
2022 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

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

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Pamela Freeth	pamela.freeth@virginiahousing.com	(804) 343-5563
Aniyah Moaney	aniyah.moaney@virginiahousing.com	(804) 343-5518

TABLE OF CONTENTS

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

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

2022 Low-Income Housing Tax Credit Application For Reservation

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

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

VHDA TRACKING NUMBER

2022-TEB-114

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 5/11/2022

1. Development Name: Grande Oak II
2. Address (line 1): 6300 Old Mooretown Road
Address (line 2):
City: Williamsburg State: VA Zip: 23188
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: 37.33834 Latitude: -76.74747
(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 York 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: 510.00
7. Development is located in a Qualified Census Tract..... FALSE
8. Development is located in a Difficult Development Area..... FALSE
9. Development is located in a Revitalization Area based on QCT FALSE
10. Development is located in a Revitalization Area designated by resolution TRUE
11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE
(If 9, 10 or 11 are True, Action: Provide required form in TAB K1)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 2
- Planning District: 23
- State Senate District: 3
- State House District: 96

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

Grande Oak II consists of the new construction of a 49 unit multifamily apartment community located in York County.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 5/11/2022

16. Local Needs and Support

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

Chief Executive Officer's Name: Mr. Neil Morgan
 Chief Executive Officer's Title: County Administrator Phone: 757-890-3320
 Street Address: 224 Ballard Street; P.O. Box 532
 City: Yorktown State: VA Zip: 23690

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Timothy C. Cross, Deputy Director of Planning & Development Services

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

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

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

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

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

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

Tidewater MSA Pool

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

[Redacted]

For Tax Exempt Bonds, where are bonds being issued?

[Redacted]

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

2. Type(s) of Allocation/Allocation Year

Carryforward Allocation

Definitions of types:

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

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

3. Select Building Allocation type:

New Construction

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

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

FALSE

5. Planned Combined 9% and 4% Developments

TRUE

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

Name of companion development: Grande Oak III

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

TRUE

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

Total Units within 9% allocation request? 49

Total Units within 4% Tax Exempt allocation Request? 49

Total Units: 98

% of units in 4% Tax Exempt Allocation Request: 50.00%

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

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Grande Oak II VA LLC

Developer Name: Surber Development and Consulting LLC

Contact: M/M ▶ Ms. First: Jen MI: Last: Surber

Address: 120 Green Tree Circle

City: Bristol St. ▶ VA Zip: 24201

Phone: (276) 698-8760 Ext. Fax:

Email address: jensurber@surberdev.com

Federal I.D. No. (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.

- 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
Jennifer E. H. Surber - Surber Development and Cons	(276) 698-8760	Managing Member	100.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%
			0.000%

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

C. OWNERSHIP INFORMATION

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

ACTION:

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

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

FALSE

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

3. Developer Experience:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: ▶ Option
 Expiration Date: 12/31/2022

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/2022 .

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

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

D. SITE CONTROL

3. Seller Information:

Name: Surber Development and Consulting LLC

Address: 120 Green Tree Circle

City: Bristol St.: VA Zip: 24201

Contact Person: Jen Surber Phone: (276) 698-8760

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>
Jennifer E. H. Surber	(276) 698-8760	Managing Member	100.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

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

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

1. Tax Attorney:			This is a Related Entity.	FALSE
Firm Name:			DEI Designation?	FALSE
Address:				
Email:		Phone:		
2. Tax Accountant:	Tim Smith		This is a Related Entity.	FALSE
Firm Name:	Bernard Robinson & Company, L.L.P.		DEI Designation?	FALSE
Address:	1501 Highwoods Boulevard; Suite 300; Greensboro, North Carolina 27410			
Email:	tsmith@brccpa.com	Phone:	(336) 294-4494	
3. Consultant:			This is a Related Entity.	FALSE
Firm Name:			DEI Designation?	FALSE
Address:		Role:		
Email:		Phone:		
4. Management Entity:	Tami Fossum		This is a Related Entity.	FALSE
Firm Name:	GEM Management		DEI Designation?	FALSE
Address:	2021 Cross Beam Drive; Charlotte, North Carolina 28217			
Email:	tfossum@gemmanagement.net	Phone:	(704) 357-6000	
5. Contractor:	Jimmy Holland		This is a Related Entity.	FALSE
Firm Name:	Peacock Holland & Construction		DEI Designation?	FALSE
Address:	301 S Main Street; Suite 105; Blacksburg, Virginia 24060			
Email:	jimmy@peacockhollandconstruction.com	Phone:	(540) 613-2160	
6. Architect:	Jackie Martin		This is a Related Entity.	FALSE
Firm Name:	Martin Riley Associates		DEI Designation?	FALSE
Address:	215 Church Street; Suite 200; Decatur, Georgia 30030			
Email:	jmartin@martinriley.com	Phone:	(678) 492-1214	
7. Real Estate Attorney:	David Pryzwansky		This is a Related Entity.	FALSE
Firm Name:	The Pryzwansky Law Firm		DEI Designation?	FALSE
Address:	507 West Peace Street; Suite 101; Raleigh, North Carolina 27603			
Email:	david@pryzlaw.com	Phone:	(919) 828-8668	
8. Mortgage Banker:			This is a Related Entity.	FALSE
Firm Name:			DEI Designation?	TRUE
Address:		Phone:		
Email:		Phone:		
9. Other:			This is a Related Entity.	FALSE
Firm Name:			DEI Designation?	FALSE
Address:		Role:		
Email:		Phone:		

F. REHAB INFORMATION

1. Acquisition Credit Information

a. Credits are being requested for existing buildings being acquired for development..... FALSE

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

b. This development has received a previous allocation of credits..... FALSE
If so, in what year did this development receive credits?

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

d. This development is an existing RD or HUD S8/236 development..... FALSE
Action: (If True, provide required form in TAB Q)

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

i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... FALSE

ii. Applicant has obtained a waiver of this requirement from Virginia Housing prior to the application submission deadline..... FALSE

2. Ten-Year Rule For Acquisition Credits

a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... FALSE

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

i Subsection (I)..... FALSE

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

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

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

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

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

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

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

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

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

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

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

Name of qualified nonprofit:

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

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

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	49	bedrooms	98
Total number of rental units in development	49	bedrooms	98
Number of low-income rental units	49	bedrooms	98
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	49	bedrooms	98
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			57,724.85 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			0.00 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			57,724.85 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	1.915		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			FALSE
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

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

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

h. Development contains an elevator(s).	<u>TRUE</u>
If true, # of Elevators.	<u>1</u>
Elevator Type (if known)	<u>TBD</u>

i. Roof Type	▶	<u>Sloped</u>
j. Construction Type	▶	<u>Frame</u>
k. Primary Exterior Finish	▶	<u>Brick</u>

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>FALSE</u>
e. Laundry facilities.....	<u>TRUE</u>	j. Sports Activity Ct..	<u>FALSE</u>
		k. Other:	<u></u>

l. Describe Community Facilities:

m. Number of Proposed Parking Spaces	<u>58</u>
Parking is shared with another entity	<u>TRUE</u>

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

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

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

6. Market Study Data: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	35.80%
Project Wide Capture Rate - Market Units	NA
Project Wide Capture Rate - All Units	35.80%
Project Wide Absorption Period (Months)	7

J. ENHANCEMENTS

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

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

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

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

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

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

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

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

J. ENHANCEMENTS

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

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

- FALSE a. All cooking ranges have front controls.
- 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.
- TRUE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

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

- FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:

0% of Total Rental Units

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

If not, please explain: NA

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	0	50	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	63	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$113	\$0	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by H vouchers (as evidenced by the submission of a letter satisfactory to the Authority from a public housing authority (PHA) that the development meets all prerequisites for such as another form of documented and binding federal project-based rent subsidies in order to occupancy by extremely low-income persons. Locality project based rental subsidy meet 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 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 otherwise approved by Authority prior to the applicant's submission of its application.

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

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

TRUE

b. Any development in which ten percent (10%) of the units (i) conform to HUD regulation 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.....
(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 displac

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: York County HCV Program

Contact person: Abbitt Woodall

Title: Housing and Neighborhood Revitalization Manager

Phone Number: (757) 890-3885

Action: Provide required notification documentation (TAB L)

- b. Leasing preference will be given to individuals and families with children.....
(Less than or equal to 20% of the units must have of 1 or less bedrooms).
- c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 0
% of total Low Income Units 0%

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

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

3. Target Population Leasing Preference

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

Last Name: Fossum

Phone Number: (704) 357-6000 Email: tfossum@gemmanagement.net

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

*Administering Organization: _____

FALSE State Assistance

*Administering Organization: _____

FALSE Other: _____

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

FALSE

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

d. Number of units receiving assistance:

0

How many years in rental assistance contract?

0.00

Expiration date of contract:

1/31/2035

There is an Option to Renew.....

FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
0	0.00%	50% Area Median	
49	100.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
49	100.00%	Total	

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
49	100.00%	60% Area Median	2940%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
49	100.00%	Total	60.00%

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

2. Unit Detail

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	2 BR - 1.5 Bath	60% AMI	10		950.00	\$1,149.00	\$11,490
Mix 2	2 BR - 1.5 Bath	60% AMI	39	5	954.00	\$1,149.00	\$44,811
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
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0

L. UNIT DETAILS

Mix 17								\$0
Mix 18								\$0
Mix 19								\$0
Mix 20								\$0
Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
Mix 34								\$0
Mix 35								\$0
Mix 36								\$0
Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
Mix 44								\$0
Mix 45								\$0
Mix 46								\$0
Mix 47								\$0
Mix 48								\$0
Mix 49								\$0
Mix 50								\$0
Mix 51								\$0
Mix 52								\$0
Mix 53								\$0
Mix 54								\$0
Mix 55								\$0
Mix 56								\$0
Mix 57								\$0
Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0

L. UNIT DETAILS

Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS			49	5			\$56,301

Total Units	49	Net Rentable SF:	TC Units	46,706.00
			MKT Units	0.00
			Total NR SF:	46,706.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$2,000
2. Office Salaries			\$0
3. Office Supplies			\$2,000
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$29,201
<u>4.55%</u> of EGI	<u>\$595.94</u>	Per Unit	
6. Manager Salaries			\$25,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$500
9. Auditing			\$4,200
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$4,000
12. Tax Credit Monitoring Fee			\$1,715
13. Miscellaneous Administrative			\$7,708
Total Administrative			\$76,324

Utilities

14. Fuel Oil			\$0
15. Electricity			\$7,000
16. Water			\$3,500
17. Gas			\$0
18. Sewer			\$3,500
Total Utility			\$14,000

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$1,000
23. Trash Removal			\$6,500
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$13,000
28. Maintenance/Repairs Payroll			\$10,000
29. Repairs/Material			\$7,000
30. Repairs Contract			\$8,000
31. Elevator Maintenance/Contract			\$2,000
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$1,500
35. Decorating/Payroll/Contract			\$2,000
36. Decorating Supplies			\$0
37. Miscellaneous			\$0
Totals Operating & Maintenance			\$51,000

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$34,982
39. Payroll Taxes	\$1,394
40. Miscellaneous Taxes/Licenses/Permits	\$1,000
41. Property & Liability Insurance	\$21,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$8,900
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$12,000
Total Taxes & Insurance	\$79,276

Total Operating Expense	\$220,600
--------------------------------	------------------

Total Operating Expenses Per Unit	\$4,502	C. Total Operating Expenses as % of EGI	34.36%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$12,250
---	-----------------

Total Expenses	\$232,850
-----------------------	------------------

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	5/9/2022	Jen Surber
b. Site Acquisition	8/1/2022	Jen Surber
c. Zoning Approval	IN PLACE	IN PLACE
d. Site Plan Approval	7/1/2022	Jen Surber
2. Financing		
a. Construction Loan		
i. Loan Application	6/1/2022	Jen Surber
ii. Conditional Commitment	7/1/2022	Jen Surber
iii. Firm Commitment	7/1/2022	Jen Surber
b. Permanent Loan - First Lien		
i. Loan Application	IN PLACE	IN PLACE
ii. Conditional Commitment	IN PLACE	IN PLACE
iii. Firm Commitment	IN PLACE	IN PLACE
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	1/27/2021	Jen Surber
3. IRS Approval of Nonprofit Status	NA	NA
4. Closing and Transfer of Property to Owner	8/1/2022	Jen Surber
5. Plans and Specifications, Working Drawings	IN PLACE	Jackie Martin
6. Building Permit Issued by Local Government	7/1/2022	Jen Surber
7. Start Construction	8/1/2022	Jen Surber
8. Begin Lease-up	9/1/2023	Jen Surber
9. Complete Construction	8/1/2023	Jen Surber
10. Complete Lease-Up	3/1/2024	Tami Fossum
11. Credit Placed in Service Date	9/1/2023	Jen Surber

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

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

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
Must Use Whole Numbers Only!				
1. Contractor Cost				
a. Unit Structures (New)	5,137,447	0	5,137,447	0
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
<input type="checkbox"/> e. Structured Parking Garage	0	0	0	0
Total Structure	5,137,447	0	5,137,447	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
<input type="checkbox"/> h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	839,614	0	839,614	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
Total Land Improvements	839,614	0	839,614	0
Total Structure and Land	5,977,061	0	5,977,061	0
r. General Requirements	96,000	0	96,000	0
s. Builder's Overhead	300,693	0	300,693	0
(5.0% Contract)				
<input type="checkbox"/> t. Builder's Profit	300,693	0	300,693	0
(5.0% Contract)				
u. Bonds	0	0	0	0
v. Building Permits	0	0	0	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: <input type="checkbox"/>	0	0	0	0
z. Other 2: <input type="checkbox"/>	0	0	0	0
aa. Other 3: <input type="checkbox"/>	0	0	0	0
Contractor Costs	\$6,674,447	\$0	\$6,674,447	\$0

O. PROJECT BUDGET - OWNER COSTS

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	20,000	0	20,000	0
b. Architecture/Engineering Design Fee \$2,653 /Unit)	130,000	0	130,000	0
c. Architecture Supervision Fee \$612 /Unit)	30,000	0	30,000	0
d. Tap Fees	62,500	0	62,500	0
e. Environmental	4,250	0	4,250	0
f. Soil Borings	10,000	0	10,000	0
g. Green Building (Earthcraft, LEED, etc.)	16,500	0	16,500	0
h. Appraisal	10,000	0	10,000	0
i. Market Study	5,000	0	5,000	0
j. Site Engineering / Survey	130,000	0	130,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	50,000	0	50,000	0
n. Construction Interest (0.0% for 0 months)	325,000	0	243,750	0
o. Taxes During Construction	6,700	0	6,700	0
p. Insurance During Construction	15,000	0	15,000	0
q. Permanent Loan Fee (0.0%)	60,056	0	0	0
r. Other Permanent Loan Fees	5,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	7,500	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	75,000	0	75,000	0
w. Legal Fees for Closing	39,000	0	39,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	26,231			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	15,000	0	15,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	282,882	0	0	0
ad. Contingency	333,722	0	333,722	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	0			
(1) Other* specify: lease up reserve	40,000	0	0	0
(2) Other* specify: construction inspections	25,000	0	25,000	0
(3) Other* specify: syndicator fee	35,000	0	0	0
(4) Other* specify: soft cost contingency	40,000	0	40,000	0
(5) Other * specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify: Bond issuance	107,600	0	0	0
(8) Other* specify: A&E cost review	15,000	0	15,000	0
(9) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$1,921,941	\$0	\$1,276,422	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$8,596,388	\$0	\$7,950,869	\$0
3. Developer's Fees	1,060,280	0	1,060,280	0
Action: Provide Developer Fee Agreement (Tab A)				
4. Owner's Acquisition Costs				
Land	0			
Existing Improvements	0	0		
Subtotal 4:	\$0	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$9,656,668	\$0	\$9,011,149	\$0

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

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$1,061,567

Proposed Development's Cost per Sq Foot \$167 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$314

Proposed Development's Cost per Unit \$197,075 **Meets Limits**
 Applicable Cost Limit per Unit: \$303,292

2022 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	9,656,668	0	9,011,149	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		0	9,011,149	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%)			0	0
<i>State Designated Basis Boosts:</i>				
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			2,703,345	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			11,714,494	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		0	11,714,494	0
7. Applicable Percentage <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		0.00%	4.00%	4.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$468,580	\$0
			\$468,580 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. First Bank	05/01/22	06/15/22	\$6,500,000	Chris Clemmons
2.				
3.				
Total Construction Funding:			\$6,500,000	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1.							
2. CSG Private Placement Lo	4/13/2022	4/14/2022	\$6,215,126	\$357,163	4.95%	40	40
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$6,215,126	\$357,163			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

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

Market-Rate Loans

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

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **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	\$0			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$197,852	(Note: Deferred Developer Fee cannot be negative.)		
iv. Other:	\$0			
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A.				
Equity Total	<u>\$197,852</u>			

2. Equity Gap Calculation

a. Total Development Cost	\$9,656,668	
b. Total of Permanent Funding, Grants and Equity	-	<u>\$6,412,978</u>
c. Equity Gap		\$3,243,690
d. Developer Equity	-	<u>\$0</u>
e. Equity gap to be funded with low-income tax credit proceeds		\$3,243,690

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Redstone Equity Partners		
Contact Person:	Darren Swanson	Phone:	347-452-0362
Street Address:	6000 Fairview Road; Suite 550		
City:	Charlotte	State:	28210
b. Syndication Equity			
i. Anticipated Annual Credits		<u>\$360,446.00</u>	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		<u>\$0.900</u>	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		<u>99.99000%</u>	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		<u>\$0</u>	
v. Net credit amount anticipated by user of credits		<u>\$360,410</u>	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$3,243,690</u>	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$3,243,690

5. Net Equity Factor

Must be equal to or greater than 85% 90.0000111373%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$9,656,668</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$6,412,978</u>
3. Equals Equity Gap		<u>\$3,243,690</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>90.0000111373%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$3,604,100</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$360,410</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$468,580</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$360,446</u>
Credit per LI Units	<u>\$7,356.0408</u>	
Credit per LI Bedroom	<u>\$3,678.0204</u>	
	Combined 30% & 70% PV Credit Requested	\$360,446

ERROR - EQUITY GAP AMOUNT NOT EQUAL TO RESERVATION AMOUNT

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		\$56,301
Plus Other Income Source (list):	laundry, late fees, etc.	\$1,225
Equals Total Monthly Income:		\$57,526
Twelve Months		x12
Equals Annual Gross Potential Income		\$690,312
Less Vacancy Allowance	7.0%	\$48,322
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$641,990

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

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$641,990
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$641,990
d. Total Expenses	\$232,850
e. Net Operating Income	\$409,140
f. Total Annual Debt Service	\$357,163
g. Cash Flow Available for Distribution	\$51,977

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	641,990	654,830	667,927	681,285	694,911
Less Oper. Expenses	232,850	239,836	247,031	254,441	262,075
Net Income	409,140	414,994	420,896	426,844	432,836
Less Debt Service	357,163	357,163	357,163	357,163	357,163
Cash Flow	51,977	57,831	63,733	69,681	75,673
Debt Coverage Ratio	1.15	1.16	1.18	1.20	1.21

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	708,809	722,985	737,445	752,194	767,238
Less Oper. Expenses	269,937	278,035	286,376	294,967	303,816
Net Income	438,872	444,950	451,069	457,226	463,421
Less Debt Service	357,163	357,163	357,163	357,163	357,163
Cash Flow	81,709	87,787	93,906	100,063	106,258
Debt Coverage Ratio	1.23	1.25	1.26	1.28	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	782,582	798,234	814,199	830,483	847,092
Less Oper. Expenses	312,931	322,319	331,988	341,948	352,207
Net Income	469,651	475,915	482,210	488,535	494,886
Less Debt Service	357,163	357,163	357,163	357,163	357,163
Cash Flow	112,488	118,752	125,047	131,372	137,723
Debt Coverage Ratio	1.31	1.33	1.35	1.37	1.39

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

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: Grande Oak II VA LLC

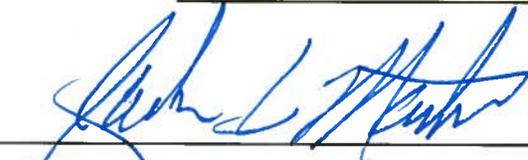
By: 
Its: Managing Member (Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

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

Legal Name of Architect:	Jackie L. Martin
Virginia License#:	7586
Architecture Firm or Company:	Martin Riley Associates - Architects, P.C.

By: 
Its: C.E.O. (Title)

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

W. LIHTC SELF SCORE SHEET

Self Scoring Process

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

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

MANDATORY ITEMS:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development < no points offered in Cycle 2022 >	N/A	0 pts for 2022	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			15.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			50.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			9.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	0.00
or c. HUD 504 accessibility for 10% of units	Y	0 or 20	20.00
d. Proximity to public transportation (within Northern VA or Tidewater)	Y20	0, 10 or 20	20.00
e. Development will be Green Certified	N	0 or 10	0.00
f. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
g. Developments with less than 100 low income units	Y	up to 20	20.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			69.00

4. TENANT POPULATION CHARACTERISTICS:

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

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

5. SPONSOR CHARACTERISTICS:

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

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	76.93
b. Cost per unit		Up to 100	93.44
Total:			170.37

7. BONUS POINTS:

a. Extended compliance	0	Years 40 or 50	0.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	Y	Up to 30	30.00
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:			40.00

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

TOTAL SCORE: **369.37**

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	40	0.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	0.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
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	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	0.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>5.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
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	2.00
		<u>4.00</u>
Total amenities:		<u>9.00</u>

i. Efficient Use of Resources

Credit Points for 9% Credits:

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

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

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

Combined Max	\$468,580
Credit Requested	\$360,446
% of Savings	23.08%
Sliding Scale Points	76.93

4% Deals EUR Points
0.00

Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal’s Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 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	\$9,656,668
Total Square Feet	57,724.85
Proposed Cost per SqFt	\$167.29
Applicable Cost Limit per Sq Ft	\$314.00
% of Savings	46.72%
Total Units	49
Proposed Cost per Unit	\$197,075
Applicable Cost Limit per Unit	\$303,292
% of Savings	35.02%
Max % of Savings	46.72%
Sliding Scale Points	93.44

\$/SF = **\$161.30** Credits/SF = **6.2764853** Const \$/unit = **\$136,213.20**

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

12000
ERROR
1

1

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	1,172.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	49	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	0	4,071	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=50,000)	0	0	0	4,071	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	4,071	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	7,356	0	0	0
CREDIT PER UNIT POINTS	0.00	0.00	0.00	-161.39	0.00	0.00	0.00

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

TOTAL CREDIT PER UNIT POINTS **0.00**

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

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	4,071	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	4,071	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0							

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

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	4,071	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	4,071	0	0	0

Credit Parameters - General

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

Tab A:

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

COMMONWEALTH OF VIRGINIA :

GRANDE OAK II VA LLC
LIMITED LIABILITY COMPANY

CITY OF WILLIAMSBURG :

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (the "Agreement") made as of the 9th day of May, 2022, by and among the undersigned members of Grande Oak II VA LLC, a Virginia limited liability company (the "Company"), such persons being hereinafter referred to individually as a "Member" and collectively as the "Members."

W I T N E S S E T H:

WHEREAS, the parties hereto desire to organize a limited liability company to engage in any lawful business including ownership and development of that apartment complex in City of Williamsburg, Virginia to be known as Grande Oak II Apartments or a similar name selected by the Company ("Project").

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the parties hereto agree as follows:

1. NAME, BUSINESS, AND REGISTERED OFFICE AND AGENT. The Members do hereby form a limited liability company ("LLC") under the name of Grande Oak II VA LLC in accordance with and pursuant to the Virginia Limited Liability Company Act (the "Act"), to engage in any lawful business including ownership and development of the Project. The organizing Members, or their representatives, shall execute and file Articles of Organization on behalf of the Company in the Office of the Secretary of State of Virginia. The Members shall do or cause to be done all such filings, recordings or other acts as may be necessary or appropriate from time to time to comply with the requirements of the Act or otherwise as necessary for the operation of LLCs in the State of Virginia. The Company shall promptly reimburse any cost incurred by the Members in connection with the foregoing. The registered office of the Company shall be:

Bank of America Center, 16th Floor
Richmond, VA 23219

and the registered agent at such address shall be:

Corporation Service Company

The principal office of the business may, but need not, be the same as the registered office.

2. TERM. The Company shall begin as of the date of filing the aforementioned Articles, and shall continue perpetually unless sooner terminated as provided in paragraph 15 of this Agreement.

3. CAPITAL; LIABILITY OF MEMBERS.

(a) Initial Capital Contribution. The Members shall make initial capital contributions to the Company in amounts as mutually agreed upon such that their initial capital interests in the Company shall be as follows:

<u>Members</u>	<u>Capital Interest</u>
Grande Oak II MM LLC	100.00%

(b) Subsequent Capital Contributions. For purposes of paragraphs 3 - 6 of this Agreement, and with respect only to allocations and distributions to a Member, capital contribution obligations, and capital account maintenance rules (but not with respect to any other rights including voting rights of a Member), the term "Member" shall include the assignee, if any, of such Member. Each Member is personally liable for his proportionate part (determined with reference to his interest in profits as provided in paragraph 4(a)) of any capital contribution required for continuation of the Company business as determined reasonably and in good faith by the affirmative vote of at least 100% in voting interest (as determined in paragraph 7(c)) of the Members. In the event that any Member refuses or fails to make any such required capital contribution within thirty (30) days after written notice of the Members' approval of the additional contributions, then such Member (the "Defaulting Member") shall be in default of this Agreement and the other Members and the Company shall have any and all remedies available at law or in equity as a result of such default, including without limitation the right (upon the affirmative vote of a majority in voting interest of all Members other than the defaulting Member) to expel such defaulting Member from the Company, in which event the value to be paid for the defaulting Member's interest and the manner of payment shall be determined in accordance with the provisions of paragraph 12 of this Agreement. In addition, but without limiting any such rights or remedies of the other Members or the Company, the other Members may, but shall not be required to, contribute such deficiency to the Company. To the extent that any Member does contribute any deficiency to the Company for the Member failing to do so, such contribution at the sole election of the contributing Member(s) shall be deemed to be either (i) an additional capital contribution requiring adjustments to the Percentage Interests as set forth in

the next paragraph, or (ii) a loan to the defaulting Member repayable on demand which shall bear interest from the date of such contribution at a rate computed to be ONE PERCENT (1%) above the prime rate established by Bank of America, N.A. on the date of such contribution. The defaulting Member shall have no voting rights on matters of Company business, and no further distributions or withdrawals may be made to or by the defaulting Member, until such loan with interest is paid in full. Any distributions, withdrawals, or rights thereto that would otherwise be distributed to or withdrawn by the defaulting Member (including any distribution made on expulsion of such Member as described below) during the term of any such demand loan shall be paid, credited, or accrued to the Member or Members who contributed the deficiency to the Company and shall be applied as a credit against the amount due from the defaulting Member, but such amounts shall be treated for book and tax purposes as if they had been distributed to the defaulting Member and then paid to the Member or Members actually receiving the same in respect of the loan. Failure to repay any such demand loan within thirty (30) days after written demand therefor shall be deemed sufficient grounds for expulsion of such Member from the Company. In such event, the value to be paid for the defaulting Member's interest and the manner of payment shall be determined in accordance with the provisions of paragraph 12 of this Agreement. Except for the payment to liquidate his membership interest in the Company as herein provided, such defaulting Member shall have no further interest or rights in the Company, its business or assets.

If the contributing Member(s) elect to treat the amount contributed on behalf of the defaulting Member as an additional capital contribution by them to the Company as provided in item “(i)” above, the Percentage Interests in net profits and net losses described in paragraph 4(a) shall be redetermined for each Member based on the ratio of his capital account balance as adjusted for the new contribution and an adjustment made pursuant to the methodology of paragraph 3(e), divided by the total capital account balances of all Members as adjusted above. Following such adjustments to capital accounts and Percentage Interests, the default shall be deemed cured.

(c) Credits and Debits to Capital Account. A separate capital account shall be maintained for each Member

(i) to which shall be credited:

(A) The amount of money and fair market value of other property comprising the Member's capital contributions,

(B) Any allocations of Company income, gains, and profits made to the Member for book purposes under paragraph 4, and

(C) The amount of any Company liabilities that are assumed by the Member or that are secured by any Company property distributed to the Member; and

(ii) to which shall be debited:

(A) The amount of cash and the fair market value of any Company property distributed to the Member pursuant to any provision of this Agreement,

(B) Any allocations of Company deductions and losses made to the Member for book purposes under paragraph 4, and

(C) The amount of any liabilities of the Member that are assumed by the Company or that are secured by any property contributed by the Member to the Company.

(d) Treasury Regulations Section 1.704-1(b) Compliance. Paragraph 3(c) and any other provisions of this Agreement relating to the maintenance of capital accounts are intended to comply with Treasury Regulations Section 1.704-1(b), as amended, and shall be interpreted, applied, and modified to the extent necessary to comply with such Regulations. For all purposes of this Agreement, the phrase "for book purposes" shall be construed and applied according to the provisions of Treasury Regulations Section 1.704-1(b).

(e) Adjustment of Values. The gross value of Company property for book purposes, and the capital accounts of the Members, shall be simultaneously adjusted to reflect the gross fair market value (as determined in good faith by the affirmative vote of at least 100% in voting interest of the Members as required by paragraph 7(c)) of such assets as if the Company recognized gain or loss (determined with reference to the Company's bases in its assets for book purposes) in an actual disposition of such assets (i) at such times as is permitted under (and pursuant to the rules of) Treasury Regulations Section 1.704-1(b), as amended, and (ii) upon any other change in a Member's Percentage Interest (defined in paragraph 4(a)). Any such adjustment to the individual capital accounts of the Members shall be made by allocations of any such deemed gains or losses in accordance with the Members' relative interests in such gains or losses as provided in paragraph 4 in effect immediately before the triggering event described in items "(i)" and "(ii)" of this subparagraph

(e). If the Members are unable to agree by the affirmative vote described above regarding the gross fair market value of Company assets, or if any Member otherwise requests the valuation determination to be made by appraisal, such value shall be determined by appraisal as follows. The Members unanimously shall select two qualified appraisers, such two appraisers shall then appoint a third qualified appraiser, and the three appraisers separately shall appraise such gross fair market value. The average of the two appraisals which are closest in amount shall be binding upon the parties hereto, and the other appraisal shall be ignored. The Company shall pay all expenses involved with such appraisers unless a Member requests an appraisal determination of value as provided above, in which case the costs of the appraisal shall be paid by the requesting Member. For purposes hereof, a qualified appraiser shall be any entity or person who regularly engages in the valuation of assets of the kind and nature owned by the Company and who holds themselves out as being in such business and qualified to make such valuation.

(f) Transfer of Interest. In the event any interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the capital account of the transferor to the extent it relates to the transferred interest.

(g) Limitation on Personal Liability. Except as otherwise provided by the Act or this Agreement, no Member of the Company, as identified on the signature page hereof or who subsequent to the date hereof becomes a Member, shall be personally liable for or obligated to contribute money or property to or in respect of the debts, liabilities, contracts, or any other obligations of the Company (unless he was so liable prior to becoming a Member). Except as otherwise provided in this Agreement, no Member shall be liable to restore a deficit balance in his capital account.

(h) No Interest to be Paid. No interest shall be paid on the capital accounts of the Members in the Company.

4. PROFIT AND LOSS.

(a) General. Generally, except as otherwise provided in this paragraph 4, the net profits and the net losses of the Company for book and tax purposes shall be allocated to the Members in the proportions of their "Percentage Interests", as follows:

<u>Members</u>	<u>Percentage Interest</u>
Grande Oak II MM LLC	100.00%

(b) Stop Loss Allocations. Notwithstanding paragraph 4(a), no allocation of loss or deduction shall be made which causes or increases a deficit balance in any Member's capital account as adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(d) (unless such allocation is otherwise permitted by such Section); and any such deduction or loss allocation shall instead be made to the Members who are permitted to receive the same in accordance with the provisions of this Agreement.

(c) Qualified Income Offset. Notwithstanding paragraph 4(a), allocations of income and gain shall be made to the Members at such times and in such manner as required by the qualified income offset provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) in order to eliminate any "adjusted" (within the meaning of such Section) deficit capital account balances which may exist.

(d) Gross Income Allocations. In the event that any Member receives a distribution that causes or increases a deficit (which he is not liable to restore) capital account balance (as maintained and adjusted pursuant to paragraph 3) after taking into account all other provisions concerning allocations of profits and losses of this Agreement, such Member shall be allocated items of gross income or gain for the tax year of such distribution in an amount sufficient to eliminate such deficit.

(e) Allocations in Respect of Nonrecourse Liabilities. To the extent that the Company incurs any nonrecourse liabilities as described in Treasury Regulations Section 1.704-2, the following provisions shall apply notwithstanding paragraph 4(a) hereof:

(i) Nonrecourse Deductions. Partner nonrecourse deductions shall be allocated to the Members based upon the ratios in which they bear the economic risk of loss for the applicable liability, and allocations of other nonrecourse deductions shall be made to the Members in accordance with their Percentage Interests in effect under Paragraph 4(a); all as determined in compliance with Treasury Regulations Section 1.704-2, as amended or modified from time to time.

(ii) Minimum Gain Chargeback. Allocations of items of income and gain of the Company for any taxable year shall be made, prior to any other allocation for such year under this Agreement or otherwise, to the Members as required by the

minimum gain chargeback provisions of Treasury Regulations Section 1.704-2, as amended or modified from time to time.

(f) Curative Allocations. The Members acknowledge that allocations made pursuant to paragraphs 4(b)-(e) above (collectively, the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulation Section 1.704-1(b) and may not be consistent with the manner in which the Members intend to share distributions of the Company. Accordingly, in the event any Regulatory Allocations are made to the Members, subsequent curative allocations provided for in this paragraph shall be made in a manner to prevent the Regulatory Allocations from distorting the manner in which Company allocations and distributions are shared pursuant to paragraphs 4(a) and 5, respectively. Such curative allocations of items of Company income, gain, loss, and deduction shall be made to the extent possible in any tax year in amounts sufficient such that the aggregate cumulative Regulatory Allocations and the cumulative curative allocations required by this sentence are made to the Members in proportion to their Percentage Interests described in paragraph 4(a) above in effect during the time period affected by such allocations, as if the Regulatory Allocations had not occurred.

(g) Other Allocations Rules. Although it is intended that paragraph 4(a) be the general rule for allocations of book and tax income or loss, such allocations shall be adjusted or modified in any given instance to the extent necessary to comply with Section 704(b) and (c) of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations promulgated thereunder. For purpose of determining the profits, losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis using any permissible method under Code Section 706 and the Treasury Regulations promulgated thereunder.

5. SALARIES AND DISTRIBUTIONS.

(a) Limitation of Member's Salary. No Member shall receive any salary, commission, or fee for services rendered to the Company unless the payment of such salary, commission, or fee is approved by a unanimous vote of the Members.

(b) Distributions of Cash Flow. Subject to paragraph 5(c), the net cash flow of the Company, as reasonably determined by the Managers, shall be distributed at such times as may be determined by the Managers (but no less frequently than annually) to the Members in accordance

with the Percentage Interests which are in effect pursuant to paragraph 4(a) at the time of the distribution.

(c) Distribution upon Liquidation. In the event of termination and liquidation of the Company, then the assets of the Company remaining after settlement of Company obligations shall be distributed to the Members in accordance with their positive capital account balances as adjusted to fair market value pursuant to paragraph 3(e), except as otherwise provided in this Agreement. Any distribution to a Member to liquidate his interest in the Company other than during the liquidation of the Company, and except as otherwise provided in this Agreement, shall be in the amount of his positive capital account balance adjusted as provided above.

(d) Distribution in Kind. If any of the assets of the Company are to be distributed in kind, the fair market value of such assets shall be determined in accordance with paragraph 3(e) as of the time of such distribution. Allocations to the Members' capital accounts (using the methodology described in paragraph 3(e)) shall be made of the amount of gain or loss, if any, which would have been realized by the Company if such assets had been sold by the Company for prices equal to their respective fair market values as so determined. Such assets shall be distributed on the basis of the fair market value thereof and any Member entitled to any interest in such assets shall receive the same by separate distribution of such assets or by distributions of undivided interests therein with all other Members so entitled, as is determined by the unanimous agreement of the Members.

6. EXCESS LOAN AND CAPITAL TRANSACTIONS PROCEEDS. In the event that a loan is obtained on security of Company property in substitution or in addition to any existing loan or in the event of the sale or other disposition of such property in whole or in part, then, upon the consummation of such loan or the sale or other disposition of such property, as the case may be, the proceeds thereof shall be applied in the following order: (a) to the discharge of any existing loan, if necessary; (b) to the payment of the expenses incidental to such loan or the expenses of sale, and any unpaid expenses of operation or maintenance of such property, as the case may be; and (c) any remaining balance to be distributed to the Members as provided in paragraph 5(b), subject to paragraph 5(c).

7. MEMBERSHIP.

(a) In General. Any Member identified on the signature page of this Agreement or who becomes a new Member upon compliance with paragraph 18 below shall continue as a Member until his membership in the Company ceases. A Member's membership in the Company shall cease upon

the events specified in the Act, including, without limitation: the Member's voluntary withdrawal from the Company (if permitted by paragraph 11), the Member's assignment of its entire interest in the Company in accordance with this Agreement, the removal of the Member as provided in this Agreement, an act of Bankruptcy by the Member as defined in paragraph 12, the Member's death or adjudication of incompetency, termination of a trust which is a Member, liquidation of a Member which is a partnership, LLC, or corporation, or distribution of its entire interest in the Company by an estate or trust Member or by a partnership, corporate, or LLC Member. When the Member's membership in the Company ceases, he shall have no rights greater than those of an assignee as provided in the Act.

(b) Rights Accruing to Members. All Members shall have access to such information and records of the Company as provided in the Act, subject to the limitations provided therein.

(c) Action by Members. For purposes of this Agreement, whenever a decision or action by the Members on behalf of the Company is called for and except as otherwise provided in this Agreement, then each Member shall be entitled to one vote (or fraction thereof) for each percentage point of his Percentage Interest as provided in paragraph 4(a) at such time. Except as otherwise provided in this Agreement, a majority vote of the Members shall be required to approve any such action or decision, provided that the following matters shall require the affirmative vote of at least 100% in voting interest of the Members:

(i) The amendment of this Agreement (except as to any matter the approval of which would require a greater affirmative vote, or except as to any of the economic rights of the Members, the amendment of which shall require the unanimous vote of the Members).

(ii) Merger of the Company,

(iii) The encumbrance, sale, transfer, or other disposition of all or substantially all of the assets of the Company,

(iv) The admission of a new Member to the Company, subject to compliance with paragraph 18 below,

(v) The adjustment of capital account balances of the Members described in paragraph 3(e),

(vi) The contribution of additional capital to the Company pursuant to paragraph 3(b),

(vii) The incurrence of indebtedness by the Company other than in the ordinary course of business,

(viii) A fundamental change in the nature of the business of the Company, and

(ix) The dissolution and liquidation of the Company as provided in paragraph 15 below.

(d) Waiver of Right of Partition. Each of the Members irrevocably waives during the term of the Company any right to maintain any action for partition with respect to the Company's property.

8. MANAGEMENT.

(a) Initial Manager. All Members are not necessarily managers by virtue of their status as Members, and a manager need not be a Member of the Company. Notwithstanding anything to the contrary herein, the initial manager of the Company (the "Manager(s)") shall be:

Grande Oak II MM LLC

Each Manager shall continue as a Manager of the Company with all rights, authority, and responsibilities provided in this Agreement until the time that he ceases to be a Manager as provided in paragraph 8(d) below, whereupon his successor shall be appointed as provided therein.

(b) Authority of Manager. Any decisions made by the Managers shall require the affirmative vote of a majority of the Managers. Subject to the voting rights as provided in this Agreement, the Managers shall have all of the rights and powers which may be possessed by Managers under the Act including, without limitation, the right and power to:

(i) acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(ii) operate, maintain, finance, improve, construct, own, grant options with respect to, sell, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(iii) borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Company, and secure the same by mortgage, pledge, or other lien on any Company property;

(iv) execute any and all agreements, contracts, documents, certifications, and instruments necessary or convenient in connection with the management, maintenance, development and operation of Company property and Company business;

(v) execute, in furtherance of any or all of the purposes of the Company, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to obligate the Company or convey or encumber any or all of the Company property;

(vi) prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the Company property and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Company property;

(vii) care for and distribute funds to the Members by way of cash, income, return of capital, or otherwise, all in accordance with the provisions of this Agreement, and perform all matters in furtherance of the objectives of the Company or this Agreement;

(viii) contract on behalf of the Company for the employment and services of employees and independent contractors and delegate to such persons the duty to manage or supervise any of the assets or operations of the Company; and

(ix) engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to Company property and Managers liability) necessary or incidental to, or in connection with, the accomplishment of the purposes of the Company, as may be lawfully carried on or performed by an LLC under the laws of each state in which the Company is then formed or qualified.

The actions of the Managers hereunder shall be binding upon the Company. Any document, instrument, or agreement shall require the signature of all of the Manager(s) in order to be a valid and binding obligation of the Company. No Manager shall be liable, responsible or accountable in damages or otherwise to any of the Members for any acts performed by the Manager within the scope of his authority except for acts of willful misconduct, fraud, bad faith, gross negligence, or

breach of his obligations or representations under this Agreement or any other agreement with or obligation to the Company.

(c) Reimbursement of Expenses. Each of the Members and Managers shall be entitled to reimbursement from the Company for direct expenses attributable to the organization, operation, and management of the Company, provided such expenses are approved as provided in or permitted by this Agreement.

(d) Resignation or Removal of Manager. Any Manager may resign or be removed for cause by the affirmative vote of 100% of the voting interest of the Members as determined in this paragraph 8. The term "for cause" shall mean:

(i) A Manager's failure or refusal to perform those duties which he is required hereunder or by law to perform in furtherance of the business of the Company;

(ii) A Manager's intentional activity which causes material injury to the Company;

(iii) A Manager's committing a fraud against the Company or using or appropriating for personal use or benefit funds or properties of the Company when not authorized to do so;

(iv) A Manager's committing an act of gross negligence regarding the business of the Company; or

(v) In conducting his own affairs or those of the Company, a Manager's jeopardizing the status of the Company for purposes of federal income taxation in accordance with the then existing provisions of the Internal Revenue Code, as amended, and the regulations promulgated thereunder, or the policies of the Internal Revenue Service.

Upon a Manager's resignation, removal, death, adjudication or other determination (as provided below) of incompetence, or upon any other event specified in the Act, the affected Manager shall cease to be a Manager and the Members upon the agreement of a majority in voting interest shall elect a successor Manager to replace the former Manager. A Manager shall be deemed incompetent (for purposes of the preceding sentence) upon the agreement of at least 50% in voting interest of the Members, and the written certification of incompetence by a duly licensed physician selected by at least 50% in voting interest of the Members. If the Members fail to elect a successor Manager

leaving the Company without one, then the Company shall liquidate and terminate as provided in paragraph 5(c).

(e) Other Rights of Managers. Each of the Managers and Members may have other business interests and may engage in any other business or trade, profession, or employment whatsoever, on his own account, or in partnership with or as an employee of or as an officer, director, shareholder, manager, member or partner of any person, firm, corporation, LLC, or partnership, and he shall not be required to devote his entire time to the business of the Company. No Manager or Member shall be obligated to devote more time and attention to the conduct of the business of the Company than shall be required for the supervision of the ownership, development, operation, and management of the Company's property and business.

(f) Contracting with Manager. The Company is expressly permitted in the normal course of its business to enter into transactions with a Manager or with any Affiliate (as hereinafter defined) of a Manager, provided that the price and other terms of such transactions are fair to the Company and that the price and other terms of such transaction are not less favorable to the Company than those generally prevailing with respect to comparable transactions. The term "Affiliate" shall mean any member, manager, shareholder or partner in or of a Manager, or any LLC, corporation, partnership or other entity in which a Manager or any member, manager, shareholder or partner of a Manager has an interest, or any person related by blood or marriage to the Manager.

(g) Tax Matters Partner. The person specifically authorized to act as the "Tax Matters Partner" under the Code and in any similar capacity under state or local law is:

Grande Oak II MM LLC

9. INDEMNIFICATION. The Company shall indemnify every Manager in respect of payments made and personal liabilities reasonably incurred by the Manager in the authorized conduct of the Company's business or for the preservation of its business or property. Except as provided below or as otherwise provided in the Act, no Manager shall be personally liable for monetary damages for breach of any duty to the Company, and the Company shall indemnify any Manager or Member against judgements, settlements, penalties, fines, or expenses incurred in a proceeding to which such Manager or Member is a party because he is or was a Manager or Member of the Company, as provided in the Act. Notwithstanding the foregoing, the personal liability of a Manager shall not be limited and the Company shall not indemnify him with respect to (i) acts or omissions that the Manager knew at the time of such acts or omissions were clearly in conflict with

the interests of the Company, (ii) any transaction from which the Manager derived an improper personal benefit, (iii) acts or omissions occurring prior to the date of this Agreement, all as provided in the Act, or (iv) matters expressed in the last sentence of paragraph 8(b) for which the Manager would be liable.

10. ASSIGNMENT.

(a) General Prohibition on Assignment. Except as otherwise provided in this Agreement, each Member is prohibited from selling, assigning, transferring, setting over, mortgaging, creating a security interest in, or hypothecating his interest in the Company or the Company assets in any manner whatsoever, including without limitation transfers incident to separation, divorce, or equitable distribution, nor may the interest of any of the Members in the Company or the Company assets be transferred by operation of law or by any assignment by operation of law, unless otherwise agreed in writing by all Members. Any assignment in violation of this paragraph 10 shall be null and void.

(b) Right of First Refusal. The foregoing notwithstanding, if a Member ("Selling Member") desires to sell his interest in the Company, the Selling Member shall in writing express such an intention and make an offer ("the Offer") to the other Members to purchase the Selling Member's interest at a Purchase Price equal to the book value of the Selling Member's capital account plus the Selling Member's share of one hundred fifty percent (150%) of the average of the prior two (2) calendar years earnings as determined by the certified public accountant regularly employed by the Company for the most recent reporting period preceding the purchase and upon the payment terms contained in paragraph 12(b) herein. The other Members shall have sixty (60) days from receipt of the Offer within which to accept the Offer. Any of the other Members collectively desiring to purchase all, but not less than all, of the membership interest being offered, shall do so in the proportions that their Percentage Interests bear one to the other; provided that if any such Member does not want to purchase the full portion of the interest to which he is entitled, such portion may be purchased by the other purchasers in the manner provided above. Alternatively, if all of the other Members agree, the Company may exercise this first right of refusal and purchase and liquidate the Selling Member's interest upon the terms and conditions of this paragraph. If the other Members or the Company do not accept the Offer to purchase the entire membership interest being offered within sixty (60) days of its receipt, then the Selling Member may transfer his interest pursuant to a bona fide purchaser provided that such transfer occurs within ninety (90) days after the

receipt of the Offer by the other Members. Such transfer shall only entitle the transferee to the transferor's interests in the Company's profits and losses, distributions, and capital as an assignee in accordance with the Act, and the transferee shall receive the same only as provided in this Agreement. Such transfer shall not entitle the transferee to become a Member in the Company and the transferee can only become a Member pursuant to the provisions of paragraph 18 hereof. In the event that the Selling Member shall not make such transfer within the aforesaid time period then the preceding provisions of this paragraph shall again be complied with and a new offer shall be made before any transfer may thereafter be made. Any transferee or assignee of an interest pursuant to this Agreement (who has not become a Member) shall have all the obligations imposed upon a Member as set forth in this Agreement with respect to the transferred interest.

(c) Special Assignment Rights. Notwithstanding the foregoing, each Member may from time to time transfer a portion or portions of his interest in the Company as a gift directly to or in trust for the benefit of his spouse, children, and issue provided the Grantor-Member remains as a Member and retains some interest in the Company. In the event of any such family transfer, all of such transferred membership interest shall be attributed to the Grantor-Member for purposes of obligations hereunder including contribution among the Members, and the transferee is entitled to become a Member of the Company only as provided in paragraph 18.

11. WITHDRAWAL. Without the unanimous written consent of the Members, except as provided below a Member may not voluntarily withdraw from the Company and thereby require the Company to dissolve and liquidate or to purchase or redeem such Member's interest.

12. EXPULSION.

(a) Default of a Member. Should any Member (a "defaulting Member") violate any of the provisions of this Agreement including (but not limited to) the failure to make any capital contribution required under paragraph 3 (which violation remains uncured thirty (30) days after written notice thereof to the defaulting Member, or in the case of a requirement to contribute money to the Company, within five (5) days after written request therefor has been given); or withdraw or attempt to withdraw from the Company in breach of this Agreement; or transfer or attempt to transfer his interest in breach of this Agreement; or become Bankrupt as defined in paragraph 12(c); (any of such events constituting a "default") then, a majority in voting interest of the remaining Members shall have the right within the six (6) month period after the event constituting the default (irrespective of any cure or attempt to cure subsequent to the default) to elect that the defaulting

Member's interest in the Company be purchased and redeemed by the Company, the election to be exercised by written notice to the defaulting Member. If such written notice is given, the defaulting Member shall be deemed to withdraw from the Company on the date fixed in such notice (the "Effective Date"), which must be on the last day of a month not later than sixty (60) days after such notice is given. On such withdrawal, the defaulting Member shall be entitled to be paid by the Company an amount for his membership interest calculated and payable as provided below. Any loss due to such default shall be charged against the capital account of the defaulting Member before he is entitled to receive the above payment. A defaulting Member shall not be entitled to any voting rights as to any matter of Company business while any such default shall remain uncured. For all purposes of this paragraph 12, any such event of default by (i) an assignee of a membership interest hereunder (if such assignee has not in fact become a Member), or (ii) a shareholder, partner, or member of a Member which is a corporation, partnership, or LLC, shall be deemed a default by such assignee or Member and shall subject such assignee's or such Member's interest to the purchase options of this paragraph.

(b) Price to Be Paid. The price to be paid for a defaulting Member's interest shall be equal to eighty percent (80%) of the capital account balance of the defaulting Member as of the Effective Date, which valuation is intended to reflect liquidated damages as a compensatory measure in favor of the nondefaulting Members as a result of the default. Unless otherwise agreed to by the parties, the purchase price shall be paid on a level payment amortization basis, with principal and interest being due and payable in three (3) equal annual installments beginning one (1) year after the Effective Date, with interest on the unpaid balance accruing from the Effective Date at a fixed rate equal to the Prime Rate as established by Bank of America, N.A. existing on the Effective Date but in no event less than the applicable federal rate established pursuant to the Code for such month. The Company shall execute a promissory note in the amount of the purchase price in accordance with the terms hereof which shall be secured as provided in paragraph 14. The closing of the purchase shall occur within thirty (30) days after the Effective Date.

(c) Special Provisions. For purposes of this Agreement, the term "Bankruptcy" shall mean and a Member shall be deemed "Bankrupt" upon (i) the entry of a decree or order for relief of such Member or adjudication of such Member's insolvency by a court of competent jurisdiction in any involuntary case involving such Member under any bankruptcy, insolvency or other similar law now or hereafter in effect; (ii) the Member's seeking, consenting to, or acquiescing in, the

appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar agent for such Member or for any substantial part of such Member's assets or property; (iii) the ordering of the winding up or liquidation of such Member's affairs or of any substantial part of such Member's assets or property; (iv) the Member's filing of a petition or answer seeking for such Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation; (v) the commencement by such Member of a voluntary case under any bankruptcy, insolvency or other similar law now or hereafter in effect; (vi) the Member's filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in the prior items of this paragraph; (vii) the making by such Member of any general assignment for the benefit of creditors; (viii) the continuation of any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, for 120 days after the commencement thereof; or (ix) the appointment of a trustee, receiver, or liquidator for the person or all or any substantial part of the person's properties without the Member's agreement or acquiescence, which appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated

13. DEATH. Upon the death of any Member or assignee, the surviving Members shall have the right to purchase all of the decedent's interest in the Company exercisable upon written notice to the decedent's personal representative (the "P.R.") within six (6) months after the date of death. The P.R. shall continue as a Member (if decedent was a Member) until the decedent's estate transfers its interest in the Company as provided below. Such right to purchase shall be exercised by all surviving Members desiring to participate in the purchase in the proportions that their Percentage Interests bear one to the other; provided that if any such Member does not want to purchase the full portion of the interest to which he is entitled, such portion may be purchased by the other purchasers in the manner provided above. Such rights to purchase shall apply only to and be effective only for all of the decedent's interest in the Company. The purchase price shall be equal to the decedent's capital account balance plus the decedent's share of one hundred fifty percent (150%) of the average of the prior two (2) calendar years earnings as determined by the certified public accountant regularly employed by the Company for the most recent reporting period preceding the event which triggers the purchase.

Payment of the purchase price shall be made in the same manner as that provided in paragraph 12 above, except that the Effective Date of withdrawal of the decedent shall be the date of such written notice to the P.R., the closing of such purchase shall occur within thirty (30) days after the Effective Date, and any deferred payment shall be secured as provided in paragraph 14. Alternatively, if all remaining Members agree the Company may exercise this option to purchase and liquidate the decedent's interest upon the terms and conditions of this paragraph. If the Company and the Company business are continued as provided in paragraph 15 then, subject to the foregoing options, the decedent's heir, legatee or beneficiary, as the case may be, shall succeed to the decedent's interest in the Company in the same manner and in all respects as the decedent and become a Member if decedent was a Member, upon execution of a written undertaking to become a party to this Agreement.

14. SECURITY FOR PAYMENT. Except as otherwise provided in this Agreement, if any part of the purchase price payable to a Member hereunder is paid by the purchaser's delivery of a promissory note payable to the selling Member, then the purchaser shall secure such deferred payment as follows. If the purchaser is another Member, then the purchasing Member shall grant to the selling Member a security interest in the membership interest being purchased. The security interest shall be perfected by the purchaser's (i) executing financing statements in form suitable to the selling Member and filing the same in the Secretary of State's office in Virginia and in the Register of Deeds' office in the county of residence of the purchasing Member and in such other places as shall be necessary to perfect the security interest of the selling Member, and (ii) undertaking any other actions as shall be necessary to perfect the security interest of the selling Member. If the purchaser is the Company, the Company shall deliver with its promissory note to the selling Member a deed of trust on the Company's real property (subject to any existing deed of trust or other encumbrance on the same) in form suitable to the selling Member, which deed of trust shall be recorded as required by law to perfect the selling Member's security in the same. If the Company has no real property, the Company shall grant to the selling Member a security interest in its personal property (subject to any existing perfected security interest thereon), which shall be perfected by the Company's executing and filing financing statements as provided above. So long as any part of the purchase price is unpaid, the selling Member shall have all of the rights, elections and remedies available to a secured party under the Uniform Commercial Code as in effect in the State of Virginia.

15. DISSOLUTION AND WINDING UP. The Company shall be dissolved and its affairs wound up upon the time specified in paragraph 2 for termination or upon the vote of the Members as provided in paragraph 7(c). Unless otherwise required by law or this paragraph, no event, including a Member's cessation of membership in the Company, shall dissolve the Company. Notwithstanding the foregoing, if any such dissolution of the Company occurs pursuant to requirement of law or otherwise, the Company shall continue and not be liquidated and terminated if (i) there is at least one remaining Member and (ii) the remaining Members elect to continue the Company pursuant to the affirmative vote of a majority of the voting interests of the remaining Members, such election to be made within ninety (90) days after the event of dissolution. If the Company is dissolved and is not continued as provided above, the Managers shall wind up the affairs of the Company and liquidate and terminate the Company in accordance with the provisions of the Act and paragraph 5(c).

16. BANKING. All funds of the Company shall be deposited in its name in such checking account or accounts as shall be designated unanimously by the Managers. All withdrawals therefrom are to be made upon checks signed by a signatory designated to the bank by the Managers.

17. BOOKS. The Company shall maintain such books and records as the Managers unanimously shall deem adequate. All books, records and accounts of the Company shall be open to all Members during normal business hours. For the purpose of Company accounting and for income tax reporting, the books shall be maintained on a cash or accrual basis as the Managers unanimously shall determine. The Company's fiscal year shall be the calendar year. At the close of each fiscal year, the Company's books shall be closed and the Managers may cause the books to be audited, reviewed, or compiled by an independent certified public accountant. Statements showing the results of operation shall be prepared and supplied to all Members.

18. ADMISSION OF MEMBERS. Except as otherwise provided in this Agreement, new Members shall be admitted into the Company only upon the vote of the Members as provided in paragraph 7(c), and such new Member's 1) making any capital contribution to the Company required by the Managers, and 2) signing an agreement to observe and be bound by all terms and provisions of this Agreement.

19. NOTICES. All notices shall be given in person, or by registered or certified mail or by overnight mail carrier addressed to the Members at their most recent addresses as maintained in

the books and records of the Company. Any Member may change such address by written notice sent by registered or certified mail to the Company.

20. APPLICABLE LAW. This Agreement, the relations, rights, and duties of the Members among themselves, and all matters pertaining to the Company and its property shall be governed by the statutes and laws of the State of Virginia applicable to limited liability companies.

21. INUREMENT. The covenants and agreements contained herein shall inure to the benefit of and be binding upon all of the parties hereto and their respective executors, personal representatives, successors in interest, heirs or legatees, and assigns.

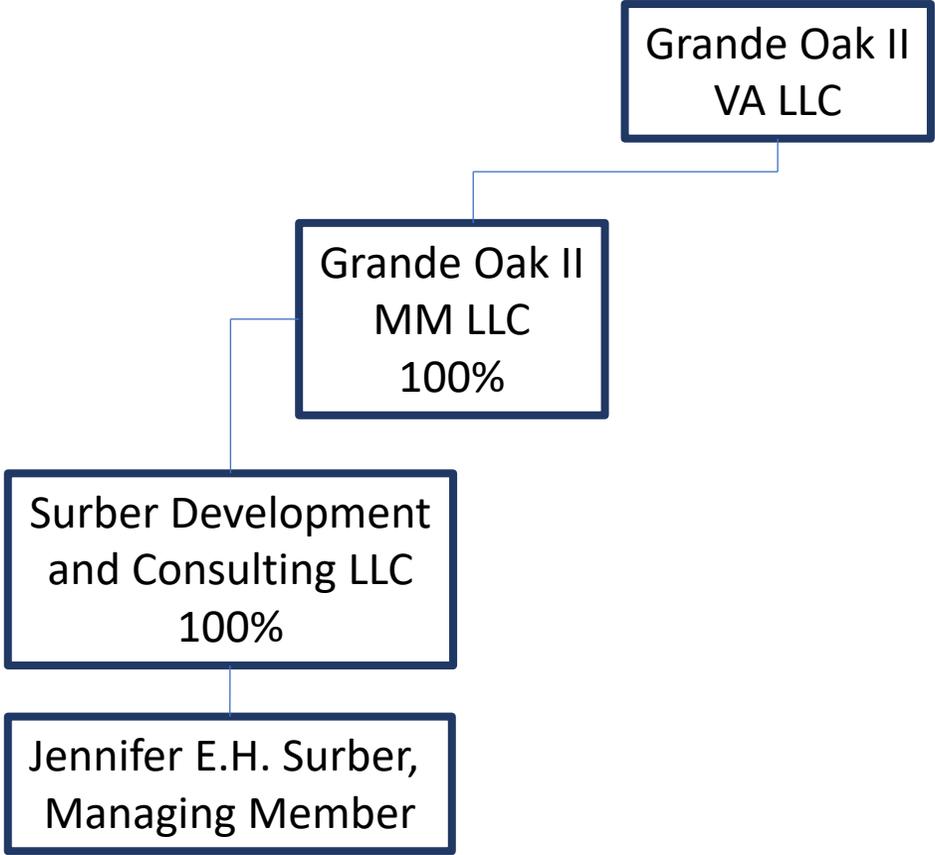
[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Agreement as of the day and year first above written.

Grande Oak II MM LLC, Managing Member

By: Surber Development and Consulting LLC, Managing Manager

By:  _____
Jennifer Elizabeth Hunter Surber, Managing Member



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “*Agreement*”) is made and entered into as of the 6 day of May, 2022, between **GRANDE OAK II VA LLC**, a Virginia limited liability company (“**Company**”), and **SURBER DEVELOPMENT AND CONSULTING LLC**, a Virginia limited liability company (the “*Developer*”).

RECITALS:

WHEREAS, the Company was formed to develop, construct, rehabilitate, own, maintain and operate a residential rental property intended for rental to low and moderate income tenants (the “*Project*”) and to qualify for low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the “*Code*”), to be known as Grande Oak II Apartments located in York County, Virginia; and

WHEREAS, the Company desires to appoint the Developer to provide certain services for the Company with respect to overseeing the development of the Project until all development work is completed;

WHEREAS, all prior Development Agreements for the Project are hereby null and void and superseded by this Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Appointment. The Company hereby appoints the Developer to render services to the Company, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Company to date, in supervising and overseeing the development of the Project as herein contemplated.

2. Authority. The Developer shall have the authority and the obligation to perform the services described in Paragraphs 3, 4, 5 and 6 below. Developer’s services shall be performed in the name of and on behalf of the Company.

3. Determination of Project Size, Structure and Composition. The Developer shall perform all of the following services:

- (a) Conduct a preliminary market study.
- (b) Negotiate with, select, and hire a housing marketing analyst to conduct an independent market study for the proposed development, if required by the Company.
- (c) Determine the number of units in the Project and their size.
- (d) Determine the appropriate unit mix and amenities.
- (e) Identify potential sources of construction financing.
- (f) Analyze competitiveness of Project against others in the market area.

- (g) Make preliminary estimates of Project costs and determine Project feasibility.

4. Pre-Construction. The Developer shall perform all of the following services:

- (a) Prepare or obtain an environmental impact assessment of the proposed development.

- (b) Choose the products and materials necessary to equip the Project in a manner consistent with its intended use.

- (c) If appropriate, prepare pre-qualification criteria for bidders interested in the Project, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques with any special systems, materials or methods.

- (d) Assist the Company in dealing with local organizations, adjoining landowners and other parties interested in the development of the Project.

- (e) Secure all necessary land use approvals.

- (f) Select the architect (“*Architect*”) and other professional advisors.

- (g) Negotiate and cause to be executed in the name of the Company, agreements for architectural, engineering, testing or consulting services for the Project.

- (h) Negotiate and determine the terms of construction financing.

- (i) Prepare a preliminary critical path schedule.

5. Plans and Specifications. The Developer shall perform the following services:

- (a) Coordinate the preparation of the plans and specifications (the “*Plans and Specs*”) and recommend alternative solutions whenever design details affect construction feasibility or schedules.

- (b) Ensure that the Plans and Specs are in compliance with all applicable codes, laws, ordinances, rules and regulations.

- (c) In collaboration with the Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples.

6. Construction Services. The Developer shall perform the following services:

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

- (i) Coordination and administration of the Architect or engineer, the general contractor and other contractors, professionals and consultants employed in connection with the construction or rehabilitation of the Project;

- (ii) Administration of any construction contracts on behalf of the Company;
 - (iii) Participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;
 - (iv) The rendering of advice and recommendations as to the selection procedures for and selection of subcontractors and suppliers;
 - (v) The submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;
 - (vi) Applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;
 - (vii) Compliance with all terms and conditions applicable to 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;
 - (viii) Furnishing such consultation and advice relating to the Project as may be reasonably required;
 - (ix) 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; and
 - (x) Giving or making Company's instructions, requirements, approvals and payments provided for in the agreements with the Architect, general contractor, and other contractors, professionals and consultants retained for the Project.
- (b) Cause construction of the Project to be performed in a diligent and efficient manner including:
- (i) Obtain required building permits;
 - (ii) Ensuring all construction is consistent with the Plans and Specs, including any required off-site work;
 - (iii) General administration and supervision of construction of the Project, including but not limited to activities of subcontractors and their employees and agents, and others employed by the Project in a manner which complies in all respects with the Plans and Specs;
 - (iv) Compliance with any and all zoning regulations, county ordinances, including health, fire and safety regulations, and any other requirements of federal, state and local laws, rules, regulations and ordinances applicable to construction of the Project; and

- (v) Insuring that the Project is constructed free and clear of all mechanics' and materialmen's liens.
- (c) Receive bids, prepare bid analysis and make recommendations to the Company for award of contracts or rejection of bids.
- (d) Investigate and recommend a schedule for purchase by the Company of all materials and equipment requiring long lead time procurement.
- (e) Coordinate schedule with Architect and expedite and coordinate delivery of purchases.
- (f) Develop and implement a procedure for the review and processing of applications by subcontractors for progress and final payments and monitor disbursement and payment of amounts owed Architects and the subcontractors.
- (g) Record the progress of the Project and submitting written progress reports to the Company and Architect, including the percentage of completion and the number and amounts of change orders.
- (h) Keep, or cause to be kept, accounts and cost records as to the construction of the Project; assemble and retain all contracts, agreements and other records and data as may be necessary to carry out Developer's functions hereunder.
- (i) Make available to the Company, during normal business hours and upon the Company's written request, copies of all material contracts and subcontracts.
- (j) Provide, and periodically update, Project construction time schedule which coordinates and integrates Architect's services with construction schedules.
- (k) Coordinate the work of Architect to complete the Project in accordance with the objectives as to cost, time and quality, and provide sufficient personnel at the Project with authority to achieve such objectives.
- (l) Provide a detailed schedule of realistic activity sequences and durations, allocation of labor and materials and processing of shop drawings and samples.
- (m) Provide regular monitoring of the schedule as construction progresses, identify potential variances between scheduled and probable completion dates, review the schedule for work not started or incomplete, recommend to the Company adjustments in the schedule to meet the probable completion date, provide summary reports of such monitoring, and document all changes in the schedule.
- (n) Recommend courses of action to the Company when requirements of subcontracts are not being fulfilled.
- (o) Revise and refine the approved estimate of construction cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed.
- (p) Provide regular monitoring of the approved estimate of construction costs, show actual costs for activities in process and estimates for uncompleted tasks, identify variances

between actual and budgeted or estimated costs and advise the Company whenever projected costs exceed budgets or estimates.

(q) Develop and implement a system for review and processing of change orders as to construction of the Project.

(r) Deliver to the Company a dimensioned as-built survey of the real property (locating only buildings) and as-built drawings of the Project construction.

(s) Obtain an Architect's certificate that the work on the Project is substantially complete, and inspect the Architect's work.

(t) Obtain certificates of occupancy for all of the Residential Units of the Project.

(u) Take all other actions necessary to provide the Company with a facility ready for lease to tenants.

(v) Maintain, or cause to be maintained, at its expense, all office and accounting facilities and equipment necessary to adequately perform the foregoing functions.

7. Excluded Services. The Developer shall not be required to perform any of the following services pursuant to this Agreement and, if any such services are performed with the consent of the Company, shall be separately compensated therefore as the parties may mutually agree:

(a) Locate, evaluate the suitability of, negotiate the purchase or lease of, or arrange the financing for the land on which the Project is to be located.

(b) Arrange, or negotiate the terms and conditions of, the permanent financing.

(c) Arrange, or negotiate the terms and conditions of, the capital contributions of an investor member in the Company.

(d) Perform or assist in the marketing or leasing of units in the Project.

Notwithstanding the foregoing, the Developer shall be obligated to provide information to the Company (in the form requested by the Company) regarding budgets, cost estimates, the status of the construction and the accomplishment of its duties hereunder, and any other information to the extent necessary or helpful to assist the Company or a person retained by it in performing such excluded services.

8. Development Fee. For services provided and to be performed under this Agreement the Company agrees to pay the developer a fee (the "***Development Fee***") in the aggregate amount of \$ _____, as provided in this Paragraph 8.

(a) Ten percent (10%) of the Development Fee shall be earned as the services described in Paragraph 3 are performed. In the event that at the end of any billing or fiscal period, a significant portion (but not all) of such services have been performed, a proportionate amount of such portion of the Development Fee shall be deemed earned.

(b) Ten percent (10%) of the Development Fee shall be earned as the services described in Paragraph 4 are performed. In the event that at the end of any billing or fiscal period,

a significant portion (but not all) of such services have been performed, a proportionate amount of such portion of the Development Fee shall be deemed earned.

(c) Five percent (5%) of the Development Fee shall be earned as the services described in Paragraph 5 are performed. In the event that at the end of any billing or fiscal period, a significant portion (but not all) of such services have been performed, a proportionate amount of such portion of the Development Fee shall be deemed earned.

(d) Seventy-five percent (75%) of the Development Fee shall be earned as the services described in Paragraph 6 are performed. The Development Fee shall be payable at a mutually agreeable time; provided that (i) any portion of the Development Fee not treated as a Deferred Development Fee shall be payable on or before the date of the final capital contribution of the investor member in the Company; and (ii) any Deferred Development Fee shall be payable when and as funds are available to the Company to pay such fee, but in all events immediately after the close of the credit period (the "*Credit Period*" as that term is defined in Section 42(f)(1) of the Code) with respect to the Project. The Developer agrees that it shall recognize the entire fee is taxable income not later than the year following the end of the Credit Period. A Deferred Development Fee shall mean any portion of the Development Fee so treated as provided in the Operating Agreement. Any Deferred Development Fee shall be evidenced by a note in the form attached hereto as Exhibit A.

9. Reimbursement of Company Expenses. In addition to the Development Fee payable herein, the Developer shall receive reimbursement from the Company for any costs, fees or expenses paid to third parties and incurred in connection with the construction and development of the Project, including, without limitation of the generality of the foregoing, payments to any third party constructor for construction, engineering, appraisal market study, surveying or similar services and payments of any cash escrows or letters of credit, attorneys fees, accountants fees, or other consulting fees incurred in connection with the Project.

10. Allocation of Fee. At the request of the Company, the Developer will prepare a schedule allocating its Development Fee among the services performed by it (including, for example, an allocation between items that are or are not includable in eligible basis determined for purposes of Section 42 of the Code). The Developer will retain and provide to the Company books and records substantiating its allocation of the Development Fee.

11. Fee Unconditional. It is expressly understood and agreed by the parties hereto that the Development Fee and the reimbursement of costs incurred by the Developer in connection with the development of the Project shall be payable without regard to the income or profits of the Company.

12. Withholding of Fee Payments. In the event that (i) the Developer shall not have substantially complied with any material provisions under this Agreement, or (ii) any construction financing commitment, or any agreement entered into by the Company for construction financing related to the Project shall have terminated prior to its respective termination date(s), or (iii) foreclosure proceedings shall have been commenced against the Project by a construction lender, then the Developer shall be in default of this Agreement, and the Company shall withhold payment of any installment of the fee not yet earned by the Developer. All amounts so withheld by the Company shall be promptly released to the Developer only after cures of the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Company.

13. **Right of Offset.** The Company shall have the right to offset amounts owed hereunder to the Developer against any obligation of the Developer to the Company or its members, whether such obligation is incurred in its capacity as Developer, member manager, guarantor or otherwise.

14. **Assignment of Fees.** Without the consent of the Company, the Developer shall not assign, pledge or otherwise encumber, for security or otherwise, the Development Fee, or any portion(s) thereof or any right(s) of the Developer thereto. Any such assignment, pledge or encumbrance shall be null and void.

15. **Successors and Assigns, Termination.** This Agreement shall be binding on the parties hereto and their heirs, successors, and assigns. However, this Agreement may not be assigned by any party hereto without the consent of all of the members of the Company, nor may it be terminated without the consent of all of the members of the Company (except in the case of a material breach hereunder by the Developer); such consent shall not be unreasonably withheld.

16. **Defined Terms.** Capitalized terms used in this Agreement and not specifically defined herein shall have the same meanings assigned to them in the operating agreement of the Company, as such agreement may be amended from time to time.

17. **Severability.** If any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain unimpaired and shall continue in full force and effect.

18. **Counterparts.** This Agreement may be executed in two or more 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.

19. **No Continuing Waiver.** The waiver by any party or any breach of this Agreement shall not operate or be construed to be a waiver at any subsequent breach.

20. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter as of the date hereof and supersedes all prior understandings, representations, proposals, discussions and negotiations whatsoever, whether oral or written, between the parties hereto.

21. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Virginia.

[signature page follows]

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

DEVELOPER:

Surber Development and Consulting LLC,
a Virginia limited liability company

By:  _____
Jennifer E.H. Surber, Managing Member

COMPANY:

Grande Oak II VA LLC,
a Virginia limited liability company

By: Grande Oak II MM LLC,
a Virginia limited liability company, Managing Member

By: Surber Development and Consulting LLC,
a Virginia limited liability company, Managing Member

By:  _____
Jennifer E.H. Surber, Managing Member

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 27, 2021

This is to certify that the certificate of organization of

Grande Oak II VA LLC

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

Effective date: January 27, 2021



STATE CORPORATION COMMISSION

Attest:

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

Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, March 2, 2021

This is to certify that the certificate of organization of

Grande Oak II MM LLC

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

Effective date: March 2, 2021



STATE CORPORATION COMMISSION

Attest:

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

Clerk of the Commission

Tab C:

Principal's Previous Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

I hereby certify that:

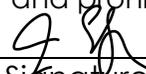
1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily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

Previous Participation Certification, cont'd

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

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

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



Signature

Printed Name

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

Tab D:

List of LIHTC Developments (Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Grande Oak II
 Name of Applicant: Grande Oak II VA LLC

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Jennifer E. H. Surber Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Warsaw Manor/Warsaw, VA	Warsaw Manor VA LLC/276-698-8760	Y	56	56	1/1/2014	9/12/2014 N
2	Lily Ridge/Ruckersville, VA	Lily Ridge VA LLC/276-698-8760	Y	48	48	9/4/2015	3/9/2016 N
3	The Shire/Chesapeake, VA	The Shire VA LLC/276-698-8760	Y	40	40	12/22/2015	6/24/2016 N
4	Iron Bridge Road Apartments/Chester, VA	Iron Bridge Road Apartments VA LLC/276-698-8760	Y	80	80	10/28/2016	2/21/2017 N
5	Ada Park/Newport News, VA	Ada Park VA LLC/276-698-8760	Y	42	42	12/20/2017	9/6/2018 N
6	Robinson Park/Harrisonburg, VA	Robinson Park VA LLC/276-698-8760	Y	88	88	8/31/2017	12/20/2017 N
7	Blacksburg Terrace/Blacksburg, SC	Blacksburg Terrace SC LLC/276-698-8760	Y	32	32	4/28/2017	9/12/2017 N
8	Timberland Park/Charlottesville, VA	Timberland Park VA LLC/276-698-8760	Y	80	80	12/26/2018	8/5/2019 N
9	Bennetts Pointe/Bennettsville, SC	Bennetts Pointe SC LLC/276-698-8760	Y	32	32	4/4/2018	12/19/2018 N
10	Marion Manor/Marion, VA	Marion Manor VA LLC/276-698-8760	Y	91	91	5/30/2019	11/26/2019 N
11	Mountain Laurel Manor/Staunton, VA	Mountain Laurel Manor VA LLC/276-698-8760	Y	48	48	12/23/2019	9/2/2019 N
12	Bickerstaff Crossing/Henrico, VA	Bickerstaff Crossing VA LLC/276-698-8760	Y	60	60	TBD	TBD N
13	East Gate Village/Gordonsville, VA	East Gate Village VA LLC/276-698-8760	Y	24	24	10/13/2020	6/16/2021 N
14	Mountain Laurel Manor II/Staunton, VA	Mountain Laurel Manor II VA LLC/276-698-8760	Y	48	48	10/15/2020	3/31/2021 N
15	Mountain Laurel Manor III/Staunton, VA	Mountain Laurel Manor III VA LLC/276-698-8760	Y	48	48	TBD	TBD N
16	Watermark Gardens/Chesterfield, VA	Watermark Gardens VA LLC/276-698-8760	Y	80	80	TBD	TBD N
17	Grande Oak/Williamsburg, VA	Grande Oak VA LLC/276-698-8760	Y	49	49	TBD	TBD N
18	East Gate Village II/Gordonsville, VA	East Gate Village II VA LLC/276-698-8760	Y	37	37	TBD	TBD N
19	Grande Oak III/Williamsburg, VA	Grande Oak III VA LLC/276-698-8760	Y	49	49	TBD	TBD N
20	New Hope Place/Goldsboro, NC	New Hope Place, LLC/(252) 916-2691	Y	80	80	TBD	TBD N
21	Saratoga Place/Suffolk, VA	Saratoga Place VA LLC/276-698-8760	Y	76	76	TBD	TBD N
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							

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

1st PAGE
TOTAL: 1,188 1,188 **LIHTC as % of**
100% **Total Units**

List of LIHTC Developments (Schedule A)



Development Name: Grande Oak II
 Name of Applicant: Grande Oak II VA LLC

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2004 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Surber Development and Consulting LLC Controlling GP (CGP) or 'Named' Managing Y
 Principal's Name: Member of Proposed property? * Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
1	Warsaw Manor/Warsaw, VA	Warsaw Manor VA LLC/276-698-8760	Y	56	56	1/1/2014	9/12/2014	N
2	Lily Ridge/Ruckersville, VA	Lily Ridge VA LLC/276-698-8760	Y	48	48	9/4/2015	3/9/2016	N
3	The Shire/Chesapeake, VA	The Shire VA LLC/276-698-8760	Y	40	40	12/22/2015	6/24/2016	N
4	Iron Bridge Road Apartments: Chester, VA	Iron Bridge Road Apartments VA LLC/276-698-8760	Y	80	80	10/28/2016	2/21/2017	N
5	Ada Park/Newport News, VA	Ada Park VA LLC/276-698-8760	Y	42	42	12/20/2017	9/6/2018	N
6	Robinson Park/Harrisonburg, VA	Robinson Park VA LLC/276-698-8760	Y	88	88	8/31/2017	12/20/2017	N
7	Blacksburg Terrace/Blacksburg, SC	Blacksburg Terrace SC LLC/276-698-8760	Y	32	32	4/28/2017	9/12/2017	N
8	Timberland Park/Charlottesville, VA	Timberland Park VA LLC/276-698-8760	Y	80	80	12/26/2018	8/5/2019	N
9	Bennetts Pointe/Bennettsville, SC	Bennetts Pointe SC LLC/276-698-8760	Y	32	32	4/4/2018	12/19/2018	N
10	Marion Manor/Marion, VA	Marion Manor VA LLC/276-698-8760	Y	91	91	5/30/2019	11/26/2019	N
11	Mountain Laurel Manor/Staunton, VA	Mountain Laurel Manor VA LLC/276-698-8760	Y	48	48	12/23/2019	9/2/2020	N
12	Bickerstaff Crossing/Henrico, VA	Bickerstaff Crossing VA LLC/276-698-8760	Y	60	60	TBD	TBD	N
13	East Gate Village/Gordonsville, VA	East Gate Village VA LLC/276-698-8760	Y	24	24	10/13/2020	6/16/2021	N
14	Mountain Laurel Manor II/Staunton VA	Mountain Laurel Manor II VA LLC/276-698-8760	Y	48	48	10/15/2020	3/31/2021	N
15	East Gate Village II/Gordonsville VA	East Gate Village II VA LLC/276-698-8760	Y	37	37	TBD	TBD	N
16	Mountain Laurel Manor III/Staunton VA	Mountain Laurel Manor III VA LLC/276-698-8760	Y	48	48	TBD	TBD	N
17	Grande Oak/Williamsburg VA	Grande Oak VA LLC/276-698-8760	Y	49	49	TBD	TBD	N
18	Watermark Gardens/Chesterfield VA	Watermark Gardens VA LLC/276-698-8760	Y	80	80	TBD	TBD	N
19	Grande Oak II/Williamsburg VA	Grande Oak II VA LLC/276-698-8760	Y	49	49	TBD	TBD	N
20	New Hope Place/Goldsboro NC	New Hope Place LLC/276-698-8760	Y	80	80	TBD	TBD	N
21	Saratoga Place/Suffolk VA	Saratoga Place VA LLC/276-698-8760	Y	76	76	TBD	TBD	N
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

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

1st PAGE
 TOTAL: 1,188 1,188
 LIHTC as % of
 100% Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

Tab E:

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

OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement"), made and entered into as of the 9 day of May, 2022 ("Effective Date") by and between **GRANDE OAK II VA LLC**, a Virginia limited liability company (hereinafter called "Buyer"), and **SURBER DEVELOPMENT AND CONSULTING LLC**, a Virginia limited liability company (hereinafter called "Seller");

WITNESSETH:

That for and in consideration of One No/100 Dollar (\$1.00) (the "Option Money") which sum shall be nonrefundable and not applicable to the Purchase Price, and other good and valuable considerations, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises and conditions expressed below, Seller hereby grants to Buyer the sole and exclusive right to purchase, at the price and subject to the terms, conditions and provisions hereinafter stated:

Land Condominium Unit 2 located in York County, Virginia as shown on the plat attached hereto as Exhibit A attached hereto (the "Property").

NOW, THEREFORE, the parties hereto agree each with the other as follows:

1. Term. This Option shall become effective on the Effective Date and shall exist and continue through midnight on the 31st day of December, 2022, at which time it will expire (the foregoing time period and any extended term, if any, shall be deemed the "Option Term").
2. Option Money. The Option Money of \$1.00 associated with this Agreement shall be paid by Buyer to Seller no more than ten (10) days after the Effective Date and shall be nonrefundable and be credited against the Purchase Price.
3. Exercise of Option. The option herein granted may be exercised only by the giving of written notice of exercise of the Option to Seller by Buyer, which notice shall be in accordance with the provisions of Paragraph 12 hereof, and which may be given at any time within the Option Term. If this Option Agreement is not exercised during the Option Term, all rights of Buyer shall cease and terminate.
4. Purchase Price. The Purchase Price for the Property shall be One and No/100 Dollar (\$1.00).
5. Closing Date. Closing shall be no later than December 31, 2022 or earlier upon no less than five (5) days notice to Seller.

6. Title. At Closing, Seller shall deliver to Buyer indefeasible and marketable fee simple title to the Property, free and clear of any deeds of trust, liens, security interests, encumbrances or other restrictions other than matters or conditions (i) currently existing of record, (ii) that would be disclosed by a survey or inspection of the Property, (iii) or which are caused by Buyer, its agents, employees or representatives.

Title shall be conveyed by a special warranty deed in recordable form conveying marketable indefeasible, fee simple (in fact, and insurable so to be) title, free and clear of all liens and encumbrances save and except only matters or conditions permitted pursuant to the foregoing paragraph and exceptions consented to by Buyer as set forth in the foregoing paragraph, and ad valorem taxes for the calendar year of Closing (to be prorated on a calendar year basis as of the Closing Date. Except as consented to by Buyer, Seller shall do nothing which impairs such title to the Property as Seller now owns during the Option Term.

7. Closing Costs. At closing Seller shall pay the cost of the deed preparation, the statutory Grantor's tax, any instruments which may be required to clear the title of any prior liens (if agreed by Seller in writing in accordance with Section 6 above), and any counsel fees for counsel employed or retained by Seller. Buyer shall pay for title examination, title policy, surveys, recording fees, all State and Local Grantee tax, and for any counsel fees Buyer incurs in the transaction. Buyer shall pay the special use permit fees. Seller shall be responsible for all costs to establish the land condominium.

8. Inspection. Seller does hereby agree to provide access to Buyer and its engineers and agents to the Property for purposes of undertaking such surveys, inspections or such other tests and analyses as Buyer may deem necessary and appropriate. All expenses associated with the inspection of the property and all applications, permitting and similar activities shall be paid for by Buyer. Buyer does hereby agree to indemnify and hold Seller, its members, managers, employees and agents, harmless from any loss or liability that may occur as a result of such inspection activity that may be undertaken by Buyer, its engineers or agents and this obligation shall survive any consummating or termination of this Agreement.

9. Condemnation. If prior to Closing all or any portion of the Property is taken by eminent domain, Buyer may at its option close on the Property, or may terminate this Option Agreement. If Buyer elects to close, then Seller shall assign to Buyer the entire proceeds resulting from such taking and Buyer shall be entitled to pursue the claim and retain all it is able to collect for such taking.

10. Closing Documents. At Closing Seller will execute, acknowledge and deliver to Buyer a special warranty deed conveying title as hereinbefore required, will deliver such lien waiver or affidavit as Buyer's title insurer may reasonably require to insure against any possible unfiled and unpaid laborer's or materialmen's liens, together with such other papers and documents as may be reasonably necessary in connection with the completion of the closing.

11. Possession. Possession of the Property shall be delivered to Buyer at the time of Closing.

12. Notices. Any notice or other communications hereunder shall be in writing and shall be deemed to have been given (unless otherwise set forth herein), if delivered in person, delivered by facsimile, delivered by email, deposited with an overnight express agency, fees prepaid, or mailed by United States express, certified or registered mail, postage prepaid, return receipt requested, to the appropriate party at the following addresses:

Seller:

c/o Jen Surber
38 Greentree Circle
Bristol, VA 24201
Email: jensurber@comcast.net

Buyer:

c/o Jen Surber
38 Greentree Circle
Bristol, VA 24201
Email: jensurber@comcast.net

13. Entire Agreement. This Agreement and any exhibits hereto and other documents incorporated or referred to herein, contains the entire Agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All changes, additions or deletions hereto must be in writing and signed by all the parties. Any and all references herein to the Seller or Buyer shall be deemed to include their respective successors, heirs or permitted assigns.

14. Brokerage. Buyer and Seller warrant and represent to each other that they have dealt with no brokers or agents in this transaction.

15. Assignment. At any time prior to Closing, Buyer shall have the right to assign all of its right, title and interest in and to this Agreement to any affiliate or any entity owned and controlled by, controlling, or under common control in whole or in part with Buyer or its principals, provided that Buyer will remain fully responsible for all obligations of the Buyer under this Agreement following any such assignment. Otherwise, Buyer shall not have the right to transfer, convey or assign any or all of its right, title or interest in the Property or in and to this Agreement, without the prior written consent of Seller which may not be unreasonably withheld, conditioned or delayed.

16. Default. Should Buyer default under this Option and if and such default is not cured within ten (10) days of written notice from Seller to Buyer (or such additional period of time as shall be necessary to effect a cure provided Buyer is proceeding in good faith with a cure), there shall be deemed an event of default hereunder by Buyer. For any event of default by Buyer hereunder, Seller shall retain the Option Money as its sole and exclusive remedy.

In the event Seller shall default hereunder, Buyer may either elect to (i) terminate this Option, receive a return of the Additional Option Money and make a claim against Seller for reimbursement of Buyer's due diligence costs in an amount not to exceed Ten Thousand and No/100 Dollars (\$10,000.00) or (ii) seek specific performance of Seller's obligation to convey title

to the Property to Buyer in accordance herewith. Under no circumstances shall Seller be liable to Buyer for any consequential, special or punitive damages of any kind.

17. Situs. This Agreement shall be governed in all respects by and construed under the laws of the Commonwealth of Virginia.

18. Effective Date. For the purposes of this Option, the “Effective Date” shall be the last date on which this Option is executed by either Buyer or Seller.

19. Time is of the Essence. Time is of the essence of this Agreement.

20. Recitals. The recitals are incorporated into this Agreement.

[signatures on following page]

IN WITNESS WHEREOF, Seller and Buyer, intending to be legally bound, have executed this Agreement as of the day and year first above written.

BUYER:

Grande Oak II VA LLC, a Virginia limited liability company

By: Grande Oak II MM LLC, a Virginia limited liability company, Managing Member

By: Surber Development and Consulting LLC, a Virginia limited liability company, Managing Member

By:  _____
Jennifer Elizabeth Hunter Surber,
Managing Member

SELLER:

Surber Development and Consulting LLC,
a Virginia limited liability company, Managing Member

By:  _____
Jennifer Elizabeth Hunter Surber,
Managing Member

Exhibit A
(property description)

To be attached

York County, Virginia

6300 OLD MOORETOWN RD

General Information

GPIN: B19d-2675-1434
Account Number: 81
Map #: 002 29
Owner: SURBER DEVELOPMENT AND CONSULTING LLC
Owner Address: 38 GREEN TREE CIR
Owner C/O:: No Data
Owner City / State / Zip: BRISTOL, VA 24201



Site Details

Site Details

Deeded Lot Size #: 10.23
Deed Reference: 210016762
Legal Description: TAYLOR JAMES H PLAT
Zoning Code: EO : Economic Opportunity

Election Information

Election Information

Supervisor District: 1
Voting Precinct: WALLER MILL
Polling Place: WALLER MILL ELEMENTARY SCHOOL
House District: No Data
Senate District: No Data

School District

Elementary School District: WALLER MILL
High/Middle School District: BRUTON/QUEENS LAKE

Waste Management

Garbage Day: WEDNESDAY
Recycle Day: WEDNESDAY
Recycle Week: BLUE

Fire and Life Safety Information

Nearest Fire Hydrant(feet): 164
Fire Station Responding: 2000 NEWMAN RD, 23188

Assessment Information

	Current Assessment	2020 Assessment	2018 Assessment	2016 Assessment	2014 Assessment	2012 Assessment	2010 Assessment	2008 Assessment
Land Value:	\$1,075,200	\$891,000	\$891,000	\$891,000	\$891,000	\$891,200	\$891,200	\$665,000
Improvement Value:	\$2,800	\$100	\$100	\$100	\$100	\$100	\$100	\$1,000
Total Value:	\$1,078,000	\$891,100	\$891,100	\$891,100	\$891,100	\$891,300	\$891,300	\$666,000

Site Information

Environmental Considerations

Waterfront:	No
Hurricane Evacuation Zone:	No Data
Flood Zone(s):	X
Base Flood Elevation:	NONE
Resource Protection Area:	NO
Resource Management Area:	NO
200' Watershed Mgt Prot Area Protection Area:	NO
500' Watershed Mgt Prot Area Protection Area:	NO
Aircraft Noise Impact Area:	NO

Utilities

Waster vs. Well / Sewer vs. Septic:

* Utilities data shown here is based on access to public sewer and tap fees paid. If knowledge of the wastewater system is critical please be sure to verify with the property owner.

Improvements Information

Year Built:	1974	Bedrooms:	2
Primary Building Square Footage*:	900	Full Bath:	0
Stories:	1	Half Baths:	0
Total Rooms:	No Data	Fireplaces:	0
		Central Air:	N/A
		Heating System:	Other
		Heating Fuel:	Oil

Construction

Foundation Type:	Slab
Roof Type:	Typical
Primary Exterior:	Stucco/Wood
Secondary Exterior:	No Data

*May or may not reflect gross living area in entirety. Please contact the Real Estate Assessment Division for clarification at (757) 890-3720.

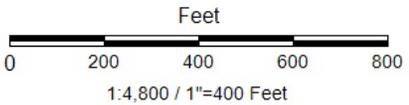
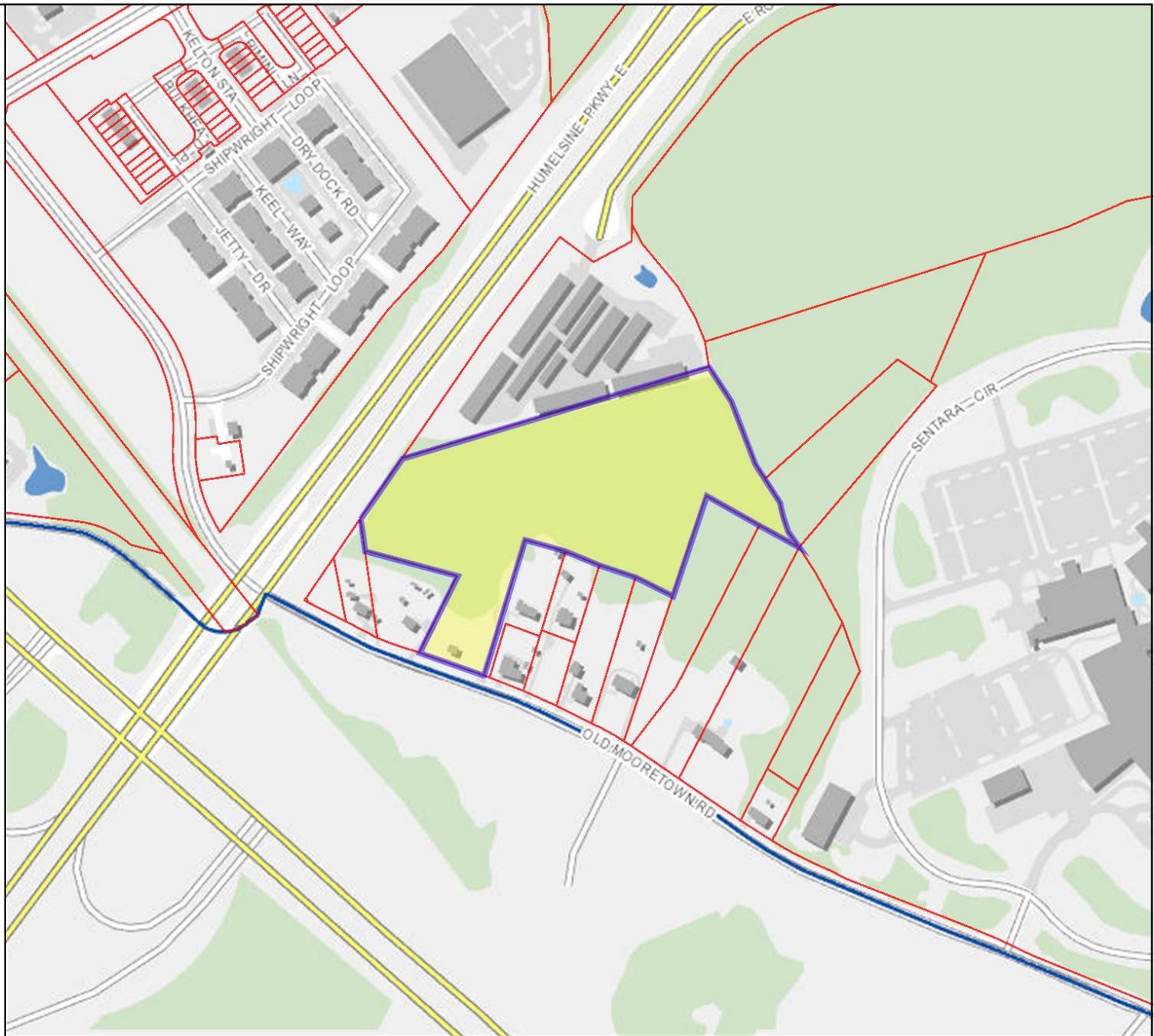
Ownership History

Owner Name	Date of Transfer	Consideration	Deed	Fair Market Sale
SURBER DEVELOPMENT AND CONSULTING LLC	8/13/2021	\$1,093,200.00	210016762	Qualifying
NEEDHAM MICHAEL J	9/20/2001	\$185,000.00	010015435	Non-Qualifying
TAYLOR JAMES H	1/1/1982	\$21,800.00	No Data	Non-Qualifying

York County, Virginia

Legend

- Parcel Boundary
- Plat Link



Title: Parcel Boundary

Date: 5/5/2022

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

Tab F:

RESNET Rater Certification (MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

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

In addition provide HERS rating documentation as specified in the manual

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

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

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

Additional Optional Certifications

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

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

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

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

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

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

Signed:

Date: 5/9/22

Printed Name: Benoit Rivard

RESNET Rater

Resnet Provider Agency
Southern Energy Management

Signature

Provider Contact and Phone/Email Laurie Colwander / laurie@southern-energy.com / 919-538-7837 / (HERS 1998-093)

Tab G:

Zoning Certification Letter (MANDATORY)



BALZER
 & ASSOCIATES
 PLANNERS / ARCHITECTS
 ENGINEERS / SURVEYORS

15871 City View Drive
 Suite 200
 Midlothian, VA 23113
 804.794.0571
 www.balzer.cc

Roanoke
 Richmond
 New River Valley
 Shenandoah Valley

Zoning Certification

Date: 3/14/2022

TO: Virginia Housing

Attention: JD Bondurant

601 South Belvidere Street

Richmond, Virginia 23220

RE: ZONING CERTIFICATION

Name of Project: Grande Oak II

Name of Owner/Applicant: Grande Oak VA, LLC

Name of Seller/Current Owner: Surber Development and Consulting, LLC

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

Development Description:

Development Address: 6300 Old Mooretown Road, Williamsburg, Virginia 23188

Legal Description: An Approximately 1.915-acre area (the "Phase II Tract"), to be a ground lease area from that certain tract, or parcel, of land containing approximately 10.23 acres situated in the County of York, Commonwealth of Virginia having Assessor's Parcel Number 2-29, GPIN B19d-2675-1434, and known as 6300 Old Mooretown Road ("Parent Tract").

Proposed Improvements:

- New Construction: 49 # Units 1 # Buildings 59,565+/- Total Floor Area Sq. Ft.
- Adaptive Reuse: # Units # Buildings Total Floor Area Sq. Ft.
- Rehabilitation: # Units # Buildings Total Floor Area Sq. Ft.

Envisioning Tomorrow, Designing Today



Zoning Certification, cont'd

Current Zoning:

Economic Opportunity (EO), allowing a density of 14.5 units per acre, and the following other applicable conditions: property is subject to the conditions in the Special Use Permits adopted in Resolution No. 15-123 and Resolution No. R19-139.

Other Descriptive Information:

The referenced development is permitted in the Economic Opportunity (EO) zoning district upon approval of a Special Use Permit by the Board of Supervisors. On December 15, 2015, the York County Board of Supervisors approved a Special Use Permit authorizing this development through the adoption of Resolution No. R19-123, a copy of which is attached. On November 19, 2019, the Board of Supervisors approved a two-year extension of the Special Use Permit through the adoption of Resolution No. R19-139 (copy attached). Pursuant to this action, the Special Use Permit will expire on July 1, 2022, if construction of the project has not commenced by that date.

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.

Sincerely,

Aaron D. Breed, P.E., Associate
Balzer and Associates, Inc.

804-794-0571
Phone Number

3/14/2022
Date

Attachments: Resolution No. R15-123
Resolution No. R19-139

BOARD OF SUPERVISORS
COUNTY OF YORK
YORKTOWN, VIRGINIA

Resolution

At a regular meeting of the York County Board of Supervisors held in York Hall, Yorktown, Virginia, on the 15th day of December, 2015:

<u>Present</u>	<u>Vote</u>
Thomas G. Shepperd, Jr., Chairman	Yea
George S. Hrichak, Vice Chairman	Yea
Walter C. Zaremba	Yea
Sheila S. Noll	Yea
Donald E. Wiggins	Yea

On motion of Mr. Zaremba, which carried 5:0, the following resolution was adopted:

A RESOLUTION TO APPROVE A SPECIAL USE PERMIT TO AUTHORIZE THE ESTABLISHMENT OF A SENIOR HOUSING-INDEPENDENT LIVING FACILITY AT 6300 OLD MOORETOWN ROAD

WHEREAS, Surber Development and Consulting, LLC, has submitted Application No. UP-868-15 to request a Special Use Permit to authorize the establishment of a senior housing-independent living facility on a 10.2-acre parcel located at 6300 Old Mooretown Road (Route 1408) and further identified as Assessor's Parcel No. 2-29; and

WHEREAS, said application has been forwarded to the York County Planning Commission in accordance with applicable procedure; and

WHEREAS, the Planning Commission recommends approval of this application; and

WHEREAS, the York County Board of Supervisors has conducted a duly advertised public hearing on this application; and

WHEREAS, the Board has carefully considered the public comments and Planning Commission recommendation with respect to this application;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 15th day of December, 2015, that Application No. UP-868-15 be, and it is

hereby, approved to authorize a Special Use Permit for the establishment of a senior housing-independent living facility on a 10.2-acre parcel located at 6300 Old Mooretown Road (Route 1408), further identified as Assessor's Parcel No. 2-29, subject to the following conditions:

1. This Special Use Permit shall authorize the establishment of a senior housing-independent living facility on a 10.2-acre parcel located at 6300 Old Mooretown Road (Route 1408), further identified as Assessor's Parcel No. 2-29.
2. A site plan prepared in accordance with the procedures set forth in Article V of the York County Zoning Ordinance shall be submitted to and approved by the Division of Development Services prior to the commencement of any land clearing or development activities on the subject parcel. Said site plan shall be in substantial conformance – except as modified herein – with the sketch plan titled “Old Mooretown Road-Senior Apartments: Special Use Permit Plan,” prepared by Balzer & Associates, Inc. and dated September 15, 2015, a copy of which shall remain on file in the office of the York County Planning Division.
3. Approval of this Special Use Permit shall be contingent on Virginia Housing Development Authority (VHDA) approval of low-income tax credits through the federal Low-Income Housing Tax Credit (LIHTC) Program.
4. The senior housing facility shall be developed and operated in accordance with the performance standards for senior housing (housing for older persons) set forth in Section 24.1-411 of the Zoning Ordinance. If the project is developed in phases, Phase I shall be developed in such a manner as to meet the referenced performance standards separate and apart from Phase II.
5. The entire development shall be served by public water and public sewer.
6. The entire development shall be subject to the standards set forth in Sections 24.1-375, *TCM-Tourist corridor management overlay district*, and 24.1-376, *WMP-Watershed management and protection are overlay district*, of the Zoning Ordinance.
7. The maximum number of dwelling units shall be 148.
8. The applicant shall provide direct access between the development and the Williamsburg Area Transit Authority (WATA) bus system. This shall be accomplished by one or both of the following:
 - a. The applicant shall cause an asphalt or concrete walkway at least five feet (5') in width to be constructed between the senior housing facility and the existing WATA bus stop located in front of the Geddy Outpatient Center on the Sentara-Williamsburg Regional Medical Center campus. Evidence

of the applicant's authority to construct said walkway across the Phase II portion of the property and across the Sentara property shall be provided prior to site plan approval, and the walkway shall be completed and ready for use prior to the issuance of a Certificate of Occupancy for the first apartment building.

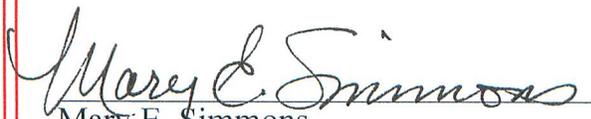
- b. The applicant shall cause a WATA bus stop to be established at the entrance to the property on Old Mooretown Road, with said stop and transit service to be available concurrently with issuance of the Certificate of Occupancy for the first apartment unit in the development. The bus stop area shall include a transit shelter.

In any event, the development entrance shall be designed and constructed to include a bus pull-off/turn-around area and transit shelter capable of safely accommodating full-size WATA transit vehicles and passengers from the initial project occupancy.

9. A single free-standing community identification sign shall be permitted on the property and shall be located along the Old Mooretown Road frontage of the subject parcel, provided, however, that if the development includes a symmetrical design feature on both sides of the entrance street, such as a decorative wall or fence, identical community may be mounted on the decorative feature on both sides of the street/drive in accordance with Section 24.1-708(a)(5) of the Zoning Ordinance.
10. In accordance with Section 24.1-115(b)(6) of the York County Zoning Ordinance, a certified copy of this resolution shall be recorded at the expense of the applicant in the name of the property owner as grantor in the office of the Clerk of the Circuit Court prior to the issuance of any land disturbing activity or building permits for the development.

BE IT FURTHER RESOLVED that this Special Use Permit is not severable and invalidation of any word, phrase, clause, sentence, or paragraph shall invalidate the remainder.

A Copy Teste:


Mary E. Simmons
Deputy Clerk

BOARD OF SUPERVISORS
COUNTY OF YORK
YORKTOWN, VIRGINIA

Resolution

At a regular meeting of the York County Board of Supervisors held in York Hall,
Yorktown, Virginia, on the 19th day of November, 2019:

<u>Present</u>	<u>Vote</u>
Thomas G. Shepperd, Jr., Chairman	Yea
W. Chad Green, Vice Chairman	Yea
Walter C. Zaremba	Yea
Sheila S. Noll	Yea
Jeffrey D. Wassmer	Yea

On motion of Mrs. Noll, which carried 5:0, the following resolution was adopted:

A RESOLUTION TO EXTEND FOR TWO YEARS A PREVIOUSLY
APPROVED SPECIAL USE PERMIT FOR A SENIOR HOUSING-
INDEPENDENT LIVING FACILITY AT 6300 OLD MOORETOWN
ROAD

WHEREAS, Surber Development and Consulting LLC submitted Application No. UP-868-15 to request a Special Use Permit to authorize the establishment of a senior housing-independent living facility on a 10.2-acre parcel located at 6300 Old Mooretown Road (Route 1408) and further identified as Assessor's Parcel No. 2-29; and

WHEREAS, on December 15, 2015, the York County Board of Supervisors approved said application through the adoption of Resolution No. R15-123; and

WHEREAS, pursuant to Section 24.1-115(c)(1) of the York County Zoning Ordinance, use permits automatically expire two years after adoption if the special use has not been established; and

WHEREAS, Section 15.2-2209.1 of the Code of Virginia and Section 24.1-115(c)(6) of the York County Zoning Ordinance provide that for any Special Use Permit outstanding as of January 1, 2017 and related to new residential or commercial development, which includes the referenced Special Use Permit, the deadline for establishing the approved Special Use shall be extended to July 1, 2020; and

WHEREAS, Surber Development and Consulting LLC has submitted Application No. UP-941-19, which requests that the Board approve a minor

modification to the above-referenced Special Use Permit, pursuant to Section 24.1-115(d)(2) of the York County Zoning Ordinance, by authorizing a two-year extension of the deadline for establishing the special use;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 19th day of November, 2019, that Application No. UP-941-19, be, and it is hereby, approved to authorize a two-year extension of the deadline for establishing the special use approved by the Board through the adoption of Resolution No. R15-123, thus making the new expiration date July 1, 2022.

BE IT FURTHER RESOLVED that all other terms of the Special Use Permit set forth in Resolution No. R15-123 shall remain in full force and effect.

BE IT STILL FURTHER RESOLVED that in accordance with Section 24.1-115(b)(6) of the York County Zoning Ordinance, a certified copy of this resolution shall be recorded at the expense of the applicant in the name of the property owner as grantor in the office of the Clerk of the Circuit Court prior to the issuance of any land disturbing activity or building permits for the development.

A Copy Teste:


Mary E. Simmons
Deputy Clerk

Tab H:

Attorney's Opinion (MANDATORY)

THE PRYZWANSKY LAW FIRM, P.A.

1130 SITUS COURT, SUITE 244
RALEIGH, NC 27606
919.828.8668 PHONE

DAVID T. PRYZWANSKY
DAVID@PRYZLAW.COM

May 11, 2022

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

RE: 2022 Tax Credit Reservation Request

Name of Development: Grande Oak II
Name of Owner: Grande Oak II VA LLC

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated May 11, 2022 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. 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.

ATTORNEY'S OPINION LETTER for Grande Oak II VA LLC, continued

3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.

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 placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

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

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

The Pryzwansky Law Firm, P.A.

By: _____

David T. Pryzwansky, Attorney

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)

NA

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

NA

Tab K:

Documentation of Development Location:

Tab K.1

Revitalization Area Certification

BOARD OF SUPERVISORS
COUNTY OF YORK
YORKTOWN, VIRGINIA

Resolution

At a regular meeting of the York County Board of Supervisors held in York Hall, Yorktown, Virginia, on the 19th day of January, 2016:

<u>Present</u>	<u>Vote</u>
Jeffrey D. Wassmer, Chairman	Yea
Sheila S. Noll, Vice Chairman	Yea
Walter C. Zaremba	Yea
W. Chad Green	Yea
Thomas G. Shepperd, Jr.	Yea

On motion of Mrs. Noll, which carried 5:0, the following resolution was adopted:

A RESOLUTION TO IDENTIFY A 10.2-ACRE PARCEL LOCATED AT 6300 OLD MOORETOWN ROAD AS A REVITALIZATION AREA AS DEFINED BY SECTION 36-55.30:2.A OF THE CODE OF VIRGINIA

WHEREAS, on December 15, 2015, the York County Board of Supervisors approved Application No. UP-868-15, submitted by Surber Development and Consulting LLC, for a Special Use Permit to authorize the establishment of a senior housing-independent living facility on a 10.2-acre parcel located at 6300 Old Mooretown Road (Route 1408) and further identified as Assessor’s Parcel No. 2-29; and

WHEREAS, the above-referenced development is proposed to be built with tax credit financing through the federal Low-Income Housing Tax Credit (LIHTC) Program, which is administered in Virginia by the Virginia Housing Development Authority (VHDA); and

WHEREAS, federal tax credits are allocated to development projects by the VHDA based on various application criteria, one of which is whether or not the project is located in a “revitalization area” as defined in the Code of Virginia; and

WHEREAS, the subject 10.2-acre parcel constitutes a Revitalization Area as defined by Section 36-55.30:2.A of the Code of Virginia by virtue of the fact that it 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 inadequate design, quality or condition;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 19th day of January, 2016, that it does hereby make the following finding with respect to an approved senior housing-independent living development to be located on a 10.2-acre parcel of land located at 6300 Old Mooretown Road (Route 1408), further identified as Assessor's Parcel No. 2-29, and authorized by the Board through the adoption of Resolution R15-123 on December 15, 2015:

The above-referenced development is located in a Revitalization Area in the County of York, Virginia. The revitalization area is (i) 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 (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.

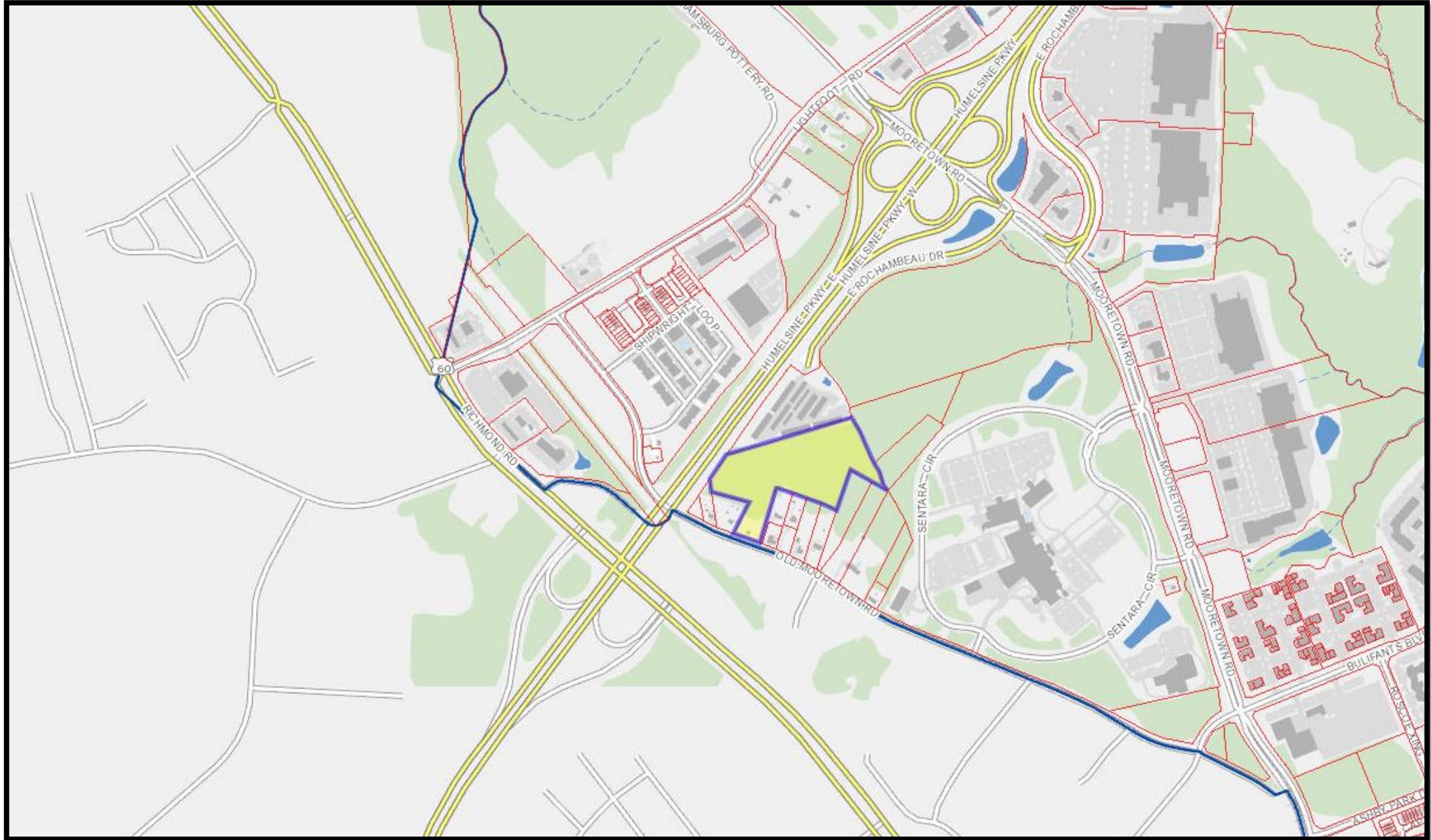
A Copy Teste:



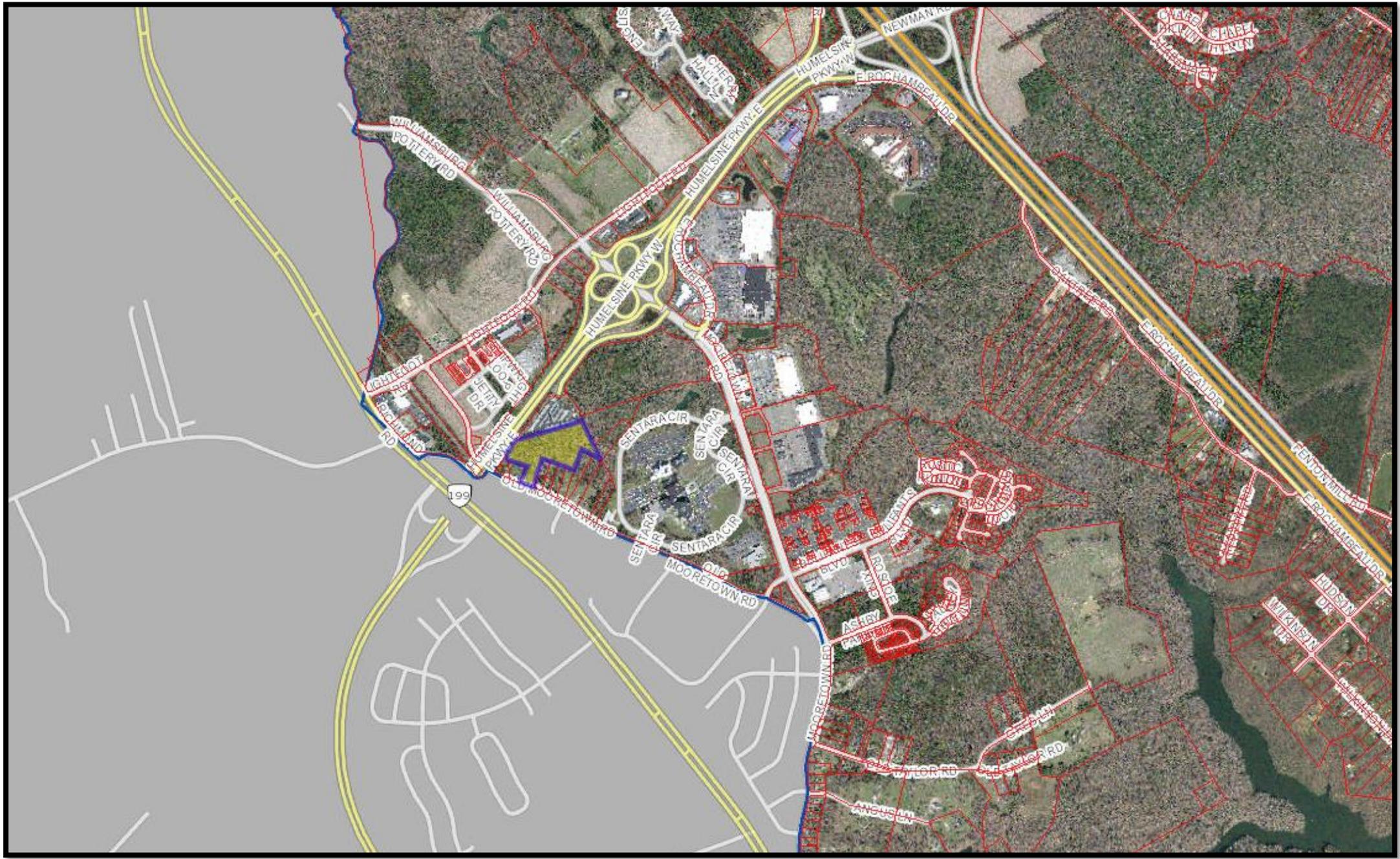
Mary E. Simmons
Deputy Clerk

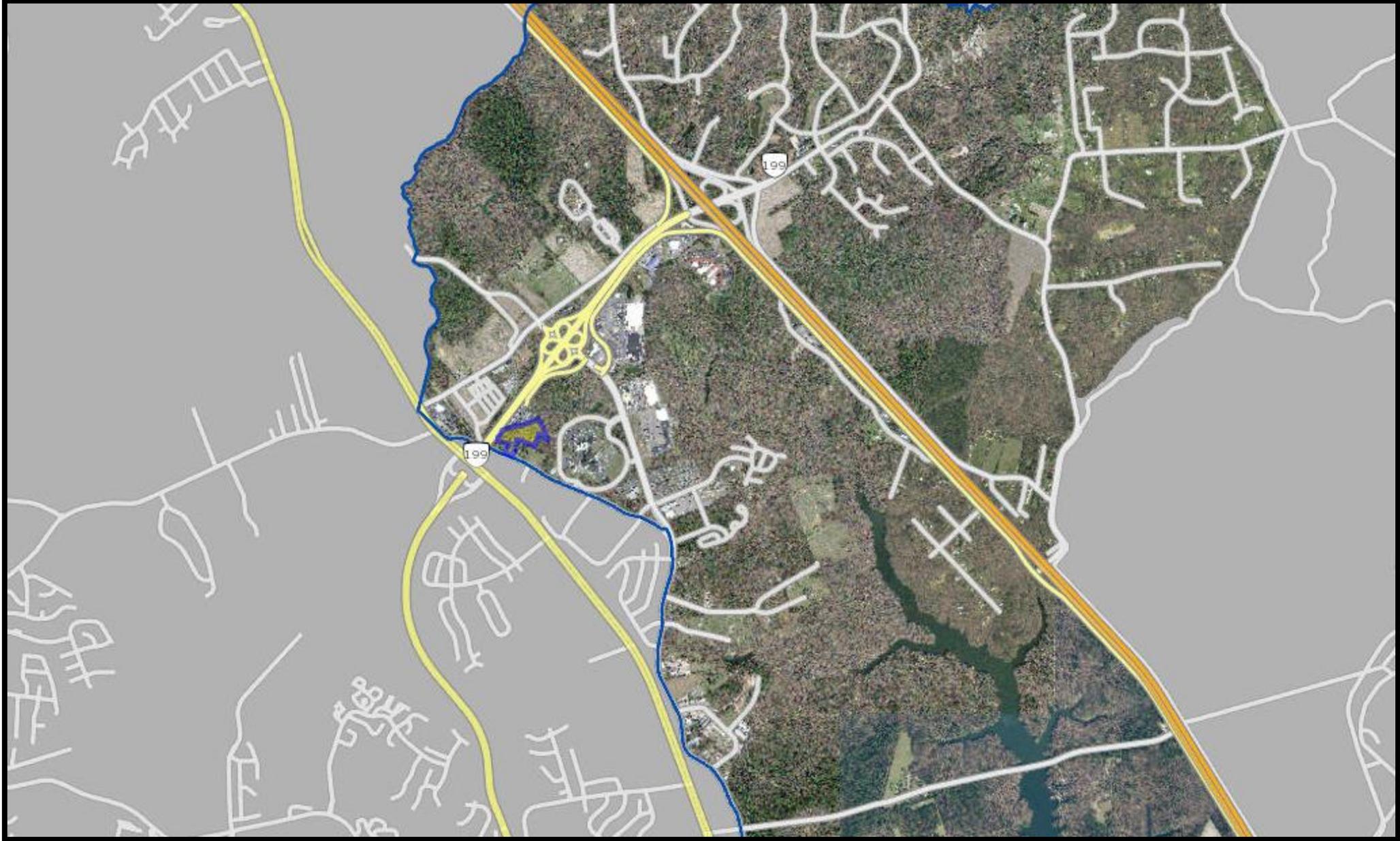
Tab K.2

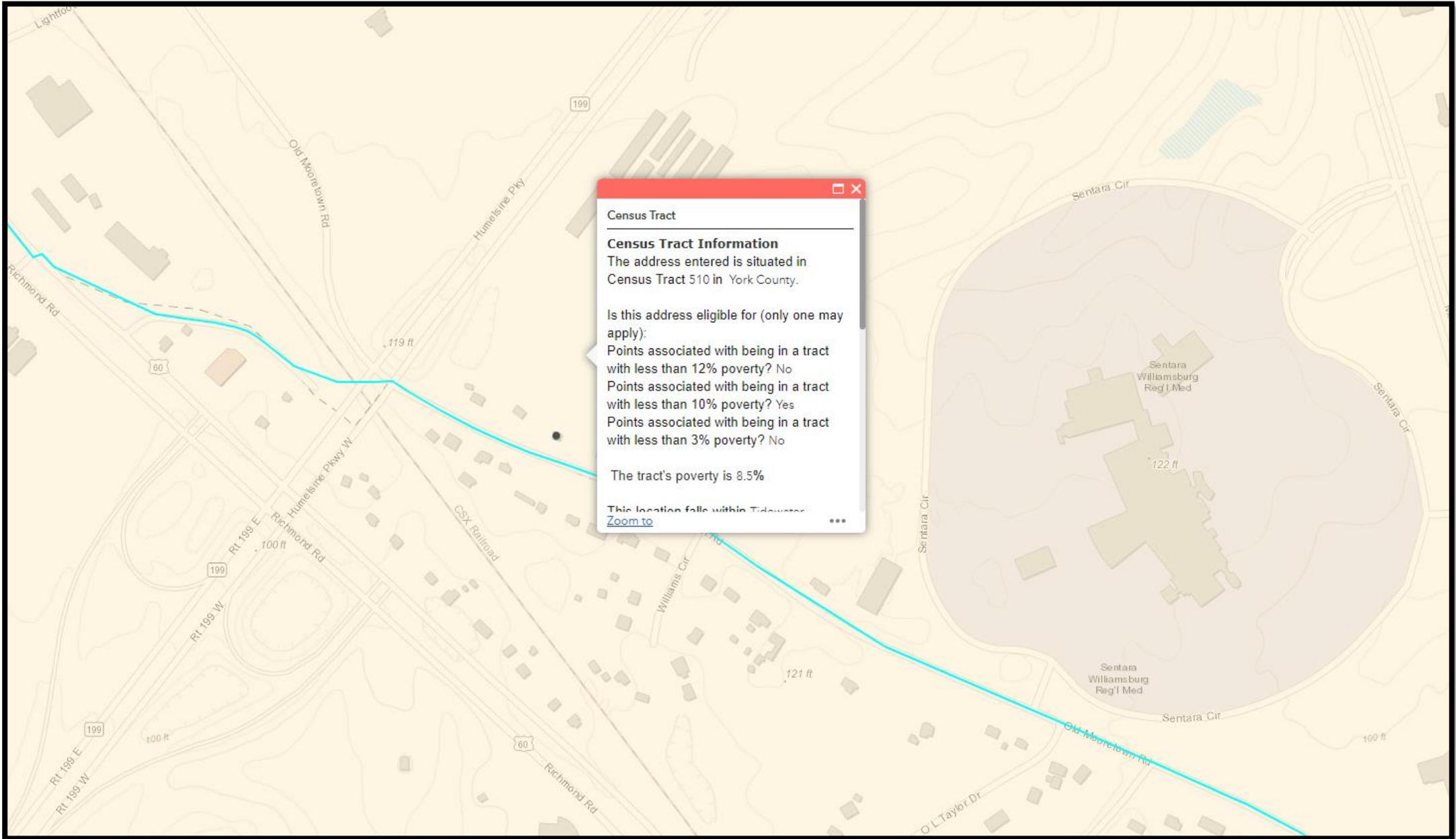
Location Map











Census Tract

Census Tract Information
The address entered is situated in Census Tract 510 in York County.

Is this address eligible for (only one may apply):

- Points associated with being in a tract with less than 12% poverty? No
- Points associated with being in a tract with less than 10% poverty? Yes
- Points associated with being in a tract with less than 3% poverty? No

The tract's poverty is 8.5%

This location falls within Tidewater
[Zoom to](#) ...

Tab K.3

Surveyor's Certification of Proximity To Public
Transportation



BALZER
 & ASSOCIATES
 PLANNERS / ARCHITECTS
 ENGINEERS / SURVEYORS

15871 City View Drive
 Suite 200
 Midlothian, VA 23113
 804.794.0571
 www.balzer.cc

Roanoke
 Richmond
 New River Valley
 Shenandoah Valley

Surveyor's Certification of Proximity to Transportation

DATE: 3/8/2022

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

RE: 2022 Tax Credit Reservation Request

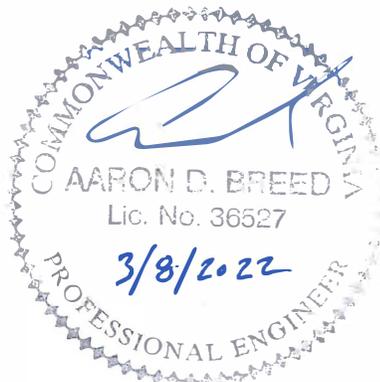
Name of Development: Grande Oak II
 Name of Owner: Grande Oak II VA LLC

Ladies and Gentlemen:

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

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

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.



Balzer and Associates, Inc.

 Firm Name
 By: [Signature]

 Its: Associate

 Title

Envisioning Tomorrow, Designing Today

Tab L:

PHA / Section 8 Notification Letter

PHA or Section 8 Notification Letter

DATE: 5/9/2022

TO: York County HCV Program
224 Ballard Street
Yorktown, VA 23690

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Grande Oak II

Name of Owner: Grande Oak II VA LLC

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on 9/1/2023 (date).

The following is a brief description of the proposed development:

Development Address:

6300 Old Mooretown Road; Williamsburg, VA 23188

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>49</u>	# units	<u>1</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# units	<u> </u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u> </u>	# units	<u> </u>	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ <u> </u>	/ month
<input type="checkbox"/> 1 Bedroom Units:	\$ <u> </u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>1145</u>	/ month
<input type="checkbox"/> 3 Bedroom Units:	\$ <u> </u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u> </u>	/ month

Other Descriptive Information:

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

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

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

Sincerely yours,

Jen Surber
Name
Managing Member
Title

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

Seen and Acknowledged By: *Abbitt Woodall*

Printed Name: Abbitt Woodall

Title: Housing and Neighborhood Revitalization Manager

Phone: 757-890-3885

Date: 5/10/22

Tab M:

Locality CEO Response Letter

NA

Tab N:

Homeownership Plan

NA

Tab O:

Plan of Development Certification Letter

NA

Tab P:

Developer Experience documentation and Partnership agreements

Virginia Housing Experienced LIHTC Developers

Notes:

Updated: 3/09/2022

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

I Listed if documentation supported at least 6 LIHTC developments

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

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

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

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

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

Tab Q:

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

NA

Tab R:

Documentation of Operating Budget and Utility Allowances



04.13.2022

Surber Development & Consulting, LLC
38 Green Tree Circle, Bristol, VA 24201
jensurber@surberdev.com

Grande Oak II Preliminary Review Utility Allowance Estimation

Dear Jen,

Thank you for the opportunity to provide a preliminary review and Utility Allowance (UA) for Grande Oak II in Williamsburg, VA.

In order to estimate the electric utility use, we used RESNET standard approved software (Ekotrope and/or REM/Rate). Below is the projected electric utility allowance cost that represents the 'worst case' unit type (highest projected cost). The inputs used in the energy modeling were from the preliminary plans and attached assumptions of units meeting ENERGY STAR v3 standards. Water and sewer projections below were calculated using the HUD Water & Sewage Calculator and from the James City Service Authority sewer service and the Newport News water service. Rates are pulled from their current listed schedules. A 5/8" meter is assumed for each apartment. VHDA rates are also included in these calculations, however, we understand that Virginia no longer provides nor recognizes these rates for this use. It is the responsibility of the developer and/or housing approval team to determine feasibility.

Table with 5 columns: Unit Type, Electricity (ekotrope), Water & Sewer (HUD), Water & Sewer (VHDA), Total UA (VHDA + ekotrope). Row 1: 2Br, \$49.6, \$88, \$63, \$112.6

These figures are based on a set of assumptions that were needed to complete an initial assessment of development plans, as per Appendix F - RESNET Rater Certification of Development Plans, and will be revised accordingly as more detailed plans are developed. Should you have any questions do not hesitate to contact me.

Sincerely,

Jacob Hauser
Energy & Data Analyst
Southern Energy Management
jacob@southern-energy.com

Tab S:

Supportive Housing Certification

NA

Tab T:

Funding Documentation



April 14, 2022

Grande Oak VA II LLC
Attn: CJ Tyree

Re: Borrower: Grande Oak VA II LLC
Project: Grande Oak II
Williamsburg, VA

Dear Mr. Tyree,

Churchill Mortgage Investment LLC (“CMI”) is pleased to offer this Early Rate Lock Authorization for approval and acceptance by the Borrower. By acceptance hereof, Borrower authorizes CMI to arrange for locking of the interest rate based on the following terms and conditions:

Estimated Mortgage Loan: \$6,009,000.00
Interest Rate Indication: 4.950% see Note below Indication as of: 04/14/22

Note: Interest Rate Indication is subject to change. In no event shall CMI lock the rate if it results in a reduction in the Mortgage Loan Amount without consent from Borrower.

Early Rate Lock Deposit: \$7,500.00 To be credited against the Forward Rate Lock Deposit (1% of loan amount)
Early Rate Lock Period: 90 days
Early Rate Lock Period Extension: The Early Rate Lock Period may be extended for an additional 90 days for an additional fee equivalent to 0.5% of the Mortgage Loan
Permanent Term: 18 years Forward Term: 24 months
Permanent Amortization: 40 years
Permanent Prepayment Penalty for Yield maintenance for the first 15 years; 1% for next 2 years 9 months and last Permanent Loan: 90 days no premium or fee
Rate Lock Date: On or before: 04/14/22

Rate Lock Conditions:

1. Receipt of this executed Authorization Letter
2. Receipt of the Early Rate Lock Deposit [N/A - using existing third party report deposit to cover]

The interest rate and terms contained in this Rate Lock Authorization have been determined solely by CMI, and the final interest rate and terms applicable to the Mortgage Loan shall be determined by CMI and shall in no event constitute a representation or warranty by CMI as to interest rates and terms available in the financial markets.

Sincerely,



Rex N. Tilley
Senior Vice President

BORROWER ACCEPTANCE

Grande Oak VA II LLC

By:



By: Jen Surber

Its: Managing Member

Date: 4/14/2022

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

Grande Oak II VA LLC

Virginia Housing Free Housing Education Acknowledgement

I _____, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here www.virginiahousing.com/renters.

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: _____

Resident Signature: _____

Date: _____

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

NA

Tab W:

Internet Safety Plan and Resident Information Form (if internet amenities selected)

NA

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

Grande Oak II
Marketing Plan for Units Which Conform to
Section 504 of the Rehabilitation Act and
units that will be targeted to Veterans

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that Grande Oak II will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, and to ensure quality tenancy as well as effective management and maintenance of the property.

The Management Agent will be responsible for the management of Grande Oak II. GEM MANAGEMENT, LLC, the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, GEM MANAGEMENT, LLC will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

GEM MANAGEMENT, LLC is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. GEM MANAGEMENT, LLC, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Associate Director or the Executive Director of GEM MANAGEMENT, LLC.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

GEM MANAGEMENT, LLC will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- Peninsula on Aging, Inc. – 757-873-0541
- Peninsula Center for Independent Living – 757-827-0275
- York-Poquoson Social Services – 757-890-3787
- Colonial Behavioral Health Community Services Board – 757-220-3200
- York County Housing Choice Voucher Program – 757-890-3885
- Senior Center of York – 757-890-3444
- Veterans Services Department – 757-722-9961

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- Unless prohibited by and applicable federal subsidy program.
- A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.
- Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.
- Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status
- Target Population units will be confirmed by VHDA.

2. Internet Search

Grande Oak II will also be listed on the following websites:

www.virginiahousingsearch.com

www.hud.gov

www.craigslist.org

accessva.org

dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the York County/Williamsburg area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or

statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** –A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.
- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the

Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. GEM MANAGEMENT, LLC encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance.

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit *and* no negative rental history *and* no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note- If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which Grande Oak II is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.

- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.
- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.

□ Held Vacant for 60 Days

Unit must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 60-point Units and 30-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit or a 30-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

Grande Oak II VA LLC

120 Green Tree Circle | Bristol, VA 24201

VHDA
601 S. Belvidere Street
Richmond, VA 23220

May 9, 2022

RE: Grande Oak II VA LLC Tax Exempt Bonds

To whom it may concern,

Tax exempt bonds have not yet been issued for Grande Oak II VA LLC. However, Grande Oak II VA LLC expects tax exempt bonds to be issued by the Harrisonburg Redevelopment and Housing Authority.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jen Surber', written in a cursive style.

Jen Surber
Grande Oak II VA LLC
Managing Member

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

NA

Tab AA:

Priority Letter from Rural Development

NA

Tab AB:

Socially Disadvantaged Population
Documentation

NA