shall not occur before September 1, 2021."

2. Ratification. Except as expressly modified herein, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. The Agreement, as modified by this First Amendment, is hereby ratified and affirmed in all respects. If anything contained in this First Amendment conflicts with any terms of the Agreement, then the terms of this First Amendment shall prevail.

3. Successors and Assigns. This First Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

4. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic and facsimile signatures shall be deemed to be original signatures and of the same force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Buyer have executed this First Amendment as of the day and year first above written.

SELLER:

GRAYSON MANOR LIMITED PARTNERSHIP,
a Virginia limited partnership


By:  (SEAL)
Name: JEFFREY K. REED
Title: PRES.

BUYER:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP GRAYSON MANOR APARTMENTS, LLC, a
Virginia limited liability company, its Managing Member

By: COMMUNITY HOUSING PARTNERS CORPORATION, a
Virginia nonstock corporation,
its Managing Member

By:  (SEAL)
Name: Samantha Brown
Title: Vice President

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for ensuring the integrity of the financial system and for providing a clear audit trail. The document also highlights the need for transparency and accountability in all financial dealings.

In the second part, the focus shifts to the role of the auditor in verifying the accuracy of the financial statements. The auditor is responsible for conducting a thorough examination of the records and providing an independent opinion on the fairness and reliability of the information presented. This process is crucial for building trust and confidence among stakeholders.

The third part of the document addresses the challenges faced by organizations in implementing effective internal controls. It identifies common weaknesses and provides practical advice on how to strengthen these controls to prevent fraud and errors. The document stresses that a robust internal control system is a key factor in the success of any organization.

Finally, the document concludes by reiterating the importance of ongoing monitoring and improvement. Financial systems are dynamic, and organizations must regularly review and update their processes to adapt to changing circumstances. Continuous improvement is essential for maintaining the highest standards of financial management.

CONTRACT OF PURCHASE

THIS CONTRACT OF PURCHASE (this "Agreement"), dated as of March 15, 2021, by and between GRAYSON MANOR LIMITED PARTNERSHIP, a Virginia limited partnership ("Seller"), and GRAYSON MANOR APARTMENTS, LLC, a Virginia limited liability company ("Buyer"), recites and provides as follows:

Recitals.

A. Seller is the fee simple owner of a certain parcel of land located in the County of Grayson, Virginia, comprised of approximately 3.96 acres of land, identified as County of Grayson Tax Map Number 73A5-A-1D, and more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all improvements thereon and all appurtenances thereto (collectively, the "Property").

B. Seller has agreed to sell, and Buyer has agreed to purchase, the Property, all on the terms and conditions hereinafter set forth.

NOW, therefore, for and in consideration of the mutual promises, covenants and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Sale. This Agreement constitutes a binding contract for the sale and purchase of the Property on the terms and conditions hereinafter provided. Seller shall be obligated to sell and convey, and Buyer shall be obligated to purchase, the Property in accordance with the terms and conditions of this Agreement. The purchase price to be paid by Buyer for the Property at Settlement (the "Price") shall be equal to Eight Hundred Thirty-Eight Thousand Four Hundred Four and 00/100 Dollars (\$838,404.00).

2. Settlement. Unless this Agreement is sooner terminated as provided in this Agreement, the closing of the sale of the Property shall take place at such place as the parties hereto may agree, on a date for closing which shall be within not less than 15 days, nor more than 60 days, after the date of a written notice from Buyer to Seller (the "Buyer Notice"), requesting that the closing occur (the "Settlement"). In the event the Settlement has not occurred by April 30, 2022, this Agreement shall be null and void. In any event, without the consent of both parties, Settlement shall not occur before September 1, 2021.

3. Conditions to Buyer's Performance. Buyer shall be obligated to purchase the Property from Seller only upon the full satisfaction of the following conditions, any of which may be waived by Buyer, and in the event any of such conditions are not satisfied or waived by the date of Settlement, or a later date approved by the mutual consent of Seller and Buyer, then this Agreement shall be terminated.

- (a) As of the date of Settlement, there shall be no encumbrances or special assessments either pending or confirmed affecting the Property, except as specifically accepted and approved by Buyer in writing (the "Permitted Exceptions"). All such liens or assessments, except for the Permitted Exceptions, shall be paid and released by Seller on or before the date of Settlement.
- (b) The Property shall be in compliance with all applicable environmental laws and regulations.

(c) The current zoning of the Property shall permit Buyer's intended use (the "Intended Purpose").

(d) There shall be no litigation, proceeding or investigation pending, or to the knowledge of Owner, Buyer or Seller threatened, which might prevent or adversely affect Buyer's ability to operate the Property for the Intended Purpose or which questions the validity of any material actions taken or to be taken by Seller or Buyer hereunder.

4. Settlement Documents and Costs. At Settlement, Seller shall pay for its own legal fees and the grantor's tax in connection with the recordation of the Deed (as hereinafter defined). Purchaser shall pay for any survey, title examination, and title insurance ordered by Purchaser or for Purchaser's benefit, for its own legal fees and for all recording taxes and fees (other than the grantor's tax) in connection with the recordation of the Deed.

5. Prorations. All real and personal property ad valorem taxes and installments of special assessments, if any, for the calendar years prior to the current calendar year will be paid by Seller. At Buyer's election, all real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, for the current calendar year will be prorated to the date of Settlement on a calendar year basis, based on the latest available tax rate and assessed valuation, to be paid by Seller through the date of Settlement and by Buyer from the date of Settlement through the end of the calendar year. If Buyer elects not to prorate real and personal property ad valorem taxes and special assessments at Settlement, then Seller shall pay such real and personal property ad valorem taxes and special assessments when due for such calendar year. Seller shall provide Buyer written notice with evidence of payment and Buyer shall reimburse Seller within 30 days of such written notice its prorated share of such taxes and assessments from the date of Settlement. Seller shall be responsible for payment of any roll-back taxes.

6. Title. Seller agrees to convey to Buyer on the date of Settlement, good and marketable fee simple title to the Property and, effective on the recordation of the deed by Seller to Buyer (the "Deed"), beneficial ownership and the risk of loss of the Property will pass from Seller to Buyer. The Property shall be conveyed to Buyer free and clear of any liens and/or encumbrances, except the Permitted Exceptions.

7. Representations. Seller represents that it is duly incorporated and validly existing under the laws of the Commonwealth of Virginia with full power and authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions of this Agreement. Buyer represents that it is duly organized and validly existing under the laws of the Commonwealth of Virginia with full power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions of this Agreement.

8. Risk of Loss. All risk of loss as a result of an exercise of the power of eminent domain, or by reason of casualty, or for personal liability as to the Property, shall remain on Seller until Settlement.

9. Brokers. Each of Seller and Buyer represents to the other that there are no amounts due any realtor, broker, agent or finder in connection with this Agreement, and covenants that it will hold the other free and harmless from any and all liabilities and expenses (including, without limitation, reasonable attorneys' fees) in connection with any claim or claims of any realtor, broker, agent or finder arising out of this Agreement. The provisions of this paragraph shall survive Settlement and not merge into the Deed.

10. Defaults.

- (a) Buyer's Default. If Buyer fails to perform or settle as required by this Agreement, or makes under this Agreement any material false representations or warranties, Seller shall have the right, exercisable at its option upon each such failure or misrepresentation, to give notice thereof to Buyer and Buyer shall have a period of 10 days in which to cure the failure described in such notice. If Buyer does not cure such failure within such period, this Agreement shall forthwith terminate and the parties hereto shall have no further rights and obligations under this Agreement, except as specifically provided.
- (b) Seller's Default. If, prior to Settlement, Seller intentionally fails to perform or settle as required by this Agreement or intentionally makes under this Agreement any material false representations or warranties, Buyer shall have the right, exercisable at Buyer's option upon each such failure or misrepresentation, to give notice thereof to Seller, and Seller shall then have a period of 10 days in which to cure the failure described in such notice. If Seller does not cure such failure within such period, Buyer shall have the right, at Buyer's option to exercise any and all remedies available at law or in equity with respect to such misrepresentation or failure, including specific performance, provided, however, that any monetary remedy for Buyer shall be limited to a recovery against the Property and shall not include recourse against Seller or the partners of Seller.

11. Notices. Unless otherwise expressly provided in this Agreement, all notices shall be in writing and shall be deemed duly given on the date personally delivered, one day after deposit with an express delivery service, or 3 days after sent by registered or certified mail, return receipt requested, to the following addresses, or to such other address which a party elects to designate in writing to the other addressees listed below:

If to Seller:

Grayson Manor Limited Partnership
448 Depot Street NE
Christiansburg, VA 24073
Attn: Jeffrey K. Reed

If to Buyer:

Grayson Manor Apartments, LLC
4915 Radford Avenue, Suite 300
Richmond, VA 23230
Attention: Samantha Brown

With a copy to:

Lauren D. Nowlin, Esq.
Williams Mullen
200 South 10th Street
Richmond, VA 23219

12. Assignment. Seller shall have the free right to assign its rights under this Agreement, and Buyer shall have the free right to assign its rights under this Agreement to any entity with Seller's prior

written consent, which consent shall not be unreasonably withheld.

13. Miscellaneous.


- (a) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, and shall be governed by the laws of the Commonwealth of Virginia.
- (b) This Agreement contains the entire agreement between the parties with respect to the Property and is intended by the parties to be an integration of any prior agreements by the parties regarding the Property. This Agreement cannot be amended except by written instrument executed by all parties hereto.
- (c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.
- (d) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall together be deemed one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

WITNESS the following duly authorized signatures as of the date first above written.

SELLER:

GRAYSON MANOR LIMITED PARTNERSHIP,
a Virginia limited partnership


By:  (SEAL)
Name: JEFFREY K. LEE
Title: PRES.

BUYER:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP GRAYSON MANOR APARTMENTS, LLC, a
Virginia limited liability company, its Managing
Member

By: COMMUNITY HOUSING PARTNERS
CORPORATION, a Virginia nonstock corporation,
its Managing Member

By:  (SEAL)
Name: Samantha Brown
Title: Vice President

44630015_1

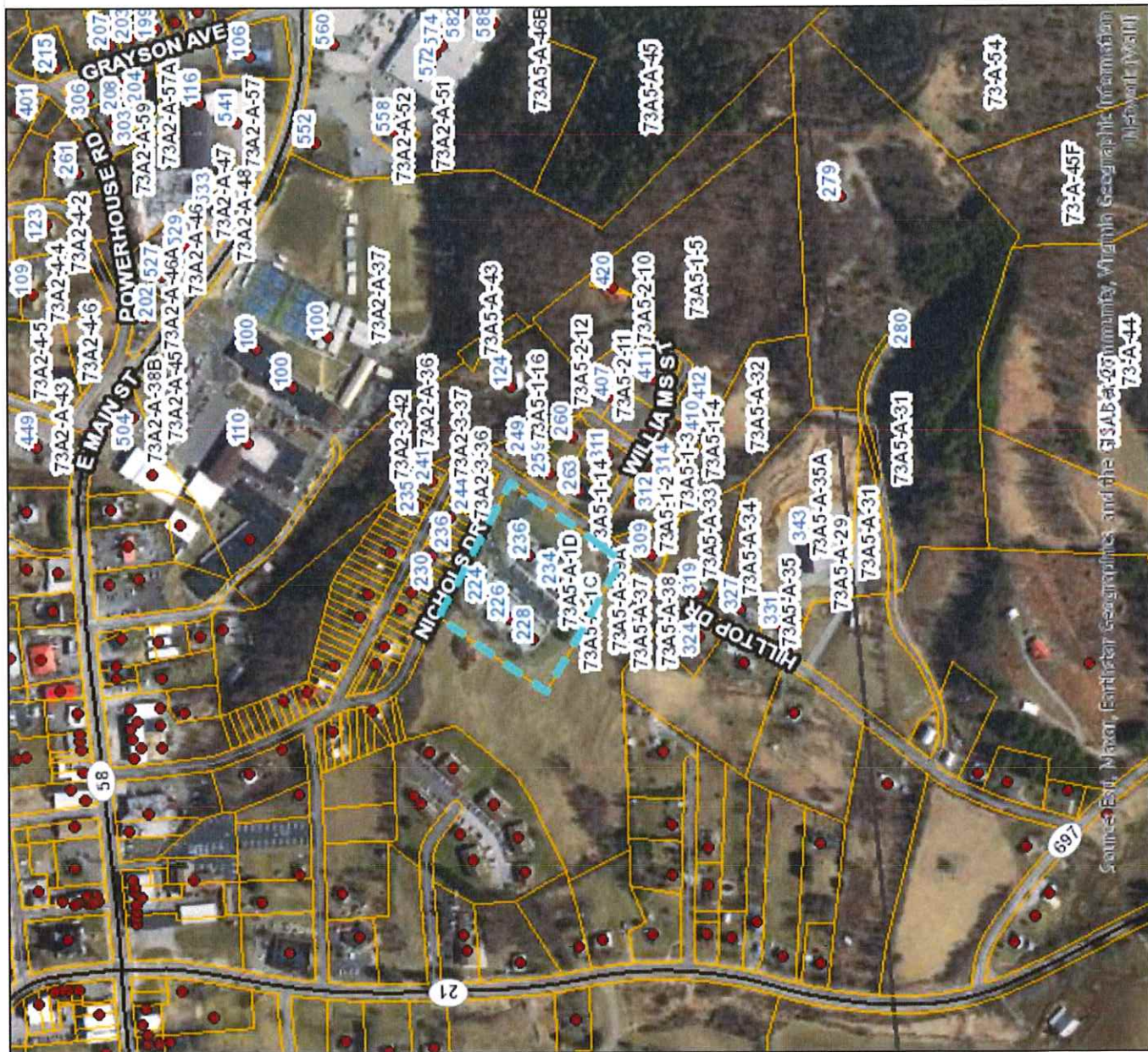
EXHIBIT "A"

Legal Description

BEGINNING at an iron pin set in the northwesterly side of Hilltop Avenue, common corner to the southwesterly side of Nichols Street; thence with the northwesterly side of Hilltop Avenue, S 41 degrees 40' 59" W 414.15 feet to an iron pin set, corner to property this day conveyed to Hunt & Associates Elderly Housing Corporation; thence with the line of property this day conveyed to Hunt, N 54 degrees 32' 30" W 421.74 feet to an iron pin set, and N 41 degrees 40' 10" E 409.44 feet to an iron pin set in the southwesterly side of Nichols Street; thence with the line of Nichols Street, S 55 degrees 10' 30" E 422.37 feet to an iron pin set, being the point and place of Beginning, and being 3.96 acres, more or less, as shown on survey of Gale W. Maiden, LS 1427, dated October 15, 1997.

Map Number:	73A5-A-1D
Owner:	MULTIFAMILY/FINANCE, TONY WEBB
Mailing Address:	PO BOX 5127
City:	RICHMOND
State:	VA
Zip:	23220
Acres:	3.96
Occupancy Code:	13
Building Value:	1209700
Land Value:	68800
Total Value:	1278500
Year Built:	1998
Deed Book:	324
Deed Page:	434
Description:	73A5-A-1D
Physical Address:	224
Physical Street:	NICHOLS
PID:	73A5-A-1D
Recno:	0005449
Shape_Length:	1658.0756502024
Shape_Area:	170520.42136165

Attributes at point: 10705782, 3395765
Layer: Grayson County Zoning Zoning: Town
Layer: Voting Precinct District: Elk Creek Precinct: Independence



Disclaimer: The information contained on this page is NOT to be construed or used as a survey or legal description. Map information is believed to be accurate but accuracy is not guaranteed.

Approx. Scale 1:7222



Tab F:

RESNET Rater Certification (MANDATORY)



Grayson Manor
2023 LIHTC Pre-Review Comments

Project Address

224 Nichols Drive
Independence, VA 24348

Project Summary

Grayson Manor is a renovation multifamily development, comprised of 32 units located in Independence, VA. Community Housing Partners Corporation plans to construct the project utilizing 9% LIHTC. As part of their funding application the project is seeking Gold level certification under the EarthCraft Multifamily Renovation Program (ECMFR). This level of certification requires the project to have a maximum HERS improvement of 30% and minimum 100 points on the ECMFR Workbook Version 6. Colin Arnold of Arnold Design Studio is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v3.2.4 based on the proposed scope and plans provided by the project team dated July 7th, 2022. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 65. The following outlines the scope as it is currently modeled.

Enclosure:

- R-4 Existing slab insulation
- R-13 Grade II cavity insulation in exterior above grade walls and rim & band, plus R-6 continuous exterior insulation
- R-13 Grade II cavity insulation in party walls and adiabatic ceilings/floors
- R-50 Grade II attic insulation
- 0.21 U-Value for opaque doors
- 0.30 U-Value/0.22 SHGC windows & glass doors (if using Energy Star qualified windows per VHDA)

Mechanicals:

- SEER 18, HSPF 12.1, 18k air source heat pump, programmable thermostat
- 0.92 UEF storage electric water heaters, 40 gallon
- 9 ACH₅₀ for infiltration threshold/blower door test
- 10% duct leakage to the outside, 16% total duct leakage
- Ducts in vented attic with existing R-4 insulation
- AirCycler G2K mechanical ventilation

Grayson Manor
3/7/2023



Lights & Appliances:

- ES rated kitchen appliances
 - 358 kWh/yr refrigerator
 - 295 kWh/yr dishwasher
- Advanced lighting 100% LED

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

Sincerely,

Katy Maher
Project Manager, Viridiant

Appendices continued

R. RESNET Rater Certification

RESNET Rater Certification of Development Plans

Deal Name Grayson Manor

Deal Address 224 Nichols Drive, Independence, VA 24348

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.

X _____ **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.

X _____ **Earthcraft Certification** – The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher.

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

Appendices continued

Additional Optional Certifications continued

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

_____ **Enterprise Green Communities** – The development's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

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

Printed Name Katy Maher 3/7/2023
RESNET Rater Date

Signature 

Resnet Provider Agency Viridiant

Signature 

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

Home Energy Rating Certificate

Projected Report
Based on Plans

Rating Date: 2023-03-07

Registry ID:

Ekotrope ID: B26Oz9DL

HERS® Index Score:

65

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

Annual Savings

\$571

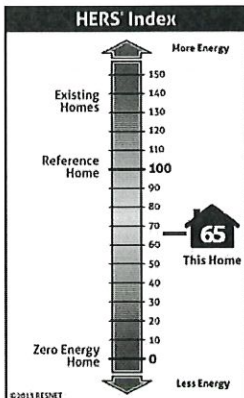
*Relative to an average U.S. home

Home:

224 Nichols Dr
Independence, VA 24348

Builder:

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type: Apartment, end unit
Model: N/A
Community: N/A
Conditioned Floor Area: 625 ft²
Number of Bedrooms: 1
Primary Heating System: Air Source Heat Pump • Electric • 12.1 HSPF
Primary Cooling System: Air Source Heat Pump • Electric • 18 SEER
Primary Water Heating: Residential Water Heater • Electric • 0.92 UEF
House Tightness: 9 ACH50
Ventilation: 43 CFM • 25.7 Watts
Duct Leakage to Outside: 8 CFM25 / 100 ft²
Above Grade Walls: R-16
Ceiling: Attic, R-50
Window Type: U-Value: 0.3, SHGC: 0.22
Foundation Walls: N/A
Framed Floor: N/A

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridian

1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridian

1431 W. Main Street, Richmond, VA 23220

Katy Maher, Certified Energy Rater
Digitally signed: 3/15/23 at 12:40 PM



Ekotrope RATER - Version: 3.2.4.3117

The Energy Rating Disclosure for this home is available from the Approved Rating Provider.

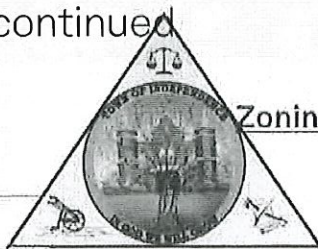
This report does not constitute any warranty or guarantee.

Tab G:

Zoning Certification Letter (MANDATORY)

Town of Independence

Appendices continued



Zoning Certification

317 East Main Street
P.O. Box 99

Independence, Virginia 24348

(276) 773-3703 Fax (276) 773-2634

Date 02/15/2023

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

RE: ZONING CERTIFICATION

Name of Development Grayson Manor

Name of Owner/Applicant Grayson Manor Apartments, LLC

Name of Seller/Current Owner Grayson Manor Apartments, 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 Virginia Housing solely for the purpose of determining whether the Development qualifies for credits available under Virginia Housing's Qualified Allocation Plan.

Development Description:

Development Address
224 Nichols Drive

Independence, VA 24348

Legal Description

BEGINNING at an iron pin set in the northwesterly side of Hilltop Avenue, common corner to the southwesterly side of Nichols Street; thence with the northwesterly side of Hilltop Avenue, S 41 degrees 40' 59" W 414.15 feet to an iron pin set, corner to property this day conveyed to Hunt & Associates Elderly Housing Corporation; thence with the line of property this day conveyed to Hunt, N 54 degrees 32' 30" W 421.74 feet to an iron pin set, and N 41 degrees 40' 10" E 409.44 feet to an iron pin set in the southwesterly side of Nichols Street; thence with the line of Nichols Street, S 55 degrees 10' 30" E 422.37 feet to an iron pin set, being the point and place of Beginning, and being 3.96 acres, more or less

Proposed Improvements

☐ New Construction: _____ #Units _____ #Buildings _____ Approx. Total Floor Area Sq. Ft.
☐ Adaptive Reuse: _____ #Units _____ #Buildings _____ Approx. Total Floor Area Sq. Ft.
☒ Rehabilitation: 32 #Units 4 #Buildings 23,701.64 Approx. Total Floor Area Sq. Ft.

Appendices continued

Current Zoning: R-2 Multifamily Residential allowing a density of
32 units per acre, and the following other applicable conditions:

Other Descriptive Information

Grayson Manor Apartments is an affordable multifamily senior development consisting of 32 one-bedroom apartment units. The site includes 4 total 1-story apartment buildings along with a community and office building as well as on-site parking.

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.

Date 3/9/2023

Signature Laura M. Ratcliffe

Printed Name Laura M. Ratcliffe

Title of Local Official or Civil Engineer Town Manager

Phone 276-768-6532

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)

WILLIAMS MULLEN

Direct Dial: 804.420.6585
Inowlin@williamsmullen.com

March 16, 2023

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

RE: 2023 Tax Credit Reservation Request

Name of Development: Grayson Manor
Name of Owner: Grayson Manor Apartments, LLC

Ladies and Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 16, 2023 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. The information set forth in the Unit Details section of the Application form as to proposed rents exceeds the Code rent restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies

such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.

5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
8. It is more likely than not that the representations made under the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
9. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code 42(d)(2)(B) are not correct.

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

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

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

WILLIAMS MULLEN, A Professional Corporation

By: 

Name: Lauren D. Nowlin
Its: Shareholder



Direct Dial: 804.420.6585
lnowlin@williamsmullen.com

Attorney's Opinion Letter

**Date (Must be on or after the application date
below)**

To

March 16, 2023

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

RE: 2023 Tax Credit Reservation Request

Name of Development _____

Name of Owner _____

Name of Development: Grayson Manor
Name of Owner: Grayson Manor Apartments, LLC

Ladies and Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 16, 2023 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. 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,

9%-2023

including the selection of credit type implicit in such calculations.

3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. The information set forth in the Unit Details section of the Application form as to proposed rents ~~satisfies~~ exceeds the Code rent restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline. ~~02/16/2023~~
6. ~~{Delete if inapplicable}~~ The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. ~~{Delete if inapplicable}~~ The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
8. ~~{Delete if inapplicable}~~ It is more likely than not that the representations made under the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
9. ~~{Delete if inapplicable}~~ After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code 42(d)(2)(B) are not correct.

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

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("Virginia Housing") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by Virginia Housing 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

March 16, 2023
Page 3

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.

Firm

WILLIAMS MULLEN, A Professional Corporation

By:



Name: Lauren D. Nowlin

By _____

Its _____:

Shareholder

Title _____

102182011.2

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)

Appendices continued

Nonprofit Questionnaire

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

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

1. General Information

- a. Name of development Grayson Manor
- b. Name of owner/applicant Grayson Manor Apartments, LLC
- c. Name of nonprofit entity Community Housing Partners Corporation (CHPC)
- d. Address of principal place of business of nonprofit entity
448 Depot Street NE, Christiansburg, VA 24073

Indicate funding sources and amount used to pay for office space

CHPC uses several funding sources to pay for office space including property management fees, grants, sale of single family homes, and gain on sale of property.

- e. Tax exempt status ☒ 501(c)(3) ☐ 501(c)(4) ☐ 501(a)
- f. Date of legal formation of nonprofit (must be prior to application deadline) March 8, 1979
Evidenced by the following documentation See attached Exhibit A - Community Housing Partners Corporation SCC Certificate of Good Standing.
- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached) June 6, 1980, See attached Exhibit - B CHPC IRS 501c3 determination letter.
- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation) To sell, finance, purchase, own, manage, maintain, construct, improve & rehabilitate housing for low & moderate income individuals, & families, as well as to initiate, assist, coordinate, develop and implement programs & activities which are designed to ameliorate the housing needs of disadvantaged in and outside the Commonwealth of VA.
- i. Expected life (in years) of nonprofit Perpetual

Appendices continued

- j. Explain the anticipated future activities of the nonprofit over the next five years:
To sell, finance, purchase, own, manage, maintain, construct, improve, and rehabilitate housing for low and moderate income individuals and families, and to initiate, assist, coordinate, develop, for families across the Southeast and Mid-Atlantic.
- k. How many full time, paid staff members does the nonprofit and, if applicable, any other nonprofit organization(s) ("related nonprofit(s)") of which the nonprofit is a subsidiary or to which the nonprofit is otherwise related have (i.e. by shared directors, staff, etc.)? 392 FT
How many part time, paid staff members? 20 PT
Describe the duties of all staff members:
Duties of staff members include responsibilities in the areas of affordable housing real estate development; financial management and planning; asset management including property management, compliance, and maintenance; resident services; construction management and supervision; energy management; building science instruction and technical assistance; housing counseling; housing rehabilitation; information technology; communications; data management; and real estate development.
- l. Does the nonprofit share staff with any other entity besides a related nonprofit described above?
☐ YES ☒ NO If yes, explain in detail: _____

- m. How many volunteers does the nonprofit and, if applicable, any related nonprofit have?
731 volunteers

- n. What are the sources and manner of funding of the nonprofit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development.
CHPC receives support from public and private organizations including local, state and federal government agencies, private community and national foundations, in-kind and monetary donations from individuals and corporate sponsors, and grants and technical assistance through membership in regional and national associations such as NeighborWorks America. In addition, CHP generates fee income through development, construction and realty and property management.
- o. List all directors of the nonprofit, their occupations, their length of service on the board, and their residential addresses See Exhibit C - CHPC 2023 Detailed Board Roster.

Appendices continued

2. Nonprofit Formation

- a. Explain in detail the genesis of the formation of the nonprofit: CHPC, originally named Virginia Mountain Housing, Incorporated, was organized in 1980 as a 501(c)(3) non-profit to provide quality-built, responsible managed, service-enriched homes for low-income individuals and families across the Southeast and Mid-Atlantic.
- b. Is the nonprofit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?
- ☐ YES ☒ NO If yes, explain in detail: _____
- _____
- _____
- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the nonprofit?
- ☐ YES ☒ NO If yes, explain in detail: _____
- _____
- _____
- d. Does any for-profit organization or local housing authority have the right to make such appointments?
- ☐ YES ☒ NO If yes, explain in detail: _____
- _____
- _____
- e. Does any for profit organization or local housing authority have any other affiliation with the nonprofit or have any other relationship with the nonprofit in which it exercises or has the right to exercise any other type of control?
- ☐ YES ☒ NO If yes, explain in detail: _____
- _____
- _____
- f. Was the nonprofit formed by any individual(s) or for profit entity for the principal purpose of being included in the nonprofit Pool or receiving points for nonprofit participation under the Plan?
- ☐ YES ☒ NO

Appendices continued

- g. Explain in detail the past experience of the nonprofit including, if applicable, the past experience of any other related nonprofit of which the nonprofit is a subsidiary or to which the nonprofit is otherwise related (by shared directors, staff, etc.) CHPC has been developing LIHTC projects since 1993 with over 70 developments either completed or undergoing development. Several developments have related non-profits relationships with each being managed by CHPC. In these structures there may be an association between CHPC staff and they may have shared directors.
- h. If you included in your answer to the previous question information concerning any related nonprofit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.
See attached Exhibit D.

3. Nonprofit Involvement

- a. Is the nonprofit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

☒ YES ☐ NO

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

☒ YES ☐ NO

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

☒ YES ☐ NO

If no to either 3a.i or 3a.ii above, specifically describe the nonprofit's ownership interest

- b. (i) Will the nonprofit be the managing member or managing general partner?

☒ YES ☐ NO If yes, where in the partnership/operating agreement is this provision specifically referenced?

See Tab A of the LIHTC application for the schedule A Membership Interest Section of the Operating Agreement for Grayson Manor Apartments, LLC

(ii) Will the nonprofit be the managing member or own more than 50% of the general partnership interest? ☒ YES ☐ NO

Appendices continued

- c. Will the nonprofit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity? ☒ YES ☐ NO

If yes, where in the partnership/operating agreement is this provision specifically referenced?

The Right of First Refusal provision is located in the Operating Agreement in Article IV Section 4.01

(ag). See Tab V of the application to find the Operating Agreement.

- ☒ Recordable agreement attached to the Tax Credit Application as TAB V?

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

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

☒ YES ☐ NO If yes,

- (i) Describe the nature and extent of the nonprofit's proposed involvement in the construction or rehabilitation of the Development:

Community Housing Partners Corporation will be the developer of the proposed project.

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

Community Housing Partners Corporation will be the management agent and the asset manager at the property and will also be responsible for bookkeeping activities for the property.

- (iii) Will the nonprofit invest in its overall interaction with the development more than 500 hours annually to this venture? ☒ YES ☐ NO If yes, subdivide the annual hours by activity and staff responsible and explain in detail :

Property Manager - 1,560 hrs/yr | Regional Manager - 210 hrs/yr | Director of Housing - 108 hrs/yr

CFO - 52 hrs/yr (Budget, Overhead, etc.) | VP of Asset Management - 104 hrs/yr

Accounts Payable - 104 hrs/yr | Controller - 150 hrs/yr

Appendices continued

- e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member?

Housing needs study? Third party consultant? Other?

Grayson Manor is an existing multifamily affordable senior housing community constructed in 1996

that provides greatly needed housing for seniors living in rural Independence, VA and Grayson County where

affordable housing is sparse. In order to continue providing affordable senior housing in Independence, VA

Grayson Manor must be significantly renovated. The local government recognized this need by creating the

Grayson Manor Revitalization Zone and designating this project as being in a Revitalization Area.

- f. List all general partners/managing members of the Owner of the Development (one must be the nonprofit) and the relative percentages of their interests:

See Exhibit E.

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

Not Applicable.

- h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development? ☒ YES ☐ NO If yes,

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

Traci Dusenbury Tate, Halcon Companies, LLC will provide consulting services to review the LIHTC application and documents as well as provide consulting services for various funding source applications associated with the development as well as document review services for equity and perm closings.

(ii) Explain how this relationship was established. For example, did the nonprofit solicit proposals from several for-profits? Did the for-profit contact the nonprofit and offer the services?

Consistent with CHP's mission to foster equity and inclusion several SWaM partners were solicited. We selected Halcon Companies, LLC to be a valuable partner for this project.

Appendices continued

- i. Will the nonprofit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services? ☒ YES ☐ NO If yes, explain the amount and source of the funds for such payments.

Upon completion of the assignment, Halcon Companies, LLC will be paid on an agreed upon amount not to exceed \$10,000.00 on an hourly basis to review documents. This fee will come from a portion of the developer's fee.

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

Upon completion of the assignment, Halcon Companies, LLC will be paid on an agreed upon amount not to exceed \$10,000.00 on an hourly basis to review documents.

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

- l. Will any member of the board of directors, officer, or staff member of the nonprofit participate in the development and/or operation of the proposed development in any for-profit capacity?
☐ YES ☒ NO If yes, explain:

Appendices continued

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

Not Applicable

- n. Is the nonprofit involving any local, community based nonprofit organizations in the development, role and operation, or provision of services for the development? ☐ YES ☒ NO If yes, explain in detail, including the compensation for the other nonprofits amount and timing of such payments.
-
-
-
-

4. Virginia and Community Activity

- a. Has the Virginia State Corporation Commission authorized the nonprofit to do business in Virginia?

☒ YES ☐ NO

- b. Define the nonprofit's geographic target area or population to be served:

Virginia, North Carolina, Kentucky, Maryland, South Carolina and D.C.

- c. Does the nonprofit or, if applicable, related nonprofit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)? ☒ YES ☐ NO

If yes, or no, explain nature, extent and duration of any service:

See Exhibit F - Grayson Manor Experience serving the community

Appendices continued

- d. Does the nonprofit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the nonprofit on design, location of sites, development and management of affordable housing? ☐ YES ☒ NO If yes, explain
However, it should be noted that Community Housing Partners Corporation's board contains representatives of low-income neighborhoods and Community Housing Partners Corporation is currently at CHDO.
-
-
-
- e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the nonprofit to solicit contributions/donations in the target community?
☒ YES ☐ NO
- f. Does the nonprofit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?
☒ YES ☐ NO If yes, explain:
See Exhibit G - Grayson Manor Demonstrated Support list.
-
-
-
- g. Has the nonprofit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? ☒ YES ☐ NO
If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:
CHPC conducted several resident meetings and reviewed resident surveys to solicit input regarding our plans plans to renovate Grayson Manor. See Exhibit H - The Resident Meeting Notice.
CHPC also conducted 1 on 1 meetings with Grayson residents to review discuss our plans and solicit input.
-
- h. Are at least 33% of the members of the board of directors representatives of the community being served? ☐ YES ☒ NO If yes,
(i) Low-income residents of the community? ☐ YES ☐ NO
(ii) Elected representatives of low-income neighborhood organizations? ☐ YES ☐ NO
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)?
☒ YES ☐ NO

Appendices continued

- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community? ☒ YES ☐ NO If yes, explain the meeting schedule:

Community Housing Partners Corporation's board of directors meets four times each year with more frequent meetings of the executive committee. All meetings are open to the general public.

- k. Has the nonprofit received a Community Housing Development Organization (CHDO) designation, as defined by the U.S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? ☒ YES ☐ NO

- l. Has the nonprofit been awarded state or local funds for the purpose of supporting overhead and operating expenses? ☒ YES ☐ NO If yes, explain in detail:

CHDO operating grants 2003 - 1 award, 2004 - 2 awards, 2005 - 1 award, 2006 - 1 award

2009 AHPP grant \$50,000, 2010 - 3 awards, 2011 - 1 award, 2012 - 1 award, 2020 - Montgomery County

CARES Nonprofit Assistance Grant Used for COVID Relief (PPE Expenses) - \$25,000

- m. Has the nonprofit been formally designated by the local government as the principal community-based nonprofit housing development organization for the selected target area?

☐ YES ☒ NO If yes, explain:

- n. Has the nonprofit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? ☒ YES ☐ NO

If yes, note each such application including: the development name and location, the date of application, the nonprofit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

See Exhibit I - CHPC List of JV partnerships with a for-profit entity.

Appendices continued

- o. Has the nonprofit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? ☒ YES ☐ NO

If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

See Exhibit J - CHPC List of projects as Sole GP - MM.

- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? ☒ YES ☐ NO If yes, explain:

Grayson Manor received an allocation of tax credits in 1997 to fund the original development of this multifamily affordable senior housing community. Grayson Manor received another allocation of tax credits in 2021.

- q. Has the nonprofit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the Virginia Housing Funds?

☒ YES ☐ NO If yes, explain:

See attached Exhibit K which includes a list of developments where the Community Housing Partners received a reservation from the Virginia Housing Partnership or the Virginia Housing Funds.

- r. Has the nonprofit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources?

☐ YES ☒ NO If yes, explain the need identified:

- s. Has the nonprofit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community?

☐ YES ☒ NO If yes, explain the plan:

Appendices continued

5. Attachments

Documentation of any of the above need not be submitted unless requested by Virginia Housing.

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

Date 3/10/23

Owner/Applicant Grayson Manor Apartments, LLC

By: CHP Grayson Manor Apartments, LLC Managing Member

By: Community Housing Partners Corporation, Sole Member of Managing Member

By  VP

Samantha Brown, Vice President

Its _____
Title

Date 3/10/23

Community Housing Partners Corporation

Nonprofit

By 

Board Chairman

By 

Executive Director

EXHIBIT A

Commonwealth of Virginia



State Corporation Commission

CERTIFICATE OF GOOD STANDING

I Certify the Following from the Records of the Commission:

That COMMUNITY HOUSING PARTNERS CORPORATION is duly incorporated under the law of the Commonwealth of Virginia;

That the corporation was incorporated on March 8, 1979;

That the corporation's period of duration is perpetual; and

That the corporation is in existence and in good standing in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

February 21, 2023

A handwritten signature in cursive script, reading "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

EXHIBIT B

Internal Revenue Service
District Director

Department of the Treasury

Date:

JUN 06 1980

Virginia Mountain Housing, Inc.
209 N. Main Street, Suite A
Blacksburg, Virginia 24060

Employer Identification Number:

54-1023925

Accounting Period Ending:

September 30

Foundation Status Classification:

*509(a)(1) & 170(b)(1)(A)(vi)

Advance Ruling Period Ends:

September 30, 1981

Person to Contact:

G. Whelittle

Contact Telephone Number:

(301) 962-4787

RECEIVED JUN 12 1980

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, ~~we have determined that you can reasonably be expected to be a publicly supported organization described in section 509(a)(1) and 170(b)(1)(A)(vi).~~

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section *see above organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section * status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section * organization.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should call us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

(See caveat below.)

Sincerely yours,



District Director

In the event the organization initiates a housing construction program, you should inform this office so that a determination may be made as to its effect to your exempt status.

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: April 21, 2001

Person to Contact:
Pat Mahan 31-04019
Customer Service Representative
Toll Free Telephone Number:

8:00 a.m. to 9:30 p.m. EST
877-829-5500

Fax Number:
513-263-3756

Federal Identification Number:
54-1023025

Community Housing Partners Corporation
930 Cambria St NE
Christiansburg, VA 24073

Dear Sir or Madam:

This is in response to the amendment to your organization's Articles of Incorporation filed with the state on March 9, 2001. We have updated our records to reflect the name change as indicated above.

Our records indicate that a determination letter issued in May 1980 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Community Housing Partners Corporation
54-1023025

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we ~~are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.~~

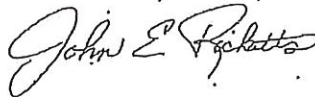
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

EXHIBIT C



2023 CHP Board Roster

Officers of the Corporation			
Jeff Reed, CEO/President 448 Depot Street NE, Christiansburg, VA 24073 540.339.3773 (m) jreed@chpc2.org	Lance Sutherland, CFO/Treasurer 448 Depot Street NE, Christiansburg, VA 24073 540.469.0670 (m) lsutherland@chpc2.org	Andy Hall, COO/Secretary 448 Depot Street NE, Christiansburg, VA 24073 540.300.7044 (m) ahall@chpc2.org	
Board of Directors' Membership			
Racquel Reddie, Chair Managing Director/Community Development National Community Stabilization Trust; 910 17th St., NW, Suite 810, Washington, DC 20006; 214.710.3423 (w); rreddie@stabilizationtrust.org; 1912 Abbey Ridge Dr., Dover, FL 33527; 813.919.5136 (m)	Ana Castilla, Vice Chair Community Development Manager, TD Bank; 255 Alhambra Circle, 2nd fl, Coral Gables, FL 33134; 305.441.5705 (w); 786.877.4065 (m-w); ana.castilla@td.com 5545 SW 6 Street, Miami, Florida, 33134; 786.566.1793 (m-p)	Charles Famuliner, Past Chair HUD Director of Multifamily Housing (Retired); 1188 Maple Swamp Rd., Rockbridge Baths, VA 24473; 540.462.6262(h); 540.319.8555(m); cckf12@gmail.com	
<i>Member Since 1/27/15</i> <i>Committee(s): Governance, Housing*</i>	<i>Member Since 3/17/16</i> <i>Committee(s): Finance, Governance*</i>	<i>Member Since 12/11/14</i> <i>Committee(s): Governance, Housing, RED*</i>	
Shawn McMahon Financial Advisor, Morgan Stanley 10 South Jefferson Street, Suite 1700 Roanoke, VA 24011 540.725.3170 (w); 540.797.3247 (m); Shawn.Mcmahon@morganstanley.com 6932 Campbell Drive, Salem, VA 24153-8222	Freddy Paige~ Assistant Director, VA Center for Housing Research; Assistant Professor, Virginia Tech 400 Bishop-Favrao Hall, Blacksburg, VA 24061 843.318.9593 (m); freddyp@vt.edu 4201 Arlington Blvd., Ste. 110 #221, Arlington, VA 22203 (w); 824 W Glebe Rd., Alexandria, VA 22305	John Randolph^ Professor Emeritus, VT Urban Affairs & Planning; 101 Architecture Annex, Blacksburg, VA 24060; 1100 Willard Drive, Blacksburg, VA 24060; 540.239.3459 (m); energy@vt.edu	Debbie Sherman Lee^ Montgomery County Schools (Retired Educator); 125 Flagg Court, Christiansburg, VA 24073; debbieslgranny2@gmail.com
<i>Member Since 1/1/14</i> <i>Committee(s): Finance</i>	<i>Member Since 1/1/20</i> <i>Committee(s): RED</i>	<i>Member Since 1/1/14</i> <i>Committee(s): Governance, Energy*</i>	<i>Member Since 1/1/18</i> <i>Committee(s): Housing</i>
Susan Sisk^ CAO Community Housing Partners (Retired); 7536 Riverbluff Rd., Radford, VA 24141; 540.320.0450 (m); susansisk@gmail.com			KEY * = Committee Chair VA CHDO Information ~ = Census Tract – 1 Member ^ = Non-Profit Nominee – 3 Members 4/8 = 50% FL CHDO Information + = Census Tract – 1 Member
<i>Member Since 12/11/14</i> <i>Committee(s): Governance</i>			



COMMUNITY
HOUSING PARTNERS

COMMUNITY HOUSING PARTNERS CORPORATION
BOARD OF DIRECTORS RESOLUTION FOR SIGNATURE AUTHORITY

December 15, 2022

Community Housing Partners

446 Depot Street NE, Christiansburg, VA 24073 | (540) 382-2002, TTY: 711, Fax: (540) 382-1935 | www.CommunityHousingPartners.org



At a meeting of the Board of Directors of Community Housing Partners Corporation (the "Corporation"), on December 15, 2022 at 3:00 PM pursuant to proper notice and in compliance with the Corporation's Bylaws, the following resolution was adopted:

Resolved, that any and all of the transactions of the Corporation or its Affiliates, including but not limited to borrowing money, refinancings, listing, selling, acquiring and developing property (including but not limited to the sale of all or substantially all of the assets of any Affiliate) that furthers, in the reasonable discretion of any of the following officers, the Corporation's goal of providing affordable housing to low-income individuals and families, world-wide, is hereby approved. "Affiliates" means any entity, including but not limited to the entities listed on Exhibit A attached hereto, that the Corporation directly or indirectly controls, in whole or in part, by ownership of voting interests, membership or the ability to choose directors or managers, or by other means.

Resolved, further, that the following officers shall be and hereby are empowered and authorized to sign documents, including, but not limited to all reports, forms, documents, notes, deeds of trust, financial statements, deeds of conveyance, affidavits, settlement statements, and any such other documents that may be required, and to do any and all things deemed necessary or advisable, in each of their sole discretion, to accomplish and perform the foregoing resolution.

Racquel Reddie, Chair
Ana Castilla, Vice Chair
Jeffrey K. Reed, Chief Executive Officer
Andy Hall, Secretary/Chief Operating Officer
Lance Sutherland, Treasurer/Chief Financial Officer
Shaun Rai, Senior Vice President of Asset Management
David Schultz, Senior Vice President of Development & Construction
Samantha Brown, Vice President of Real Estate Development
Eric Chapman, General Counsel
Brian Gibbs, Vice President of Accounting/Controller
JR Riddlebarger, Vice President of Property Management

Certified and dated this
15th of December 2022

Janaka Casper, Chief Executive Officer

Andy Hall, Secretary/Chief Operating Officer

EXHIBIT D

Grayson Manor
Non-profit Questionnaire
Nonprofit Formation
Exhibit D - CHPC List of Related Non-profit Entity

2h. Virginia and Community Activity

h. If you included in your answer to the previous question information concerning any related nonprofit, describe the date of legal formation thereof, the date of IRS 501(c)(3) or 501(c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

Organization Legal Formation	Date of 501(c)(3) Or 501(c)(4) Status	Expected Life	Charitable Purpose
Community Housing Partners Corporation 2/20/1998	6/6/1980	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Somerset Court Apartments Inc. 2/10/2014	10/25/2013	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Woodland Park Apartments of Hickory Inc. 10/25/2013	10/25/2013	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Wytheville Community Apartments Corp 12/27/1990	No date per IRS	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Galax Community Apartments Corporation 12/27/1990	7/1991	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Giles Community Apartments Corporation 3/29/1993	6/1993	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Holly Court Apartments Corporation 12/6/1993	11/1994	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Ellett Road Apartments Corp 7/27/1992	3/1995	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Coastal Housing Corporation 9/25/1989	5/1990	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Laurel Court Apartments Inc. 1/25/1995	11/1996	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.

Grayson Manor
Non-profit Questionnaire
Nonprofit Formation
Exhibit D - CHPC List of Related Non-profit Entity

Belford Commons Corporation 1/16/1998	10/1998	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
Ephphatha Village Inc. 3/21/1980	11/1981	Perpetual	501(c)(3) Single purpose entity for development/operation of a single project.
City Light Development Corporation 8/25/1988	3/2/1993	12/31/2029	501(c))3 entity. Served as developer and general partner in some past CHPC projects 15+ years ago.
Greenbrier Woods Corporation 5/4/1995	5/1990	Perpetual	501(c))3 entity. Served as developer and general partner in some past CHPC projects 15+ years ago.
Community Housing Partners Corporation of Florida	9/17/1990	Perpetual	501(c)(3) CHPC took over board control of entity in 2013 (Formerly called Florida Low Income Housing Associates, Inc. but renamed) and operations of its related existing projects. But has not directly developed under this entity since taking control.

EXHIBIT E

Grayson Manor Organizational Chart

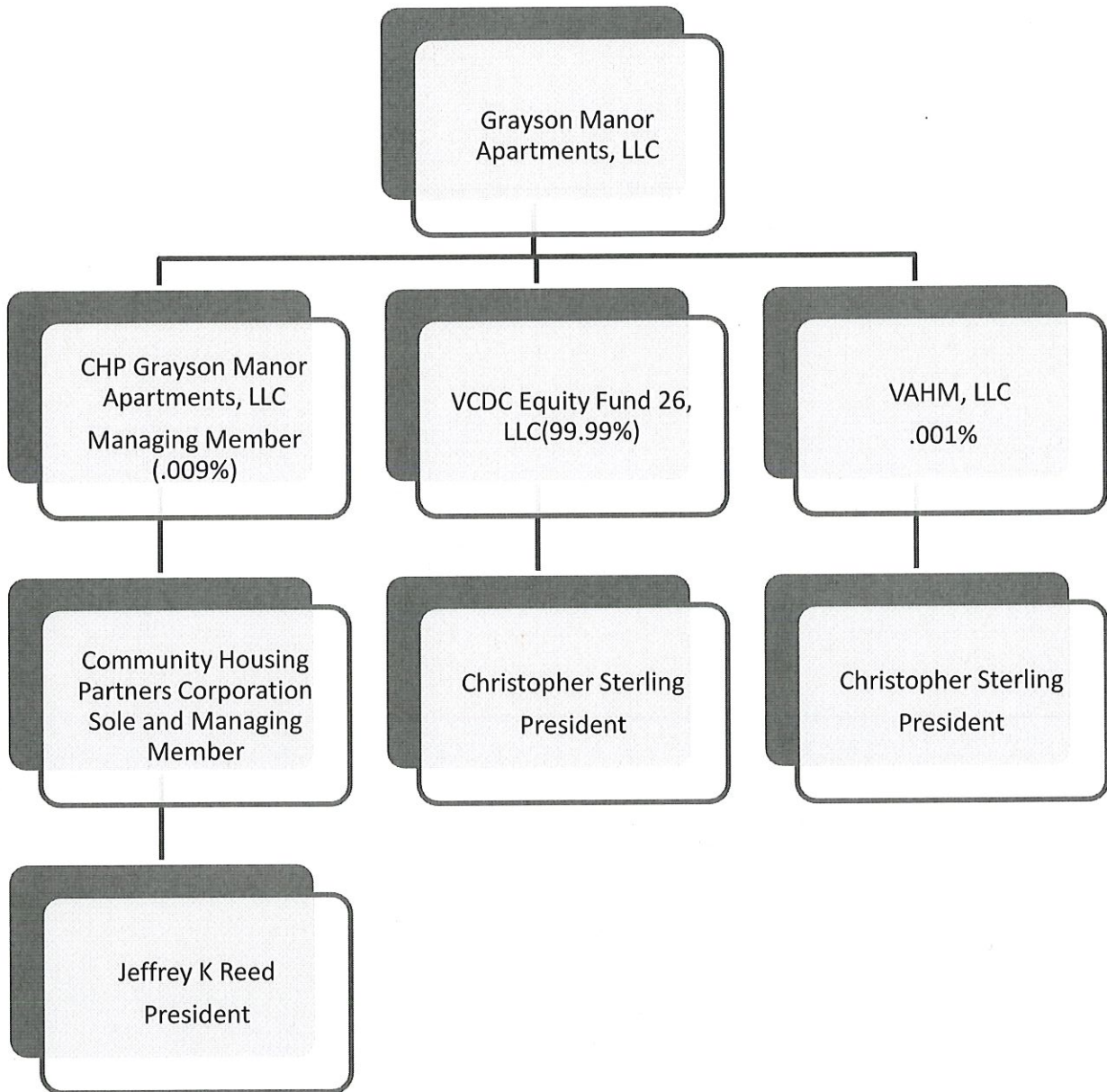


EXHIBIT F

4C. Virginia and Community Activity

Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?

☒ Yes ☐ No If yes, or no, explain nature, extent and duration of any service:

CHP's Resident Services division has significant experience in recruiting and placing volunteers and community-based partners to work alongside our staff to enhance the health and quality of life of our residents. CHP currently has a full-scale property management operation based in Virginia managing CHP-owned assets and others owned by like-minded 3rd party owners. CHP's property management portfolio consists of 6,563 units of affordable housing including Tax Credit, Section 8, Home, RAD, Sail, HUD 236, 202, 811, 221 D-4 and Rural Development 515. Of the 6,563 units of affordable housing, 5,874 units are CHP-owned, and 689 units are fee managed by CHP for 3rd party owners.

CHP creates or preserves community centers and/or community space with every new rental real estate development project. The inclusion of community-centered space is instrumental in providing services to CHP's residents, thereby keeping them active and engaged in the community. CHP's community centers include multi-functional spaces such as computer learning centers, libraries, multi-purpose meeting rooms, and full warming kitchens.

Portfolio-wide, we manage a resident population with 3,197 (56.28%) households considered to be Extremely Low Income (ELI, 30% AMI and lower), 1,598 (28.13%) resident households considered to be Very Low Income (VLI, 50% AMI and lower) and 626 (11.02%) resident households considered to be Low Income (LI, 80% AMI and lower). CHP's property management portfolio consists of 1,778 HAP and 886 Rural Development Rental Assistance units, and almost 25% of CHP's property management portfolio operates under a project-based section 8 contract.

EXHIBIT G

4F. Virginia and Community Activity

Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?

☒ Yes ☐ No If yes, explain:

Grayson Manor is a property for Seniors in Independence, Virginia. The County Health Rankings ranked Grayson County 74 out of 133 counties in Virginia with a rank of 102 out of 133 for Health Behaviors. Adult obesity, physical inactivity, and limited access to healthy foods are three of the most problematic areas identified. The county also has one primary care physician per almost 4,000 residents, and a review of community assets finds that the closest hospital is more than 10 miles away from the apartment community, so access to healthcare is also an issue.

Resident Services at Grayson Manor already has 6 community partners with a focus on health and safety, and a review of area resources has identified 2 more potential partners.

The age distribution for Independence shows that over 30% of people in the town are over the age of 65, and most households (51.2%) make less than \$25,000 per year. Safe and affordable housing for Seniors is important to have in the area.

In 2022, CHP had relationships with 15 committed partners in and around the Independence, Virginia area. At Grayson Manor, the value of these partnerships totaled \$16,107.40. Below, please find the 2022 committed partner list for the area.

Access Home Health
At Home MD
Blue Ridge Home Health Care
Carter Bank & Trust
District III
Fancy Gap Friends
Food Independence
Galax Pentecostal Holiness Church
Good 360
Grayson Nursing & Rehab
Independence Police Department
Jewish Family Services
Medi Home Health & Hospice
Oak Hill Academy

EXHIBIT H



COMMUNITY HOUSING PARTNERS

Community Housing Partners
www.CommunityHousingPartners.org

4915 Radford Avenue, Suite 300, Richmond, VA 23230 | (804) 343-7201, TTY: 711, fax: (804) 343-7208



September 2022

Dear Resident,

We would like to invite you to talk with a Community Housing Partners (CHP) staff member about the renovation of Grayson Manor. This will be a 1-on-1 meeting to give you individualized attention to address any questions or concerns you may have about the upcoming renovations for Grayson Manor Apartments. We want you to be informed about the upcoming construction activities. Please feel free to bring guests with you to this meeting if you desire.

Please call Julie Swann at 704-796-0198 to schedule your individual meeting time, which will last approximately 15 minutes. Please Reserve your spot by September 30th.

Meeting times will be during the below dates:

- **Thursday, October 6th from 1:00 am to 5:00 pm**
- **Friday, October 7th from 9:00 am to 5:00 pm**

Your 1-on-1 meetings will be held in the **Grayson Manor Community Building on October 6th and Friday, October 7th**

If you have any questions about our plans, please contact Julie Swann, CHP Development Associate, at 704-796-0198 or via email at julie.swann@chpc2.org. We look forward to seeing you on October 6th and 7th.

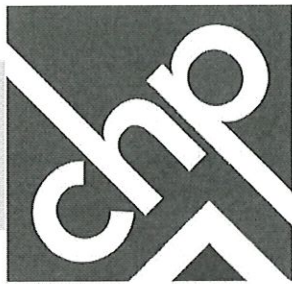
Sincerely,

Julie Swann
Development Associate
Community Housing Partners
704-796-0198

We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, national origin, religion, disability or familial status (having children under age 18), or any other legally protected characteristic. We do not interfere, threaten, or coerce persons in the exercise of their fair housing rights. We do not retaliate against persons who have asserted their rights or persons who have assisted someone in asserting their rights.



NeighborWorks®
CHARTERED MEMBER



INVITATION



Please join CHP for an informational meeting about the upcoming renovations!



WHO

Residents and staff of
Grayson Manor
Apartments



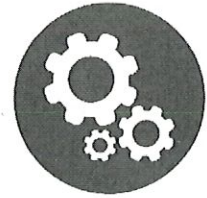
WHERE

The Community
Building



WHEN

Thursday, October 6
from
10 a.m. to 12 p.m.



HOW

We'll have refreshments
and details about the
renovation plans

We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, national origin, religion, disability or familial status (having children under age 18), or any other legally protected characteristic. We do not interfere, threaten, or coerce persons in the exercise of their fair housing rights. We do not retaliate against persons who have asserted their rights or persons who have assisted someone in asserting their rights.

EXHIBIT I

Grayson Manor
Non-profit Questionnaire
Exhibit I - CHPC List of JV Partnerships with a For-profit Entity

4. Virginia and Community Activity

n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity?

Yes ☒ No ☐ If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

Development: Non-Profit Role: Management: Status:	Mariner's Landing (274 units), Newport News, VA, received Credits. Community Housing Partners Corporation (CHP) served as Contractor. Principal of CHP is Janaka Casper. SL Nusbaum Realty CO was the management agent. Principal of SL Nusbaum is Alan B Nusbaum. The development is operational within TC Compliance Period. CHP withdrew from this partnership in 1998.
Development: Non-Profit Role: Management: Status:	Ocean Gate Apartments (174 units), Virginia Beach, VA, received Credits CHP served as Contractor. Principal of CHP is Janaka Casper. SL Nusbaum Realty CO was the management agent. Principal of SL Nusbaum is Alan B Nusbaum. The development is operational within TC Compliance Period. CHP withdrew from this partnership in 1998.
Development: Non-Profit Role: General Contractor: Management: Status:	Woodburn Apartments (144 units), Manassas, VA - date of application- 3/1/1996 CHP served as minority General Partner and co-developer. National Housing Building Corporation served as Contractor. Principal is EV Hoffman. Harbor Group was the Management Agent. Principal of Harbor Group is Dick Swift. CHP withdrew from this partnership and sold the right of first refusal in 2013.
Developments: Non-Profit Role: Status:	High Meadows Associate Limited Partnership, Peppers Crossing Limited Partnership and The Station at Dowdy Drive Limited Partnership CHP served as a Joint Venture Partner with Unlimited Construction, Inc. CHP withdrew from these partnerships in May 2006 before tax credits were awarded.
Development: Non-Profit Role: General Contractor: Management: Status:	Friendship Village Apartments, Virginia Beach, VA, received Credits in 2009 CHP is 51% owner of the General Partner, JV Partner Atlantic Development, LLC. The key principal is Drew Fitch. CHP served as Contractor. Principal of CHP is Janaka Casper. Management Agent is CHP. Principal of CHP is Janaka Casper. The development is operational within TC Compliance Period.
Development: Non-Profit Role: General Contractor: Management: Status:	Primrose Place Apartments (125 units), Baltimore, Maryland, received Credits in 2016. CHP served as Developer Partner with the Housing Authority of Baltimore City and the French Development Company. CHP served as the General Partner and owner of Primrose Place Apartments. Principal of CHP is Janaka Casper. Southway Builders served as the Contractor. Principal of Southway Builders is Willie Moore. Management Agent is CHP. Principal of CHP is Janaka Casper The development is operational within TC Compliance Period.

Grayson Manor
Non-profit Questionnaire
Exhibit I - CHPC List of JV Partnerships with a For-profit Entity

Development: Non-Profit Role: General Contractor: Management: Status:	The Residences at North Hill 2 (75 units), Fairfax County, Virginia. Received 2017 credits. CHP is co-developer with Pennrose GP, LLC. CHP controls the 49% managing member that controls the sole member that controls the managing member that controls the owner of The Residences at North Hill 2. Principal of CHP is Janaka Casper. Proposed Contractor is Breeden Construction. Principal of Breeden Construction is Brian Revere. Proposed Management Agent is Pennrose GP, LLC. Principals of Pennrose are Richard Barnhart, Mark Dambly and Timothy Henkel. The project is currently in construction.
Development: Non-Profit Role: General Contractor: Management: Status:	Senior Residences at North Hill (63 units), Fairfax County, Virginia. Received 2017 credits. CHP is co-developer with Pennrose GP, LLC. CHP controls the 49% managing member that controls the sole member that controls the managing member that controls the owner of Senior Residences at North Hill. Principal of CHP is Janaka Casper. Proposed Contractor is Breeden Construction. Principal of Breeden Construction is Brian Revere. Proposed Management Agent is Pennrose GP, LLC. Principals of Pennrose are Richard Barnhart, Mark Dambly and Timothy Henkel. The project is currently in construction.
Development: Non-Profit Role: General Contractor: Management: Status:	The Residences at North Hill Bond 47 (47 units), Fairfax County, Virginia. Received 2020 credits. CHP is co-developer with Pennrose GP, LLC. CHP controls the 49% managing member that controls the sole member that controls the managing member that controls the owner of Senior Residences at North Hill. Principal of CHP is Janaka Casper. Proposed Contractor is Breeden Construction. Principal of Breeden Construction is Brian Revere. Proposed Management Agent is Pennrose GP, LLC. Principals of Pennrose are Richard Barnhart, Mark Dambly and Timothy Henkel. The project is currently in construction.
Development: Non-Profit Role: General Contractor: Management: Status:	The Residences at North Hill Bond 94 (94 units), Fairfax County, Virginia. Received 2020 credits. CHP is co-developer with Pennrose GP, LLC. CHP controls the 49% managing member that controls the sole member that controls the managing member that controls the owner of Senior Residences at North Hill. Principal of CHP is Janaka Casper. Proposed Contractor is Breeden Construction. Principal of Breeden Construction is Brian Revere. Proposed Management Agent is Pennrose GP, LLC. Principals of Pennrose are Richard Barnhart, Mark Dambly and Timothy Henkel. The project is currently in construction.

EXHIBIT J

Grayson Manor
Non-profit Questionnaire
Exhibit J - CHPC List of Projects as Sole GP-MM

4. Virginia and Community Activity

o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member?

☒ Yes ☐ No

If Yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

Note: Listing reflects LIHTC applications where CHP acted as the Sole General Partner/Managing Member.

Property Name	Location	Date of Application	Result of Application	Status of Development
1 Johnson Williams	Berryville, VA	1993 9% Competitive	Awarded Tax Credits	In extended use
2 River Trace	Newport News, VA	1993 9% Competitive	Awarded Tax Credits	In extended use
3 Canterbury Crossings	Chesapeake, VA	1997 9% Competitive	Awarded Tax Credits	In extended use
4 Grayson Manor	Independence, VA	1997 9% Competitive	Awarded Tax Credits	In extended use
5 Westbridge	Chesapeake, VA	1997 9% Competitive	Awarded Tax Credits	In extended use
6 Cedar Crest I	Blackburg, VA	1998 9% Competitive	Awarded Tax Credits	In extended use
7 Orchard Grove	Pearisburg, VA	1998 9% Competitive	Awarded Tax Credits	In extended use
8 Westover Commons	Petersburg, VA	1999 4% Tax Exempt	Awarded Tax Credits	In extended use
9 Battleground	Saltville, VA	1999 9% Competitive	Awarded Tax Credits	In extended use
10 Cedar Crest II	Blackburg, VA	2000 9% Competitive	Awarded Tax Credits	In extended use
14 Woods at Yorktown (Yorkshire)	Yorktown, VA	2001 9% Competitive	Awarded Tax Credits	In extended use
15 Northway	Galax, VA	2002 4% Tax Exempt	Awarded Tax Credits	In extended use
17 Ansell Gardens	Portsmouth, VA	2002 9% Competitive	Awarded Tax Credits	In extended use
18 Cedar Crest III	Blackburg, VA	2002 9% Competitive	Awarded Tax Credits	In extended use
19 Meadowview	Pulaski, VA	2002 9% Competitive	Awarded Tax Credits	In extended use
20 College Green I	Warsaw, VA	2003 9% Competitive	Awarded Tax Credits	In extended use
21 Honeytree Apartments	South Boston, VA	2003 9% Competitive	Awarded Tax Credits	In extended use
25 Sentry Woods	Dinwiddie, VA	2003 9% Competitive	Awarded Tax Credits	In extended use
26 Rappahannock	Tappahannock, VA	2004 9% Competitive	Awarded Tax Credits	In extended use
28 Rivermeade I	Yorktown, VA	2004 9% Competitive	Awarded Tax Credits	In extended use
29 Yorktown Sq. I	Yorktown, VA	2004 9% Competitive	Awarded Tax Credits	In extended use
30 Yorktown Sq. II	Yorktown, VA	2004 9% Competitive	Awarded Tax Credits	In extended use
31 Courthouse Green	Spotsylvania, VA	2005 9% Competitive	Awarded Tax Credits	In extended use
32 Lafayette Village Square	Williamsburg, VA	2005 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
33 Lafayette Village Elderly	Williamsburg, VA	2005 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
34 Lafayette Village Family	Williamsburg, VA	2005 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
35 Rivermeade II	Yorktown, VA	2005 9% Competitive	Awarded Tax Credits	In extended use
36 Boody	Morehead, KY	2006 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
37 College Green II	Warsaw, VA	2006 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
38 Spicers Mill	Orange, VA	2006 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
39 Rutledge Hills	Amherst, VA	2007 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
40 Dolly Ann Apartments	Covington, VA	2009 9% Competitive	Awarded Tax Credits	Operating within TC compliance period

Grayson Manor
Non-profit Questionnaire
Exhibit J - CHPC List of Projects as Sole GP-MM

	Property Name	Location	Date of Application	Result of Application	Status of Development
41	Friendship Village	Virginia Beach, VA	2009 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
42	Linden Green	Christiansburg, VA	2009 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
43	Parkview Gardens	Farmville, VA	2010 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
44	Hilltop Terrace	Lexington, NC	2011 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
46	Greenstone on 5th (Blue Ridge Commons)	Charlottesville, VA	2012 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
47	Laurel Woods	Pulaski, VA	2012 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
48	Main Cross Apartments	Mt Sterling, KY	2012 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
49	Maplewood (Rivermont)	Martinsville, VA	2012 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
50	Warwick SRO	Newport News, VA	2012 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
51	Hunting Hills	Christiansburg, VA	2013 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
52	Overlook Terrace	Fredericksburg, VA	2013 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
53	Smokey Ridge	Christiansburg, VA	2013 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
54	The Summit (Langston Park)	Hopewell, VA	2013 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
55	Bettie Davis Village	Suffolk, VA	2014 4% Tax Exempt	Awarded Tax Credits	Operating within TC compliance period
56	Belleville Meadows	Suffolk, VA	2014 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
57	Kippax Place	Hopewell, VA	2014 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
59	Lindsay Hill	Lorton, VA	2014 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
60	Planters Woods	South Hill, VA	2015 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
61	Powell Valley	Jonesville, VA	2015 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
62	Sun Valley Landings	Dublin, VA	2015 9% Competitive	Awarded Tax Credits	Returned Tax Credit Award
63	Apartments at Kingsridge	Richmond, VA	2016 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
64	Apartments at Kingsridge 2	Richmond, VA	2018 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
65	Townsquare at Dumfries	Triangle, VA	2018 4% Tax Exempt	Awarded Tax Credits	Operating within TC compliance period
66	Northway	Galax, VA	2020 9% Competitive	Awarded Tax Credits	Under Construction
67	Senior Townsquare at Dumfries	Triangle, VA	2020 9% Competitive	Awarded Tax Credits	Operating within TC compliance period
68	Woods at Yorktown NC	Yorktown, VA	2020 9% Competitive	Awarded Tax Credits	Returned Tax Credit Award
69	Apartments at Kingsridge 3	Richmond, VA	2020 9% Competitive	Awarded Tax Credits	Completion 3/2022
70	Wellesley	Newport News, VA	2021 9% Competitive	Awarded Tax Credits	In predevelopment
71	Cross Creek Rehab	Portsmouth, VA	2021 9% Competitive	Awarded Tax Credits	Returned Tax Credit Award
72	Holly Court	Kilmarnock, VA	2021 9% Competitive	Awarded Tax Credits	Under Construction
73	Grayson Manor	Independence, VA	2021 9% Competitive	Awarded Tax Credits	Under Construction
74	Crestview Senior	Dumfries, VA	2022 9% Competitive	Awarded Tax Credits	In predevelopment

EXHIBIT K

4. Virginia and Community Activity

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the Virginia Housing Funds?

☒ Yes ☐ No If yes, explain:

CHPC received Flex Funds for Friendship Village in Virginia Beach; Allegheny Apts. in Radford; Atrium Apartments in Pulaski; Lafayette Village Family in Williamsburg; Lafayette Square in Williamsburg; and Courthouse Green Apts. in Spotsylvania, Virginia.

SPARC funds have been awarded for Belleville Meadows Apartments in Suffolk; Lindsay Hill Apartments in Lorton; Planters Woods Apartments in South Hill; Powell Valley Village Apartments in Jonesville; Tranquility at the Lakes in Virginia Beach; Kippax Place Apartments in Hopewell; Overlook Terrace in Spotsylvania; Smokey Ridge in Christiansburg; Lafayette Village Family in Williamsburg; Lafayette Square in Williamsburg; Lafayette Village Elderly in Williamsburg; Courthouse Green in Spotsylvania; Rivermeade II in Yorktown; and Yorktown Square I in Yorktown, Virginia.

CHP has also received VHF funds for Westbridge Apts. in Chesapeake; Cedar Crest I, II, & III. in Blacksburg; Orchard Grove in Pearisburg; Westover Commons in Petersburg; Meadowview Apts. in Pulaski; Northway Apts. in Galax; Battleground Apts. in Saltville; Atrium Apts. in Pulaski; Yorkshire Apartments in Yorktown; Honeytree Apts. in South Boston; Checed Warwick Apts. in Newport News; Sentry Woods Apts. in Dinwiddie; Church Manor Apts. in Smithfield; and College Green I Apts. in Warsaw, Virginia.

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Relocation Plan

Grayson Manor

Independence, Virginia

I. Project Information

Name of Development:	Grayson Manor
Address:	224 Nichols Drive Independence, VA 24348
Owner's Representative:	Grayson Manor Apartments, LLC C/O Community Housing Partners Corporation Samantha Brown Vice President of Development 804-343-7201 sbrown@chpc2.org 4915 Radford Ave. Suite 300 Richmond, VA 23230
Property Management:	Community Housing Partners Corporation (CHP) Janet Riddlebarger Vice President of Property Management 540-595-0945 Janet.riddlebarger@chpc2.org 448 Depot St NE Christiansburg, VA 24073

The owner, Grayson Manor Apartments, LLC agrees to comply with Virginia Housing's (VH) Relocation Assistance Guidelines and the Uniform Relocation Assistance Act of 1970 (URA), Section 104(d) as well as other state and local regulations relevant to tenant relocation, as applicable. Our relocation compliance activities will include, but are not limited to:

1. Full communication of plans
2. 120-day General Information Notices
3. Tenant Advisory Services
4. Notice of Non-Displacement
5. 30-day move notices
6. Relocation assistance
7. Relocation payments
8. The Relocation Plan will be kept in plain sight
9. Documentation of compliance for all residents subject to relocation

The owner intends to temporarily relocate residents of Grayson Manor Apartments while their apartment units are undergoing significant renovations. The owner will comply with Virginia Housing's Relocation Assistance Guidelines and the Uniform Relocation Assistance Act of 1970 (URA), Section 104(d) as well as other state and local regulations relevant to tenant relocation, as applicable. All temporary resident relocation costs will be paid by the owner, including packing assistance, round trip moves and utility transfers. All packing materials will be provided to residents at no charge. The renovation of Grayson Manor apartment units is anticipated to start May 25, 2023 and be completed by March 1, 2024 with no residents expected to be permanently relocated.

To ensure that residents are kept well informed throughout the process and that their concerns are addressed the owner, property management team and the general contractor will host a series of meetings for residents. These meetings will take place prior to the start of construction and during each phase of the redevelopment and will allow residents the opportunity to express any concerns and have their questions answered related to the construction schedule and the temporary relocation process.

The owner will also conduct one-on-one interviews with the residents to allow them the opportunity to express any concerns and address any questions they may have.

A General Information Notice will be sent at least 120 days prior to the commencement of any construction activities advising residents of their rights under VH's Relocation Assistance Guidelines and the Uniform Relocation Assistance Act of 1970 (URA), Section 104(d) as well as other state and local regulations relevant to tenant relocation, as applicable. Clear communication will be maintained with residents throughout the construction and relocation process through frequent notices and updates as well as resident meetings.

II. Project Scope

Grayson Manor Apartments was constructed in 1998 and consists of 4 one-story apartment buildings and a single community/office building. Each apartment building contains 8 apartments all of which are one-bedroom units. The project therefor consists of 32 one-bedroom apartment units in total which provide affordable housing to seniors.

Proposed improvements include but are not limited to:

- Site lighting and sidewalk improvements
- New windows
- Installation of new and energy efficient HVAC systems
- Replacement of unit flooring
- Replacement of cabinets and counter tops
- Renovation of bathrooms and replacement of bathtubs
- Installation of low flow faucets, shower heads and toilets
- Installation of Energy Star appliances and lighting
- Replacement of hot water heaters

Estimated Start Date: May 25, 2023

Estimated Completion Date: March 1, 2024

III. Planned Measures to Minimize Construction Impact on Occupied Units

The impact on the existing residents of Grayson Manor Apartments renovation project will be minimized to the greatest extent possible. The Renovation of each apartment building will be accomplished in approximately 10 to 12 weeks (depending on whether the building has Section 504 units which take longer to renovate) and renovations will proceed by building. Additional work may be required in renovated units requiring short 1-2-hour visits to complete touch up painting and other final details, however residents can be in their units during this work.

During the 10-12 week renovation process, residents will be moved to temporary “hotel units” within the project site. These will be apartments on the site that have been readied for residents to temporarily reside while their unit is being renovated. Residents will then move to a permanent unit once construction is complete. Our goal is to limit the amount of resident disturbance during the rehabilitation and, we will make every effort to move residents only once from their original unit to a newly renovated unit.

Contractors may be on site from 6:00 a.m. to 5:00 p.m. Staging will start no earlier than 6:00 a.m. and the use of power tools or heavy machinery will begin no earlier than 8am, Monday through Friday unless approved by owner.

IV. Projected Rents and Rental Policies After Rehab

Projected Rents

Unit Type	No. of Units	Initial Contract Rent	Subsidy
1 BR – 1 Bath	27	\$670	YES
1 BR – 1 Bath	5	\$670	YES

Rental Policies:

CHP’s Property Management division will have the responsibility for day-to-day management of property operations. The Project will follow applicable statutes, regulations, and guidance, as provided by VH’s *Relocation Assistance Guidelines* as well as the Uniform Relocation Assistance Act of 1970 (URA), Section 104(d) and other state and local regulations, as applicable.

No current residents will be permanently involuntarily displaced from the Project site.

All residents will receive a unit that meets the unit size and rent requirements according to HUD, VH, RD and local jurisdiction occupancy standards. For most tenants, this means that they will return to a unit of a similar size and type as their prior unit. Tenants who were over-housed in their original unit will generally be required to accept a unit at the Project site that meets the HUD, VH and local jurisdiction size and occupancy standards. However, if there are no appropriately sized units for the families to move in to, such over-housed tenants may remain in a unit that is similar in size as their original unit until an appropriately sized unit becomes available.

Tenants who request a reasonable accommodation will be accommodated in accordance with the owner and Property Management’s reasonable accommodation policy and all applicable state, federal and local

requirements.

If the property is home to non-English speaking/reading residents, appropriate translation and/or interpretation services will be provided to ensure that these residents adequately understand relocation, construction, leases and established rules and policies.

V. Advisory Services

The owner and Property Management staff will provide informational and advisory services before and during renovations. These services will include but are not limited to the following:

- a. Provide referrals for tenants to replacement properties as needed.
- b. Provide tenants with written information and/or translation services in their native languages if necessary.
- c. Provide appropriate counseling for tenants who are unable to read and understand notices.
- d. Provide contact information for questions and access to phone or computer if needed to make contact.
- e. Provide transportation for tenants needing to look at other housing, especially those who are elderly or disabled, as needed.
- f. Understand and anticipate the needs of families and the elderly to meet the special advisory services they may need.
- g. Ensure residents are aware that appointments can be scheduled outside of normal business hours if needed.
- h. Provide tenant advisory services and moving cost reimbursement for those residents that will be temporarily relocated for longer than 30 days.

VI. Estimated Determination as to Moving Cost Reimbursement

Funds are included in the Grayson Manor Apartments development budget for moving and other costs related to the temporary relocation of residents. Community Housing Partners will provide coordinated support and assistance to any residents requiring additional help during the moving process.

Anticipated moving costs are as follows:

Resident Moves:
\$750 per unit

Utility/Cable Transfer reimbursements based on receipts:

Appalachian Power (Electric):	\$50
Community Phone Cox/Comcast (Landline phone):	\$50
Cox Cable/Comcast (Internet):	\$50

If the resident opts to move their own belongings, Community Housing Partners will provide reimbursement of moving costs, to be determined as noted below:

1. The lower of two bids or estimates prepared by a commercial mover; or
2. Receipted bills for labor and equipment provided by a commercial mover; or

3. Utilize the Federal Highway Administration's Fixed Residential Moving Cost Schedule for Virginia

To process tenant moving costs, tenants will be informed they are required to provide documentation, including bills, certified prices, appraisals and other evidence of expenses. As the Owner, we will:

- Provide reasonable assistance necessary to complete and file tenants' claims for payment.
- Reimburse moving costs upon receipt of billing documentation from the tenant.
- Provide expedited return of security deposits or allow tenants to apply security deposits to the last month's rent.
- Make advanced payments, if a tenant demonstrates the need, to avoid or reduce a hardship (often tenants will need these payments for security deposits).
 - Promptly notify the tenant in writing of its determination, the basis for its determination and the procedures for appealing that determination, if it disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds.
- Not propose or request that a displaced tenant waive his or her rights or entitlements to relocation assistance and benefits.

VII. Unit Delivery Schedule

Building	May 2023	July 2023	September 2023	December 2023	March 2024
1	Renovation Start	8 Units Finished			
2			8 Units Finished		
3				8 Units Finished	
4					8 Units Finished

This relocation plan will be displayed on site in the Grayson Manor Apartments manager's office.

All documentation related to relocation activities connected with the planned improvements at Grayson Manor Apartments, to include, but not limited to formal notices, moving cost reimbursements and other such documentation will be stored in individual resident relocation files.

Tab K:

Documentation of Development Location:

Tab K.1

Revitalization Area Certification



Revitalization Area

General Instructions

Revitalization areas are defined in Virginia Code §36-55.30:2.A.

Designation

To qualify for revitalization area points, select one of the following (and provide adequate documentation):

1. The development is located in a Qualified Census Tract, as defined by HUD.
2. The development is located in a census tract wherein 70% or more of the families have incomes which are \leq 80% statewide median income. NOTE: these census tracts are included in the definition of targeted area for single-family lending purpose, but do not include ACEDS.
3. The development is located in an already established redevelopment area, conservation area or rehabilitation district created by a city or county, pursuant to §36-1 et seq. Documentation must show area boundaries and support that the development lies within those boundaries.
4. The development is located in a Housing Rehabilitation Zone established through an ordinance created by a city, county or town pursuant to §36-55.64. Documentation must include a copy of the ordinance with support that the development lies within the Rehabilitation Zone.
5. The development is located in a defined revitalization area. Documentation must include a resolution from the locality supporting the development's location within the revitalization area. See language below.

*The above-referenced development is located in a Revitalization Area in the Town/City/County of _____, Virginia. The revitalization area is (i) **either** (1) blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such area are subject to one or more of the following conditions- dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty or otherwise inadequate design, quality or condition, **or** (2) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; **and** (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.*

Delete the language that does not apply, (i)(1) or (i)(2) above.



ABOUT PD&R

RESEARCH & PUBLICATIONS

DATASETS

QUICK LINKS

EVENTS



2022 and 2023 Small DDAs and QCTs



224 nichols drive, independence, va

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline



LIHTC Project



2023 Qualified Census Tracts

SADDA Legend:

FMR Boundary



2023 Small DDA



Non Metro DDA

Hide the overview

The 2023 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2023. The 2023 designations use population and tract boundaries from the 2020 Decennial census. The designation methodology is explained in the **Federal Register notice** published October 24, 2022.

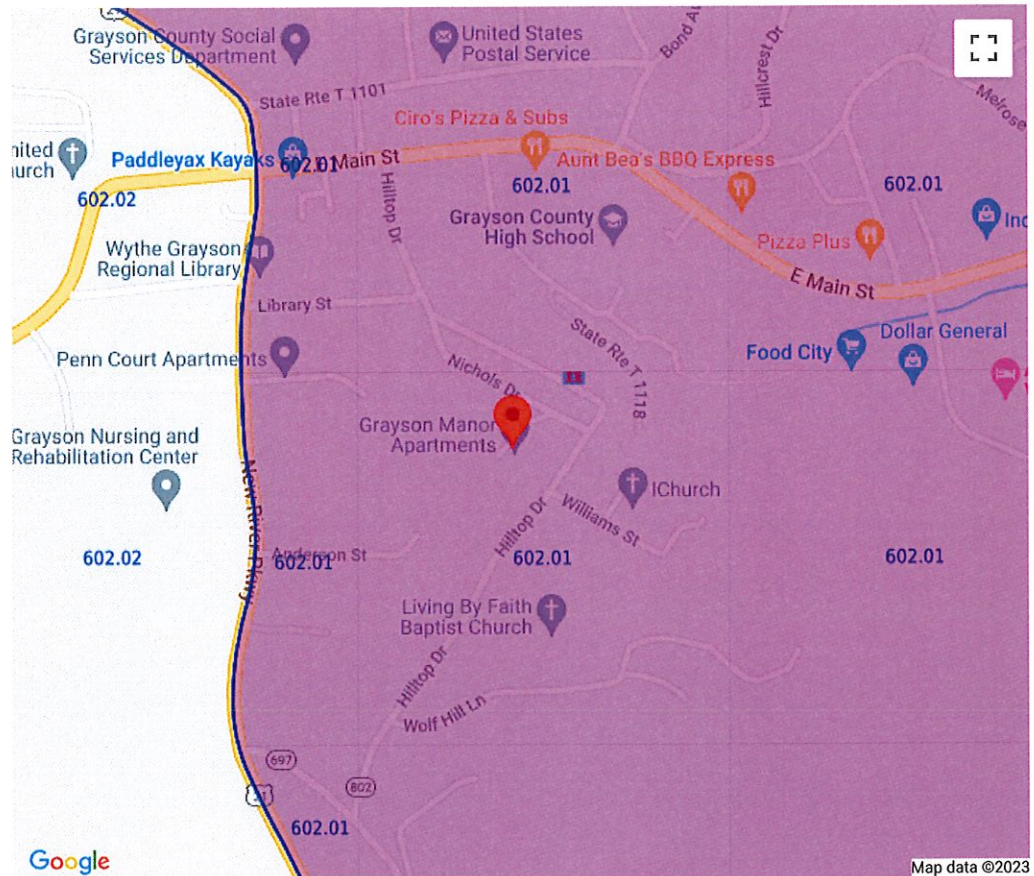
Map Options

16 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

☒ 2023☐ 2022

Map data ©2023

2.3K

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[Reports](#)

Town of Independence



317 East Main Street

P.O. Box 99

Independence, Virginia 24348

(276) 773-3703 Fax (276) 773-2634

email: townmanager@independenceva.com

GRAYSON MANOR REVITALIZATION ZONE

MARCH 9, 2021

WHEREAS, Grayson Manor is located at 224 Nichols Dr, Independence, VA 24348 as described on the legal description attached hereto as Exhibit A and referred to herein as the "Area;" and

WHEREAS, The Area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such Area are subject to one or more of the following conditions: dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty or otherwise inadequate design, quality or condition; and

WHEREAS, private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such Area and will induce other persons and families to live within such Area and thereby create a desirable economic mix of residents in the Area; and

WHEREAS, the Town of Independence, Virginia, desires to support and encourage efforts to improve and rehabilitate the Area;

NOW, THEREFORE, BE IT RESOLVED by the Town of Independence, Virginia that the Area is hereby designated as a Revitalization Area.

Attest:

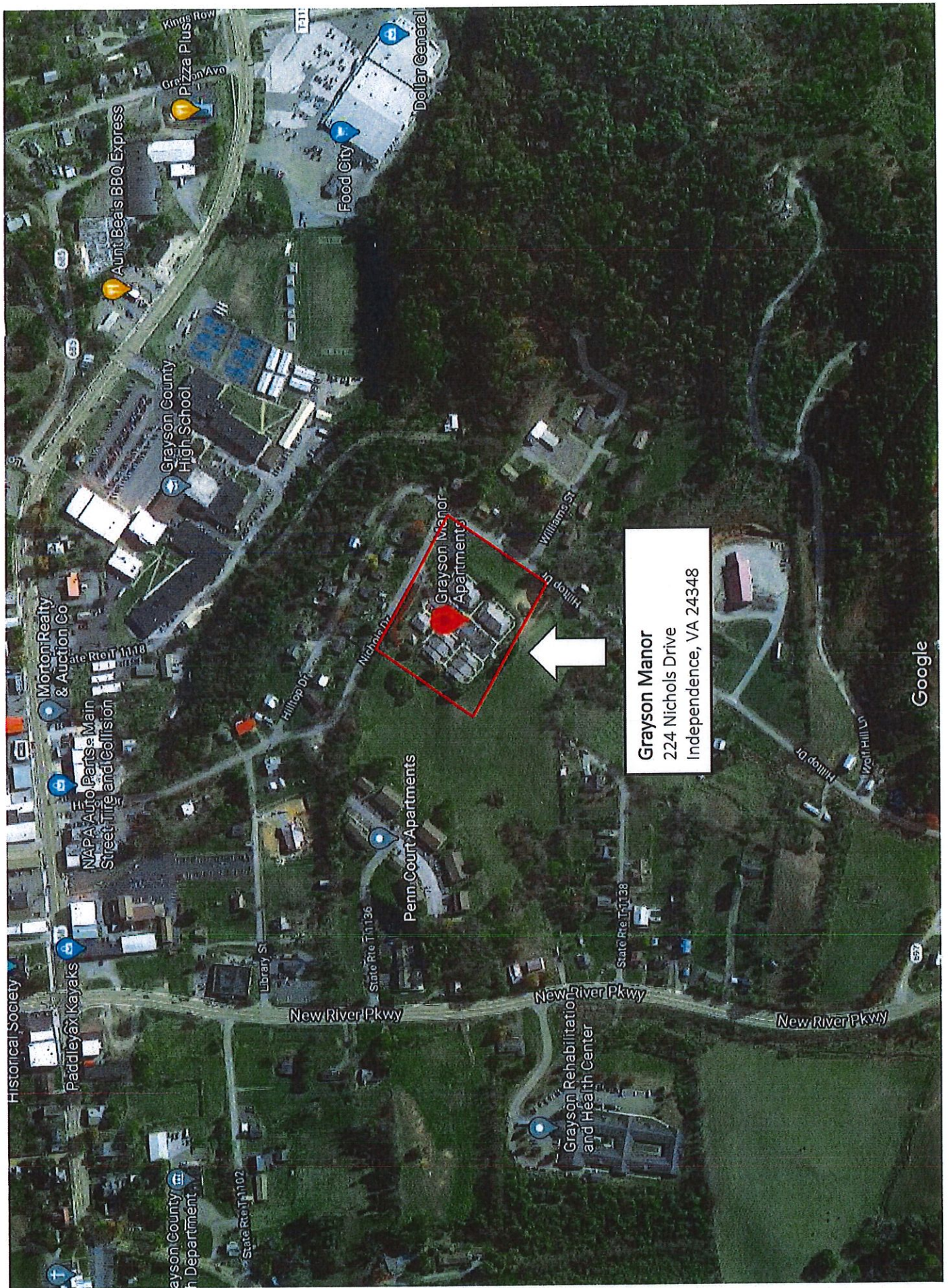
Kim Farmer, Town Clerk

By:

E.F. "Butch" Reeves, IV, Mayor

Tab K.2

Location Map



Grayson Manor
224 Nichols Drive
Independence, VA 24348



Tab K.3

Surveyor's Certification of Proximity To Public
Transportation



ENGINEERING • LAND PLANNING • SURVEYING

Surveyor's Certification of Proximity to Transportation

DATE: 2/24/23

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

RE: 2023 Tax Credit Reservation Request

Name of Development:

Grayson Manor

Name of Owner:

Grayson Manor Apartments, LLC

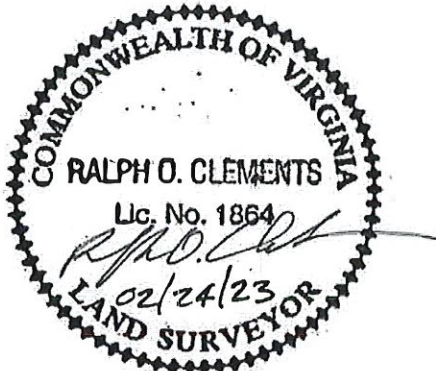
Gentlemen:

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

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

☐ 2,640 feet or 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.



Foresight Design Services

Firm Name

By: R. O. Clements

Ralph O. Clements, L.S.

Its: Director of Surveying

Title

EXCEPTIONAL DESIGN FOR A
BETTER COMMUNITY

1260 Radford Street
Christiansburg, VA 24073

540.381.6011
foresightdesignservices.com

Tab L:

PHA / Section 8 Notification Letter

Appendices continued

PHA or Section 8 Notification Letter

Date March 3, 2023

To Rooftop of VA: Cliff Testerman
206 N Main Street
Galax, VA 24333

RE: Proposed Affordable Housing Development

Name of Development Grayson Manor

Name of Owner Grayson Manor Apartments, LLC

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from Virginia Housing. We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on August 15, 2023 (date).

The following is a brief description of the proposed development:

Development Address _____
224 Nichols Drive

Independence, VA 24348

Proposed Improvements:

☐ New Construction: _____ #Units _____ #Buildings
☐ Adaptive Reuse: _____ #Units _____ #Buildings
☒ Rehabilitation: 32 #Units 4 #Buildings

Proposed Rents:

☐ Efficiencies: \$ _____ /month
☒ 1 Bedroom Units: \$ 670 /month
☐ 2 Bedroom Units: \$ _____ /month
☐ 3 Bedroom Units: \$ _____ /month
☐ 4 Bedroom Units: \$ _____ /month

Other Descriptive Information:

Rehab of 32 one-bedroom senior apartments and a community building.

Appendices continued

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (804) 614 - 2682 .

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

Sincerely yours,

Name Samantha Brown

Title Vice President of Community Housing Partners

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

Seen and Acknowledged By 

Printed Name: Cliff Testerman

Title Housing/Facilities Director

Phone 276-236-7131 ext 247

Date 3-2-2023

Tab M:

Locality CEO Response Letter

Not Applicable

Tab N:

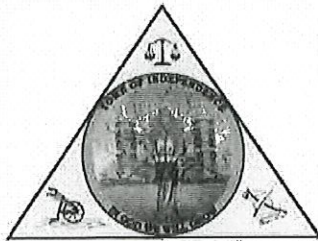
Homeownership Plan

Not Applicable

Tab O:

Plan of Development Certification Letter

Town of Independence



317 East Main Street

P.O. Box 99

Independence, Virginia 24348

(276) 773-3703 Fax (276) 773-2634

Plan of Development Certification

DATE: February 22, 2023

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

Name of Development:	<u>Grayson Manor</u>
Name of Owner/Applicant:	<u>Grayson Manor Apartments, LLC</u>
Name of Seller/Current Owner:	<u>Grayson Manor Limited Partnership</u>

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

DEVELOPMENT DESCRIPTION:

Development Address:

224 Nichols Drive

Independence, VA 24348

Legal Description:

BEGINNING at an iron pin set in the northwesterly side of Hilltop Avenue, common corner to the southwesterly side of Nichols Street; thence with the northwesterly side of Hilltop Avenue, S 41 degrees
40' 59" W 414.15 feet to an iron pin set, corner to property this day conveyed to Hunt & Associates Elderly Housing Corporation; thence with the line of property this day conveyed to Hunt,
N 54 degrees 32' 30" W 421.74 feet to an iron pin set, and N 41 degrees 40' 10" E 409.44 feet to an iron pin set in the southwesterly side of Nichols Street; thence with the line of Nichols Street,
S 55 degrees 10' 30" E 422.37 feet to an iron pin set, being the point endplace of Beginning, and being 3.95 acres, more or less, as shown on survey of Gale W. Malden, LS 1427, dated October 15, 1997.

Plan of Development Number:

Not Applicable - this project involves the renovation of an existing development

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input type="checkbox"/> Adaptive Reuse:	_____ # Units	_____ # Buildings	_____ Total Floor Area
<input checked="" type="checkbox"/> Rehabilitation:	32 # Units	4 # Buildings	23,701.64 Total Floor Area

Other Descriptive Information:

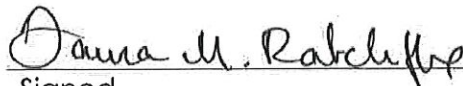
Grayson Manor Apartments is an existing affordable multifamily senior community that consists of 32 one-bedroom apartments units located in 4 separate apartment buildings along with on-site parking.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

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

The above plan of development approval is in effect until: Not Applicable



Signed

Laura M. Ratcliffe

Printed Name

Town Manager

Title

276-768-6532

Phone

March 9, 2023

Date

NOTES TO LOCALITY:

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

Tab P:

Developer Experience documentation and Partnership
agreements

Tab P:

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

Please see Procorem Work Center for
Tab P documentation

Tab Q:

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

RENTAL ASSISTANCE AGREEMENT

CASE NO.	54-047-550114131
PROJECT NO.	019

This Agreement effective on the 1st day of May, 2019 between

Grayson Manor LTD Partnership

("borrower") and its successors and the United States of America acting through the Rural Housing Service ("the Government") pursuant to section 521 (a)(2)(A) of Title V of the Housing Act of 1949.

In consideration of the mutual covenants set forth, the Parties agree as follows:

Section 1 The Government agrees to provide rental assistance in accordance with its governing rules and regulations for the number of units of housing provided according to the attached Form RD 3560-51 (Part III), "Multiple Housing Obligation-Fund Analysis," or RD 3560-55, "Multiple Family Housing Transfer of Rental Assistance," for the project located

at 248 Hilltop Drive, Independence, VA 24348

and known as Grayson Manor consisting of 32 units. The Government will pay the difference between the Government approved shelter cost for the project and the monthly tenant contribution as calculated and certified for each tenant household on Form RD 3560-8, "Tenant Certification." Additional attachments of Form 3560-51 (Part III) or Form RD 3560-55 may be made to, and shall become a part of, this Agreement when properly identified by case number, project number, dated, and duly executed by both parties.

Section 2 The borrower agrees to abide by the present and future regulations of the Government in the administration of this program.

Section 3 Borrower agrees to use due diligence in the verification and certification of tenants' incomes.

Section 4 In the event that any tenant suffers a hardship because rental assistance may not be available in the project because of the limitations on the number of units from the Government, the borrower may request additional units. If the Government provides additional units, then copies of the obligation screens will be attached by the Government to, and become a part of, this Agreement.

Section 5 Borrower agrees to comply with Government priorities for selecting tenants that receive rental assistance.

Section 6 Provisions Applicable if the Borrower is a Cooperative -

When the Borrower is a Cooperative:

(a) The term "tenant or occupant" will include a member of a cooperative. The term "household contribution" or "rent" will include the charges under the occupancy agreement between the member and the cooperative.

(b) A member of a cooperative approved for rental assistance shall agree upon a sale of their membership, any equity attributable to supplemental rent payments will be paid to the Government through the cooperative.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

(a) The provisions of the Agreement may be modified, amended, or terminated, upon written agreement of the parties.

(b) If the borrower defaults under any provision of the loan agreement, resolution, note, interest credit agreement, security instrument, or other supplementary or related agreements, or violates any program regulations, then the Government may suspend or terminate this Agreement on any specified date following the default.

(c) If the Government determines that rental assistance units are not being used after initial rent-up or are not needed because of a lack of eligible tenants in the area, then they may be transferred to another project .

(a) This Agreement and its attachments, and any additional rental assistance will expire automatically upon total disbursement or credit of rental assistance to the borrower's account, unless earlier suspended, transferred or terminated according to section 7 of this Agreement.

(b) The attachments, Form RD 3560-51 (Part III) or RD 3560-55, to this Agreement are not renewable. If additional rental assistance is needed, the borrower may submit a "Request for Rental Assistance" on Form RD 3560-7 (Budget) at anytime. If additional or replacement units are provided, a copy of the AMAS Screen MIBI will be attached to and become a part this Agreement.

Grayson Manor LTD Partnership
(Borrower)
_____, PRES.

Date: _____

[illegible]

**MULTI FAMILY HOUSING
OBLIGATION - FUND ANALYSIS
PART III**

OBLIGATION/DEOBLIGATION OF RENTAL ASSISTANCE			
44. CASE NUMBER 54-047-550114131		45. BORROWER NAME GRAYSON MANOR LTD PARTNERSHIP	
46. PROJECT NUMBER 019	47. RA AGREEMENT NUMBER 190100	48. TYPE OF UNITS H	49. TYPE OF ACTION 1
COMPLETE FOR OBLIGATION OF RA			
50. NUMBER OF UNITS RECEIVE RENTAL ASSISTANCE 32		51. AMOUNT OF RA OBLIGATION \$197,134.00	
COMPLETE FOR DEOBLIGATION OF RA			
52. NUMBER OF UNITS DEOBLIGATED		53. AMOUNT OF RA DEOBLIGATION	
54. REMARKS			

Replaces Agreement No: 180100

St: 54 Srv Off: 601 City: 047 Borr ID: 550114131 Prj Nbr: 019 Class: C
Borr Name: Grayson Manor LTD Partnership
Project Name: Grayson Manor
Project Identifier: 000008457

Project Revenue Unit Count: 32 RA Unit Count: 32

RA Suspension None

Display All Agreements

Agreement Number	Effective Date	Type	Revenue	Debt Service	Net Income	Units	Count	Check
180100	04/09/2018	H	\$181,137.00	\$135,732.00	\$45,405.00	190100	32	✓
190100	04/18/2019	H	\$197,134.00	\$0.00	\$197,134.00		32	✓
Total RA Units							32	

55. I HAVE REVIEWED THE BORROWER'S REQUEST FOR RENTAL ASSISTANCE FOR THE PROJECT AND REQUEST OBLIGATION OR DEOBLIGATION OF RENTAL ASSISTANCE FOR THE ABOVE.

DATE OF APPROVAL 18, APR 2019

DATE OF OBLIGATION April 18, 2019

Elizabeth W. Green
SIGNATURE OF APPROVAL OFFICIAL

ELIZABETH W. GREEN, State Director

Position 2



United States Department of Agriculture

Rural Development

November 19, 2022

Multifamily Housing
Field Operations Division
Northeast – Team 2

Community Housing Partners
448 Depot Str., N.E.
Christiansburg, VA. 24073

Rural Housing Service
216 Spring Run Rd.
Mill Hall, PA. 17751

RE: Grayson Manor Apts.

Dear Management:

Attached is your signed copy of the approved proposed 2023 budget for Grayson Manor Apartments. Rural Development has reviewed the request for a change in shelter costs and considered all justifications provided by project management. Rural Development has approved the rent and/ or utility allowance rates listed below. The changes for all units become effective **January 1, 2023**. The change is due to increases in normal operating expenses at Grayson Manor Apartments.

The approved rent change is as follows:

<u>Project Name</u>	<u>Unit Size</u>	<u>Present Rent</u>		<u>Approved Rent</u>	
		<u>Basic</u>	<u>Note Rate</u>	<u>Basic</u>	<u>Note Rate</u>
Grayson Manor	1BR	\$640	\$691	\$660	\$711

The approved utility change is as follows:

<u>Project Name</u>	<u>Unit Size</u>	<u>Present Utility Allowance</u>	<u>Approved Utility Allowance</u>
Grayson Manor	1BR	\$56	\$73

This approval does not authorize you to violate the terms of any lease you currently have with your tenants.

For those tenants receiving rental assistance (RA), their costs for rent and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their costs for rent and utilities will be determined by the current HUD formula.

Any tenant who does not wish to pay the Rural Development approved rent changes may give the owner 30-days notice that they will vacate. The tenant will suffer no penalty as a

USDA is an equal opportunity provider, employer, and lender.

Proposed Budget

Project Name:	GRAYSON MANOR
Borrower Name:	GRAYSON MANOR LTD COMM HOUSING PARTNE
Borrower ID and Project No:	550114131 01-9
Date of Operation:	12/11/1998

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$1,064.09

Reporting
Period

☒ Annual
☐ Quarterly
☐ Monthly

Budget Type

☐ Initial
☐ Regular Report
☒ Rent Change
☐ SMR
☐ Other Servicing

Project Rental
Type

☐ Family
☒ Elderly
☐ Congregate
☐ Group Home
☐ Mixed LH

Profit Type

☐ Full Profit
☒ Limited Profit
☐ Non-Profit

___ I hereby request ___ units of RA. Current number of RA units 32 .

The following utilities are
master metered:

☐ Gas
☒ Electricity
☐ Water
☐ Sewer
☐ Trash
☐ Other

Borrower Accounting Method

☐ Cash
☐ Accrual

result of this decision to vacate, and will not be required to pay the changed rent. However, if the tenant later decides to remain in the unit, the tenant will be required to pay the changed rent from the effective date of the changed rent.

If a tenant is presently receiving rental assistance, there is no need to recertify that person. If a tenant is not receiving rental assistance, but due to the rent increase, will now be eligible to receive it, then the current certification need only be revised. No recertification is needed.

If you have any questions, please respond to me at (570) 749-3070 or e-mail at Holly.Mantle@usda.gov.

Sincerely,

A handwritten signature in cursive script that reads "Holly J. Mantle".

Holly J. Mantle,
Loan Specialist
216 Spring Run Road, Rm, 103, Mill Hall, PA 17751
(570) 749-3070
FAX—(855) 831-7928
E-mail: Holly.Mantle@usda.gov

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2022	01/01/2022	01/01/2023	
Ending Dates:	12/31/2022	12/31/2022	12/31/2023	
PART I - CASH FLOW STATEMENT				
Operational Cash Sources				
1. Rental Income	245,760.00		253,440.00	\$20 RENTAL INCREASE
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	2,550.00		3,600.00	
5. Interest Income	0.60		0.60	
6. Tenant Charges	260.00		352.00	
7. Other - Project Sources	0.00		0.00	
8. Less (Vncy @ Cntgncy Allw)	-15,120.00		-21,080.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8@9)]	233,450.60		236,312.60	
Non-Operational Cash Sources				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	51,444.00		13,634.61	
14. Sub-Total (11 thru 13)	51,444.00		13,634.61	
15. Total Cash Sources (10+14)	284,894.60		249,947.21	
Operational Cash Uses				
16. Ttl O&M Exp (From Part II)	171,850.64		174,712.64	
17. RHS Debt Payment	12,769.08		12,769.08	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	13,343.04		13,343.04	
23. RTN Owner/NP Asset Mgt Fee	5,568.00		5,568.00	
24. Sub-Total (16 thru 23)	203,530.76		206,392.76	
Non-Operational Cash Uses				
25. Authzd Debt Pymnt (NonRHS)	29,919.84		29,919.84	
26. Capital Budget (III 4-6)	51,444.00		13,634.61	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	81,363.84		43,554.45	
29. Total Cash Uses (24+28)	284,894.60		249,947.21	
30. Net (Deficit) (15-29)	0.00		0.00	
Cash Balance				
31. Beginning Cash Balance	26,000.00		26,000.00	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	26,000.00		26,000.00	

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2022	01/01/2022	01/01/2023	
Ending Dates:	12/31/2022	12/31/2022	12/31/2023	
PART II - O&M EXPENSE SCHEDULE				
1. Maint. @ Repairs Payroll	27,754.47		31,739.52	
2. Maint. @ Repairs Supply	4,546.53		3,814.95	
3. Maint. @ Repairs Contract	2,850.00		2,350.00	
4. Painting	3,200.00		1,300.00	
5. Snow Removal	450.00		600.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	6,200.00		7,440.00	
8. Services	1,952.00		1,552.00	
9. Cptl Bgt(Part V operating)	7,600.00		2,040.00	
10. Other Operating Expenses	1,898.26		2,638.44	VEHICLE ALLOCATION AND FUEL COST/ STAFF UNIFORMS
11. Sub-Ttl O&M (1 thru 10)	56,451.26		53,474.91	
12. Electricity	5,120.00		6,778.98	
13. Water	5,000.00		5,150.00	
14. Sewer	9,000.00		9,785.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	6,987.84		7,057.68	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	26,107.84		28,771.66	
19. Site Management Payroll	14,630.00		9,938.06	
20. Management Fee	26,496.00		29,184.00	
21. Project Auditing Expense	5,334.00		6,075.00	
22. Proj. Bookkeeping/Accting	0.00		0.00	
23. Legal Expenses	200.00		100.00	
24. Advertising	405.28		208.00	
25. Phone @ Answering Service	3,468.96		3,624.44	
26. Office Supplies	2,548.20		2,854.56	
27. Office Furniture @ Equip.	1,239.00		2,892.70	
28. Training Expense	1,103.59		1,012.97	
29. Hlth Ins. @ Other Benefits	13,139.20		12,920.10	
30. Payroll Taxes	0.00		0.00	
31. Workmans Compensation	0.00		0.00	
32. Other Admin. Expenses	4,021.02		3,953.67	STAFF TRAINING/ MEALS/BANK FEES/COMMUNITY ACTIVITY
33. Sub-Ttl Admin (19 thru 32)	72,585.25		72,763.50	
34. Real Estate Taxes	9,402.72		11,746.02	
35. Special Assessments	0.00		0.00	
36. Othr Taxes, Lcnses, Permts	616.80		641.00	PERSONAL PROPERTY
37. Property @ Liability Ins.	6,686.77		7,315.55	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	16,706.29		19,702.57	
41. Ttl O&M Exps (11+18+33+40)	171,850.64		174,712.64	

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2022	01/01/2022	01/01/2023	
Ending Dates:	12/31/2022	12/31/2022	12/31/2023	
PART III - ACCT BUDGET/STATUS				
Reserve Account				
1. Beginning Balance	167,000.00		128,899.04	
2. Transfer to Reserve	13,343.04		13,343.04	
Transfer From Reserve				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	51,444.00		13,634.61	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	51,444.00		13,634.61	
8. Ending Balance [(1+2)-7]	128,899.04		128,607.47	
General Operating Account				
Beginning Balance				
Ending Balance				
Real Estate Tax And Ins Escrow				
Beginning Balance				
Ending Balance				
Tenant Security Deposit Acct				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance		90,889.27
Number of Applicants Needing RA		Amount Ahead/Behind		126,146.73

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

PART IV RENT SCHEDULE**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2022**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All			32	640	691	0	245,760	265,344	0	56
CURRENT RENT TOTALS									245,760	265,344	0	

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2022

Unit Description					Utility Types						
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Water	Other	Total Allow
N	1	All			56	0	0	0	0	0	56

B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 01/01/2023

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All			32	660	711	0	253,440	273,024	0	73
PROPOSED RENT TOTALS									253,440	273,024	0	

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2023

Unit Description					Utility Types						
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Water	Other	Total Allow
N	1	All			73	0	0	0	0	0	73

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2022	01/01/2023	01/01/2022	01/01/2023	01/01/2022	01/01/2022	01/01/2022
Ending Dates:	12/31/2022		12/31/2022		12/31/2022	12/31/2022	12/31/2022
ANNUAL CAPITAL BUDGET							
Appliances							
Appliances - Range	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	3	3,622.61	0.00	0.00	0.00	0.00	0
Carpet and Vinyl							
Carpet @ Vinyl - 1 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
Doors							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
Heat and Air Conditioning							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing							
Plumbing - Water Heater	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
Structures							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."
---------	---

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

09/30/2022

(Date Submitted)

COMMUNITY HOUSING PARTNERS

(Management Agency)

MA846239

(MA#)

(Date)

(Signature of Borrower or Borrower's Representative)

(Title)

Holly J. Mantle

Agency Approval (Rural Development Approval Official):

10/21/2022

(Date)

Project Name: GRAYSON MANOR State: 54 Servicing Office: 632 County: 47
 Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE Borr ID: 550114131 Prj Nbr: 01-9 Paid Code: Active
 Classification: A Fiscal Year: 2023 Version: 01/01/2023 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2022	01/01/2023	01/01/2022	01/01/2023	01/01/2022	01/01/2022	01/01/2022
Ending Dates:	12/31/2022		12/31/2022		12/31/2022	12/31/2022	12/31/2022
Paving							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
Landscape and Grounds							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features							
Accessibility Features - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equipment							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
Other							
List: ?	0	10,012.00	0.00	2,040.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
Total Capital Expenses	0	13,634.61	0.00	2,040.00	0.00	0.00	0

Project Name: GRAYSON MANOR	State: 54	Servicing Office: 632	County: 47
Borrower Name: GRAYSON MANOR LTD COMM HOUSING PARTNE	Borr ID: 550114131	Prj Nbr: 01-9	Paid Code: Active
Classification: A	Fiscal Year: 2023	Version: 01/01/2023	APPROVED
Totals: By Project		Analyzed: Y	

SPVS Comment:

Team Lead concurs 101822

Narrative:

GRAYSON Manor, LP Grayson Manor (019) Description of project and status GraysonManor Apartments is a thirty-two-unit elderly disabled property owned by Community Housing Partners located in the town of Independence in Grayson County. The property is located at 224 Nichols Drive Independence VA 24348. State of Compliance CHPC is actively working with Rural Development to keep this property in compliance. Project's financial status Grayson Manor remains in good financial condition. Explanation of changes in project expenses or cash that exceed the 10% threshold Specific line-item explanations are attached. Explanation of projected capital expenses Capital expenditures include replacement of appliances as needed and flooring replacement as needed. Replacement of exterior benches, and community center and office flooring, two cabinet replacements, 12 HVAC units Reason for Rent Increase 20 dollar increase budgeted to account for maintenance and market conditions. Utility allowance change request and analysis attached

Tab R:

Documentation of Operating Budget and Utility
Allowances



March 7th, 2023

Ray Wetherbee
Community Housing Partners
4915 Radford Ave #300
Richmond, VA, 23230
ray.wetherbee@chp2.org

RE: Preliminary Utility Allowance for Grayson Manor

Dear Mr. Wetherbee,

Please see the following Preliminary Utility Allowance (UA) for Grayson Manor located in Independence, Virginia. Projections were generated with the applicable rates, fees, and taxes of following providers:

Electricity:	Dominion Energy	Gas:	N/A
Water:	Town of Independence	Trash:	N/A
Sewer:	Town of Independence		

The utility rates used to produce this UA are no older than the rates in place 60 days prior to the date of this letter. Below is a table depicting the highest monthly UA by each bedroom type. Should you have any questions do not hesitate to contact me.

UTILITY ALLOWANCE			ALLOWANCES BY BEDROOM SIZE				
Utilities	Utility Type	Paid by	Studio	1-bdr	2-bdr	3-bdr	4-bdr
Heating	Electric	Tenant	N/A	\$ 13.70	N/A	N/A	N/A
Air Conditioning	Electric	Tenant	N/A	\$ 6.39	N/A	N/A	N/A
Cooking	Electric	Tenant	N/A	\$ 5.48	N/A	N/A	N/A
Lighting	Electric	Tenant	N/A	\$ 21.93	N/A	N/A	N/A
Hot Water	Electric	Tenant	N/A	\$ 12.79	N/A	N/A	N/A
Water	-	Tenant	N/A	\$ 17.29	N/A	N/A	N/A
Sewer	-	Tenant	N/A	\$ 31.55	N/A	N/A	N/A
Trash	-	Owner	N/A	\$ -	N/A	N/A	N/A
Total UA costs (Unrounded)			\$ -	\$ 109.14	N/A	\$ -	\$ -

**Allowances only for Grayson Manor as an EarthCraft Gold project. The water and sewer projections were produced using water fixtures with flow rates of 1.28 gpf toilets, 2.0 gpm showerheads, 2.2 gpm kitchen faucets, and 1.5 gpm lavatory faucets. Due to rounding, the amounts for the UA components may not add up to the Total UA amount.*

Sincerely,

Katy Maher
Project Manager

Tab S:

Supportive Housing Certification

Not Applicable

Tab T:

Funding Documentation



Glenn A. Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

January 31, 2022

Ms. Samantha Brown
Assistant Vice President
Community Housing Partners
448 Depot Street NE
Christiansburg, VA 24073-2050
Via: sbrown@chpc2.org

Proposed Affordable & Special Needs Housing Financing Offer

Dear Ms. Samantha Brown,

I am pleased to advise you that the Department of Housing and Community Development has approved the request of Community Housing Partners's Grayson Manor project. Included with this letter are the proposed rate and terms granted to you in accordance with your project description.

Please note that upon agreement you will receive further communication regarding program agreement(s) within the next few weeks. These program agreements must be fully executed within 12 months from the date of this letter in order for this preliminary offer to result in a program commitment and reservation of funds.

Please review the attached offer letter carefully, and attach any updated or new information with your response as it may pertain to this project. For projects which are awarded a HOME or NHTF award, a HUD required environmental review must be completed prior to execution of a program agreement. In addition, any adjustment to the capital budget, operating expense budget, pro forma numbers, and other project parameters must be approved by DHCD before the program agreements may be executed.

At your earliest convenience, please submit your project's Phase I Environmental Assessment to DHCD staff for review. If your project is financed utilizing HOME or NHTF funds, please prepare and submit the Part 58 checklist with your EA to DHCD staff. The Part 58 Checklist may be found on DHCD's website under Affordable and Special Needs Housing.

We are looking forward to working with you to provide affordable housing, if you have any questions as it pertains to this offer please feel free to contact your Program Administrator or myself at 804-840-1909.

Sincerely,

Chloe Rote
ASNH Program Manager



Virginia Department of Housing and Community Development | Partners for Better Communities
Main Street Centre | 600 East Main Street, Suite 300 Richmond, VA 23219
www.dhcd.virginia.gov | Phone (804) 371-7000 | Fax (804) 371-7090 | Virginia Relay 7-1-1

Terms & Conditions
Grayson Manor
244 Nichols Drive, Independence, 24348

The Department of Housing and Community Development herein referred to as DHCD ("Lender"), has approved the request of Community Housing Partners, listed as the developer of the project and herein is referred to as ("Developer"), regarding Grayson Manor ("Project"). Please review the following information as it pertains to your project:

The Project is awarded \$161,180 of Housing Innovations in Energy Efficiency funding. Please review the following proposed terms and conditions carefully, and notate any questions you may have for DHCD staff:

Interest Rate	0% Fixed
Loan Repayment Period	360 months (Interest Only)
Mandatory Compliance Period	360 months (from date of loan closing)
Extended Affordability Period	n/a (following mandatory compliance)

The compliance and repayment period begins upon loan closing. This loan constitutes permanent, must pay hard debt, which is not cash flow dependent. Deferred principle & accrued interest shall be forgiven at the end of a successful 30-year mandatory compliance and/or affordability period.

It is the intention of the Lender to disburse the Housing Innovations in Energy Efficiency award as part of the permanent financing package upon final permanent close, which includes the issuance of the final Certificate of Occupancy or Certificate of Substantial Completion.

Final permanent close shall commence upon receipt of acceptable title, survey & environmental reports, closing of other required funding, customary due diligence, rehab completion (if applicable), rental occupancy report, and issuance of COO/CSC by a local building official. Impediments to loan closing include, but are not limited to: failure to complete construction/renovations, due diligence items, or rent & occupancy requirements for the project in accordance with HOME, NHTF, VHTF and/or HIEE requirements (whichever is applicable).



DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency. Program agreements must be executed within 12 months of this letter, with an estimated closing of permanent debt to take place no later than 24 months after construction start. Failure to execute a program agreement within 12 months could result in a de-obligation of funds to your project.

Please execute and return this document to DHCD via email. Once received, DHCD will be in communication with you regarding next steps.

It is our sincere pleasure to make this financing proposal to you; we look forward to your acceptance and to our continuing relationship.

Sincerely,

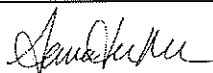
Department of Housing & Community Development



Chloe Rote: ASNH Program Manager

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:

Samantha Brown (Authorized Officer)

By:  Its: Vice President

Date: 2/3/22



The first part of the paper discusses the importance of the study of the history of the English language. It is a branch of linguistics which deals with the changes in the language over time. The study of the history of the English language is important for several reasons. First, it helps us to understand the development of the language and the factors which have influenced it. Second, it helps us to understand the relationship between the English language and other languages. Third, it helps us to understand the cultural and social context in which the language has developed.

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**VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
HOUSING INNOVATIONS IN ENERGY EFFICIENCY (HIEE) PROGRAM AGREEMENT**

This Agreement is entered into by and between the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (the Department) a governmental instrumentality of the Commonwealth of Virginia, **Community Housing Partners** (The Recipient & Developer) and **Grayson Manor Apartments, LLC** (The Owner).

The Funds provided for and which are the subject of this Agreement, have been appropriated by the Virginia General Assembly in fiscal year 2021 to support the preservation and production of affordable housing, and are allocated for this project, however, the Department reserves the right to modify, amend or terminate this Agreement due to the reduction or rescission of state funds by the Virginia General Assembly. The Funds are subject to, and this Agreement incorporates by reference, the terms, rules and conditions set forth in the Housing Innovations in Energy Efficiency Fund Application, plan and guidelines and related laws of the Commonwealth of Virginia.

Upon execution of this Agreement, the Department has approved the Recipient's request for a loan and the Department authorizes the Recipient to initiate activities and incur expenses associated with the **Grayson Manor** project in order to provide affordable housing. The Recipient agrees to comply with all of the terms and conditions of this Agreement, and all applicable State laws and requirements in its implementation of activities. The Recipient agrees to furnish in such a form as the Department may require, reports concerning the status of project activities and/or disposition of loan funds.

The Recipient shall hold the Commonwealth of Virginia, the Department, its agents and employees harmless from any and all claims and demands based upon or arising out of any actions by the Recipient, its employees, agents or contractors.

The Department reserves the right to modify, amend, or terminate this Agreement at any time during the term of this Agreement due to failure of the Recipient to comply with the terms and conditions of this Agreement and other documents set forth herein, or due to the loss, reduction or rescission of state funds from the Department.

- I. **Loan Amount** – The Department hereby awards a loan of \$161,180 of HIEE Fund resources to be used in a manner consistent with the proposed budget in the Affordable and Special Needs Housing application and the Scope of Eligible Activities, IV. The loan is intended to be for long-term permanent financing.
- II. **Term of Agreement** – This Agreement goes into effect upon execution/signing of this Agreement. The funding reservation will expire two years after the execution/signing of this Agreement. DHCD reserves the right to de-obligate the fund reservation at any time in the case of the project not making sufficient progress toward completion. This funding reservation may be extended at DHCD's discretion if the Recipient can demonstrate just cause. This HIEE Program Agreement will remain in effect until the expiration of the Affordability Period (as defined in Section V).

- III. **Budget** – The attached budget, including other funding sources and projected expenses to be paid with HIEE Fund loan, are herein incorporated as a part of this Agreement.
- IV. **Scope of Eligible Activities – Grayson Manor** (the “Project”) is a substantial rental rehabilitation of thirty-two (32)-unit affordable senior development with one-bedroom, garden-style units located at 224 Nichols Drive, Independence, VA. In addition, five units will be made more accessible. All units will be made available to households at or below 80% Area Median Income. Rehabilitation will include new flooring, windows, mechanical systems, fixtures and appliances. The Project will meet or exceed Zero Energy Ready Homes (ZERH) standards including but not limited to improved energy efficiency performance, dehumidification, fresh air ventilation, and green building certification standards to comply with guidelines for receiving Housing Innovations in Energy Efficiency (HIEE) funding.
- V. **Affordability Period** – The Recipient must assure that the developed/preserved units will be used for affordable housing in accordance with program requirements and those specified with this Agreement for at least 30 years from the completion of the project. The completion date is the date that DHCD receives a complete and accurate rent lease up report, or a complete and accurate completion report including beneficiary data for the project if HOME funds are included in the project. At the end of the initial 30 years, the initial principal and any accrued interest shall be forgiven provided the recipient has been in compliance for 30 years. This affordability period shall be secured through a Deed of Trust. Deeds of Trust placed on the project under the HIEE Fund may only be subordinated to other project financing with the approval of the Department.
- VI. **Fund Disbursement** – The loan of \$161,180 will be for a term of 30 years at zero percent (0%) interest, structured as an interest only must pay loan consisting of equal monthly interest payments. Payments shall be made in accordance with VHDA loan servicing guidance. Funds will be disbursed to VHDA for distribution at the project loan closing and must be used in accordance with the approved budget. Funds not disbursed by the expiration of this Agreement will be forfeited. Disbursements will be made by the Department on the basis of notification of the project loan closing date. The closing date must be confirmed by VHDA. The total disbursement of HIEE Fund funds shall not exceed the loan dollar amount awarded in Section I. of this Agreement. Should the anticipated closing not take place, funds will be held at VHDA. Funds are intended to be used as long-term permanent financing
- VII. **Federal HOME Requirements** – If applicable, use of these funds results in a project that uses federal HOME Investment Partnerships Program funds, this Agreement shall be governed by all federal requirements pertaining to affordable housing projects developed under the HOME program. The Recipient’s failure to contact the Department in no way releases it from its responsibility to ensure compliance with federal HOME requirements in project construction, maintenance and management. This loan does ___ does not X include HOME Funds.

- VIII. **Repayment Provision** – The HIEE Fund loan is to be repaid in accordance with the rate and terms outlined in Section VI. VHDA will serve as the loan servicing entity. Failure to make payments in accordance with the prescribed payment schedule may result in foreclosure on the property.
- IX. **Access to Property** – The Recipient shall give DHCD unrestricted access to the property for inspections and site review.
- X. **Records and Reports** – The Recipient shall maintain records as prescribed by the Department. The Recipient shall give DHCD unrestricted access to records, files, books, papers and documents related to the administration of the HIEE Fund project. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the affordability period. In the event a litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD's satisfaction. DHCD reserves the right to change reporting requirements for the HIEE Fund as needed to ensure compliance.
- XI. **Accounting Records** – The Recipient shall record in its accounting system all funds received by it pursuant to this Agreement. All costs to be supported by the HIEE Fund loan shall be documented by properly executed invoices, contracts, or vouchers. All checks, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to any project activity funded with the HIEE Fund shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall be retained by the Recipient for a period of five years beyond the end of the affordability period, and shall be readily accessible to the Department during the course of the project. Should any litigation claim or audit be started before the expiration of the affordability period, the records shall be retained until such action is resolved.
- XII. **Audit** – The Recipient must submit an annual audit to DHCD within thirty days after receipt of the auditor's report and nine months after the end of the audited period.
- XIII. **Termination, Suspension, Conditions** – If through any cause, the Recipient fails to comply with the terms, conditions or requirements of this Agreement, the Department may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five days prior to such action. In the case of Agreement violations by the Recipient and/or termination of the project before completion, the Department may make a written request that all or some of the Funds be returned even if the Recipient has expended the Funds. The Recipient agrees to return such Funds as requested by the Department within 15 days of receipt of the written request.
- XIV. **Subsequent Contracts** – The Recipient shall remain fully obligated under the provisions of the Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Funds are being provided to the Recipient. Any contractor or subcontractor, which is not the Recipient, shall comply with all

the lawful requirements of the Recipient necessary to ensure that the project for which this assistance is being provided under this Agreement is carried out in accordance with the Recipient's assurance and certifications.

XV. **Federal Match** –HIEE Fund expenditures associated with this funding commitment will be used to meet the State's federal HOME program match requirement and may not be utilized for any subsequent match requirement without permission from the Department.

XVI. **Miscellaneous** – This Agreement constitutes the entire and final Agreement between the parties with respect to the reserved funds and supersedes all prior negotiations. This Agreement is contingent upon the availability of HIEE Fund funds. This Agreement may be amended only in writing signed by DHCD and the Recipient. This Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.

XVII. **ADDITIONAL ASSURANCES AND CONDITIONS:**

The Recipient hereby assures and certifies that:

It possesses legal authority to execute this Agreement;

It will ensure that resources are available to provide the housing units purchased through this Agreement at affordable rents to the targeted population for at least a period of 30 years.


That any additional funds needed to complete the Scope of Eligible Activities (IV) are committed and available for uses.

VIII. DEED OF TRUST

The owner/developer agrees to place a Deed of Trust on the developed/preserved units to ensure that they are used for affordable housing for the targeted population for a period of 30 years. Should the property use be changed in that 30-year period the loan funds must be immediately re-paid in full to the HIEE Fund in accordance with the terms of this Agreement.

The parties named below on the date set forth below their respective signatures as follows hereby execute this Agreement:

**Virginia Department of Housing
and Community Development**

By: 

Its: Authorized Officer

Community Housing Partners

By: 

Vice President
Title

June 29, 2022

Date

6/28/22

Date

Grayson Manor Apartments, LLC

By:

Vice President

Title:

A handwritten signature in black ink, appearing to be "Spencer" or similar, written over a horizontal line.

6/28/22

Date



Glenn A. Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

January 31, 2022

Ms. Samantha Brown
Assistant Vice President
Community Housing Partners
448 Depot Street NE
Christiansburg, VA 24073-2050
Via: sbrown@chpc2.org

Proposed Affordable & Special Needs Housing Financing Offer

Dear Ms. Samantha Brown,

I am pleased to advise you that the Department of Housing and Community Development has approved the request of Community Housing Partners's Grayson Manor project. Included with this letter are the proposed rate and terms granted to you in accordance with your project description.

Please note that upon agreement you will receive further communication regarding program agreement(s) within the next few weeks. These program agreements must be fully executed within 12 months from the date of this letter in order for this preliminary offer to result in a program commitment and reservation of funds.

Please review the attached offer letter carefully, and attach any updated or new information with your response as it may pertain to this project. For projects which are awarded a HOME or NHTF award, a HUD required environmental review must be completed prior to execution of a program agreement. In addition, any adjustment to the capital budget, operating expense budget, pro forma numbers, and other project parameters must be approved by DHCD before the program agreements may be executed.

At your earliest convenience, please submit your project's Phase I Environmental Assessment to DHCD staff for review. If your project is financed utilizing HOME or NHTF funds, please prepare and submit the Part 58 checklist with your EA to DHCD staff. The Part 58 Checklist may be found on DHCD's website under Affordable and Special Needs Housing.

We are looking forward to working with you to provide affordable housing, if you have any questions as it pertains to this offer please feel free to contact your Program Administrator or myself at 804-840-1909.

Sincerely,

Chloe Rote
ASNH Program Manager



Virginia Department of Housing and Community Development | Partners for Better Communities
Main Street Centre | 600 East Main Street, Suite 300 Richmond, VA 23219
www.dhcd.virginia.gov | Phone (804) 371-7000 | Fax (804) 371-7090 | Virginia Relay 7-1-1

Terms & Conditions
Grayson Manor
244 Nichols Drive, Independence, 24348

The Department of Housing and Community Development herein referred to as DHCD ("Lender"), has approved the request of Community Housing Partners, listed as the developer of the project and herein is referred to as ("Developer"), regarding Grayson Manor ("Project"). Please review the following information as it pertains to your project:

The Project is awarded \$900,000 of Virginia Housing Trust Fund funding. Please review the following proposed terms and conditions carefully, and notate any questions you may have for DHCD staff:

Interest Rate	1% Fixed
Loan Repayment Period	360 months (Interest Only)
Mandatory Compliance Period	360 months (from date of loan closing)
Extended Affordability Period	n/a (following mandatory compliance)

The compliance and repayment period begins upon loan closing. This loan constitutes permanent, must pay hard debt, which is not cash flow dependent. Deferred principle & accrued interest shall be forgiven at the end of a successful 30-year mandatory compliance and/or affordability period.

It is the intention of the Lender to disburse the Virginia Housing Trust Fund award as part of the permanent financing package upon final permanent close, which includes the issuance of the final Certificate of Occupancy or Certificate of Substantial Completion.

Final permanent close shall commence upon receipt of acceptable title, survey & environmental reports, closing of other required funding, customary due diligence, rehab completion (if applicable), rental occupancy report, and issuance of COO/CSC by a local building official. Impediments to loan closing include, but are not limited to: failure to complete construction/renovations, due diligence items, or rent & occupancy requirements for the project in accordance with HOME, NHTF, VHTF and/or HIEE requirements (whichever is applicable).



DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency. Program agreements must be executed within 12 months of this letter, with an estimated closing of permanent debt to take place no later than 24 months after construction start. Failure to execute a program agreement within 12 months could result in a de-obligation of funds to your project.

Please execute and return this document to DHCD via email. Once received, DHCD will be in communication with you regarding next steps.

It is our sincere pleasure to make this financing proposal to you; we look forward to your acceptance and to our continuing relationship.

Sincerely,

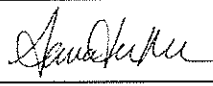
Department of Housing & Community Development



Chloe Rote: ASNH Program Manager

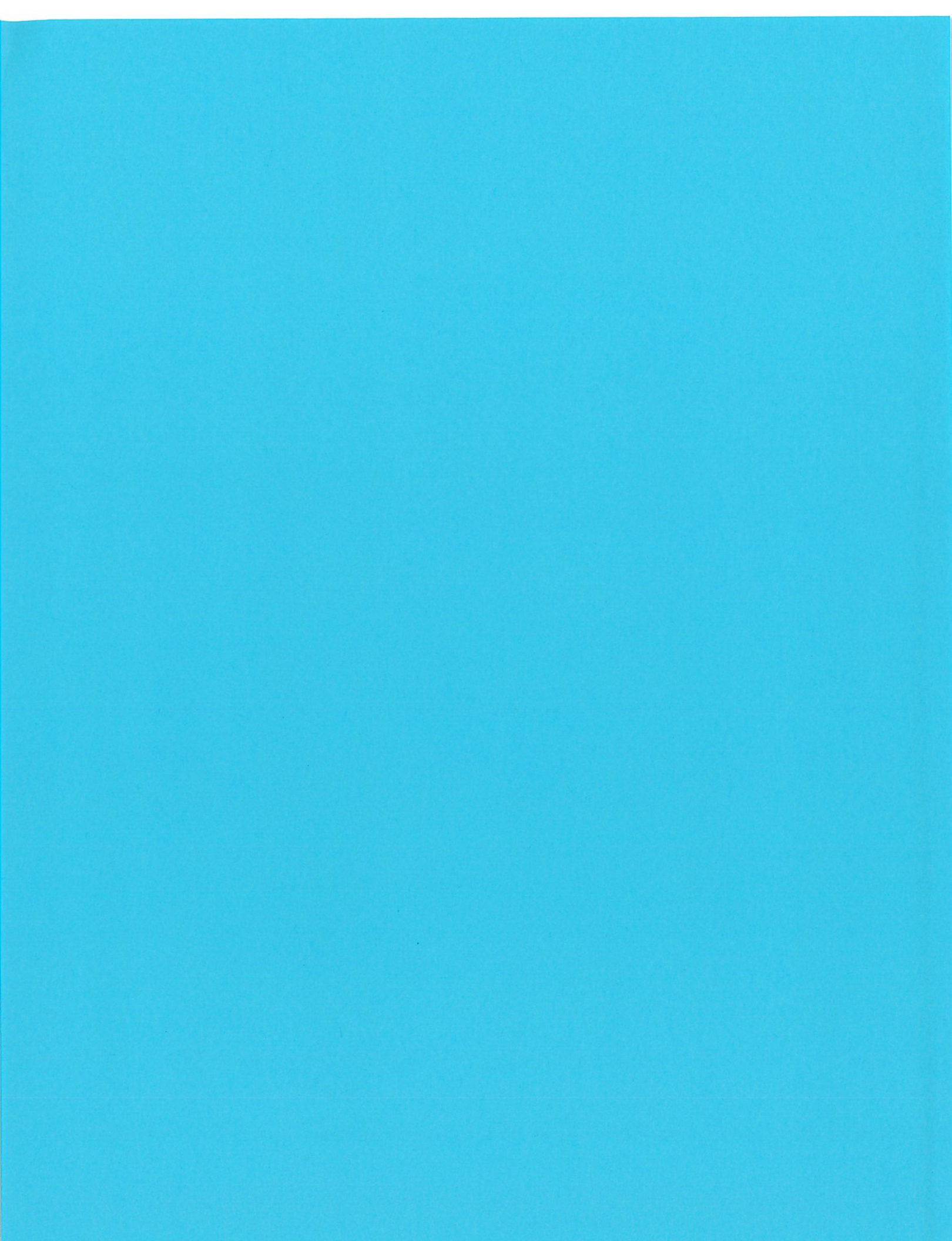
The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:

Samantha Brown _____ (Authorized Officer)

By:  _____ Its: Vice President _____

Date: 2/3/22 _____





**VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
VIRGINIA HOUSING TRUST FUND PROGRAM AGREEMENT**

This Agreement is entered into by and between the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (the Department) a governmental instrumentality of the Commonwealth of Virginia, **Community Housing Partners Corporation** (The Recipient & Developer) and **Grayson Manor Apartments, LLC** (The Owner).

The Funds provided for and which are the subject of this Agreement, have been appropriated by the Virginia General Assembly in fiscal year 2021 to support the preservation and production of affordable housing, and are allocated for this project, however, the Department reserves the right to modify, amend or terminate this Agreement due to the reduction or rescission of state funds by the Virginia General Assembly. The Funds are subject to, and this Agreement incorporates by reference, the terms, rules and conditions set forth in the Virginia Housing Trust Fund Application, plan and guidelines and related laws of the Commonwealth of Virginia.

Upon execution of this Agreement, the Department has approved the Recipient's request for a loan and the Department authorizes the Recipient to initiate activities and incur expenses associated with the **Grayson Manor** project in order to provide affordable housing. The Recipient agrees to comply with all of the terms and conditions of this Agreement, and all applicable State laws and requirements in its implementation of activities. The Recipient agrees to furnish in such a form as the Department may require, reports concerning the status of project activities and/or disposition of loan funds.

The Recipient shall hold the Commonwealth of Virginia, the Department, its agents and employees harmless from any and all claims and demands based upon or arising out of any actions by the Recipient, its employees, agents or contractors.

The Department reserves the right to modify, amend, or terminate this Agreement at any time during the term of this Agreement due to failure of the Recipient to comply with the terms and conditions of this Agreement and other documents set forth herein, or due to the loss, reduction or rescission of state funds from the Department.

- I. **Loan Amount** – The Department hereby awards a loan of \$ 900,000 of Housing Trust Fund resources to be used in a manner consistent with the proposed budget in the Affordable and Special Needs Housing application and the Scope of Eligible Activities, IV. The loan is intended to be for long-term permanent financing.
- II. **Term of Agreement** – This Agreement goes into effect upon execution/signing of this Agreement. The funding reservation will expire two years after the execution/signing of this Agreement. DHCD reserves the right to de-obligate the fund reservation at any time in the case of the project not making sufficient progress toward completion. This funding reservation may be extended at DHCD's discretion if the Recipient can demonstrate just cause. This VHTF Program Agreement will remain in effect until the expiration of the Affordability Period (as defined in Section V).

- III. **Budget** – The attached budget, including other funding sources and projected expenses to be paid with Housing Trust Fund loan, are herein incorporated as a part of this Agreement.
- IV. **Scope of Eligible Activities** – Grayson Manor (the “Project”) is a substantial rental rehabilitation of thirty-two (32)-unit affordable senior development with one-bedroom, garden-style units located at 224 Nichols Drive, Independence, VA. Rehabilitation will include new flooring, windows, mechanical systems, fixtures and appliances. In addition, five units will be made more accessible. All units will be made available to households at or below 80% Area Median Income.
- V. **Affordability Period** – The Recipient must assure that the developed/preserved units will be used for affordable housing in accordance with program requirements and those specified with this Agreement for at least 30 years from the completion of the project. The completion date is the date that DHCD receives a complete and accurate rent lease up report, or a complete and accurate completion report including beneficiary data for the project if HOME funds are included in the project. At the end of the initial 30 years, the initial principal and any accrued interest shall be forgiven provided the recipient has been in compliance for 30 years. This affordability period shall be secured through a Deed of Trust. Deeds of Trust placed on the under the Virginia Housing Trust Fund may only be subordinated to other project financing with the approval of the Department.
- VI. **Fund Disbursement** – The loan of \$900,000 will be for a term of 30 years at one percent (# 1%) interest, structured as an interest only must pay loan consisting of equal monthly interest payments. Payments shall be made in accordance with VHDA loan servicing guidance. Funds will be disbursed to VHDA for distribution at the project loan closing and must be used in accordance with the approved budget. Funds not disbursed by the expiration of this Agreement will be forfeited. Disbursements will be made by the Department on the basis of notification of the project loan closing date. The closing date must be confirmed by VHDA. The total disbursement of Housing Trust Fund funds shall not exceed the loan dollar amount awarded in section I. of this Agreement. Should the anticipated closing not take place, funds will be held at VHDA. Funds are intended to be used as long-term permanent financing
- VII. **Federal HOME Requirements** – If applicable, use of these funds results in a project that uses federal HOME Investment Partnerships Program funds, this Agreement shall be governed by all federal requirements pertaining to affordable housing projects developed under the HOME program. The Recipient’s failure to contact the Department in no way releases it from its responsibility to ensure compliance with federal HOME requirements in project construction, maintenance and management. This loan does ___ does not X include HOME Funds.
- VIII. **Repayment Provision** – The Housing Trust Fund loan is to be repaid in accordance with the rate and terms outlined in Section VI. VHDA will serve as the loan servicing entity. Failure

to make payments in accordance with the prescribed payment schedule may result in foreclosure on the property.

- IX. **Access to Property** – The Recipient shall give DHCD unrestricted access to the property for inspections and site review.
- X. **Records and Reports** – The Recipient shall maintain records as prescribed by the Department. The Recipient shall give DHCD unrestricted access to records, files, books, papers and documents related to the administration of the Housing Trust Fund project. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the affordability period. In the event a litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD's satisfaction. DHCD reserves the right to change reporting requirements for the Housing Trust Fund as needed to ensure compliance.
- XI. **Accounting Records** – The Recipient shall record in its accounting system all funds received by it pursuant to this Agreement. All costs to be supported by the Housing Trust Fund loan shall be documented by properly executed invoices, contracts, or vouchers. All checks, invoices, contracts vouchers, orders, or other accounting documents pertaining in whole or in part to any project activity funded with the Housing Trust Fund shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall be retained by the Recipient for a period of five years beyond the end of the affordability period, and shall be readily accessible to the Department during the course of the project. Should any litigation claim or audit be started before the expiration of the affordability period, the records shall be retained until such action is resolved.
- XII. **Audit** – The Recipient must submit an annual audit to DHCD within thirty days after receipt of the auditor's report and nine months after the end of the audited period.
- XIII. **Termination, Suspension, Conditions** – If through any cause, the Recipient fails to comply with the terms, conditions or requirements of this Agreement, the Department may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five days prior to such action. In the case of Agreement violations by the Recipient and/or termination of the project before completion, the Department may make a written request that all or some of the Funds be returned even if the Recipient has expended the Funds. The Recipient agrees to return such Funds as requested by the Department within 15 days of receipt of the written request.
- XIV. **Subsequent Contracts** – The Recipient shall remain fully obligated under the provisions of the Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Funds are being provided to the Recipient. Any contractor or subcontractor, which is not the Recipient, shall comply with all the lawful requirements of the Recipient necessary to ensure that the project for which this

assistance is being provided under this Agreement is carried out in accordance with the Recipient's assurance and certifications.

XV. **Federal Match** –Virginia Housing Trust Fund expenditures associated with this funding commitment will be used to meet the State's federal HOME program match requirement and may not be utilized for any subsequent match requirement without permission from the Department.

XVI. **Miscellaneous** – This Agreement constitutes the entire and final Agreement between the parties with respect to the reserved funds and supersedes all prior negotiations. This Agreement is contingent upon the availability of Housing Trust Fund funds. This Agreement may be amended only in writing signed by DHCD and the Recipient. This Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.

XVII. ADDITIONAL ASSURANCES AND CONDITIONS:

The Recipient hereby assures and certifies that:

It possesses legal authority to execute this Agreement;

It will ensure that resources are available to provide the housing units purchased through this Agreement at affordable rents to the targeted population for at least a period of 30 years.

That any additional funds needed to complete the Scope of Eligible Activities (IV) are committed and available for uses.

VIII. DEED OF TRUST

The owner/developer agrees to place a Deed of Trust on the developed/preserved units to ensure that they are used for affordable housing for the targeted population for a period of 30 years. Should the property use be changed in that 30-year period the loan funds must be immediately re-paid in full to the Virginia Housing Trust Fund in accordance with the terms of this Agreement.

The parties named below on the date set forth below their respective signatures as follows hereby execute this Agreement:

**Virginia Department of Housing
and Community Development**

By: Chloe Rote

Its: Authorized Officer

June 29, 2022
Date

Community Housing Partners Corporation

By: [Signature]

Vice President
Title

6/28/22
Date

Grayson Manor Apartments, LLC

By: [Signature]

Vice President
Title:

6/28/22
Date



COMMUNITY
HOUSING PARTNERS

Firm Sponsor Loan Commitment

Community Housing Partners

4915 Radford Avenue, Suite 300, Richmond, VA 23230 | (804) 343-7201 TTY: 711, fax: (804) 343-7208 | www.CommunityHousingPartners.org



March 9, 2021

Grayson Manor Apartments, LLC
4915 Radford Ave., Suite 300
Richmond, VA 23230

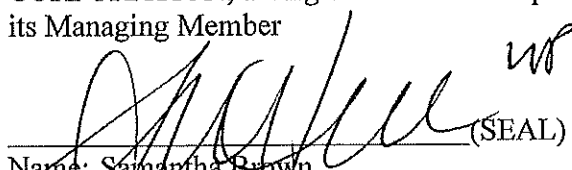
Re: Grayson Manor

To Whom It May Concern:

Please be aware that Community Housing Partners Corporation (CHP) is acting as Sponsor for the above-named project. On March 1, 2021 CHP received a commitment of \$500,000 of funds from NeighborWorks America for the rehabilitation of Grayson Manor. CHP has committed \$500,000 of NeighborWorks funds to Grayson Manor Apartments, LLC, as a loan under the terms and conditions described below:

Amount	\$500,000
Term	30 Years
Priority of Lien	3rd
Amortization	N/A
Interest Rate	AFR
Payment Rate	Payments from Cash Flow

By: COMMUNITY HOUSING PARTNERS
CORPORATION, a Virginia nonstock corporation,
its Managing Member

By:  (SEAL)
Name: Samantha Brown
Title: Vice President



March 1, 2021

Jeffrey Reed
President
Community Housing Partners
448 Depot St. NE
Christiansburg, VA 24073

Re: Commitment for Grayson Manor, 224 Nichols Drive in Independence, VA

Dear Mr. Reed,

On behalf of NeighborWorks America (NeighborWorks), I am pleased to provide this commitment letter to Community Housing Partners for a grant of \$500,000 in funding for the development of Grayson Manor. It is my understanding that these funds will be used for the development of Grayson Manor.

NeighborWorks has underwritten Community Housing Partners and has classified the organization as "Exemplary," the highest organizational underwriting rating that we give to any organization. The Grayson Manor project has been underwritten and approved under NeighborWorks capital funding for the rental real estate line of business program.

I wish you the best on the completion of this important affordable housing development.

Respectfully,

A handwritten signature in black ink, appearing to read "Donald R. Phoenix", with a stylized flourish at the end.

Donald R. Phoenix
Vice President, Southern Region



COMMUNITY
HOUSING PARTNERS

Community Housing Partners
www.CommunityHousingPartners.org

4915 Radford Avenue, Suite 300, Richmond, VA 23230 | (804) 343-7201, TTY: 711, fax: (804) 343-7208



Firm Developer Fee Commitment

March 11th, 2023

Grayson Manor Apartments, LLC
448 Depot Street
Christiansburg, VA 24073

Re: Grayson Manor Apartments, LLC

To Whom It May Concern:

Please be aware that Community Housing Partners Corporation is acting as Developer for the above-named project. As such, we agree to defer up to \$71,269 of our Developer Fee ("Deferred Developer's Fee") as a loan from the Developer (Community Housing Partners Corporation), which shall be evidenced by a deferred fee note including the terms and conditions described below:

Amount	\$71,269
Term	13 years
Priority of Lien	N/A
Amortization	N/A
Interest Rate	AFR
Payment Rate	As Available from Cash Flow

Sincerely,

By: COMMUNITY HOUSING PARTNERS
CORPORATION, a Virginia nonstock corporation,
its Managing Member

By: _____(SEAL)

Name: Samantha Brown
Title: Vice President

PROMISSORY NOTE

Principal Sum: \$71,269.00

Date: _____, 20__

For value received, the undersigned, **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company, with its office located at 448 Depot Street, Christiansburg, Virginia 24073 (the "Borrower"), hereby promises to pay to the order of Community Housing Partners Corporation, a Virginia nonstock corporation, with its office located at 448 Depot Street, Christiansburg, Virginia 24073 (the "Lender"), the principal sum of Seventy One Thousand Two Hundred and Sixty-Nine 00/100 Dollars (\$71,269.00) (the "Loan").

This Loan is made in connection with a low-income housing project known as Grayson Manor located in the Town of Independence, County of Grayson, Virginia (the "Property").

1. **Interest Rate:** This Promissory Note (the "Note") shall bear interest at an annual interest rate, compounded annually, equal to the applicable Federal long-term rate (AFR), as defined in Section 1274(d) of the Internal Revenue Code of 1986, as amended, for thirteen (13) years, due upon maturity.
2. **Payments:** No payments of principal or interest shall be due prior to maturity, except as otherwise set forth herein. Principal and interest shall be payable only with Net Cash Flow (as defined in the Borrower's Amended and Restated Operating Agreement dated as of _____ (the "Operating Agreement")) of the Borrower in the priority set forth in Section ____ of the Operating Agreement. Prior to default, all payments, if any, received under this Note shall be applied to the reduction of principal. After default, all payments received by Lender in connection with this Note shall be applied as follows: first to the repayment of any sums advanced by the Lender to protect the Property as otherwise described in this Note; second, to the payment of the Lender's attorney fees and other expenses as provided for in this Note; third, to the payment of interest; and fourth, to the reduction of principal.
3. **Term / Maturity Date:** Unless earlier payable in accordance with this Note or any other document executed in connection herewith, the entire unpaid principal balance shall be due and payable in full **thirteen (13) years** from Final Closing (as defined in the Operating Agreement).
4. **Method and Place of Payment:** All payments of interest and principal, and all reimbursements (including repayments), shall be payable in lawful money of the United States of America to the Lender at its place of business located at 448 Depot Street, Christiansburg, Virginia, 24073 or at such other place as the Lender may designate in writing.
5. **Prepayment:** The Borrower shall have the right to prepay all or any portion of the outstanding principal balance of this Note at any time. No prepayment premium will be charged.
6. **Default / Acceleration:** At the option of the Lender, this Note and the indebtedness evidenced hereby may be declared immediately due and payable, as set forth in Section 7 below, and notwithstanding any prior waiver of any breach or default, or other indulgence, upon the occurrence at any time of any one or more of the following events:

- a. Default in making any payment of principal, or any other charges due hereunder continuing uncured beyond ten (10) days from the date the Lender gives written notice to the Borrower of such default;
- b. Any other violations, breach, or default of or under this Note, or any other agreement now or hereafter recorded in the County of Grayson, Virginia Land Records and executed in connection with this Note or evidencing or securing any obligation of the Borrower to the Lender, now existing or hereinafter arising in connection with this Note and continuing uncured beyond the applicable grace period, or, if no grace period is specified, beyond thirty (30) days from the date the Lender gives written notice to the Borrower specifying the breach, violation, or default;
- c. In the event any representation or warranty made by the Borrower in connection with this Note shall, when made, have been materially false or misleading;
- d. In the event any mortgage, deed of trust, security agreement, or other document executed in connection herewith, shall cease to provide the Lender with the lien, security interest, rights, titles, remedies, powers, or privileges intended to be created by the terms hereof or the applicability thereof; or
- e. In the event any part of the obligation of this Note or any document executed in connection herewith shall be disaffirmed by the Borrower.

7. Remedies Upon Default: Upon any default by the Borrower, the Lender:

- a. May declare the indebtedness evidenced by this Note immediately due and payable;
- b. May pursue any and all remedies provided for hereunder, or any and all remedies provided at law, or in equity.

The Lender's remedies set forth above are not exclusive of any other available remedy or remedies, but each remedy shall be cumulative and shall be in addition to any other remedy given by this Note, and any document executed in connection herewith, at law, in equity, or by statute, whether now existing or hereafter arising. The exercise of any remedy or remedies shall not be an election of remedies. The remedies and rights of the Lender may be exercised concurrently, in combination, or in any order that the Lender deems appropriate. Failure to exercise any right hereunder shall not constitute a waiver of the right to exercise the same at any other time.

_____ and _____, the investor members of the Borrower and their affiliates, successors and/or assigns (the "Investor Members"), shall have the right, but not the obligation, to cure any default on behalf of Borrower under the same terms as those provided to the Borrower, and the Lender shall accept such cure as if such cure were made by the Borrower.

Notwithstanding anything to the contrary contained herein, in no event shall the Lender declare a default or event of default nor execute any remedy upon the occurrence of any monetary or non-monetary event of default under the Loan for the duration of the "Compliance Period", as that term is defined in Section 42 of the Internal Revenue Code.

8. Payment of Costs of Collection: The Borrower further agrees that if this Note is placed in the hands of an attorney for collection or enforcement, or if the debt or obligations of the Borrower, or any part thereof, is collected or enforced by an attorney through foreclosure or by legal proceedings of any kind, reasonable attorney fees and all costs and expenses incident upon such collection for enforcement shall be added to the amount due upon this Note and be collectible as part hereof. The Borrower agrees that the award of reasonable attorney fees may exceed 2% of the total principal interest and costs due under this Note.

9. Governing Law: This Note is to be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

10. Assignment: Lender may freely transfer or assign to any entity any or all of its rights under this Note. Except with the prior written consent of Lender, which shall not be unreasonably withheld, the Borrower may not assign its rights and obligations under this Note to any other entity. Notwithstanding any other provision of this Note or any related document, the Lender agrees that it shall not unreasonably withhold its consent to any sale of the Property, or other conveyance or assignment of all or part of the Borrower's rights and obligations under this Note, for the purpose of providing affordable housing. Any such sale or conveyance may not be permitted if the resulting total aggregate amount of any liens against the Property would be more than the appraised value of the Property at or about the time of sale or other conveyance, it being the intention of the Lender and the Borrower to protect Lender's secured equity. Lender must approve appraiser.

11. Notices. All notices required or permitted hereunder shall be in writing and delivered personally or made by addressing the same to the party to whom directed at the following addresses by registered or certified mail, return receipt requested, or by hand delivery:

If to the Borrower

GRAYSON MANOR APARTMENTS, LLC
c/o Community Housing Partners Corporation
448 Depot Street NE
Christiansburg, Virginia 24073
Attention: Jeffrey K. Reed

With a copy to:

With a copy to:

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed by its duly authorized agent on this the day and year first above written.

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP Grayson Manor Apartments, LLC,
a Virginia limited liability company,
its Managing Member

By: Community Housing Partners Corporation,
a Virginia nonprofit corporation,
its Managing Member

By: _____(SEAL)
Name: Samantha Brown
Title: Vice President

COMMONWEALTH OF VIRGINIA)
)
CITY/COUNTY OF _____) TO-WIT:

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Samantha Brown, as Vice President of Community Housing Partners Corporation, a Virginia nonprofit corporation, the managing member of CHP Grayson Manor Apartments, LLC, a Virginia limited liability company, the managing member of Grayson Manor Apartments, LLC, a Virginia limited liability company, on behalf of the company.

My Commission Expires: _____
Registration Number: _____

Notary Public

44632405_1

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing



PROPERTY MANAGEMENT

Virginia Renters Education Acknowledgement

Community Housing Partners

448 Depot Street NE, Christiansburg, VA 24073 | (540) 382-2002, TTY: 711, Fax: (540) 382-1935 | www.CommunityHousingPartners.org



Today's Date: _____

Unit Address: _____

Unit#: _____

- ☐ I, <<TenantFirstLast>> chose to opt out of receiving a printed copy of "How to be a Successful Renter" handbook at the time of my lease signing. I further acknowledge and agree that I will review the handbook at the following web address on my own.

<https://www.virginiahousing.com/-/media/project/vhcomtenant/virginiahousingsite/renters/renterhandbook.pdf>

- ☐ I, <<TenantFirstLast>> acknowledge, by my signature below that I was given a printed copy of "How to be a Successful Renter" handbook at the time of my lease signing.

<<TenantFirstLast>>
Head of Household

Signature of Resident

Date

We are an equal housing opportunity provider. We do not discriminate on the basis of race, color, sex, national origin, religion, disability or familial status (having children under age 18), or any other legally protected characteristic. We do not interfere, threaten, or coerce persons in the exercise of their fair housing rights. We do not retaliate against persons who have asserted their rights or persons who have assisted someone in asserting their rights.

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

Prepared By and
Return to:

Williams Mullen Center
200 South 10th Street
Suite 1600
Richmond, VA 23219
Attention: Lauren Nowlin

RIGHT OF FIRST REFUSAL AND PURCHASE OPTION AGREEMENT

This Right of First Refusal and Purchase Option Agreement (the "Agreement") is effective as of March 16, 2021, by and between **GRAYSON MANOR APARTMENTS, LLC**, a Virginia limited liability company (the "Company"), and **COMMUNITY HOUSING PARTNERS CORPORATION**, a Virginia nonprofit corporation ("Grantee").

WHEREAS, CHP Grayson Manor Apartments, LLC, a Virginia limited liability company, the managing member of the Company ("Managing Member"), and Grantee have entered into that Operating Agreement dated as of February 9, 2021 (the "Operating Agreement"), which governs the operations of the Company; and

WHEREAS, the Company was formed for the purpose of acquiring, owning or leasing, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a residential project, including all reserves established therefor, located in the County of Grayson, Virginia (the "Project") on the land described on the attached Exhibit A; and

WHEREAS, the Company desires to give, grant, bargain, sell and convey to Grantee, or such other governmental or qualified Section 501(c)(3) organization as may be designed by the Grantee for the Refusal Right (defined below), certain rights to purchase the Project on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the execution and delivery of this Agreement and the payment by the Grantee to the Company of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Refusal Right. In the event that the Company determines to sell or receives an offer to purchase the Project, which offer the Company intends to accept, or receives any bona fide third party offer to purchase the Project (the "Offer"), Grantee shall have a right of first refusal to purchase the Project (the "Refusal Right") for a period of thirty-six (36) months (the "Refusal Right Period") following the receipt of the offer and the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is a governmental entity or qualified nonprofit organization, as defined in Section 42(h)(5)(c) of the Code currently and remains such at all times as of (i) the date that the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the date that the Refusal Right has been assigned to a Permitted Assignee, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal

Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Paragraph 7 hereof meeting the requirements of Section 42(i)(7)(a) of the Code. Prior to accepting any offer to purchase the Project, the Company shall notify Grantee and the Managing Member and deliver to each of them a copy thereof. The Company shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Paragraph 1 hereof.

2. Refusal Right Purchase Price. The purchase price for the Project (the "Refusal Purchase Price") pursuant to the Refusal Right shall be the lesser of:

- (i) the price in the Offer or the proposed sales price, provided such price is not less than the fair market value of the Project subject to all restrictive covenants or other agreements regarding use of the Project as affordable housing, any such appraisal to be made jointly by two independent appraisers, one selected by the Company and one selected by Grantee. If the appraisers are unable to agree on the fair market value of the Project, they shall jointly appoint a third appraiser. The decision of a majority of such appraisers shall be final and binding. Each party shall pay the cost of its own appraiser and shall evenly divide the cost of the third appraiser, if necessary, or
- (ii) the sum of the principal amount of outstanding indebtedness secured by the Project and all Federal, state and local taxes attributable to such sale. The Refusal Purchase Price shall comply with and be interpreted and calculated consistently with the provisions of Section 42(i)(7)(B) of the Internal Revenue Code. In the absence of formal IRS guidance or legal precedents to the contrary, the phrase "principal amount of outstanding indebtedness" shall exclude any accrued interest owed. In the event that accrued interest is determined to be included in the phrase "principal amount of outstanding indebtedness," then, in the absence of formal IRS guidance or legal precedent to the contrary, the phrase "other than indebtedness incurred with the 5-year period ending on the Closing Date" shall include any accrued interest incurred in the 5-year period ending on the Closing Date that remains unpaid as of that date. The Company agrees to accept Grantee's computation of the amount described in this clause (ii) if the method of computation is supported by an opinion of a national or regional law firm with recognized expertise in matters relating to Section 42 of the Code.

3. Exercise of Refusal Right. In the event that Grantee elects to exercise the Refusal Right, it shall give the Company written notice of its intent to exercise the Refusal Right pursuant to Paragraph 8 below (the "Refusal Notice") and shall specify a date for delivery of the deed not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee's delivery of the Option Notice. Subject to the prior consent of the relevant lenders, Grantee may pay all or a portion of the Refusal Purchase Price by assuming the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the consent of all relevant lenders to such assumption.

4. Grant of Option to Purchase. The Company hereby grants to Grantee an option (the "Purchase Option") to purchase the Project for a period of sixty (60) months following the expiration of the Compliance Period, on the terms and conditions and subject to the conditions precedent specified herein.

5. Purchase Option Purchase Price. The purchase price for the Project pursuant to the Purchase Option shall be the greater of the following amounts: (a) the amount set forth in Paragraph 2 above, or (b) the fair market value of the Project, as determined by an appraisal conducted by an experienced appraiser selected by Grantee, using the income capitalization method of valuation, and assuming that the rent restrictions and any other restrictive covenants in effect during the ten-year Credit Period shall remain in effect in perpetuity.

6. Exercise of Option. In the event that Grantee elects to exercise the Purchase Option, it shall give the Company written notice thereof (the "Option Notice") and shall specify a date for delivery of the deed not less than ninety (90) days and no more than two hundred seventy (270) days after the Grantee's delivery of the Option Notice. Subject to the prior consent of the relevant lenders, Grantee may pay all or a portion of the Purchase Option Price by assuming the existing indebtedness of the Company. The Company agrees upon request of Grantee to use its best efforts to obtain the consent of all relevant lenders to such assumption.

7. Assignment. Grantee may assign all or any of (1) its Refusal Rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project or (2) its Purchase Option rights (each a "Permitted Assignee"). Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company and the Managing Member. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company and the Managing Member. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

8. Conditions Precedent and Termination. The parties rights and obligations pursuant to this Agreement shall be subject to Company's receipt of an allocation of Low Income Housing Tax Credits from the Virginia Housing Development Authority in connection with the Property and in an amount acceptable to the Company by December 31, 2021. In the event the foregoing condition set forth above is not satisfied within the Compliance Period, the Company shall have the right to terminate this Agreement and its obligation to sell the Property, in which event neither party shall have any further liability or obligation hereunder.

9. Contract and Closing. The Company and Grantee shall enter into a written contract for the purchase and sale of the Project in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project is located. Such contract shall permit sufficient time to apply for the so-called nine percent (9%) tax credits, and if unsuccessful, determine if tax exempt bond financing with four percent (4%) tax credits is feasible during the financial feasibility period and sufficient time to close on such financing or alternative financing in the sole discretion of the Grantee. The following provisions will apply to any sale of the Property (or interest of the Investor Member) pursuant to the Refusal Right or Purchase Option granted hereunder:

- (a) The place for delivery of the deed or other transfer documents will be the land records of the proper local jurisdiction of the Commonwealth of Virginia or such other location as mutually acceptable to the Grantee and the Company.

- (b) In any sale pursuant to this Agreement, the Property will be conveyed in "as is" condition, with all defects, and the Company will have no obligation to make any repairs or improvements in connection with such sale.
- (c) Upon receipt of an Option Notice or Refusal Notice from the Grantee exercising the Purchase Option or Refusal Right, the Company will promptly provide to the Grantee an abstract of title or registered property abstract to the Property, certified to a current date to include, without limitation, proper searches covering bankruptcies, judgments, and state and federal liens. At the closing, the Company will deliver to the Grantee a good and sufficient Special Warranty Deed conveying good and clear record and marketable title to the Property, subject only to those liens and encumbrances set forth on the abstract of title, subject to liens in favor of such lenders whose debt is to be assumed and to such other encumbrances which do not materially interfere with the use of the Property as affordable residential housing. At the closing, the parties will make equitable adjustments for items as are typically adjusted in connection with the transfer of multifamily housing such as the Property.
- (d) Exercise of the Purchase Option or Refusal Right by the Grantee will operate to terminate and extinguish any purchase agreement between the Company and any other party or parties thereto, and such other party or parties will thereupon have no right or interest whatsoever in the Property or any part thereof or in the agreement between the Company and the Grantee formed by the exercise of the Purchase Option or Refusal Right.
- (e) In the event Grantee does not exercise its Refusal Right and the Property is disposed of to a different party or for different consideration or on any different terms from those stated in the Disposition Notice or offer, then any such disposition by the Company will be null and void and the Property will continue to be subject to the Refusal Right and Purchase Option.
- (f) In the event that the Company fails to offer the Property to the Grantee as set forth above in violation of this Agreement, whoever may then hold title will convey the Property forthwith to the Grantee, upon demand, for the same consideration that the Grantee would have had to pay had the offer been properly made. Such demand of the Grantee upon the then title holder will be made within sixty (60) days after receipt by the Grantee of actual notice that a transfer of the Property has been completed. Constructive notice by recording or otherwise will not constitute such actual notice.

10. Miscellaneous.

- (a) The Company agrees to insert reference to this Agreement in any deed, ground lease, or other instrument for conveyance or transfer of the Property, provided, however, that the enforceability of this Agreement will not be affected by a failure to insert a reference to this Agreement in any such deed, ground lease or other instrument.
- (b) In no event will the Refusal Right or Purchase Option or a sale after a purchase pursuant to such Purchase Option or Refusal Right be exercised so as to restrict ownership, use or occupancy of the Property because of race, creed, color, sex, religion, or national origin or any other basis prohibited by law.
- (c) This Agreement will be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Virginia and may not be amended other than by an

agreement in writing signed by an authorized representative of the party to be charged therewith and recorded with the land records.

- (d) If any of the provisions of this Agreement, or the application thereof to any person or circumstance will, to any extent, be invalid or unenforceable, the remainder of this Agreement and its application to other persons or circumstances will not be affected thereby and each of the other provisions of this Agreement will be valid and enforceable to the fullest extent permitted by law.
- (e) The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. This Agreement and the Refusal Right and Purchase Option herein granted are covenants running with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.
- (f) As an alternative to acquiring the Property under the Purchase Option, the Grantee will have the right to elect to acquire the interests of the Investor Members for the amount the Investor Members would receive from a sale of the Property for the purchase price as determined herein (i.e., either the Refusal Purchase Price or the Purchase Option Price, as applicable) and confirmed by an accountant of the Grantee and approved by the Company. Such payments to the Investor Member will be determined pursuant to the Operating Agreement, but with respect to the Refusal Right, such payments will be no less than the price established herein. Notwithstanding anything herein to the contrary, in determining the purchase price of the Property or the interests of the Investor Member, any purchase of the Property or the interests of the Investor Members will not include the value of any cash reserves.

11. Counterparts. This Agreement may be executed in separate counterparts or counterpart signature pages, which together will constitute a single agreement. PDF, TIF, facsimile, or other electronic images of signatures will be deemed originals for all purposes.

12. Covenants to Run with the Land. The covenants and agreements set forth herein shall be revised as required so that they may be recorded against and run with the land. The covenants and agreements set forth herein shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

13. Defined Terms. The capitalized terms used in this Agreement shall have the definitions provided for in the Operating Agreement unless otherwise specified herein.

14. Headings. This Agreement's headings are for convenience of reference and are not intended to qualify the meaning of any provision or covenants herein.

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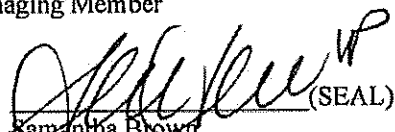
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

COMPANY:

GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company

By: CHP GRAYSON MANOR APARTMENTS, LLC,
a Virginia limited liability company,
its Managing Member

By: Community Housing Partners Corporation,
a Virginia nonprofit corporation,
its Managing Member

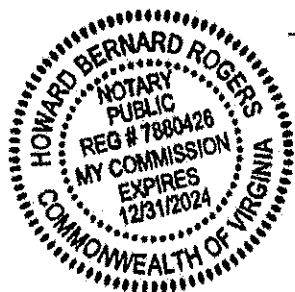
By:  (SEAL)
Name: Samantha Brown
Title: Vice President

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF Henrico)

TO-WIT:

The foregoing instrument was acknowledged before me this 16th day of March, 2021, by Samantha Brown, as Vice President of Community Housing Partners Corporation, a Virginia nonprofit corporation, the managing member of CHP Grayson Manor Apartments, LLC, a Virginia limited liability company, the managing member of Grayson Manor Apartments, LLC, a Virginia limited liability company, on behalf of the company.

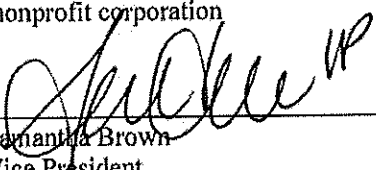
My Commission Expires: 12/31/2024
Registration Number: 7880426




Notary Public

GRANTEE:

COMMUNITY HOUSING PARTNERS CORPORATION, a
Virginia nonprofit corporation

By:  (SEAL)
Name: Samantha Brown
Title: Vice President

COMMONWEALTH OF VIRGINIA)
) TO-WIT:
CITY/COUNTY OF Hennie)

The foregoing instrument was acknowledged before me this 16th day of March, 2021, by Samantha Brown, as Vice President of Community Housing Partners Corporation, a Virginia nonprofit corporation, on behalf of the corporation.

My Commission Expires: 12/31/2024
Registration Number: 7880426


Notary Public

44630017_1



EXHIBIT A

LEGAL DESCRIPTION

BEGINNING at an iron pin set in the northwesterly side of Hilltop Avenue, common corner to the southwesterly side of Nichols Street; thence with the northwesterly side of Hilltop Avenue, S 41 degrees 40' 59" W 414.15 feet to an iron pin set, corner to property this day conveyed to Hunt & Associates Elderly Housing Corporation; thence with the line of property this day conveyed to Hunt, N 54 degrees 32' 30" W 421.74 feet to an iron pin set, and N 41 degrees 40' 10" E 409.44 feet to an iron pin set in the southwesterly side of Nichols Street; thence with the line of Nichols Street, S 55 degrees 10' 30" E 422.37 feet to an iron pin set, being the point and place of Beginning, and being 3.96 acres, more or less, as shown on survey of Gale W. Maiden, LS 1427, dated October 15, 1997.

Tab W:

Internet Safety Plan and Resident Information Form (if
internet amenities selected)

Internet Security Plan for Community Room Wi-Fi

We will provide the following reasonable security measures to protect the Wi-Fi network:

1. Basic firewall service will be implemented, which blocks all internet traffic that doesn't originate from the Wi-Fi network. Each user's traffic will be segregated to prevent malicious attacks that originate from inside the network.
2. Content filtering will be implemented to prevent users from accessing websites that contain objectionable or malicious content. Content filtering will be implemented at the DNS layer.
3. Each approved user will be granted a voucher with an access code to connect to the Wi-Fi network securely for a limited amount of time. Vouchers will expire on a regular basis. This will prevent unauthorized access to the Wi-Fi network, while also creating a rotating authentication method for the Wi-Fi network.
4. All users will be required to agree to the Acceptable Use Policy as a condition for connecting to the Wi-Fi network.

INTERNET USE AGREEMENT

THIS INTERNET USE AGREEMENT ("Agreement") represents the agreement and understanding between [Insert Property Name] and its parents, subsidiaries and affiliates (collectively "[Insert Property Name]"), and Tenant (identified below) for the use of internet access service provided by [Insert Property Name] (the "Service").

Tenant's use of Service shall constitute Tenant's acceptance of the terms and conditions of this Agreement, as well as Tenant's agreement and adherence to the Acceptable Use Policy, as may be amended from time to time, attached hereto as **Exhibit A**.

TERMS AND CONDITIONS

PROVISION OF SERVICES. Service, as defined in this Agreement, is Tenant's access to and use of the internet, if available, including via a wireless WiFi connection, where available.

SERVICE RATE AND CHARGES. The Service is provided free of charge as a convenience to the Tenant and is not provided as a service with economic value.

LIMITATION OF WARRANTIES AND LIABILITY/DISCLAIMER OF WARRANTIES. Tenant use of

Service is at your own risk. Neither [Insert Property Name] nor any of its underlying service providers, information providers, licensors, employees, or agents guarantee or warrant that the Service will be uninterrupted or error free, nor does [Insert Property Name] or any of its underlying service providers, information providers, licensors, employees, or agents, make any warranty or guarantee as to the results to be obtained from the use of the Service.

THE SERVICE IS DISTRIBUTED ON AN "AS IS", "AS AVAILABLE" BASIS, WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ALL SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED OTHER THAN THOSE WARRANTIES (IF ANY) WHICH ARE IMPLIED BY AND ARE INCAPABLE OF EXCLUSION, RESTRICTION, OR MODIFICATION UNDER APPLICABLE STATE OR FEDERAL LAW. NEITHER [Insert Property Name] NOR ANY OF ITS UNDERLYING SERVICE PROVIDERS, INFORMATION PROVIDERS, LICENSERS, EMPLOYEES, OR AGENTS SHALL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES SUFFERED BY YOU OR ANY OTHER PARTY AS A RESULT OF THE OPERATION OR MALFUNCTION OF THE SERVICE, REGARDLESS OF WHETHER OR NOT SUCH PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

YOU, TENANT, EXPRESSLY ACKNOWLEDGE THAT THE PROVISIONS OF THIS SECTION SHALL ALSO APPLY TO ALL CONTENT OR OTHER SERVICES AVAILABLE THROUGH THE SERVICE. YOU AGREE THAT YOU WILL NOT IN ANY WAY HOLD [INSERT PROPERTY NAME] RESPONSIBLE FOR ANY SELECTION OR RETENTION OF, OR THE ACTS OR OMISSIONS OF, THIRD-PARTIES IN CONNECTION WITH THE SERVICE (INCLUDING THOSE WITH WHOM [INSERT PROPERTY NAME] MAY CONTRACT WITH IN CONNECTION WITH THE SERVICE).

YOU ASSUME TOTAL RESPONSIBILITY AND RISK FOR YOUR USE OF THE SERVICE AND THE INTERNET. [INSERT PROPERTY NAME] DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS WHATSOEVER (INCLUDING WITHOUT LIMITATION WARRANTIES OF TITLE OR NONINFRINGEMENT, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH REGARD TO THE SERVICE, ANY MERCHANDISE, INFORMATION OR SERVICE PROVIDED THROUGH THE SERVICE OR ON THE INTERNET GENERALLY, AND [INSERT PROPERTY NAME] SHALL NOT BE LIABLE FOR ANY COST OR DAMAGE ARISING EITHER DIRECTLY OR INDIRECTLY FROM ANY SUCH TRANSACTION.

It is solely your responsibility to evaluate the accuracy, completeness and usefulness of all opinions, advice, services, merchandise and other information accessed through the Service or on the Internet generally. [Insert Property Name] does not warrant that the Service will be uninterrupted or error-free or that defects in the Service will be corrected.

Tenant understands that the Internet contains unedited materials, some of which are sexually explicit or may be offensive or harmful. Tenant may access such materials at their own risk. [Insert Property Name] has no control over and accepts no responsibility whatsoever for such materials.

INDEMNIFICATION BY USER. You shall indemnify and hold harmless [Insert Property Name] and any of its underlying service providers, information providers, licensors, employees or agents from and against any and all claims, demands, actions, causes of action, suits proceedings, losses, damages, costs, and expenses, including reasonable attorney fees, arising from or relating to your use of the Service, or any act, error, or omission of you or any user of your account in connection therewith, including, but not limited to, matters relating to incorrect, incomplete, or misleading information; libel; invasion of privacy; infringement of a copyright, trademark, service mark, or other intellectual property; any defective product or any injury or damage to person or property caused by any products sold or otherwise distributed through or in connection with the Service; or violation of any applicable law.

OTHER RESPONSIBILITIES OF TENANT. You agree that you will be responsible for all usage of the Service and any other services accessed through the Service whether or not authorized by you. You agree to pay any applicable fees or charges by any applicable due date, and to pay any interest or late fees incurred for late payment of the required fees. You agree not to transmit or publish on or over the Service any information, software or other content which violates or infringes upon the rights of any others or to use the facilities and capabilities of the Service to conduct any business or activity or solicit the performance of any activity which is prohibited by law. You agree to comply with all applicable laws, rules and regulations in connection with the Service. You acknowledge that you are aware that certain content, services or locations of the Service or of other parties that may be accessible through the Service may contain materials that are unsuitable for minors (persons under 18 years of age).

You agree to perform independent backup of data stored on your computer as [Insert Property Name] is not responsible for personal files residing on your computer.

TERM. This Agreement for the use of the Service will be in effect from the date your completed registration is accepted by [Insert Property Name] or the time you first access the Service, whichever comes first. This Agreement and your use of the Service may be terminated by either you or [Insert Property Name] at any time by written notice to [Insert Property Name], or by [Insert Property Name] at any time with or without notice for your default or violation of any terms of this Agreement.

MISCELLANEOUS. This Agreement shall be governed and construed in accordance with the laws of the State of Virginia applicable to agreements made and to be performed in Virginia. You agree that any legal action or proceeding between [Insert Property Name] and you for any purpose concerning this Agreement the parties' obligations hereunder shall be brought exclusively in a federal or state court of competent jurisdiction sitting in Virginia. In the event that [Insert Property Name], prevails in any litigation arising from or in connection with this Agreement, [Insert Property Name] may recover its reasonable attorney's fees, court costs, and legal costs (including expert witness fees, if applicable). Any cause of action or claim you may have with respect to the Service must be commenced within one (1) year after the claim or cause of action arises or such claim or cause of action is barred.

[Insert Property Name]' failure to insist upon or enforce strict performance of any provision of this Agreement shall not be constructed as a waiver of any provision or right. Neither the course of conduct between the parties nor trade practice shall act to modify any provision of this Agreement. [Insert Property Name] may assign its rights and duties under this Agreement to any party at any time without notice to you.

SERVICE IS PROVIDED ON THE FOLLOWING TERMS:

1. [Insert Property Name] is not responsible for the provision, performance, or support of your computer, tablet, or other electronic device used to access the Services. [Insert Property Name] provides support for Service only to its Wi-Fi system. Support for your computer, tablet, or other electronic device used to access the Services and any connecting Ethernet cables or any other devices to the wall jack is your responsibility.
2. You are solely responsible for keeping your computer, tablet, or other electronic device used to access the Services secure and free of viruses or other harmful programs that can directly or indirectly interfere with the operations of the Service, and that of third parties connected to its networks. You are solely responsible for guarding against and repairing your computer, tablet, or other electronic device used to access the Services, and other systems from any infection by malicious code or unauthorized use.
3. [Insert Property Name] cannot guarantee security and it is essential that you make use of a personal firewall, and anti-virus software due to the “always-on” nature of the Service. In addition, [Insert Property Name] strongly recommends you add further security protection by obtaining current updates to your application software, as well as other best practice security measures.
4. You may not use the Service in any way which, in [Insert Property Name]’s sole opinion, is, or is likely to be, detrimental to the provision of the Service to any other [Insert Property Name] tenant. This includes, but is not limited to, running any application or program that places excessive bandwidth demands on the Service. If [Insert Property Name] determines you are using excessive bandwidth, at our absolute discretion we may reduce the bandwidth available, or temporarily suspend or permanently disconnect the Service (with or without notification). [Insert Property Name] may automatically block file sharing usage.
5. Occasionally, [Insert Property Name] may need to temporarily suspend the Service for repairs or planned maintenance and upgrades. Where this occurs, [Insert Property Name] will give you as much notice as is reasonably possible under existing circumstances, however we cannot guarantee that the Service will never be faulty, however we will respond to all reported faults as soon as is reasonably possible and appropriate in light of the circumstances.
6. [Insert Property Name] reserves the right to email Service announcements to you as part of the Service. It is the Tenant’s responsibility to notify the office of a change of email address.
7. You may not use the facilities and capabilities of the Service to conduct any illegal activity, solicit the performance of any illegal or criminal activity, or take actions in violation of other Tenant obligations to [Insert Property Name] or in violation of the Acceptable Use Policy.
8. You may not send proactively, receive, upload, download, use or re-use any information or material which is defamatory or in breach of confidence, copyright, privacy or any other legally

protected rights.

9. You may not do anything which is contrary to the acceptable use policies of any connected networks or internet standards.

10. You may not use the Service to harass, discriminate against, cause annoyance, interfere with, inconvenience, or needlessly cause anxiety to tenants or others.

11. You may not send email or any other type of electronic message with the intention or result of affecting the performance or functionality of any computer facility.

12. You may not use the Service other than for your personal use, and you acknowledge that [Insert Property Name] shall not in any way whatsoever be liable to you or to any third party for any personal losses (including without limitation any loss of profits, business or anticipated savings or for any destruction of data) suffered in anyway whatsoever by you or any third party.

13. You may not employ a misleading email address or name or falsify information in the header, footer, return path or any part of any communication, including without limitation any email transmitted through the Service.

14. You may not permit any third party to do any of the above.

15. A current copy of the Acceptable Use Policy is attached hereto as Exhibit A and available at _____. The version of this Acceptable Use Policy is stored at that URL is considered the current and binding version.

16. If any aspect of these terms and conditions is found to be unenforceable or unlawful, then that provision shall be deemed severable from these terms and conditions and shall not affect the validity and enforceability of any remaining provisions.

17. This Agreement sets out the whole of our agreement relating to our supply of the Service. This Agreement cannot be varied except in writing by a managing partner of [Insert Property Name]. In particular, nothing said by any employee or person on behalf of [Insert Property Name] should be understood as a variation of this Agreement or an authorized representation about the Service or the nature and quality of items displayed thereon. [Insert Property Name] shall have no liability for any such representation being untrue or misleading.

TENANT SIGNATURE: _____

PRINT NAME: _____

DATE: _____, 20__.

Acceptable Use Policy for WiFi Access

Last Modified: February 21, 2021

Introduction

[INSERT PROPERTY NAME] (the “Company,” “we,” or “us”) provides access to a wireless network for access to the Company’s WiFi network (the “Network”). Network access is provided as a courtesy and convenience to you on an as-is basis. Use of our Network is at your own risk.

This Acceptable Use Policy (this “AUP”) governs your access to and use of the Network. Company reserves the right to amend, alter, or modify your conduct requirements as set forth in this AUP at any time. By clicking to accept or agree to the AUP, you accept and agree to be bound and abide by this AUP. If you do not want to agree to this AUP, you must not access or use the Network.

Prohibited Uses

You may use the Network only for lawful purposes and in accordance with this AUP. You agree not to use the Network:

- In any way that violates any applicable federal, state, local, or international law or regulation (including, without limitation, any laws regarding the export of data or software to and from the US or other countries).
- For the purpose of exploiting, harming, or attempting to exploit or harm, minors in any way by exposing them to inappropriate content, asking for personally identifiable information, or otherwise.
- To send, knowingly receive, upload, download, use, or re-use any material which violates the rights of any individual or entity established in any jurisdiction.
- To transmit, or procure the sending of, any advertising or promotional material, including any “junk mail,” “chain letter,” “spam,” or any other similar solicitation.
- To impersonate or attempt to impersonate the Company, a Company employee, another user, or any other person or entity (including, without limitation, by using e-mail addresses or screen names associated with any of the foregoing).
- To engage in any other conduct that restricts or inhibits anyone’s use or enjoyment of the Network, or which, as determined by us, may harm the Company or users of the Network or expose them to liability.

Additionally, you agree not to:

- Use the Network in any manner that could disable, overburden, damage, or impair the Network or interfere with any other party’s use of the Network, including their ability to engage in real time activities through the Network.
- Use any robot, spider, or other automatic device, process, or means to access the Network for any purpose, including monitoring or copying any Network traffic or resources available on the Network.
- Use any manual process to monitor or copy any Network traffic or resources available on the Network or for any other unauthorized purpose without our prior written consent.

- Use any device, software, or routine that interferes with the proper working of the Network.
- Introduce any viruses, trojan horses, worms, logic bombs, or other software or material which is malicious or technologically harmful.
- Attempt to gain unauthorized access to, interfere with, damage, or disrupt any parts of the Network or any server, computer, database, or other resource or element connected to the Network.
- Violate, attempt to violate, or knowingly facilitate the violation of the security or integrity of the Network.
- Otherwise attempt to interfere with the proper working of the Network.

Content Standards

You agree not to use the Network to send, knowingly receive, upload, download, use, or re-use any material which:

- Contains any material that is defamatory, obscene, indecent, abusive, offensive, harassing, violent, hateful, inflammatory, or otherwise objectionable.
- Promotes sexually explicit or pornographic material, violence, or discrimination based on race, sex, religion, nationality, disability, sexual orientation, or age.
- Infringes any patent, trademark, trade secret, copyright, or other intellectual property or other rights of any other person.
- Violates the legal rights (including the rights of publicity and privacy) of others or contains any material that could give rise to any civil or criminal liability under applicable laws or regulations.
- Is likely to deceive any person.
- Promotes any illegal activity, or advocates, promotes, or assists any unlawful act.
- Causes annoyance, inconvenience, or needless anxiety or is likely to upset, embarrass, alarm, or annoy any other person.
- Impersonates any person, or misrepresents your identity or affiliation with any person or organization.
- Involves commercial activities or sales, such as contests, sweepstakes, and other sales promotions, barter, or advertising.
- Gives the impression that they emanate from or are endorsed by us or any other person or entity, if this is not the case.

Monitoring and Enforcement

Company, in its sole discretion, will determine whether your conduct is in compliance with this AUP. We have the right to:

- Monitor your use of the Network for any purpose in our sole discretion and as we see fit.
- Take any action we deem necessary or appropriate in our sole discretion if we believe a user's conduct violates this AUP, infringes any intellectual property right or other right of any person or entity, threatens the personal safety of users of the Network or the public, or could create liability for the Company.

- Disclose your identity or other information about you to any third party who claims that material posted by you violates their rights, including their intellectual property rights or their right to privacy.
- Take appropriate legal action, including without limitation, referral to law enforcement, for any illegal or unauthorized use of the Network.
- Terminate or suspend your access to all or part of the Network for any or no reason, including without limitation, any violation of this AUP.

Without limiting the foregoing, we have the right to fully cooperate with any law enforcement authorities or court order requesting or directing us to disclose the identity or other information of anyone who accesses or uses the Network. YOU WAIVE AND HOLD HARMLESS THE COMPANY AND ITS AFFILIATES, LICENSEES AND SERVICE PROVIDERS FROM ANY CLAIMS RESULTING FROM ANY ACTION TAKEN BY ANY OF THE FOREGOING PARTIES DURING, OR TAKEN AS A CONSEQUENCE OF, INVESTIGATIONS BY EITHER SUCH PARTIES OR LAW ENFORCEMENT AUTHORITIES.

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BASIC TIPS AND ADVICE

KEEP A CLEAN MACHINE

- **KEEP SECURITY SOFTWARE CURRENT:** Having the latest security software, web browser and operating system is the best defense against viruses, malware and other online threats.
- **AUTOMATE SOFTWARE UPDATES:** Many software programs will automatically connect and update to defend against known risks. Turn on automatic updates if that's an available option.
- **PROTECT ALL DEVICES THAT CONNECT TO THE INTERNET:** Along with computers, smartphones, gaming systems and other web-enabled devices also need protection from viruses and malware.
- **PLUG & SCAN:** USBs and other external devices can be infected by viruses and malware. Use your security software to scan them.

PROTECT YOUR PERSONAL INFORMATION

- **LOCK DOWN YOUR LOGIN:** Fortify your online accounts by enabling the strongest authentication tools available, such as biometrics, security keys or a unique one-time code through an app on your mobile device. Your usernames and passwords are not enough to protect key accounts like email, banking and social media.
- **MAKE YOUR PASSWORD A SENTENCE:** A strong password is a sentence that is at least 12 characters long. Focus on positive sentences or phrases that you like to think about and are easy to remember (for example, "I love country music."). On many sites, you can even use spaces!
- **UNIQUE ACCOUNT, UNIQUE PASSWORD:** Separate passwords for every account helps to thwart cybercriminals.
- **WRITE IT DOWN AND KEEP IT SAFE:** Having separate passwords for every account helps to thwart cybercriminals. At a minimum, separate your work and personal accounts and make sure that your critical accounts have the strongest passwords.

CONNECT WITH CARE

- **WHEN IN DOUBT THROW IT OUT:** Links in emails, social media posts and online advertising are often how cybercriminals try to steal your personal information. Even if you know the source, if something looks suspicious, delete it.
- **GET SAVVY ABOUT WI-FI HOTSPOTS:** Limit the type of business you conduct and adjust the security settings on your device to limit who can access your machine.
- **PROTECT YOUR \$\$:** When banking and shopping, check to be sure the site is security enabled. Look for web addresses with "https://" or "shttp://," which means the site takes extra measures to help secure your information. "Http://" is not secure.

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BASIC TIPS AND ADVICE

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TIPS AND ADVICE

BE WEB WISE

- **STAY CURRENT:** Keep pace with new ways to stay safe online: Check trusted websites for the latest information, and share with friends, family, and colleagues and encourage them to be web wise.
- **THINK BEFORE YOU ACT:** Be wary of communications that implore you to act immediately, offer something that sounds too good to be true or ask for personal information.
- **BACK IT UP:** Protect your valuable work, music, photos and other digital information by making an electronic copy and storing it safely.

BE A GOOD ONLINE CITIZEN

- **SAFER FOR ME, MORE SECURE FOR ALL:** What you do online has the potential to affect everyone – at home, at work and around the world. Practicing good online habits benefits the global digital community.
- **POST ONLINE ABOUT OTHERS AS YOU HAVE THEM POST ABOUT YOU:** The Golden Rule applies online as well.
- **HELP THE AUTHORITIES FIGHT CYBERCRIME:** Report stolen finances or identities and other cybercrime to the Internet Crime Complaint Center (www.ic3.gov) and to your local law enforcement or state attorney general as appropriate.

OWN YOUR ONLINE PRESENCE

- **PERSONAL INFORMATION IS LIKE MONEY. VALUE IT. PROTECT IT:** Information about you, such as your purchase history or location, has value – just like money. Be thoughtful about who gets that information and how it's collected through apps and websites.
- **BE AWARE OF WHAT'S BEING SHARED:** Set the privacy and security settings on web services and devices to your comfort level for information sharing. It's OK to limit how and with whom you share information.
- **SHARE WITH CARE:** Think before posting about yourself and others online. Consider what a post reveals, who might see it and how it could be perceived now and in the future.

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ONLINE CYBERSECURITY ADVICE

for all digital citizens

The internet is a shared resource, and securing it is
Our Shared Global Responsibility.

LOCK DOWN YOUR LOGIN

Your usernames and passwords are not enough to protect key accounts like email, banking and social media. Strengthen online accounts and use strong authentication tools – like biometrics, security keys or a unique, one-time code through an app on your mobile device – whenever offered.



KEEP A CLEAN MACHINE

Keep all software on internet-connected devices – including personal computers, smartphones and tablets – current to reduce risk of infection from ransomware and malware.



WHEN IN DOUBT, THROW IT OUT

Links in email, tweets, posts and online advertising are often how cybercriminals try to compromise your information. If it looks suspicious, even if you know the source, it's best to delete or, if appropriate, mark it as junk.



BACK IT UP

Protect your valuable work, music, photos and other digital information by making an electronic copy and storing it safely. If you have a copy of your data and your device falls victim to ransomware or other cyber threats, you will be able to restore the data from a backup.



OWN YOUR ONLINE PRESENCE

Set the privacy and security settings on websites to your comfort level for information sharing. It is OK to limit how and with whom you share information.



SHARE WITH CARE

Think before posting about yourself and others online. Consider what a post reveals, who might see it and how it might affect you or others.



PERSONAL INFORMATION IS LIKE MONEY. VALUE IT. PROTECT IT.

Information about you, such as purchase history or location, has value – just like money. Be thoughtful about who gets that information and how it is collected by apps, websites and all connected devices.

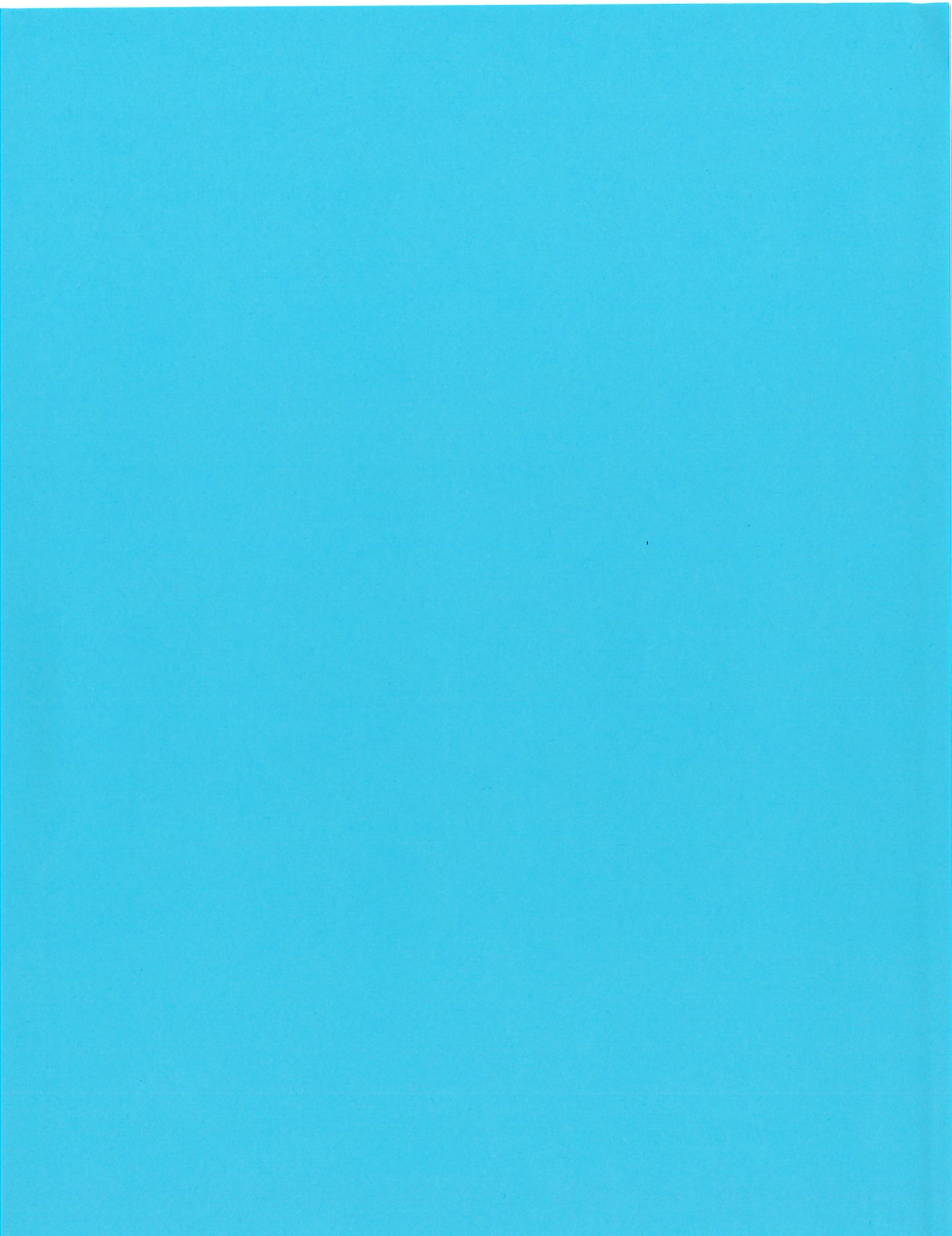


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ONLINE SAFETY TIPS FOR OLDER ADULTS

Going online lets you keep learning, connect with friends and family and play games. Just as you fasten your seat belt before driving, take precautions before using the Internet to be sure you are safe and secure. The first step is to STOP. THINK. CONNECT.: take safety measures, think about the consequences of your actions and connect knowing you have taken steps to safeguard yourself when online.

STOP. THINK. CONNECT., in partnership with Cyber-Seniors, wants to make sure everyone has a safe and enjoyable experience while online. We have a few tips that will help as you learn how to use new technology.

PERSONAL INFORMATION IS LIKE MONEY. VALUE IT. PROTECT IT.

- **Lock your devices, like you tablet and phone:** You lock the front door to your house, and you should do the same with your devices. Use strong passwords to lock your tablet and phone. Securing your devices keeps prying eyes out and can help protect your information in case your devices are lost or stolen.
- **Think before you act:** Ignore emails or communications that create a sense of urgency and require you to respond to a crisis, such as a problem with your bank account or taxes. This type of message is likely a scam.
- **When in doubt, throw it out:** Clicking on links in emails is often how bad guys get access to personal information. If an email looks weird, even if you know the person who sent it, it's best to delete.
- **Make passwords strong:** A strong password is a sentence that is at least 12 characters long. Focus on positive sentences or phrases that you like to think about and are easy to remember (for example, "I love country music."). On many sites, you can even use spaces!

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ONLINE SAFETY TIPS FOR OLDER ADULTS

- **Write it down and keep it safe:** Everyone can forget a password. Keep a list that's stored in a safe, secure place away from your computer.

SHARE WITH CARE

- **What you post will last forever:** Be aware that when you post a picture or message online, you may also be inadvertently sharing personal details with strangers about yourself and family members – like where you live.
- **Post only about others as you would like to have them post about you:** The golden rule applies online as well.
- **Own your online presense:** It's OK to limit who can see your information and what you share. Learn about and use privacy and security settings on your favorite websites.

About STOP. THINK. CONNECT.

STOP. THINK. CONNECT. is the first-ever coordinated message to help all digital citizens stay safer and more secure online. The message was created by an unprecedented coalition of companies, nonprofits and government organizations. In 2009, the Anti Phishing Working Group and National Cyber Security Alliance led the effort to find a unified online safety message that could be adapted across public and private sectors. The is to help everyone understand the risks and benefits that come with using the Internet.

About Cyber-Seniors

Building on the award-winning documentary "Cyber-Seniors" and the high school community service project that inspired it, the Cyber-Seniors non-profit organization and Connecting Generations campaign encourages tech savvy youth to share thier knowledge by mentoring older adults.

For information on Cyber-Seniors and the Connecting Generations campaign please visit www.cyberseniorsdocumentary.com

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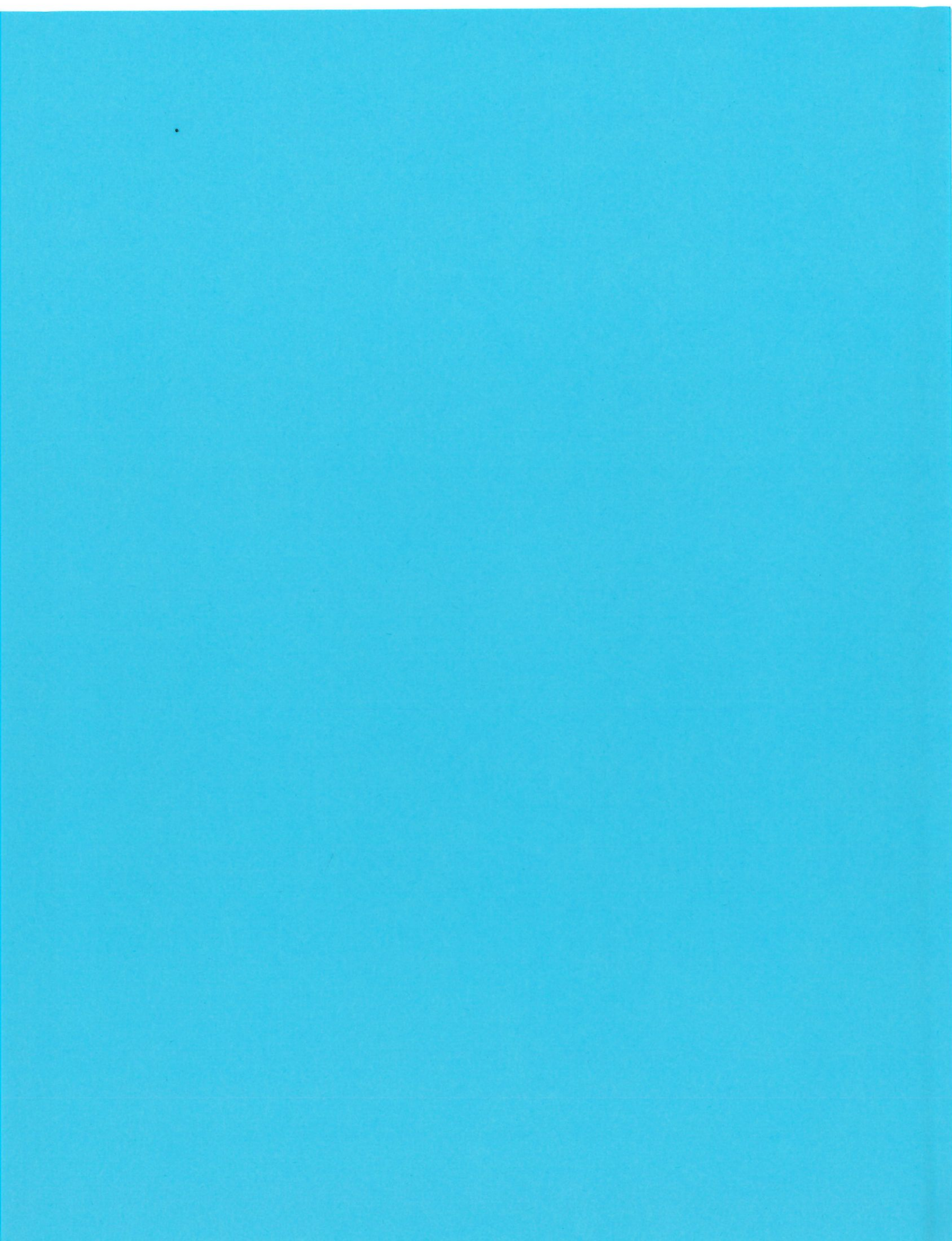
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ONLINE GAMING TIPS FOR KIDS, TEENS AND TWEENS

Online gaming is fun and interactive. You can play with friends or with people across the globe. Make sure you know how to protect yourself and your personal information while playing online. Following these simple guidelines can prevent problems later.

The first step is STOP. THINK. CONNECT.

It's your game. Take control.

- If another player is making you feel uncomfortable, tell a trusted adult. Remember that you can always kick a player out of the game if they are making you uncomfortable.
- Learn how to block and/or report another player if they are making you uncomfortable. Keep a record of what the other player said, but do not engage them.
- Playing with people you don't know or who aren't your good friends? Time to use a disguise.
 - Use a safe Game Name: something cool like SecretNinja99 or LeTigreVerde
 - Use an avatar instead of the webcam. Sure, the webcam is cool, but strangers don't need to know what you look like. Embrace an air of mystery.
 - Use the voice altering features if you have them. Otherwise, avoid voice chat to protect your anonymity.

Keep a Clean Machine.

Talk to your parents or guardians about how they can make sure your computer is protected against computer viruses, spyware and other bugs.

- Keep security software current: Having the latest security software, web browser, and operating system are the best defenses against viruses, malware, and other online threats.
- Protect all devices that connect to the Internet: Computers, smart phones, gaming systems, and other webenabled devices all need protection from viruses and malware.

Protect Your Personal Information.

Personal information is any information that can be used to identify you or your accounts. Examples include your name, address, phone number, user names and passwords, pictures, birthday and social security number.

- Secure your accounts: Ask for protection beyond passwords. Many account providers now offer additional ways for you verify who you are before you conduct business on that site.
- Make passwords long and strong: Combine capital and lowercase letters with numbers and symbols to create a more secure password. (Remember, passwords are the keys to your accounts. The only people who need to know them are YOU and your parents. Not your brother, sister, best friend, or teacher – just you.)
- Own your online presence: When available, set the privacy and security settings on websites to your comfort level for information sharing. It's ok to limit how and with whom you share information.

Created by the National Cyber Security Alliance

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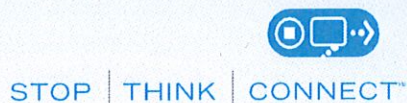


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ONLINE GAMING TIPS FOR KIDS, TEENS AND TWEENS



Be Web Wise.

Stay informed of the latest Internet developments, know what to do if something goes wrong and be open with your parents about what you are doing online.

- Stay current. Keep pace with new ways to stay safe online. Check trusted websites for the latest information, share with friends and family, and encourage them to be web wise.
- Think before you act: Be wary of communications that implores you to act immediately, offers something that sounds too good to be true, or asks for personal information. Do not accept downloads from strangers. This includes cheat programs that may claim to help you perform better in the game, but really could be carrying malware.

Be a Good Online Citizen.

It is easy to say things from behind a computer screen that you would never say face to face. Maintain the same level of courtesy online that you would in the real world.

- Safer for me more secure for all: What you do online has the potential to affect everyone – at home and around the world. Practicing good online habits benefits the global digital community.

STOP. Before you use the Internet, take time to understand the risks and learn how to spot potential problems.

THINK. Take a moment to be certain the path is clear ahead. Watch for warning signs and consider how your actions online could impact your safety, or your family's.

CONNECT. Enjoy the Internet with greater confidence, knowing you've taken the right steps to safeguard yourself and your computer.

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STOP | THINK | CONNECT™

Privacy Tips for Teens

You learn, connect with friends and play games online. Just as you look both ways before crossing the street (which we hope you do), be sure you are using the Internet safely and securely. The first step is to STOP.THINK.CONNECT.: take safety measures, think about the consequences of your actions and connect knowing you are protecting yourself from an unhappy surprise.

Share With Care

- **What you post can last a lifetime:** Before posting online, think about what others might learn about you and who might see it in the future – teachers, parents, colleges and potential employers. Share the best of yourself online.
- **Be aware of what's being shared:** Be aware that when you post a picture or video online, you may also be sharing information about others or personal details about yourself like where you live, go to school or hang out.
- **Post only about others as you would like to have them post about you:** The golden rule applies online as well. Ask permission before you tag a friend in a photo.
- **Own your online presence:** It's OK to limit who can see your information and what you share. Learn about and use privacy and security settings on your favorite online games, apps and platforms.

Personal Information Is Like Money. Value It. Protect It.

- **Know what's being collected, who is collecting it and how it will be used:** Information about you, such as the games you like to play, what you search for online and where you shop and live, has value – just like money. Be thoughtful about who gets that information and how it's collected through apps and websites. Only use a product or service if the company is open and clearly states how it will use your personal information. If you're not sure what a business will do with your information, ask your parents. Think twice if an app wants permission to use personal information (like your location) it doesn't need before you say "OK."

- **Secure your devices:** Use strong passwords or passcodes or touch ID features to lock your devices. Securing your device can help protect your information if your device is lost or stolen and keep prying eyes out.
- **Get savvy about WiFi hotspots:** Public wireless networks and hotspots are not secure – this means the possibility exists that anyone can see what you are doing on your laptop or smartphone while you are connected to it. Think about what you are doing and if you would want another person to see it. If you use public WiFi a lot, think about using a virtual private network (VPN) that provides a more secure WiFi connection.
- **Now you see me, now you don't:** Some stores and other locations look for devices with WiFi or Bluetooth turned on to track your movements while you are within range. Turn off WiFi and Bluetooth when not in use, and limit your use of free public wireless networks, which stores and locations can use to track what you do online.
- **When in doubt, throw it out:** Links in email, tweets, posts, and online advertising are often the way bad guys get access to your personal information. If it looks weird, even if you know the source, it's best to delete.

For more tips and information about staying safe online, visit www.stopthinkconnect.org.

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

Tab X Marketing Plan Grayson Manor

Owner's Intent

Grayson Manor Apartments, LLC plans to rehabilitate Grayson Manor, a 32-unit affordable multi-family housing development located in Independence, VA. Community Housing Partners Corporation (CHP), as the developer, plans to construct five (5) units to serve persons with physical disabilities. The construction of five handicapped accessible units will qualify this development for accessibility points by providing the greater of five (5) units or 10% of the project units which conform to HUD regulations interpreting the accessibility requirements of Section 504 of the Rehabilitation Act. One (1) of the five handicapped accessible units will also be equipped specifically with hearing and sight accessibility features.

The accessible units will be set aside and marketed to persons with disabilities for a minimum period of sixty (60) days. During this sixty (60) day time period, ongoing marketing efforts to qualified tenants will be documented. If a qualified tenant is not identified within the timeframe, evidence of marketing will be submitted to VH's Program Compliance Office and a request for approval will be made to rent the unleased units to any income qualified households.

CHP may alternatively work with the VH's Compliance Officer to demonstrate marketing to the target population is occurring on an ongoing basis throughout the year, meaning the management agent will be making contact with at least 2 of the below referenced resources monthly, thus allowing CHP to fill any vacant 504 units with any income qualified tenant without the unit remaining vacant for sixty (60) days.

In either case, the lease of any qualified non-handicapped tenant located in an accessible unit will contain a provision stipulating the non-handicapped household must move to the next available vacant unit if a household including a person with a disability applies and qualifies for the 504 unit.

Implementation of Owner's Intent

CHP, as the management agent, will rent accessible units only to qualified households, unless a qualified tenant cannot be found during the sixty (60) day marketing effort, or after ongoing marketing efforts as described above. Focused marketing efforts will occur, in addition to normal routine marketing strategies, to ensure qualified individuals are aware of the availability of accessible units.

Focused Marketing Efforts:

VirginiaHousingSearch.com – CHP will post Grayson Manor on the virginiahousingsearch.com website and will communicate the fact the development has accessible units.

Rooftop of Virginia holds the Housing Choice Voucher/Section 8 waiting list for Independence, VA. CHP will communicate the availability of units, including accessible units, with Rooftop of Virginia. Contact information for Rooftop of Virginia:

Cliff Testerman
Housing/Facilities Director
ctesterman@rtov.org
(276) 236-7131 ext. 247

206 N Main St.
Galax, VA 24333

District Three Governmental Cooperative – CHP has communicated with the District Three Governmental Cooperative and will continue to communicate the availability of affordable accessible units to the District Three Governmental Cooperative. Contact information for the District Three Governmental Cooperative:

Sheila Beasley
Case Manager
sbeasley@district-three.org
2762365228
300 W Oldtown Street
Galax, VA 24333

Virginia Department of Behavioral Health and Development Services (VA DBHDS) – CHP has communicated with VA DBHDS and will continue to communicate the availability of affordable units. Contact information for VA DBHDS:

Anna Bowman
Housing Coordinator
anna.bowman@dbhds.virginia.gov
(804) 839-0476
1220 Bank Street
Richmond, VA 23219

Janna Wiener
Housing Services Manager
janna.wiener@dbhds.virginia.gov
(804) 305-4086
1220 Bank Street
Richmond, VA 23219

Appalachian Independence Center (AIC) – CHP has communicated with AIC, the Center for Independent Living serving Grayson County, and will continue to communicate the availability of affordable accessible units. Contact information for AIC:

Sandy Yates
Independent Living Advocate
syates@aicadvocates.org
276-237-8862
120 W Grayson St. Suite 800
Galax, VA 24333

Mount Rodgers Community Services Board – CHP has communicated Mount Rodgers Community Services Board and will continue to communicate the availability of affordable accessible units. Contact information for Mount Rodgers Community Services Board:

John Lovill
Behavioral Health Housing Coordinator
john.lovill@mountrorgers.org
(276) 237-3258
211 D Hillcrest St.
Hillsville, VA 24343

AccessVA.org and other supportive non-profit organizations – CHP will communicate with accessibility minded organizations to inform them of the availability of accessible units at Grayson Manor.

Virginia Housing (VH) – CHP will provide information on the availability of accessible units to the VH representatives charged with accessible unit outreach.

Routine Marketing:

Newspapers/Internet – Newspaper and internet advertisements reach a broad range of apartment seekers, and as such, provide an excellent form of advertisement. When these methods are used, CHP will communicate the presence of available accessible units.

Industry Publications – CHP regularly uses a variety of industry publications, where available, to advertise available units. These advertisements, when used, will communicate the availability of accessible units.

Referrals – CHP regularly encourages referrals among and between managed properties. There are currently over 6,717 units under management by CHP, and Property Managers at the company will be informed of the availability of accessible units.

CHP will not be limited solely to the marketing efforts identified above but will pursue whatever other marketing means are necessary to advertise available accessible units at Grayson Manor.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

Not Applicable

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

Appendices continued

SWaM CONTRACT CERTIFICATION

(TO BE PROVIDED AT TIME OF APPLICATION)

LIHTC Applicant Name Grayson Manor Apartments, LLC

Name of SWaM Service Provider Halcon Companies, LLC

Part II, 13VAC10-180-60(E)(5)(e) of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority" formerly Virginia Housing) for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended, provides that an applicant may receive five (5) points toward its application for Credits for entering into at least one contract for services provided by a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's Small, Women-owned, and Minority-owned Business certification program (SWaM Program). Any applicant seeking points from Part II, 13VAC10-180-60(E)(5)(e) of the Plan must provide in its application this certification together with a copy of the service provider's certification from the Commonwealth of Virginia's SWaM Program. The certification and information requested below will be used by the Authority in its evaluation of whether an applicant meets such requirements.

Complete a separate form for each SWaM Service Provider.

INSTRUCTIONS

Please complete all parts below. Omission of any information or failure to certify any of the information provided below may result in failure to receive points under Part II, 13VAC10-180-60(E)(5)(e) of the Plan.

1. The SWaM Service Provider will provide the following services and roles eligible for points under the Plan:
 - consulting services to complete the LIHTC application;
 - ongoing development services through the placed in service date; general contractor;
 - architect;
 - property manager; accounting services;
 - or legal services.
2. Please describe in the space below the nature of the services contracted for with the SWaM certified service provider listed above. Include in your answer the scope of services to be provided, when said services are anticipated to be rendered, and the length of the contract term. Traci Dusenbury Tate, Halcon Companies LLC will provide consulting services to review the LIHTC application and documents as well as provide consulting services for various funding source applications associated with the development as well as document review services for equity and perm closings

Appendices continued

3. Attach to this certification a copy of the service provider's current certification from the Commonwealth of Virginia's SWaM Program.
4. The undersigned acknowledge by their signatures below that prior to the Authority's issuance of an 8609 to the applicant, the undersigned will be required to certify that the SWaM service provider successfully rendered the services described above, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, and that the undersigned service provider is still a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM Program.

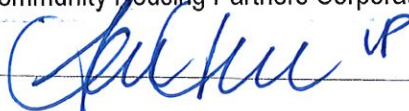
CONTRACT CERTIFICATION

The undersigned do hereby certify and acknowledge that they have entered into with each another at least one contract for services as described herein, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, that the undersigned service provider is a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM Program, and that it is the current intention of the undersigned that the services be performed (i.e., the contract is bona fide and not entered into solely for the purpose of obtaining points under the Plan). The undersigned do hereby further certify that all information in this certification is true and complete to the best of their knowledge, that the Authority is relying upon this information for the purpose of allocating Credits, and that any false statements made herein may subject both the undersigned applicant and the undersigned service provider to disqualification from current and future awards of Credits in Virginia.

APPLICANT

Grayson Manor Apartments, LLC
Name of Applicant By: CHP Grayson Manor Apartments, LLC Managing Member
By: Community Housing Partners Corporation, Sole Member of Managing Member

Signature of Applicant



Printed Name and Title of Authorized Signer

Samantha Brown, Vice President

SWaM CERTIFIED SERVICE PROVIDER

Name of SWaM Certified Service Provider Traci (Dusenbury) Tate, Halcon Companies, LLC

Signature of SWaM Certified Service Provider



Printed Name and Title of Authorized Signer

Traci (Dusenbury) Tate, Managing Member

COMMONWEALTH OF VIRGINIA



DEPARTMENT OF SMALL BUSINESS & SUPPLIER DIVERSITY

101 N. 14th Street, 11th Floor
Richmond, VA 23219

HALCON COMPANIES, LLC

is a certified Small, Women Owned Business meeting all the eligibility requirements set forth under the Code of Virginia Section 2.2-16.1 et seq. and Administrative Code 7VAC 13-20 et seq.

Certification Number: 699594
Valid Through: Jul 26, 2027

Accordingly Certified

Willis A. Morris

Willis A. Morris, Director



Tab AA:

Priority Letter from Rural Development



United States Department of Agriculture

Rural Development

February 27, 2023

Michelle O'Meara
Branch Chief

Ray Wetherbee
Grayson Manor Apartments, LLC
448 Depot Street
Christiansburg, VA 24073

Processing and
Report Review
Branch 1

Re: Grayson Manor Limited Partnership
Grayson Manor Apartments, LLC
Tax Credit Support Letter

Production and
Preservation Division

Multifamily Housing

Dear Mr. Wetherbee,

This letter is to confirm that you have informed the Rural Housing Service (RHS) of your intention to transfer the ownership of Grayson Manor Apartments to Grayson Manor Apartments, LLC, once it has been determined eligible for ownership of the property by the RHS.

We understand you intend to apply for Federal Low-Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA) in order to acquire and rehabilitate the property.

We understand that you intend to submit a transfer and assumption application to the RHS for our consideration. The RHS outstanding loan balance as of today is \$418,372.40. This loan balance is subject to change at the time of the transfer. The transfer will be at new rates and terms. As of today, our current interest rate is 4.0%, under current program parameters this would be reduced to the below market 1.00% interest credit rate should all other components of the transaction be found acceptable to the RHS. Depending on the economic useful life of the property, the term may be up to 30 years with an amortization period up to 50 years.

Although RD doesn't rank potential applications at this time, we strive to fund all of the projects that meet applicable criteria and further the mission of Rural Development. The project appears to be feasible, subject to the submission and review of a complete application, underwriting of the transaction, and completion and concurrence of all required due diligence items. At closing, the new borrower will be required to execute a new restricted use provision and the property will be required to operate in accordance with 7 CFR part 3560 - Direct Multi-Family Housing Loans and Grants.

If you have any questions regarding the above, please feel free to contact Megan Riley, Loan Technician, at (910) 748-5575 or email at megan.riley@usda.gov.
Sincerely,

MICHELLE
O'MEARA

Digitally signed by
MICHELLE O'MEARA
Date: 2023.03.06
15:12:56 -05'00'

Michelle O'Meara
Branch Chief

TAB AB:

Social Disadvantage Certification

Not Applicable