

---

---

# 2019 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 **2:00 PM**  
Richmond, VA Time On **March 14, 2019**

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

## INSTRUCTIONS FOR THE VIRGINIA 2019 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 **2:00 PM** Richmond Virginia time on **March 14, 2019**. 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:**

**VHDA can accept files via our work center site Procorem or on flash/thumb drives. Contact Hope Rutter for access to Procorem.**

**Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.**

### Disclaimer:

VHDA 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 VHDA.

### 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 VHDA LIHTC Allocation Department. Please note that we cannot release the copy protection password.

### **VHDA LIHTC Allocation Staff Contact Information**

<b>Name</b>	<b>Email</b>	<b>Phone Number</b>
JD Bondurant	<a href="mailto:johndavid.bondurant@vhda.com">johndavid.bondurant@vhda.com</a>	(804) 343-5725
Hope Coleman Rutter	<a href="mailto:hope.rutter@vhda.com">hope.rutter@vhda.com</a>	(804) 343-5574
Sheila Stone	<a href="mailto:sheila.stone@vhda.com">sheila.stone@vhda.com</a>	(804) 343-5582
Stephanie Flanders	<a href="mailto:stephanie.flanders@vhda.com">stephanie.flanders@vhda.com</a>	(804) 343-5939
Pamela Freeth	<a href="mailto:pamela.freeth@vhda.com">pamela.freeth@vhda.com</a>	(804) 343-5563
Jovan Burton	<a href="mailto:Jovan.burton@vhda.com">Jovan.burton@vhda.com</a>	(804) 343-5518

**TABLE OF CONTENTS**

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

<b>TAB</b>	<b>DESCRIPTION</b>
1. <a href="#"><u>Submission Checklist</u></a>	Mandatory Items, Tabs and Descriptions
2. <a href="#"><u>Development Information</u></a>	Development Name and Locality Information
3. <a href="#"><u>Request Info</u></a>	Credit Request Type
4. <a href="#"><u>Owner Information</u></a>	Owner Information and Developer Experience
5. <a href="#"><u>Site and Seller Information</u></a>	Site Control, Identity of Interest and Seller info
6. <a href="#"><u>Team Information</u></a>	Development Team Contact information
7. <a href="#"><u>Rehabilitation Information</u></a>	Acquisition Credits and 10-Year Look Back Info
8. <a href="#"><u>Non Profit</u></a>	Non Profit Involvement, Right of First Refusal
9. <a href="#"><u>Structure</u></a>	Building Structure and Units Description
10. <a href="#"><u>Utilities</u></a>	Utility Allowance
	Building Amenities above Minimum Design Requirements
11. <a href="#"><u>Enhancements</u></a>	
12. <a href="#"><u>Special Housing Needs</u></a>	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. <a href="#"><u>Unit Details</u></a>	Set Aside Selection and Breakdown
14. <a href="#"><u>Budget</u></a>	Operating Expenses
15. <a href="#"><u>Project Schedule</u></a>	Actual or Anticipated Development Schedule
16. <a href="#"><u>Hard Costs</u></a>	Development Budget: Contractor Costs
	Development Budget: Owner's Costs, Developer Fee, Cost Limits
17. <a href="#"><u>Owner's Costs</u></a>	
18. <a href="#"><u>Eligible Basis</u></a>	Eligible Basis Calculation
	Construction, Permanent, Grants and Subsidized Funding Sources
19. <a href="#"><u>Sources of Funds</u></a>	
20. <a href="#"><u>Equity</u></a>	Equity and Syndication Information
	Credit Reservation Amount Needed
21. <a href="#"><u>Gap Calculation</u></a>	
21. <a href="#"><u>Cash Flow</u></a>	Cash Flow Calculation
22. <a href="#"><u>BINs</u></a>	BIN by BIN Eligible Basis
24. <a href="#"><u>Owner Statement</u></a>	Owner Certifications
25. <a href="#"><u>Scoresheet</u></a>	Self Scoresheet Calculation
26. <a href="#"><u>Development Summary</u></a>	Summary of Key Application Points
27. <a href="#"><u>Efficient Use of Resources</u></a>	Calculation of Score
28. <a href="#"><u>Efficient Use of Resources - TE Bonds</u></a>	Calculation of Score

## 2019 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 VHDA's point system of ranking applications, and may assist VHDA in its determination of the appropriate amount of credits that may be reserved for the development.

- |                                     |  |
|-------------------------------------|--|
| <input type="checkbox"/>            | \$1,000 Application Fee <b>(MANDATORY)</b>   |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Scanned Copy of the <b>Signed</b> Tax Credit Application with Attachments (excluding market study and plans & specifications) <b>(MANDATORY)</b> |
| <input type="checkbox"/>            | Electronic Copy of the Market Study <b>(MANDATORY - Application will be disqualified if study is not submitted with application)</b>             |
| <input type="checkbox"/>            | Electronic Copy of the Plans <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Electronic Copy of the Specifications <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Electronic Copy of the Physical Needs Assessment <b>(MANDATORY if rehab)</b>   |
| <input type="checkbox"/>            | Electronic Copy of Appraisal <b>(MANDATORY if acquisition credits requested)</b>   |
| <input type="checkbox"/>            | Electronic Copy of Environmental Site Assessment (Phase I) <b>(MANDATORY if 4% credits requested)</b>  |
| <input type="checkbox"/>            | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests <b>(MANDATORY)</b>                |
| <input type="checkbox"/>            | Tab B: Virginia State Corporation Commission Certification <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Tab C: Principal's Previous Participation Certification <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Tab D: List of LIHTC Developments (Schedule A) <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Tab F: Architect's Certification and RESNET Rater Certification <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Tab G: Zoning Certification Letter <b>(MANDATORY)</b>  |
| <input type="checkbox"/>            | Tab H: Attorney's Opinion <b>(MANDATORY)</b>   |
| <input type="checkbox"/>            | Tab I: Nonprofit Questionnaire <b>(MANDATORY for points or pool)</b>   |
|                                     | The following documents need not be submitted unless requested by VHDA:  |
|                                     | -Nonprofit Articles of Incorporation                      -IRS Documentation of Nonprofit Status   |
|                                     | -Joint Venture Agreement (if applicable)                      -For-profit Consulting Agreement (if applicable)                                   |
| <input type="checkbox"/>            | Tab J: Relocation Plan <b>(MANDATORY, if tenants are displaced)</b>  |
| <input type="checkbox"/>            | Tab K: Documentation of Development Location:  |
| <input type="checkbox"/>            | K.1 Revitalization Area Certification  |
| <input type="checkbox"/>            | K.2 Location Map   |
| <input type="checkbox"/>            | K.3 Surveyor's Certification of Proximity To Public Transportation   |
| <input type="checkbox"/>            | Tab L: PHA / Section 8 Notification Letter   |
| <input type="checkbox"/>            | Tab M: Locality CEO Response Letter  |
| <input type="checkbox"/>            | Tab N: Homeownership Plan  |
| <input type="checkbox"/>            | Tab O: Plan of Development Certification Letter  |
| <input type="checkbox"/>            | Tab P: Developer Experience documentation and Partnership agreements   |
| <input type="checkbox"/>            | Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property  |
| <input type="checkbox"/>            | Tab R: Documentation of Operating Budget and Utility Allowances  |
| <input type="checkbox"/>            | Tab S: Supportive Housing Certification  |
| <input type="checkbox"/>            | Tab T: Funding Documentation   |
| <input type="checkbox"/>            | Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population                               |
| <input type="checkbox"/>            | Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal  |
| <input type="checkbox"/>            | Tab W: (Reserved)  |
| <input type="checkbox"/>            | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504  |

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 11/6/2019

- 1. Development Name: Lexington House
- 2. Address (line 1): 130 Houston St  
 Address (line 2):   
 City: Lexington State: VA Zip: 24450
- 3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000  
 (Only necessary if street address or street intersections are not available.)
- 4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:  
 City/County of Lexington City
- 5. The site overlaps one or more jurisdictional boundaries..... FALSE  
 If true, what other City/County is the site located in besides response to #4?.....
- 6. Development is located in the census tract of: 9305.00
- 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** ..... FALSE
- 11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE

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

12. Development is located in a census tract with a poverty rate of.....	3%	10%	12%
	FALSE	TRUE	FALSE

Enter only Numeric Values below:

- 13. Congressional District: 7
- Planning District: 6
- State Senate District: 25
- State House District: 24

Click on the following link for assistance in determining the districts related to this development:  
[Link to VHDA'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

Lexington House Apartments has 78 units and is a 100% Project-Based Section 8 multi-family community located in Lexington, VA. The property is well located south of downtown Lexington and within close distance to a number of amenities, retail options and directly next to Carilion Stonewall Jackson Hospital. The new ownership will continue to target the same population, low income elderly and disabled residents. The property is currently fully leased with a significant waiting list.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 11/6/2019

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: Spencer H Suter  
 Chief Executive Officer's Title: County Administrator Phone: 540-463-1460  
 Street Address: 150 South Main St.  
 City: Lexington State: VA Zip: 24450

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

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

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

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

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

**B. RESERVATION REQUEST INFORMATION**

1. **Requesting Credits From:**

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

or

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

**For Tax Exempt Bonds, Skip Numbers 2**

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

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2019.

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, 2019, 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 2019 credits pursuant to Section 42(h)(1)(E).

3. **Select Building Allocation type:**

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

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

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

A 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. (25, 35 or 45 pts)

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

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

Total Units within 9% allocation request?	<u>0</u>	Do not enter values if development is not part of a 9
Total Units within 4% Tax Exempt allocation Request?	<u>78</u>	
Total Units:	<b>78</b>	

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

6. **Extended Use Restriction**

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

**Must Select One:**

**Definition of selection:**

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

**C. OWNERSHIP INFORMATION**

NOTE: VHDA 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 VHDA 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: Steele Lexington LLC

Developer Name: Steele Properties III LLC

Contact: M/M ▶ Mr. First: Justin MI:  Last: Unger

Address: 6875 E Evans Ave

City: Denver St. ▶ CO Zip: 80224

Phone: (303) 226-9137 Ext.  Fax: (303) 322-2320

Email address: Junger@steelellc.com

Federal I.D. No. 84-3126939 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Liability Company Formation State: ▶ CO

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

Bryce Quigley. bquigley@monroegroup.com, 720-215-3226

- ACTION:** a. Provide Owner's organizational documents (e.g. Partnership agreements) **(Mandatory TAB A)**  
 b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**

**2. Principal(s) of the General Partner:** List names of individuals and ownership interest.

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
David Asarch	(303) 322-8888	Managing Member	17.000%
Chad Asarch	(303) 322-8888	Managing Member	27.666%
Hud Karshmer	(303) 322-8888	Managing Member	27.666%
Stuart Heller	(303) 322-8888	Managing Member	27.666%
			0.000%
			0.000%
			0.000%

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

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



**C. OWNERSHIP INFORMATION**

---

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

**3. Developer Experience:** Provide evidence that the principal or principals of the controlling general partner or managing member for the proposed development have developed:

- a. as a controlling general partner or managing member, (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. .... **TRUE**

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

- b. at least three deals as principal and have at \$500,000 in liquid assets..... **FALSE**

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

- 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). .... **FALSE**

**Action:** Must provide copies of 8609s and partnership agreements (**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 VHDA 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 and provide documentation - **Mandatory TAB E**)

Select Type:  Purchase Contract

Expiration Date:

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 VHDA. See QAP for further details.

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.....  .

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: Lexington House I Limited Partnership

Address: 130 Houston St

City: Lexington St.: VA Zip: 24450

Contact Person: Robert Margolis Phone: (240) 683-0300

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

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

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

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

## 2019 Low-Income Housing Tax Credit Application For Reservation

### E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team. Provide Contact and Firm Name.

- |                          |   |                           |                       |
|--------------------------|---|---------------------------|-----------------------|
| 1. Tax Attorney:         | <u>Matt M. McKay</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Applegate &amp; Thorne- Thomsen</u>                      |                           |                       |
| Address:                 | <u>425 S. Financial Place, Ste 1900, Chicago, IL 60605</u>  |                           |                       |
| Email:                   | <u>mmckay@att-law.com</u>                                   | Phone:                    | <u>(312) 491-4449</u> |
| 2. Tax Accountant:       | <u>Kenny Dennison</u>                                       | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Dauby O'Connor &amp; Zaleski, LLC</u>                    |                           |                       |
| Address:                 | <u>501 Congressional Blvd, Carmel, IN 46032</u>             |                           |                       |
| Email:                   | <u>kdennison@doz.net</u>                                    | Phone:                    | <u>(317) 819-6173</u> |
| 3. Consultant:           | <u>Ryne Johnson</u>   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Astoria LLC</u>  | Role:                     | <u>Tax Credit app</u> |
| Address:                 | <u>3450 Lady Marian Ct</u>                                  |                           |                       |
| Email:                   | <u>rynejohnson@astoriallc.com</u>                           | Phone:                    | <u>(804) 320-0585</u> |
| 4. Management Entity:    | <u>Maria Ciano</u>  | This is a Related Entity. | <u>TRUE</u>           |
| Firm Name:               | <u>Monroe Group Ltd</u>                                     |                           |                       |
| Address:                 | <u>6875 E Evans Ave, Denver, CO 80224</u>                   |                           |                       |
| Email:                   | <u>mciano@monroegroup.com</u>                               | Phone:                    | <u>(303) 322-8888</u> |
| 5. Contractor:           | <u>Ben Tullis</u>   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Empire Corporation of Tennessee Inc.</u>                 |                           |                       |
| Address:                 | <u>3600 Henson Dr, Knoxville, TN 37921</u>                  |                           |                       |
| Email:                   | <u>btullis@EmpireIncTN.com</u>                              | Phone:                    | <u>(865) 228-9424</u> |
| 6. Architect:            | <u>Adam Pickett</u>   | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Benton Design Group</u>                                  |                           |                       |
| Address:                 | <u>913 Bullpen Drive, O'Fallon, MO 63366</u>                |                           |                       |
| Email:                   | <u>adam@bentondg.com</u>                                    | Phone:                    | <u>(636) 515-0382</u> |
| 7. Real Estate Attorney: | <u>Matt M. McKay</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>Applegate &amp; Thorne- Thomsen</u>                      |                           |                       |
| Address:                 | <u>425 S. Financial Place, Ste 1900, Chicago, IL 60605</u>  |                           |                       |
| Email:                   | <u>mmckay@att-law.com</u>                                   | Phone:                    | <u>(312) 491-4449</u> |
| 8. Mortgage Banker:      | <u>Cody Langness</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>RedStone</u>   |                           |                       |
| Address:                 | <u>767 Thirs Avenue, Ste 2003, New York, NY 10017</u>       |                           |                       |
| Email:                   | <u>clangness@redstoneco.com</u>                             | Phone:                    | <u>(212) 277-6477</u> |
| 9. Other:                | <u>Rachel Rhodes</u>  | This is a Related Entity. | <u>FALSE</u>          |
| Firm Name:               | <u>National Equity Fund</u>                                 | Role:                     | <u></u>               |
| Address:                 | <u>10 S. Riverside Plaza, Suite 1700, Chicago, IL 60606</u> |                           |                       |
| Email:                   | <u>rrhodes@nefinc.org</u>                                   | Phone:                    | <u>(312) 697-8255</u> |

**F. REHAB INFORMATION**

**1. Acquisition Credit Information**

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**  
If no credits are being requested for existing buildings acquired for the development, skip this tab.
- b. This development has received a previous allocation of credits..... **FALSE**  
 If so, in what year did this development receive credits? .....
- c. The development is listed on the RD 515 Rehabilitation Priority List?..... **FALSE**
- d. This development is an existing RD or HUD S8/236 development..... **TRUE**  
**Action:** (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from VHDA 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 VHDA 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)..... **TRUE**
- d. There are different circumstances for different buildings..... **FALSE**  
**Action:** (If True, provide an explanation for each building in Tab K)

**F. REHAB INFORMATION**

---

**3. Rehabilitation Credit Information**

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

**b. Minimum Expenditure Requirements**

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

**4. Request For Exception**

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... **FALSE**
- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
  - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... **FALSE**
  - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... **FALSE**
  - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... **FALSE**

**Action:** If any of 4(b) responses are true, provide documentation at Tab U.

G. NONPROFIT INVOLVEMENT

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

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

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

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: [Yellow box]

Name: [Yellow box] (Please fit NP name within available space)

Contact Person: [Yellow box]

Street Address: [Yellow box]

City: [Yellow box] State: [Yellow box] Zip: [Yellow box]

Phone: [Yellow box] Extension: [Yellow box] Contact Email: [Yellow box]

**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.

**Action:** Provide Option or Right of First Refusal in Recordable Form **(TAB V)**  
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

**Name of qualified nonprofit:**

\_\_\_\_\_

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

FALSE

\_\_\_\_\_

2. FALSE

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

**Do not select if extended compliance is selected on Request Info Tab**

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

**NOTE:** Applicant waives the right to pursue a Qualified Contract.



**H. STRUCTURE AND UNITS INFORMATION**

**1. General Information**

a. Total number of <b>all</b> units in development	78	bedrooms	78
Total number of <b>rental</b> units in development	78	bedrooms	78
Number of low-income rental units	78	bedrooms	78
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units: .....	0	bedrooms	0
Number of rehab units:.....	78	bedrooms	78
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.....			50,831.50 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			5,230.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			45,601.50 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .....			0.00%
i. Exact area of site in acres .....	2.760		
j. Locality has approved a final site plan or plan of development.....			FALSE
If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )			
l. Development is eligible for Historic Rehab credits.....			FALSE

**Definition:**

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

**H. STRUCTURE AND UNITS INFORMATION**

**2. UNIT MIX**

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	586.00	SF	72	72
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	568.25	SF	6	6
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			78	78

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

**3. Structures**

a. Number of Buildings (containing rental units)..... 1

b. Age of Structure:..... 42 years

c. Number of stories:..... 3

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

e. Commercial Area Intended Use: N/A

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

i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE

ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE

iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

**H. STRUCTURE AND UNITS INFORMATION**

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

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

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

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

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

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

l. Describe Community Facilities: Large Community Room w/ Community Kitchen

m. Number of Proposed Parking Spaces.....	<u>65</u>
Parking is shared with another entity .....	<u>FALSE</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 structureNotes must indicate basic materials in structure, floor and exterior finish.
- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
  - i. Phase I environmental assessment.
  - ii. Physical needs assessment for any rehab only development.

**NOTE:** All developments must meet VHDA'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:**

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

Project Wide Capture Rate - LIHTC Units	7.60%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.60%
Project Wide Absorption Period (Months)	N/A

**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 Architect Certification (**Mandatory**) and documents related to following items if applicable (**TAB F**)

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 71.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- FALSE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. Each bathroom contains only of WaterSense labeled faucets, toilets and showerheads.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- TRUE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- TRUE 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
- TRUE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- FALSE p. At minimum, one USB charging port in each kitchen, living room and all bedrooms.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- FALSE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- 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:**

**J. ENHANCEMENTS**

---

FALSE

a. All cooking ranges have front controls.

FALSE

b. Bathrooms have an independent or supplemental heat source.

FALSE

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

**2. Green Certification**

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

The applicant will also obtain one of the following:

FALSE

Earthcraft Gold or higher certification

FALSE

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

FALSE

U.S. Green Building Council LEED certification

FALSE

Enterprise Green Communities (EGC) Certification

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

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

FALSE

Zero Energy Ready Home Requirements

FALSE

Passive House Standards

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

FALSE

a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.

b. Number of Rental Units constructed to meet VHDA'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:

\_\_\_\_\_

**2019 Low-Income Housing Tax Credit Application For Reservation**

**I. UTILITIES**

1. Describe the Heating/AC System: Electric

2. Services Included:

Utilities	Type of Utility (Gas, Electric, Oil, etc.)	Utilities Paid by:	Enter Allowances by Bedroom Size				
			0-bdr	1-bdr	2-bdr	3-bdr	4-br
Heating	Electric	Tenant	0	27	0	0	0
Air Conditioning	Electric	Tenant	0	7	0	0	0
Cooking	Electric	Tenant	0	4	0	0	0
Lighting	Electric	Tenant	0	16	0	0	0
Hot Water		Owner	0	0	0	0	0
Water		Owner	0	0	0	0	0
Sewer		Owner	0	0	0	0	0
Trash		Owner	0	0	0	0	0
Total utility allowance for costs paid by tenant			\$0	\$54	\$0	\$0	\$0

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

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

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

**K. SPECIAL HOUSING NEEDS**

---

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

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

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

**FALSE**

- a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;
- (ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
- (iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

(60 points)

**FALSE**

- b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD's Housing Choice Voucher ("HCV") payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) 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 (30 points)

**TRUE**

- c. Any development in which 5% of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of this application for credits. (15 points)

**For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility Rehabilitation Act.**



K. SPECIAL HOUSING NEEDS

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)

b. The development has existing tenants and a relocation plan has been developed..... TRUE

(If True, VHDA 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 (Mandatory if tenants are displaced - Tab J)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: No

Organization which holds such waiting list:

Contact person:

Title:

Phone Number

Action: Provide required notification documentation (TAB L)

b. Leasing preference will be given to individuals and families with children..... FALSE

(Less than or equal to 20% of the units must have of 1 or less bedrooms).

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

% of total Low Income Units 0%

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

**K. SPECIAL HOUSING NEEDS**

**4. Rental Assistance**

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

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

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

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

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

d. Number of units receiving assistance: **78**  
 How many years in rental assistance contract? **20.00**  
 Expiration date of contract: **10/31/2037**  
 There is an Option to Renew..... **TRUE**

**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		
# 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
78	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
78	100.00%	<b>Total</b>

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

- b. The development plans to utilize income averaging..... **TRUE**  
 If above is 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.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	Number of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	72	4	543.00	\$1,100.00	\$79,200
Mix 2	1 BR - 1 Bath	60% AMI	6		525.00	\$1,100.00	\$6,600
Mix 3							\$0
Mix 4							\$0
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0

L. UNIT DETAILS

Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
Mix 34								\$0
Mix 35								\$0
Mix 36								\$0
Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
Mix 44								\$0
Mix 45								\$0
Mix 46								\$0
Mix 47								\$0
Mix 48								\$0
Mix 49								\$0
Mix 50								\$0
Mix 51								\$0
Mix 52								\$0
Mix 53								\$0
Mix 54								\$0
Mix 55								\$0
Mix 56								\$0
Mix 57								\$0
Mix 58								\$0
Mix 59								\$0
Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0
Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0
Mix 78								\$0
Mix 79								\$0
Mix 80								\$0
Mix 81								\$0

L. UNIT DETAILS

Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
<b>TOTALS</b>			78	4	1,068.00	\$2,200	\$85,800

Verify # of 504 Units based on previous tab.

<b>Total Units</b>	<b>78</b>	<b>Net Rentable SF:</b>	<b>TC Units</b>	<b>42,246.00</b>
			<b>MKT Units</b>	<b>0.00</b>
			<b>Total NR SF:</b>	<b>42,246.00</b>

<b>Floor Space Fraction (to 7 decimals)</b>	<b>100.00000%</b>
---	-------------------

**M. OPERATING EXPENSES**

**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$500
2. Office Salaries			\$5,538
3. Office Supplies			\$7,000
4. Office/Model Apartment	(type _____)		
5. Management Fee			\$53,305
<u>5.20%</u> of EGI	<u>\$683.40</u>	Per Unit	
6. Manager Salaries			\$45,000
7. Staff Unit (s)	(type _____)		
8. Legal			\$2,000
9. Auditing			\$10,000
10. Bookkeeping/Accounting Fees			\$8,658
11. Telephone & Answering Service			\$8,820
12. Tax Credit Monitoring Fee			\$2,730
13. Miscellaneous Administrative			\$80,472
<b>Total Administrative</b>			<b>\$224,023</b>

**Utilities**

14. Fuel Oil			
15. Electricity			\$9,543
16. Water			\$16,768
17. Gas			\$170
18. Sewer			\$33,434
<b>Total Utility</b>			<b>\$59,916</b>

**Operating:**

19. Janitor/Cleaning Payroll			
20. Janitor/Cleaning Supplies			
21. Janitor/Cleaning Contract			
22. Exterminating			
23. Trash Removal			\$1,000
24. Security Payroll/Contract			\$4,346
25. Grounds Payroll			
26. Grounds Supplies			\$8,000
27. Grounds Contract			
28. Maintenance/Repairs Payroll			\$40,000
29. Repairs/Material			
30. Repairs Contract			\$20,000
31. Elevator Maintenance/Contract			
32. Heating/Cooling Repairs & Maintenance			\$3,000
33. Pool Maintenance/Contract/Staff			
34. Snow Removal			
35. Decorating/Payroll/Contract			
36. Decorating Supplies			
37. Miscellaneous			
<b>Totals Operating &amp; Maintenance</b>			<b>\$76,346</b>

**M. OPERATING EXPENSES**

**Taxes & Insurance**

38. Real Estate Taxes	\$37,389
39. Payroll Taxes	\$8,203
40. Miscellaneous Taxes/Licenses/Permits	
41. Property & Liability Insurance	\$27,300
42. Fidelity Bond	
43. Workman's Compensation	\$2,508
44. Health Insurance & Employee Benefits	\$8,208
45. Other Insurance	
<b>Total Taxes &amp; Insurance</b>	<b>\$83,607</b>

<b>Total Operating Expense</b>	<b>\$443,892</b>
--------------------------------	------------------

<b>Total Operating Expenses Per Unit</b>	\$5,691	<b>C. Total Operating Expenses as % of EGI</b>	43.33%
--	---------	--	--------

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

<b>Total Expenses</b>	<b>\$463,392</b>
-----------------------	------------------

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

2019 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	8/16/2019	Justin Boyd
b. Site Acquisition	2/26/2020	Justin Boyd
c. Zoning Approval	2/6/2020	Justin Unger
d. Site Plan Approval	2/6/2020	Justin Unger
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	n/a	
ii. Conditional Commitment	n/a	
iii. Firm Commitment	n/a	
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	9/17/2019	Justin Unger
ii. Conditional Commitment	9/17/2019	Justin Unger
iii. Firm Commitment	1/24/2020	Justin Unger
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application	n/a	
ii. Conditional Commitment	n/a	
iii. Firm Commitment	n/a	
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List	n/a	
ii. Application	n/a	
iii. Award/Commitment	n/a	
<b>2. Formation of Owner</b>	9/20/2019	Justin Boyd
<b>3. IRS Approval of Nonprofit Status</b>	n/a	
<b>4. Closing and Transfer of Property to Owner</b>	2/26/2020	Justin Boyd
<b>5. Plans and Specifications, Working Drawings</b>	10/25/2019	Adam Pickett
<b>6. Building Permit Issued by Local Government</b>	1/30/2020	Ben Tullis
<b>7. Start Construction</b>	3/27/2020	Ben Tullis
<b>8. Begin Lease-up</b>	2/27/2020	Maria Ciano
<b>9. Complete Construction</b>	3/27/2021	Ben Tullis
<b>10. Complete Lease-Up</b>	6/27/2020	Maria Ciano
<b>11. Credit Placed in Service Date</b>	3/27/2021	Justin Unger



O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

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"
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	3,501,849		3,501,849	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
<b>Total Structure</b>	3,501,849	0	3,501,849	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	0	0	0	0
<b>Total Structure and Land</b>	3,501,849	0	3,501,849	0
q. General Requirements	210,111	0	210,111	0
r. Builder's Overhead ( 2.0% Contract)	70,037	0	70,037	0
s. Builder's Profit ( 6.0% Contract)	210,111	0	210,111	0
t. Bonds	36,879	0	36,879	0
u. Building Permits	34,706	0	34,706	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1:	0	0	0	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
<b>Contractor Costs</b>	<b>\$4,063,693</b>	<b>\$0</b>	<b>\$4,063,693</b>	<b>\$0</b>

**O. PROJECT BUDGET - OWNER COSTS**

**MUST USE WHOLE NUMBERS ONLY!**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs</b>				
a. Building Permit		0		0
b. Architecture/Engineering Design Fee \$488 /Unit)	38,100	0	38,100	0
c. Architecture Supervision Fee \$1,154 /Unit)	90,000	0	90,000	0
d. Tap Fees	0	0	0	0
e. Environmental	20,000	0	20,000	0
f. Soil Borings	0	0	0	0
g. EarthCraft/LEED	5,000	0	5,000	0
h. Appraisal	10,000	0	10,000	0
i. Market Study	12,000	0	12,000	0
j. Site Engineering / Survey	13,500	0	13,500	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	18,000	0	18,000	0
m. Construction Loan Origination Fee	108,375	0	0	0
n. Construction Interest ( 4.3% for 12 months)	483,709	0	338,596	0
o. Taxes During Construction	28,042	0	0	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee ( 0.0% )	0	0	0	0
r. Other Permanent Loan Fees	6,000	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	15,000	0	15,000	0
v. Title and Recording	60,000	0	60,000	0
w. Legal Fees for Closing	203,000	0	123,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	24,526			
z. Tenant Relocation	97,500	0	0	0
aa. Fixtures, Furnitures and Equipment	20,000	0	20,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	448,407	0	0	0
ad. Contingency	399,211	0	399,211	0
ae. Security	20,000	0	20,000	0
af. Utilities	0	0	0	0
(1) Other* specify: Travel Cost	50,000	0	25,000	0
(2) Other* specify: Property and Liability Insur	34,830	0	0	0
(3) Other* specify: Soft Cost Contingency	53,730	0	50,000	0
(4) Other* specify: LIHTC Consultant	11,000	0	0	0
(5) Other * specify: Syndicator Fees/Legal	50,000	0	0	0
(6) Other* specify: Construction Principal	117,809	0	0	0

**O. PROJECT BUDGET - OWNER COSTS**

(7) Other* specify: IDA Bond Issuance Fees	91,170	0	0	0
(8) Other* specify: Construction Inspection Fee	18,000	0	18,000	0
(9) Other* specify: Trustee/ Trustee Counsel	10,000	0	10,000	0
(10) Other* specify: Lender App Fee/ Third Part	25,000	0	25,000	0
Owner Costs Subtotal (Sum 2A..2(10))	\$2,581,909	\$0	\$1,310,407	\$0
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	\$6,645,602	\$0	\$5,374,100	\$0
<b>3. Developer's Fees</b>	1,301,648	386,000	915,636	0
<b>4. Owner's Acquisition Costs</b>				
Land	390,000			
Existing Improvements	3,860,000	3,860,000		
Subtotal 4:	\$4,250,000	\$3,860,000		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$12,197,250	\$4,246,000	\$6,289,736	\$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:**

**\$1,301,648**

Proposed Development's Cost per Unit:  
per Sq Foot  
Applicable Cost Limit per unit:

\$156,375 **Meets Limits**  
\$156 **Meets Limits**  
\$199,972

2019 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	12,197,250	4,246,000	6,289,736	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
c. Costs of nonqualifying units of higher quality (or excess portion thereof)	0	0	0
d. Historic Tax Credit (residential portion)	0	0	0

3. Total Eligible Basis (1 - 2 above)

4,246,000	6,289,736	0
-----------	-----------	---

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

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

Total Adjusted Eligible basis

6,289,736	0
-----------	---

5. Applicable Fraction

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

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

4,246,000	6,289,736	0
-----------	-----------	---

7. Applicable Percentage

3.19%	3.19%	9.00%
-------	-------	-------

(Beginning with 2016 Allocations, use the standard 9% rate.)  
(For tax exempt bonds, use the most recently published rates.)

8. Maximum Allowable Credit under IRC §42

\$135,447	\$200,643	\$0
-----------	-----------	-----

(Qualified Basis x Applicable Percentage)  
(Must be same as BIN total and equal to or less than credit amount allowed)

\$336,090
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.					
2.					
3.					
Total Construction Funding:				\$0	

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

	Source of Funds	Date of Application	Date of Commitment	Amount of Funds <i>(Whole Numbers only)</i>	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period <i>IN YEARS</i>	Term of Loan (years)
1.	Redstone			\$8,670,000	\$451,138	4.25%	40.00	17.00
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$8,670,000	\$451,138			

**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.			\$0
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..... **TRUE**

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$8,670,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

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

Grants\*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

**Q. SOURCES OF FUNDS**

---

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **79.35%**

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**

**2019 Low-Income Housing Tax Credit Application For Reservation**

**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	\$502,342				(Note: Deferred Developer Fee cannot be negative.)
iv. Other: <u>GP Equity</u>	\$100				
<b>Equity Total</b>					<u>\$502,442</u>

**2. Equity Gap Calculation**

a. Total Development Cost	\$12,197,250
b. Total of Permanent Funding, Grants and Equity	- <u>\$9,172,442</u>
c. Equity Gap	\$3,024,808
d. Developer Equity	- <u>\$304</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$3,024,504

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

a. Actual or Anticipated Name of Syndicator:	National Equity Fund, INC.		
Contact Person:	Rachel Rhodes	Phone:	(312) 697-8255
Street Address:	10 S. Riverside Plaza		
City:	Chicago	State:	IL
		Zip:	60606
b. Syndication Equity			
i. Anticipated Annual Credits		\$336,090.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.900	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.99000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$336,056	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$3,024,504	
c. Syndication: <u>Private</u>			
d. Investors: <u>Corporate</u>			

**4. Net Syndication Amount**

Which will be used to pay for Total Development Costs	<u>\$3,024,504</u>
---	--------------------

**5. Net Equity Factor**

Must be equal to or greater than 85%	<u>89.9998952854%</u>
--------------------------------------	-----------------------



**2019 Low-Income Housing Tax Credit Application For Reservation**

**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 VHDA to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, VHDA at all times retains the right to substitute such information and assumptions as are determined by VHDA 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 VHDA for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$12,197,250</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$9,172,442</u>
3. Equals Equity Gap		<u>\$3,024,808</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>89.9998952854%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$3,360,902</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$336,090</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$336,090</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$336,090</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$4,308.8462</u>	<b>Combined 30% &amp; 70% PV Credit Requested</b>
Credit per LI Bedroom	<u>\$4,308.8462</u>	

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

**T. CASH FLOW**

**1. Revenue**

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

Total Monthly Rental Income for LIHTC Units	\$85,800
Plus Other Income Source (list): <u>Laundry and Vending, Tenant Charges</u>	\$6,000
Equals Total Monthly Income:	\$91,800
Twelve Months	x12
Equals Annual Gross Potential Income	\$1,101,600
Less Vacancy Allowance <u>7.0%</u>	\$77,112
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<b>\$1,024,488</b>

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

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

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

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

a. Annual EGI Low-Income Units	\$1,024,488
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$1,024,488
d. Total Expenses	\$463,392
e. Net Operating Income	\$561,096
f. Total Annual Debt Service	\$451,138
g. Cash Flow Available for Distribution	\$109,958

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	1,024,488	1,044,978	1,065,877	1,087,195	1,108,939
Less Oper. Expenses	463,392	477,294	491,613	506,361	521,552
Net Income	561,096	567,684	574,264	580,833	587,387
Less Debt Service	451,138	451,138	451,138	451,138	451,138
Cash Flow	109,958	116,546	123,126	129,695	136,249
Debt Coverage Ratio	1.24	1.26	1.27	1.29	1.30

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,131,118	1,153,740	1,176,815	1,200,351	1,224,358
Less Oper. Expenses	537,199	553,315	569,914	587,012	604,622
Net Income	593,919	600,425	606,901	613,339	619,736
Less Debt Service	451,138	451,138	451,138	451,138	451,138
Cash Flow	142,781	149,287	155,763	162,201	168,598
Debt Coverage Ratio	1.32	1.33	1.35	1.36	1.37

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,248,845	1,273,822	1,299,298	1,325,284	1,351,790
Less Oper. Expenses	622,761	641,443	660,687	680,507	700,923
Net Income	626,085	632,379	638,612	644,777	650,868
Less Debt Service	451,138	451,138	451,138	451,138	451,138
Cash Flow	174,947	181,241	187,474	193,639	199,730
Debt Coverage Ratio	1.39	1.40	1.42	1.43	1.44

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 1

Total Qualified Basis should equal total on Elig Basis Tab

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

DO NOT use the CUT feature

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		78	0	130 Houston St		Lexington	VA	24450	\$4,246,000	03/27/21	3.17%	\$134,598	\$5,685,864	03/27/21	3.19%	\$181,379				\$0
2.																				\$0
3.																				\$0
4.																				\$0
5.																				\$0
6.																				\$0
7.																				\$0
8.																				\$0
9.																				\$0
10.																				\$0
11.																				\$0
12.																				\$0
13.																				\$0
14.																				\$0
15.																				\$0
16.																				\$0
17.																				\$0
18.																				\$0
19.																				\$0
20.																				\$0
21.																				\$0
22.																				\$0
23.																				\$0
24.																				\$0
25.																				\$0
26.																				\$0
27.																				\$0
28.																				\$0
29.																				\$0
30.																				\$0
31.																				\$0
32.																				\$0
33.																				\$0
34.																				\$0
35.																				\$0

78 0

Totals from all buildings

\$4,246,000

\$134,598

\$5,685,864

\$181,379

\$0

\$0

Qualified basis should equal values on Elig Basis.  
Credit Amount should equal Gap Calculation Request.

Number of BINS: 1

**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 VHDA and its assigns against all losses, costs, damages, VHDA's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to VHDA'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 VHDA 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 VHDA 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 VHDA prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, VHDA 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 VHDA 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 VHDA 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 VHDA 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 waives the right to pursue a Qualified Contract on this development.
- 16. 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 VHDA's inability to process the application. The original or copy of this application may be retained by VHDA, 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: Steele Lexington LLC

By:  David Asarch

Its: Authorized Signer (Title)

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 VHDA'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. Item 5f requires a numeric value to be entered.

Please remember that this score is only an estimate. VHDA 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. Architect's Certification	Y	Y or N	0
h. Attorney's opinion	Y	Y or N	0
i. Nonprofit questionnaire (if applicable)	Y	Y, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
<b>Total:</b>			0.00

**1. READINESS:**

a. VHDA notification letter to CEO (via Locality Notification Information Application)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 or 40	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	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
<b>Total:</b>			0.00

**2. HOUSING NEEDS CHARACTERISTICS:**

a. Sec 8 or PHA waiting list preference	N	0 or up to 5	0.00
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	N	Up to 20	0.00
<b>Total:</b>			45.00

**2019 Low-Income Housing Tax Credit Application For Reservation**

**3. DEVELOPMENT CHARACTERISTICS:**

a. Amenities (See calculations below)			46.50
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	Y	0 or 15	15.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	N	0 or 10	0.00
g. Units constructed to meet VHDA's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	Y	up to 20	8.80
i. Historic Structure	N	0 or 5	0.00
Total:			<u>80.30</u>

**4. TENANT POPULATION CHARACTERISTICS:**

Locality AMI	State AMI
\$55,900	\$55,900

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 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:			<u>0.00</u>

**5. SPONSOR CHARACTERISTICS:**

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	Y	0 or 50	50.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	0 or 50	0.00
or c. Developer experience - 1 development with 1 x units	N	0 or 10	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	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	0 or -20	0.00
h. Developer experience - termination of credits by VHDA	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			<u>50.00</u>

**6. EFFICIENT USE OF RESOURCES:**

a. Credit per unit		Up to 200	109.73
b. Cost per unit		Up to 100	-3.25
Total:			<u>106.48</u>

**7. BONUS POINTS:**

a. Extended compliance	35	Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N		0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N		0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N		Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N		0 or 10	0.00
Total:			<u>50.00</u>	

425 Point Threshold - all 9% Tax Credits  
 325 Point Threshold - Tax Exempt Bonds

**TOTAL SCORE: 331.78**



**2019 Low-Income Housing Tax Credit Application For Reservation**

---

**Amenities:**

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	21.50
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	8.00
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	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>46.50</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
<b>Total amenities:</b>		<b><u>46.50</u></b>

X. Development Summary

Summary Information

2019 Low-Income Housing Tax Credit Application For Reservation

**Deal Name:** Lexington House

**Cycle Type:** 4% Tax Exempt Bonds Credits  
**Allocation Type:** Acquisition/Rehab  
**Total Units:** 78  
**Total LI Units:** 78  
**Project Gross Sq Ft:** 50,831.50  
**Green Certified?** FALSE

**Requested Credit Amount:** \$336,090  
**Jurisdiction:** Lexington City  
**Population Target:** Elderly  
**Owner Contact:** Justin Unger

<b>Total Score</b> 331.78
------------------------------

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$8,670,000	\$111,154	\$171	\$451,138

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$3,501,849	\$44,896	\$69	28.71%
General Req/Overhead/Profit	\$490,259	\$6,285	\$10	4.02%
Other Contract Costs	\$71,585	\$918	\$1	0.59%
Owner Costs	\$2,581,909	\$33,101	\$51	21.17%
Acquisition	\$4,250,000	\$54,487	\$84	34.84%
Developer Fee	\$1,301,648	\$16,688	\$26	10.67%
<b>Total Uses</b>	<b>\$12,197,250</b>	<b>\$156,375</b>		

Total Development Costs	
Total Improvements	\$6,645,602
Land Acquisition	\$4,250,000
Developer Fee	\$1,301,648
<b>Total Development Costs</b>	<b>\$12,197,250</b>

Income	
Gross Potential Income - LI Units	\$1,101,600
Gross Potential Income - Mkt Units	\$0
Subtotal	\$1,101,600
Less Vacancy %	7.00%
<b>Effective Gross Income</b>	<b>\$1,024,488</b>

**Proposed Cost Limit/Unit:** \$156,375  
**Applicable Cost Limit/Unit:** \$199,972  
**Proposed Cost Limit/Sq Ft:** \$156  
**Applicable Cost Limit/Sq Ft:** \$120

**Rental Assistance?** TRUE

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	78
# of 2BR	0
# of 3BR	0
# of 4+ BR	0
<b>Total Units</b>	<b>78</b>

Expenses		
Category	Total	Per Unit
Administrative	\$224,023	\$2,872
Utilities	\$59,916	\$768
Operating & Maintenance	\$76,346	\$979
Taxes & Insurance	\$83,607	\$1,072
<b>Total Operating Expenses</b>	<b>\$443,892</b>	<b>\$5,691</b>
Replacement Reserves	\$19,500	\$250
<b>Total Expenses</b>	<b>\$463,392</b>	<b>\$5,941</b>

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

Cash Flow	
EGI	\$1,024,488
Total Expenses	\$463,392
<b>Net Income</b>	<b>\$561,096</b>
Debt Service	\$451,138
<b>Debt Coverage Ratio (YR1):</b>	<b>1.24</b>

**Income Averaging?** TRUE

**Extended Use Restriction?** 50

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$249.09** Credits/SF = **7.370152** Const \$/unit = **\$52,098.6282**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000  
 LOCATION: Inner-NVA=100; Outer-NV=200; NWC=300; Rich=400; Tid=500; Balance=600  
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB\*(15,000-35,000)=4

**12000**  
**600**  
**3**

**600**  
**3**

\*REHABS LOCATED IN BELTWAY (\$15,000-\$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	568.25	0.00	0.00	586.00	0.00
NUMBER OF UNITS	0	0	6	0	0	72	0
PARAMETER-(COSTS=>35,000)	0	0	146,475	0	0	140,625	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	146,475	0	0	140,625	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	146,475	0	0	140,625	0
PROJECT COST PER UNIT	0	0	141,545	0	0	145,966	0
PARAMETER-(CREDITS=>35,000)	0	0	11,076	0	0	9,441	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	11,076	0	0	9,441	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	11,076	0	0	9,441	0
PROJECT CREDIT PER UNIT	0	0	4,188	0	0	4,319	0
<b>COST PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.26</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.51</b>	<b>0.00</b>
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>9.57</b>	<b>0.00</b>	<b>0.00</b>	<b>100.16</b>	<b>0.00</b>

GENERAL								
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	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-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	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
<b>COST PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

TOTAL COST PER UNIT POINTS **-3.25**

TOTAL CREDIT PER UNIT POINTS **109.73**

**Cost 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 Cost Parameter - low rise	0	0	146,475	0	0	140,625	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>146,475</b>	<b>0</b>	<b>0</b>	<b>140,625</b>	<b>0</b>

**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	11,076	0	0	9,441	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>11,076</b>	<b>0</b>	<b>0</b>	<b>9,441</b>	<b>0</b>

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

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	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
<b>Adjusted Credit Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Northern Virginia Beltway** (Rehab costs \$15,000-\$50,000)

**Cost 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 Cost Parameter - low rise	0	0	146,475	0	0	140,625	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>146,475</b>	<b>0</b>	<b>0</b>	<b>140,625</b>	<b>0</b>

**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 Cost Parameter - low rise	0	0	11,076	0	0	9,441	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>11,076</b>	<b>0</b>	<b>0</b>	<b>9,441</b>	<b>0</b>

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

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost 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
<b>Adjusted Cost Parameter</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2019 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$249.09** Credits/SF = **7.370152** Const \$/unit = **\$52,098.63**

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**  
**600**  
**3**

**600**  
**3**

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	568.25	0.00	0.00	586.00	0.00
NUMBER OF UNITS	0	0	6	0	0	72	0
PARAMETER-(COSTS=>35,000)	0	0	146,475	0	0	140,625	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	146,475	0	0	140,625	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	146,475	0	0	140,625	0
PROJECT COST PER UNIT	0	0	141,545	0	0	145,966	0
PARAMETER-(CREDITS=>35,000)	0	0	11,076	0	0	9,441	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	11,076	0	0	9,441	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	11,076	0	0	9,441	0
PROJECT CREDIT PER UNIT	0	0	4,188	0	0	4,319	0
<b>COST PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.26</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.51</b>	<b>0.00</b>
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>9.57</b>	<b>0.00</b>	<b>0.00</b>	<b>100.16</b>	<b>0.00</b>

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	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-(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	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
<b>COST PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>CREDIT PER UNIT POINTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

TOTAL COST PER UNIT POINTS **-3.25**

TOTAL CREDIT PER UNIT POINTS **109.73**

**Cost 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 Cost Parameter - low rise	0	0	146,475	0	0	140,625	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	146,475	0	0	140,625	0

**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	11,076	0	0	9,441	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Credit Parameter</b>	0	0	11,076	0	0	9,441	0

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

**Credit Parameters - General**

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	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
<b>Adjusted Credit Parameter</b>	0	0	0	0	0	0	0	0

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

**Cost 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 Cost Parameter - low rise	0	0	146,475	0	0	140,625	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	146,475	0	0	140,625	0

**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 Cost Parameter - low rise	0	0	11,076	0	0	9,441	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	11,076	0	0	9,441	0

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

**Credit Parameters - General**

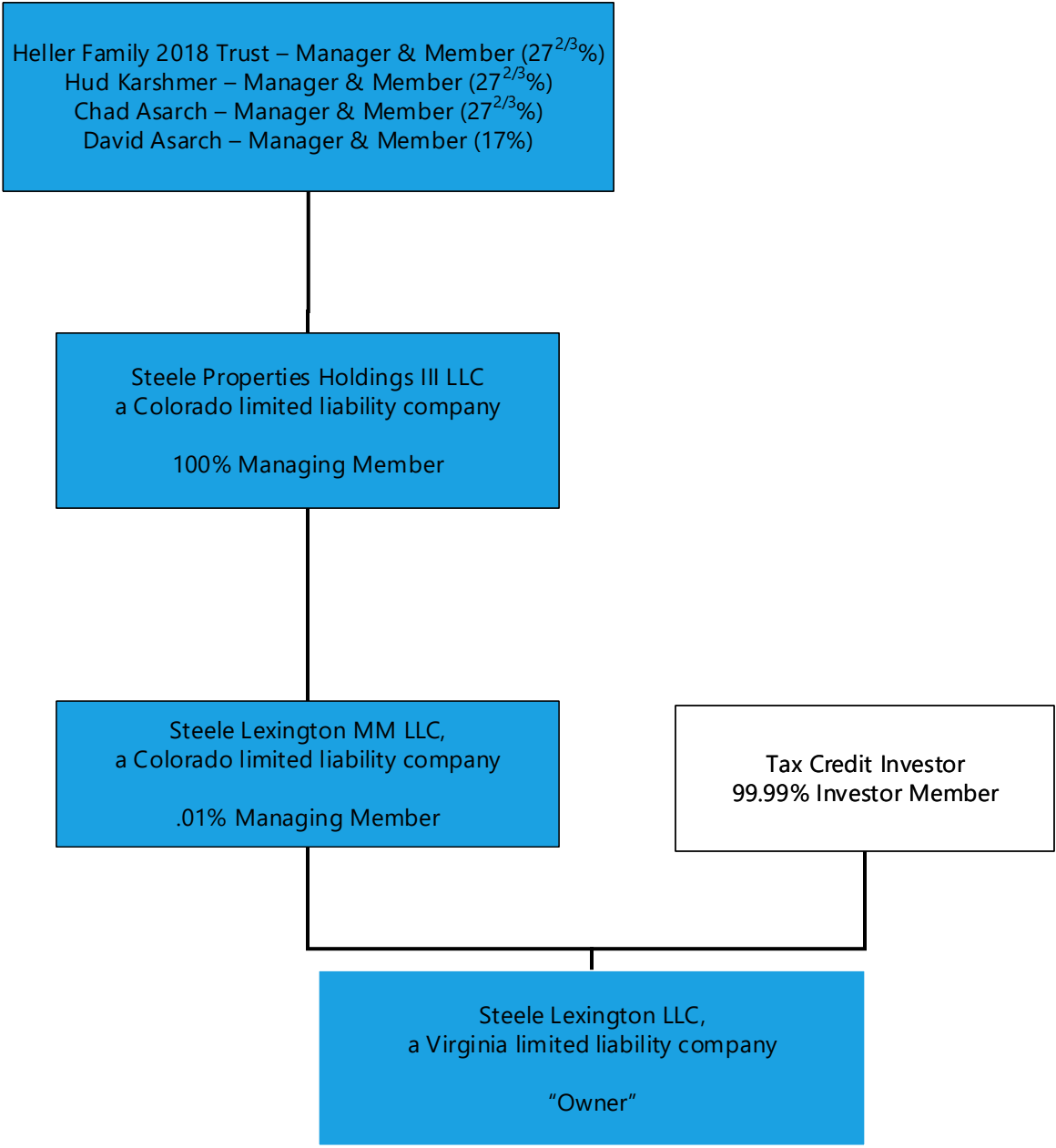
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
<b>Adjusted Cost Parameter</b>	0	0	0	0	0	0	0	0

A

# Partnership or Operating Agreement

Including chart of ownership structure with percentage of  
interests (**MANDATORY**)

**STEELE LEXINGTON LLC  
ORGANIZATIONAL CHART**



Lexington House  
Lexington, Virginia



OPERATING AGREEMENT  
OF  
STEELE LEXINGTON LLC

THIS OPERATING AGREEMENT (this “Agreement”) of Steele Lexington LLC, a Colorado limited liability company (the “Company”) is made and entered into effective as of September 20, 2019 by Steele Lexington MM LLC, a Colorado limited liability company (the “Member”).

WHEREAS, the Company has been formed as a limited liability company under the laws of the State of Virginia and the Member desires to enter into a written agreement, in accordance with the provisions of the Virginia Limited Liability Company Act and any successor statute, as amended from time to time (the “Act”), governing the affairs of the Company and the conduct of its business.

NOW, THEREFORE, the Member hereby agrees as follows:

1. Formation. On September 20, 2019, the Company was formed as a Virginia limited liability company under and pursuant to the Act.

2. Name. The name of the Company shall be Steele Lexington LLC and its business shall be carried on in such name with such variations and changes as the Member shall determine or deem necessary to comply with the requirements of the jurisdictions in which the Company's operations are conducted.

3. Business Purpose; Powers; Term. The Company is formed for the purpose of acquiring, owning, operating, and financing the property located at 130 Houston Street, Lexington, Virginia 24450 (the “Project”) and taking any and all other lawful business, purposes or activities for which limited liability companies may be formed under the Act with respect to the Project. The Company shall possess and may exercise all of the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company. The Company shall have perpetual existence unless dissolved in accordance with either the provisions of this Agreement or the Act.

4. Registered Office and Agent, Principal Place of Business. The location of the principal place of business of the Company shall be 6875 E. Evans Ave., Denver, Colorado, 80224. The Company's Registered Agent shall be Corporation Service Company, 100 Shockoe Slip, 2<sup>nd</sup> Floor, Richmond, Virginia 23219. The Company may locate its places of business and registered office at any other place or places as the Member may from time to time deem advisable.

5. The Member. The Member is the sole managing member of the Company. Except as provided in Section 8 below, the management of the Company is fully reserved to the Member. The Member shall have no personal liability for the obligations of the Company except to the extent provided in the Act. The Member shall have the right and authority to take all actions specifically enumerated in this Agreement or which the Member otherwise deems necessary, useful or appropriate for the day-to-day management and conduct of the Company's business, and may cause the Company to undertake all actions necessary or appropriate in connection therewith. All instruments, contracts, agreements and documents shall be valid and binding on the Company if executed by the Member.

6. Additional Members. There shall be no other new or additional members without the written consent of the Member.

7. Tax Treatment. The Company shall be a disregarded entity for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes), and the Member and the Company shall timely make any and all necessary elections and filings for the Company to be treated as a disregarded entity for U.S. federal income tax purposes (as well as for any analogous state or local tax purposes).

8. Officers and Related Persons. The Member shall have the power and authority to appoint and terminate officers of the Company, to retain and terminate employees, agents and consultants of the Company and to delegate such duties to any such officers, employees, agents and consultants as the Member deems appropriate, including the power, acting individually or jointly, to represent and bind the Company in all matters, in accordance with the scope of their respective duties.

9. Capital. From time to time, the Member may determine that the Company requires capital and may make capital contribution(s) in an amount determined by the Member.

10. Profits and Losses. For financial accounting and tax purposes, the Company's profits and losses shall be determined in the manner determined by the Member, and all profits and losses shall be allocated entirely to the Member.

11. Distributions. Subject to the requirements of the Act, the Company shall make distributions of cash or other assets to the Member at such times and in such amounts as determined by the Member.

12. Dissolution. The Company shall be dissolved and its affairs wound up upon the earliest to occur of the following: (a) the Member's authorization and approval of such dissolution; or (b) the entry of a decree of judicial dissolution of the Company under the Act.

13. Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or any obligation or duty at law or in equity, none of the Member, or any officers, directors, partners, employees, affiliates, representatives or agents of any of the Member, nor any officer, employee, representative or agent of the Company (individually, a “Covered Person” and, collectively, the “Covered Persons”) shall be liable to the Company or any other person for any act or omission (in relation to the Company, its property or the conduct of its business or affairs, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted by a Covered Person in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Covered Person by the Agreement, provided such act or omission does not constitute fraud, willful misconduct, bad faith, or gross negligence.

14. Indemnification. To the fullest extent permitted by law, the Company shall indemnify and hold harmless each Covered Person from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (“Claims”), in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs. A Covered Person shall not be entitled to indemnification under this Section with respect to (a) any Claim with respect to which such Covered Person has engaged in fraud, willful misconduct, bad faith or gross negligence or (b) any Claim initiated by such Covered Person unless such Claim (or part thereof) (i) was brought to enforce such Covered Person's rights to indemnification hereunder or (ii) was authorized or consented to by the Member. Expenses incurred by a Covered Person in defending any Claim shall be paid by the Company in advance of the final disposition of such Claim upon receipt by the Company of an undertaking by or on behalf of such Covered Person to repay such amount if it shall be ultimately determined that such Covered Person is not entitled to be indemnified by the Company as authorized by this Section of the Agreement.

15. Amendments. Amendments to this Agreement and to the Articles of Organization shall be approved in writing by the Member. An amendment shall become effective as of the date specified in the approval of the Member or if none is specified as of the date of such approval or as otherwise provided in the Act. Any repeal or modification of any provisions in this Agreement relating to exculpation or indemnification of Covered Persons shall not adversely affect any rights of a Covered Person pursuant to such provisions, including the right to exculpation and the right to indemnification and to the advancement of expenses, in existence at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

16. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be ineffective to the extent of such invalidity or unenforceability; *provided, however*, that the remaining provisions will continue in full force without being impaired or invalidated in any way unless such invalid or unenforceable provision or clause shall be so significant as to materially affect the expectations of the Member regarding this Agreement. Otherwise, any invalid or unenforceable provision shall be replaced by the Member with a valid provision which most closely approximates the intent and economic effect of the invalid or unenforceable provision.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia without regard to the principles of conflicts of laws thereof.

18. Facsimile Signatures. Facsimile and electronic signatures shall be accepted as originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement effective as of the day first above written.

**The Sole Managing Member:**

STEELE LEXINGTON MM LLC,  
a Colorado limited liability company

By: Steele Properties Holdings III LLC,  
a Colorado limited liability company,  
its sole member

A handwritten signature in blue ink, appearing to be "Chad Asarch", written over a horizontal line.

By: \_\_\_\_\_  
Chad Asarch, Manager

TAB A

LPA

Developer Fee Agreement

## DEVELOPMENT AGREEMENT

This Development Agreement (“**Agreement**”) is entered into effective as of November 4 2019, by and between **Steele Properties III LLC**, a Colorado limited liability company (“**Developer**”), and **Steele Lexington LLC**, a Commonwealth of Virginia limited liability company (“**Owner**”). Developer and Owner collectively may be referred to herein as the “**Parties**” or individually may be referred to herein as a “**Party**.”

### RECITALS

A. Owner intends to acquire the real properties commonly known as Lexington House Apartments, located at 130 Houston Street, Lexington, Virginia (the “**Real Property**”).

B. Owner intends to develop and rehabilitate on the Real Property a 78-unit low-income rental housing complex and other related improvements, which are intended to qualify for federal low-income housing tax credits (the “**Apartment Housing**”).

C. The Parties recognize and acknowledge that the Developer is, and has been, an independent contractor in all services rendered to, and to be rendered to, the Owner pursuant to this Agreement.

D. Owner desires to engage Developer to manage, oversee, and complete the redevelopment of the Apartment Housing in connection with a federal low income housing tax credit transaction under Section 42 of the Internal Revenue Code (the “**Transaction**”), and Developer desires to accept such engagement.

E. Owner will enter into certain construction contract documents with a general contractor (the “**Contractor**”) for the rehabilitation of the Apartment Housing (the “**Construction Documents**”).

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual promises and undertakings in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Developer agree as follows.

### SECTION 1

#### ENGAGEMENT OF DEVELOPER; FEE; SERVICES

**1.1 Defined Terms.** Capitalized Terms not otherwise defined herein shall have the meanings ascribed to them in the Operating Agreement (defined below).

**1.2 Engagement; Term.** Owner hereby engages Developer to act as developer of the Apartment Housing in connection with the Transaction, and to perform the various covenants and obligations of the Developer under this Agreement. Developer hereby confirms and accepts such engagement and agrees to perform fully and timely each and every one of its obligations under this Agreement. The term of such engagement commences on the date the Developer began to provide services to the Owner and shall end on December 31 of the calendar year in which the Apartment Housing has been fully rehabilitated in accordance with the Construction Documents entered into in connection with the Transaction and has been placed in service for

purposes of the Internal Revenue Code in connection with the Transaction; provided, however, Owner's obligation to pay the Development Fee shall not expire until the Development Fee has been paid in full.

**1.3 Development Fee.** The Development Fee (the "**Development Fee**") as set forth herein shall be equal to \$1,255,738. In consideration of Developer's agreement to provide development services with respect to the Apartment Housing, Owner agrees to pay to Developer the Development Fee as set forth herein. Owner also shall pay the cost of all actual out-of-pocket third party expenses incurred by Developer in performing the services hereunder.

**1.4 Development Services.**

(a) **General Responsibility.** Owner expects (at its discretion) to retain such specialists and consultants as may be necessary for the design, construction, development and operation of the Apartment Housing. Developer's general responsibility shall be to research, plan, manage, arrange, supervise, administer, coordinate and monitor the planning, design, permitting, development, construction, furnishing, equipping, completion and turnover (to Owner) of the Apartment Housing, and to take such actions as Owner may reasonably request within the scope of Developer's responsibilities in this Agreement.

Without limiting Developer's general responsibility set forth above, in discharging its general responsibility hereunder with respect to the Apartment Housing, Developer shall perform and discharge the specific responsibilities set forth below.

(b) **Pre-Development Phase.** During the pre-development phase of any applicable Apartment Housing, Developer's responsibilities will include, without limitation, the following:

1. Pre-qualifying and recommending to Owner the specialists and consultants, coordinating the process for the selection by Owner of such specialists and consultants for the Apartment Housing (including a competitive bidding process, unless waived by Owner), preparing requests for proposals, reviewing and analyzing proposals from such specialists and consultants, and, following approval thereof by Owner, preparation and/or review and evaluation of proposed contracts between Owner and such specialists and consultants, and the negotiation of such proposed contracts (it being understood that all contracts shall be signed by Owner and, therefore, subject to Owner's prior approval).
2. Assisting Owner in establishing the Apartment Housing's design criteria.

(c) **Design Development Phase.** During the design development phase of any applicable Apartment Housing, Developer shall coordinate with any applicable development team to obtain final drawings and specifications (including mock-ups and color samples) acceptable to Owner, and Developer's responsibilities will include, without limitation, the following:



1. Reviewing, commenting on and coordinating changes in preliminary design and working drawings, specifications and site plans that are reasonably requested by Owner.
2. Working with the development team to enhance compatibility of architectural and interior design drawings with other elements of the Apartment Housing.
3. Cause a description of standard interior finishes for the interior of the Apartment Housing, together with a proposed budget for the installation of such finishes, to be prepared.
4. Cause cost estimates from specialists and consultants and/or Contractors and revisions to the development budget (the “**Budget**”) for the construction phase in light of design development to be prepared.
5. Consult with Owner with respect to preferred construction methods and provide recommendations on the relative feasibility of different construction methods, the availability of labor, equipment and materials, the costs of alternative designs and materials, and other issues relating to costs and possible savings.
6. Cause the preparation of a development schedule and timetables for completion of the Apartment Housing, which when approved by Owner shall be the “**Schedule**”.
7. Coordinating the finalization of final drawings and specifications, including but not limited to architectural, mechanical and electrical drawings, and interior design.
8. Working with the Developer and Contractor to identify and pre-qualify potential major subcontractors for the Apartment Housing, coordinate the process for the selection of the major subcontractors (including a competitive bidding process), analyze and review for acceptability the bids received from such potential major subcontractors.
9. Preparing and/or reviewing and evaluating the agreement with the Contractor, which agreement shall, if requested by Owner, require Contractor to furnish payment and performance bonds or subguard insurance (if required by the Apartment Housing lender) for major and/or critical subcontractors on the Apartment Housing, and, if requested by Owner, negotiating such agreement.
10. Jointly with Developer administer and oversee the selection by the Contractor of other subcontractors and vendors as appropriate for construction of any improvements to be constructed on the Apartment Housing.
11. Obtaining, through Developer and the Contractor and on behalf of Owner, all building, development, and other permits and governmental approvals necessary to commence construction of the Apartment Housing.

(d) **Construction and Completion Phase.** Once construction of any applicable Apartment Housing commences, Developer's responsibilities with respect to such Apartment Housing will include, without limitation, the following:

1. Directing all appropriate parties to perform their duties in accordance with the applicable plans and specifications and/or their respective agreements with Owner.
2. Making regular visits to the job site to inspect the Apartment Housing and perform its obligations pursuant to, and in accordance with, the terms of this Agreement to (i) review the work and progress of construction with the development team, and (ii) recommend to Owner that Owner stop work or reject any work that fails to conform with the plans and specifications.
3. Consulting with Owner regarding proposed changes and modifications to the plans and specifications and coordinating with Developer regarding the issuance of change orders if and when changes are approved in writing by Owner, the Contractor, and other necessary parties.
4. Responding promptly to any questions from Owner regarding the work or progress of construction, construction methods, costs, scheduling, and the like.
5. Coordinating with Developer the turnover of portions of the Apartment Housing as and when the same are appropriately completed, including performing walk-throughs to identify punchlist items.
6. Coordinating efforts by all appropriate parties to complete the Apartment Housing in accordance with the plans and specifications thereof, as the same may be amended from time to time with the approval of all necessary parties, such efforts to include, without limitation, assisting in the scheduling of inspections and the preparation of punchlists.
7. Coordinating efforts by all appropriate parties to complete the punchlist items identified by the development team.
8. Using commercially reasonable efforts to obtain, or causing the Developer, Architect or Contractor to obtain, on behalf of Owner, all appropriate and necessary governmental permissions to occupy the Apartment Housing, including certificates of occupancy, both permanent and, if applicable, temporary, for the Apartment Housing.
9. Using commercially reasonable efforts to procure or cause Developer to procure certificates of Substantial Completion and Final Completion from the applicable members of the Development team (each with respect to work within the respective scope of each such party's design services).

10. Coordinating efforts by all appropriate parties to obtain all required invoices and lien waivers required to obtain final approval from Owner's lender and the title company for close out of the Apartment Housing.
11. Coordinating efforts by all appropriate parties to resolve any open claims issues.
12. Participating in a meeting at the Apartment Housing site to be coordinated by the Developer prior to the expiration of the Contractor's warranty, with the Development team as appropriate to inspect the Apartment Housing to identify any warranty items claims that should be filed prior to expiration of such warranty and to share and document lessons learned through the operation and use of the Apartment Housing.
13. Oversee and coordinate all Apartment Housing close-out and post-completion duties by the Developer under its agreement with Owner.

(e) **All Phases.** During all phases of any applicable Apartment Housing and throughout the term of the Agreement, Developer's responsibilities will include, without limitation, the following:

1. Participating in job site meetings with appropriate members of the development team and other appropriate parties during the course of construction of the Apartment Housing with such frequency as may be agreed to in order to provide continuing supervision and control of the Apartment Housing, and to provide continuing supervision and monitoring of compliance with the Schedule and the Budget. Developer shall schedule such meetings to the extent reasonably requested by Owner to permit attendance by Owner and/or its representatives or other agents.
2. Using commercially reasonable efforts to keep the development costs within the Budget.
3. Using commercially reasonable efforts to cause the Contractor to cooperate with the other members of the development team, and to accurately report and account for the costs of construction, including all labor and materials.
4. Notifying Owner of any actual or anticipated material change in the Schedule that Developer anticipates could occur after it completes its analysis and value engineering of the matter or issue in question.
5. Notifying Owner of any actual or anticipated material increase in a Budget category that Developer anticipates could occur after it completes its analysis and value engineering of the matter or issue in question.
6. Advising Owner with respect to (1) all material dealings with all governmental authorities who have control over the development of the Apartment Housing and the construction of all improvements, and (2) the contest by Owner of any law that Owner deems to adversely affect the Apartment Housing.

7. Preparing recommendations for the construction and development of the Apartment Housing, and submit to Owner any and all recommendations relating to services to be performed by the Development team.
8. Providing recommendations on the relative feasibility of different construction methods, the availability of labor, equipment and materials, the costs of alternative designs and materials, and other issues relating to costs and possible savings.
9. Directing the specialists and consultants to investigate and review all laws applicable to the development and construction of the Apartment Housing, and use commercially reasonable efforts to obtain (or working with the Development team to obtain) for the benefit of Owner all applicable zoning and other land use approvals, land disturbance and building permits, utility approvals and connection permits, permits and approvals to permit access to the Apartment Housing from adjoining roads, and all other licenses, permits and governmental approvals required in connection with the development and construction of the Apartment Housing (collectively, “**Permits**”), and prepare and submit to Owner a list of all Permits required for the Apartment Housing, the anticipated time required to obtain such Permits and key milestone dates and issues in connection with each Permit (the “**Permitting List**”); Developer shall prepare and submit to Owner upon its reasonable request updates of the Permitting List, and review the updated Permitting List with Owner.
10. Coordinating and managing the performance of the development team under their respective contracts with Owner and giving or making Owner’s instructions, requirements and approvals provided for in such contracts.
11. Assisting Owner in resolving and settling any conflict among the development team, and keeping Owner fully informed with respect to such conflicts and settlement discussions.
12. Assisting Owner with respect to Owner’s negotiations with all applicable utility companies, whether governmental or otherwise, for the installation or modification of all applicable utility services to the Apartment Housing on a timely basis, with Owner bearing the cost of all required utility deposits and costs of installation or modification.
13. Assisting Owner in assembling construction-related information required for Owner to obtain construction financing with respect to the Apartment Housing and providing such other assistance in connection with such financing as requested by Owner.
14. Organizing and coordinating a schedule of meetings or conference calls involving Owner, Developer and other members of the development team as required to review the status of the Apartment Housing and any critical issues.

15. At the reasonable request of Owner, organizing and coordinating a schedule of monthly draw meetings to be attended by Owner and Developer.
16. Preparing or causing to be prepared all construction loan draw requests in form and content sufficient to permit Owner and Owner's lender, if any, to approve or to disapprove such draw requests and preparing such other reports relating to the development work as may be required by Owner or Owner's lender, if any.
17. Coordinating and reviewing and processing, along with the Developer, all applications for payment submitted by the Development team and review and submit, along with the Developer, all documentation required for all monthly draw requests for funding from Owner, in form and content sufficient to permit Owner and Owner's lender to determine the appropriateness of such funding and as required to meet Owner's prescribed monthly Apartment Housing funding schedule.
18. Coordinating the performance of any tests and inspections required by Owner's lender or governmental authority.
19. Notifying Owner promptly in the event Developer becomes aware of any material noncompliance with Owner's obligations relating to the development of the Apartment Housing undertaken by Owner in any written agreement (including, but not limited to, any Loan Documents and leases), and use commercially reasonable efforts to cause compliance by the appropriate party with such agreements.
20. Causing Developer to timely file on behalf of, and as agent for, Owner any notices of completion required or permitted to be filed and taking such action as may be required to obtain required licenses or permits.
21. Causing Developer to record and report to Owner with agreed upon frequency as to the progress of the construction of the Apartment Housing, which reports shall be reviewed by Developer and shall include interim reports on the status of completion of the Apartment Housing relative to the Schedule, the expenditures under the Budget, any changes in the plans and specifications that Developer or Developer believes may be required, lists of change orders and any other matters affecting, or that Developer believes may affect, in any material respect the timely completion of the Apartment Housing in accordance with the Schedule, Budget, and the plans and specifications.
22. Maintaining, or causing Developer to maintain, complete and accurate files, books of account and other records of all development costs incurred by Owner to be prepared and maintained in accordance with generally accepted accounting principles.
23. Cooperating in all respects with Owner, its agents and representatives in connection with the Apartment Housing, including, without limitation, assisting Owner in implementing Owner's policies, procedures and decisions in connection

with the design, development and construction of the Apartment Housing, and getting necessary approvals.

(f) **Commitment to Apartment Housing.** Developer shall devote sufficient time and personnel to prosecute its duties hereunder in the development of any applicable Apartment Housing in accordance with the Schedule and the Budget and in compliance with applicable laws and the plans and specifications and in compliance with such contractual obligations of Owner, including obligations under Loan Documents and leases, and to use commercially reasonable efforts to cause the appropriate parties to perform their respective obligations on or before the dates set forth in the Schedule.

## SECTION 2 DEVELOPMENT FEE PAYMENTS

**2.1 Payment of Development Fee.** The Development Fee will be paid out of project sources in connection with the Transaction that are available to pay the Development Fee, including but not limited to capital contribution payments and/or loan financing received by Owner during construction. In particular, \$555,901 is projected be paid from such project sources. If the Development Fee is not paid in full as set forth above, then the balance, projected to be \$699,837 of the Development Fee, will be deferred and be payable available cash flow from the Project. Notwithstanding anything herein to the contrary, in no event shall the entirety of the Development Fee be paid later than fifteen (15) years following the closing of the Transaction.

## SECTION 3 GENERAL PROVISIONS

**3.1 Notices.** Notices required or permitted to be given under this Agreement will be in writing sent by overnight courier or mail, postage prepaid, to the Parties at the following addresses, or such other address as is designated in writing by the Party, provided, however, that any written communication containing such information sent to a Party actually received by a Party will constitute notice for all purposes of this Agreement.

If to Developer:	Steele Properties III LLC 6875 East Evans Ave. Denver, CO 80224
------------------	---

If to Owner:	Steele Lexington LLC 6875 East Evans Ave. Denver, CO 80224
--------------	--

### **3.2 Interpretation.**

(a) **Headings.** The section headings in this Agreement are included for convenience only; they do not give full notice of the terms of any portion of this Agreement and are not relevant to the interpretation of any provision of this Agreement.

(b) **Relationship of the Parties.** Neither Party hereto will be deemed an agent, member, joint venturer, or related entity of the other by reason of this Agreement.

(c) **Governing Law.** The Parties intend that this Agreement be governed by and construed in accordance with the laws of the Commonwealth of Virginia, applicable to contracts made and wholly performed within Virginia by persons domiciled in Virginia.

(d) **Severability.** Any provision of this Agreement that is deemed invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining provisions of this Agreement.

**3.3 Integration; Amendment.** This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof. There are no promises, terms, conditions, obligations, or warranties other than those contained herein. This Agreement supersedes all prior communications, representations, or agreements, verbal or written, among the Parties relating to the subject matter hereof. This Agreement may not be amended except in writing.

**3.4 Attorneys' Fees.** If any suit or action arising out of or related to this Agreement is brought by any Party to any such document, the prevailing Party will be entitled to recover the costs and fees (including without limitation reasonable attorneys' fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such Party in such suit or action, including without limitation to any post-trial or appellate proceeding.

**3.5 Binding Effect.** This Agreement will bind and inure to the benefit of, and be enforceable by, the Parties hereto and their respective successors, heirs, and permitted assigns.

**3.6 Assignment.** Neither Party may assign this Agreement without the consent of the other Party. No assignment will relieve any Party of liability under this Agreement unless agreed in writing to the contrary.

**3.7 Third-Party Beneficiary Rights.** No person not a Party to this Agreement is an intended beneficiary of this Agreement.

**3.8 Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together will constitute one agreement binding on all the Parties, notwithstanding that all Parties are not signatories to the same counterpart. Electronic and/or facsimile signatures shall be binding as originals.

**3.9 Further Assurances.** Each Party agrees, at the request of the other Party, at any time and from time to time after the date hereof, to execute and deliver all such further documents, and to take and forbear from all such action, as may be reasonably necessary or appropriate in order more effectively to perfect the transfers or rights contemplated herein or otherwise to confirm or carry out the provisions of this Agreement.

*[Signatures begin on the following page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date and year first above written.

**DEVELOPER:**

**Steele Properties III LLC,**  
a Colorado limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Manager

**OWNER:**

**Steele Lexington LLC,**  
a Commonwealth of Virginia limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Representative



B

Virginia State Corporation  
Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

*Richmond, September 20, 2019*

*This is to certify that the certificate of organization of*

**Steele Lexington 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: September 20, 2019*



*State Corporation Commission*

*Attest:*

*Joel H. Peck*  
*Clerk of the Commission*

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 Development Authority (VHDA) 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

**Chad Asarch**

Printed Name

October 25, 2019

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

D

# List of LIHTC Developments

(Schedule A)  
**(MANDATORY)**

# List of LIHTC Developments (Schedule A)



Development Name: Lexington House

Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Hud Karshmer 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"
Arrowsmith, Corpus Christi, TX	CHC Arrowsmith LLC	Y	70	70	6/29/2010	10/18/2012	N
Berger LIHTC, New Haven, CT	Steele Berger LIHTC LLC	Y	144	144	4/24/2014	4/29/2016	N
Burlington, Burlington, CO	Steele Burlington Manor LLC	Y	54	54	12/29/2015	11/2/2017	N
Castle Park, St. Louis, MO	Community Housing Concepts Properties II LLC	Y	209	209	9/23/2010	12/5/2012	N
Centennial, Fort Wayne, IN	Community Housing Concepts Centennial Apartments LLC	Y	88	88	7/30/2010	3/14/2012	N
Cottonwood, Montrose, CO	Community Housing Concepts Cottonwood LLC	Y	60	60	1/1/2008	2/9/2009	N
DelHaven, Jackson, MS	CHC Delhaven Manor LLC	Y	104	104	2/7/2011	12/20/2013	N
Denver Gardens, Denver, CO	Steele Denver Gardens LLC	Y	100	100	5/16/2016	11/28/2018	N
East Central, Fort Wayne, IN	Community Housing Concepts East Central LLC	Y	167	167	10/6/2010	3/21/2013	N
Gary Manor, Gary, IN	Community Housing Concepts Gary Manor LLC	Y	198	198	10/14/2010	3/25/2013	N
Georgetown, Georgetown, TX	CHC Georgetown LLC	Y	55	55	12/29/2015	1/12/2018	N
Gholson Hotel, Ranger, TX	CHC Gholson Hotel LLC	Y	50	50	6/29/2010	1/29/2013	N
Glennpark, Northglenn, CO	Cook Property Group, LLLP	Y	26	26	9/27/2006	9/11/2008	N
Glenwood Meadows, Glenwood, CO	Glenwood Meadows Apartments I LLC	Y	60	60	10/1/2013	11/25/2014	N
Heritage Square, Texas City, TX	CHC Heritage Square LLC	Y	50	50	5/31/2010	3/30/2012	N
Hollywoodland, Hollywood, CA	Steele Hollywoodland LP	Y	82	82	11/21/2013	10/25/2015	N
Inglewood Gardens, Stockton, CA	CHC Inglewood Gardens LP	Y	84	84	5/3/2013	8/6/2014	N
Leona, Uvalde, TX	CHC Leona Apartments LLC	Y	40	40	5/31/2010	11/15/2012	N
Manors, Glennwood, CO	Steele Manors LIHTC LLC	Y	76	76	7/1/2016	12/19/2017	N
Park Place, Cleveland, TX	CHC PP LLC	Y	60	60	5/31/2010	9/21/2012	N
San Juan, Montrose, CO	San Juan Apartments, LLC	Y	76	76	1/1/2006	12/5/2006	N
Sheraton Towers, High Point, NC	Community Housing Concepts Sheraton Towers LLC	Y	97	97	1/31/2011	10/10/2013	N
Sleeping Ute, Cortez, CO	Steele Sleeping Ute LLC	Y	60	60	2/15/2005	10/23/2007	N
Lawton Pointe Apartments, Lawton, OK	Steele Lawton Pointe LLC	Y	72	72	7/5/2006	9/18/2007	N
Tower Apartments, Watertown, SD	Steele Tower Apartments LLC	Y	50	50	11/19/2012	12/31/2014	N
Trestletree, Atlanta, GA	CHC Trestletree LLC	Y	188	188	5/23/2013	4/12/2016	N
Union Sarah, Saint Louis, MO	CHC Union Sarah LLC	Y	100	100	4/3/2014	8/4/2016	N
Vintage Crossing, Cuthbert, GA	CHC Vintage Crossing LLC	Y	50	50	5/12/2011	9/19/2012	N
Weatherstone, Aurora, CO	Adams Property Group, LLP	Y	204	204	2/16/2006	6/29/2007	N
Wilderness Trail, Pineville, KY	CHC Wilderness Trail LLC	Y	124	124	7/19/2012	1/28/2014	N
Wilkes Tower, North Wilkesboro, NC	CHC Wilkes Towers LLC	Y	72	72	2/29/2012	8/7/2013	N
Woodside Village, McKinney, TX	Woodside Village Apartments, Ltd.	Y	100	100	6/16/2012	6/24/2014	N
Brooks Manor, Texas	Steele Brooks LLC	Y	50	50	7/20/2017	9/25/2018	N
Casa Nueva, Hartford, CT	Steele Casa Nueva LIHTC LLC	Y	79	79	1/1/2017	8/21/2018	N

## List of LIHTC Developments (Schedule A)

Colony, Columbia, SC	CHC Colony Apartments LLC	Y	300	300	11/30/2017	3/28/2019	N
Garden City, Houston, TX	Steele Texas LIHTC LLC	Y	256	256	5/16/2016	11/28/2018	N
Kirkwood, Sand Springs, OK	CHC Kirkwood LIHTC LP	Y	75	75	3/29/2018	4/24/2019	N
Nettleton Manor, Bonner Springs, KS	Steele Nettleton LLC	Y	76	76	12/28/2018	9/30/2019	N
Peoples Saint James, Dallas, TX	Steele Saint James Peoples LLC	Y	200	200	12/7/2016	2/15/2019	N
Porter House (New Construction, fka West Thone), Greeley, CO	Steele Greeley T-Bone LIHTC LLC	Y	100	100	6/22/2017	1/29/2019	N
Sabine Place, Fort Worth, TX	FW Steele Sabine Place LLC	Y	72	72	2/21/2018	10/14/2019	N

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

1st PAGE

TOTAL: 4,178 4,178

LIHTC as % of  
100% Total Units  
v.01.01.19



# List of LIHTC Developments (Schedule A)



Development Name: Lexington House  
 Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Stuart Heller 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"
Arrowsmith, Corpus Christi, TX	CHC Arrowsmith LLC	Y	70	70	6/29/2010	10/18/2012	N
Berger LIHTC, New Haven, CT	Steele Berger LIHTC LLC	Y	144	144	4/24/2014	4/29/2016	N
Burlington, Burlington, CO	Steele Burlington Manor LLC	Y	54	54	12/29/2015	11/2/2017	N
Castle Park, St. Louis, MO	Community Housing Concepts Properties II LLC	Y	209	209	9/23/2010	12/5/2012	N
Centennial, Fort Wayne, IN	Community Housing Concepts Centennial Apartments LLC	Y	88	88	7/30/2010	3/14/2012	N
Cottonwood, Montrose, CO	Community Housing Concepts Cottonwood LLC	Y	60	60	1/1/2008	2/9/2009	N
DelHaven, Jackson, MS	CHC Delhaven Manor LLC	Y	104	104	2/7/2011	12/20/2013	N
Denver Gardens, Denver, CO	Steele Denver Gardens LLC	Y	100	100	5/16/2016	11/28/2018	N
East Central, Fort Wayne, IN	Community Housing Concepts East Central LLC	Y	167	167	10/6/2010	3/21/2013	N
Gary Manor, Gary, IN	Community Housing Concepts Gary Manor LLC	Y	198	198	10/14/2010	3/25/2013	N
Georgetown, Georgetown, TX	CHC Georgetown LLC	Y	55	55	12/29/2015	1/12/2018	N
Gholson Hotel, Ranger, TX	CHC Gholson Hotel LLC	Y	50	50	6/29/2010	1/29/2013	N
Glennpark, Northglenn, CO	Cook Property Group, LLLP	Y	26	26	9/27/2006	9/11/2008	N
Glenwood Meadows, Glenwood, CO	Glenwood Meadows Apartments I LLC	Y	60	60	10/1/2013	11/25/2014	N
Heritage Square, Texas City, TX	CHC Heritage Square LLC	Y	50	50	5/31/2010	3/30/2012	N
Hollywoodland, Hollywood, CA	Steele Hollywoodland LP	Y	82	82	11/21/2013	10/25/2015	N
Inglewood Gardens, Stockton, CA	CHC Inglewood Gardens LP	Y	84	84	5/3/2013	8/6/2014	N
Leona, Uvalde, TX	CHC Leona Apartments LLC	Y	40	40	5/31/2010	11/15/2012	N
Manors, Glennwood, CO	Steele Manors LIHTC LLC	Y	76	76	7/1/2016	12/19/2017	N
Park Place, Cleveland, TX	CHC PP LLC	Y	60	60	5/31/2010	9/21/2012	N
San Juan, Montrose, CO	San Juan Apartments, LLC	Y	76	76	1/1/2006	12/5/2006	N
Sheraton Towers, High Point, NC	Community Housing Concepts Sheraton Towers LLC	Y	97	97	1/31/2011	10/10/2013	N
Sleeping Ute, Cortez, CO	Steele Sleeping Ute LLC	Y	60	60	2/15/2005	10/23/2007	N
Lawton Pointe Apartments, Lawton, OK	Steele Lawton Pointe LLC	Y	72	72	7/5/2006	9/18/2007	N
Tower Apartments, Watertown, SD	Steele Tower Apartments LLC	Y	50	50	11/19/2012	12/31/2014	N
Trestletree, Atlanta, GA	CHC Trestletree LLC	Y	188	188	5/23/2013	4/12/2016	N
Union Sarah, Saint Louis, MO	CHC Union Sarah LLC	Y	100	100	4/3/2014	8/4/2016	N
Vintage Crossing, Cuthbert, GA	CHC Vintage Crossing LLC	Y	50	50	5/12/2011	9/19/2012	N
Weatherstone, Aurora, CO	Adams Property Group, LLP	Y	204	204	2/16/2006	6/29/2007	N
Wilderness Trail, Pineville, KY	CHC Wilderness Trail LLC	Y	124	124	7/19/2012	1/28/2014	N
Wilkes Tower, North Wilkesboro, NC	CHC Wilkes Towers LLC	Y	72	72	2/29/2012	8/7/2013	N
Woodside Village, McKinney, TX	Woodside Village Apartments, Ltd.	Y	100	100	6/16/2012	6/24/2014	N
Brooks Manor, Texas	Steele Brooks LLC	Y	50	50	7/20/2017	9/25/2018	N
Casa Nueva, Hartford, CT	Steele Casa Nueva LIHTC LLC	Y	79	79	1/1/2017	8/21/2018	N

## List of LIHTC Developments (Schedule A)

Colony, Columbia, SC	CHC Colony Apartments LLC	Y	300	300	11/30/2017	3/28/2019	N
Garden City, Houston, TX	Steele Texas LIHTC LLC	Y	256	256	5/16/2016	11/28/2018	N
Kirkwood, Sand Springs, OK	CHC Kirkwood LIHTC LP	Y	75	75	3/29/2018	4/24/2019	N
Nettleton Manor, Bonner Springs, KS	Steele Nettleton LLC	Y	76	76	12/28/2018	9/30/2019	N
Peoples Saint James, Dallas, TX	Steele Saint James Peoples LLC	Y	200	200	12/7/2016	2/15/2019	N
Porter House (New Construction, fka West Thone), Greeley, CO	Steele Greeley T-Bone LIHTC LLC	Y	100	100	6/22/2017	1/29/2019	N
Sabine Place, Fort Worth, TX	FW Steele Sabine Place LLC	Y	72	72	2/21/2018	10/14/2019	N

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

1st PAGE

TOTAL: 4,178 4,178

LIHTC as % of  
100% Total Units  
v.01.01.19

# List of LIHTC Developments (Schedule A)



Development Name: Lexington House  
 Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: David Asarch 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"
Manors, Glennwood, CO	Steele Manors LIHTC LLC	Y	76	76	7/1/2016	12/19/2017	N
Brooks Manor, Texas	Steele Brooks LLC	Y	50	50	7/20/2017	9/25/2018	N
Garden City, Houston, TX	Steele Texas LIHTC LLC	Y	256	256	5/16/2016	11/28/2018	N
Nettleton Manor, Bonner Springs, KS	Steele Nettleton LLC	Y	76	76	12/28/2018	9/30/2019	N
Peoples Saint James, Dallas, TX	Steele Saint James Peoples LLC	Y	200	200	12/7/2016	2/15/2019	N
Sabine Place, Fort Worth, TX	FW Steele Sabine Place LLC	Y	72	72	2/21/2018	10/14/2019	N

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

1st PAGE TOTAL: 730 730 LIHTC as % of Total Units 100% v.01.01.19

# List of LIHTC Developments (Schedule A)



Development Name: Lexington House  
 Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Steele Properties Holdings III, LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y  
 Principal's Name: 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								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

# List of LIHTC Developments (Schedule A)



Development Name: Lexington House  
 Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Steele Lexington MM LLC 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								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

# List of LIHTC Developments (Schedule A)



Development Name: Lexington House  
 Name of Applicant: Steele Lexington 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 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Heller family 2018 Trust Controlling GP (CGP) or 'Named' Managing Member of Proposed property?\* N Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								

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

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

E

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

## ASSIGNMENT OF PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT OF PURCHASE AND SALE AGREEMENT (this “**Assignment**”) is made as of September 20, 2019, by and between STEELE ACQUISITIONS III LLC, a Colorado limited liability company (“**Assignor**”), and STEELE LEXINGTON LLC, a Virginia limited liability company (“**Assignee**”).

Assignor and Lexington House I Limited Partnership, a Virginia limited partnership (“**Seller**”), entered into that certain Purchase and Sale Agreement dated August 16, 2019 (as amended from time to time, the “**Agreement**”), for the purchase and sale of real property located at 130 Houston Street, Lexington, Virginia 24450 as more particularly described in the Agreement; and

Assignor desires to assign all of its right, title and interest in and to the Agreement to Assignee, and Assignee desires to assume such rights and obligations under the Agreement, each subject to the terms and conditions set forth herein; and

Assignee is an affiliated entity of Assignor, and pursuant to Section 18.01 of the Agreement, Seller’s consent is not required to this Assignment.

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

1. All initially capitalized terms used but not defined herein have the meanings given to such terms in the Agreement.

2. Assignor hereby assigns, transfers and conveys all of its right, title and interest in and to the Agreement to Assignee.

3. Assignee hereby accepts the foregoing assignment and assumes and agrees to pay and perform all of the obligations of Assignor under the Agreement and agrees to indemnify and hold harmless Assignor from and against any and all liabilities, claims, damages or expenses (including reasonable attorneys’ fees) that Assignor may incur or sustain in connection therewith.

4. This Assignment and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the laws of the state of Colorado, without regard to its principles of conflicts of law. All claims, disputes and other matters in question arising out of or relating to this Assignment, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in Denver, Colorado, and the parties hereto expressly consent to the venue and jurisdiction of such court. In the event that any party hereto brings an action or proceeding against any other party to enforce or interpret any of the covenants, conditions, agreements or provisions of this Assignment, the prevailing party in such action or proceeding shall be entitled to recover all reasonable costs and expenses of such action or proceeding, including, without limitation, attorneys’ fees, charges, disbursements and the fees and costs of expert witnesses.

5. This Assignment may be executed in counterparts. This Assignment may be executed by facsimile or electronic signature which shall be binding on the parties hereto and accepted as originals.

*[Remainder of Page Intentionally Left Blank]*

*[Signature Page Follows]*



IN WITNESS WHEREOF, the parties have executed this Assignment effective as of the day and year first above written.

ASSIGNOR:

STEELE ACQUISITIONS III LLC,  
a Colorado limited liability company



By: \_\_\_\_\_  
Hud Karshmer, Authorized Representative

ASSIGNEE:

STEELE LEXINGTON LLC,  
a Virginia limited liability company



By: \_\_\_\_\_  
Hud Karshmer, Authorized Representative

## **PURCHASE AND SALE AGREEMENT**

Project Name: Lexington House  
Project Location: Lexington, Virginia 24450

### **EXHIBITS**

Exhibit A	—	Legal Description
Exhibit B	—	Rent Roll
Exhibit C	—	Litigation
Exhibit D	—	Special Warranty Deed
Exhibit E	—	Bill of Sale
Exhibit F	—	Lease Assignment
Exhibit G	—	Service Contract Assignment
Exhibit H	—	General Assignment
Exhibit I	—	HAP Contract Assignment
Exhibit J	—	Tenant Notice
Schedule 1	—	Due Diligence Deliveries

## PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** (the “**Agreement**”) is made as of the 16th day of August 2019 (the “**Agreement Date**” or “**Effective Date**”), by and between NEW LEXINGTON HOUSE I LIMITED PARTNERSHIP, a Virginia limited partnership (“**Seller**”), and STEELE ACQUISITIONS III LLC, a Colorado limited liability company (including its assigns, “**Purchaser**”).

### RECITALS:

WHEREAS, Purchaser and Seller desire to enter into this Agreement which sets forth the terms and conditions upon which Purchaser shall acquire the Property; and

WHEREAS, Seller and Purchaser agree to take all reasonable steps required on a timely basis to obtain the requisite HUD Approvals, as hereinafter defined, necessary at Closing.

### AGREEMENT:

NOW THEREFORE, for valuable considerations mutually exchanged and the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Seller and Purchaser do hereby agree as follows:

### ARTICLE I - PROPERTY SOLD

**Section 1.01.** Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, upon the terms and conditions hereinafter set forth, all of Seller’s right, title and interest in and to (i) those certain parcels of land described in Exhibit A, attached hereto, together with all and singular the tenements, hereditaments, easements, rights-of-way and appurtenances belonging or in any way appertaining to the same (“**Land**”); (ii) all buildings and improvements on the Land (“**Improvements**”); and (iii) appliances, furniture, fixtures, machinery, heating, ventilating and air conditioning equipment, maintenance equipment, supplies, tools and all other personal property attached to, located at or used in connection with the ownership, maintenance, occupancy, enjoyment and operation of the Land and/or Improvements (“**Personal Property**”) (all of the foregoing real and personal property herein collectively referred to as the “**Property**” or the “**Project**”).

**Section 1.02.** The Project is identified as follows:

Project Name:	Lexington House
Project Location:	130 Houston Street Lexington, Virginia 24450

**Section 1.03.** In addition to the real and personal property described in **Section 1.01**, the “Property” shall also include without limitation all of Seller’s right, title and interest from and after the Closing Date (as hereinafter defined) in and to:

- (i) all tenant leases;
- (ii) rents and profits pertaining to the Project;
- (iii) all security, tenant or pet deposits required to be held under tenant leases, including interest thereon to the extent earned or required to be paid (collectively, the “**Tenant Deposits**”);
- (iv) licenses, franchises, permits and contract rights, including (subject to prior HUD approval) any rent or interest rate subsidy contracts, relating to the operation of the Project, to the extent assignable;
- (v) the trade name of the Property, “Lexington House”; and
- (vi) all warranties and guaranties related to the use of the Property or the systems therein (collectively, the “**Intangible Property**”).

## **ARTICLE II - TIME AND PLACE OF CLOSING**

**Section 2.01.** Subject to the terms and conditions set forth herein, Purchaser shall tender payment and acquire the Property from Seller (the “**Closing**”) on the date mutually agreed to by Purchaser and Seller, which date (as the same may be extended, the “**Closing Date**”) shall be on that date which is the later of: (i) ninety (90) days after the expiration of the Inspection Period, as herein defined; (ii) thirty (30) days after receipt of the HUD Approvals, as hereinafter defined; or (iii) ninety (90) days after approval of the Tax Credits, as set forth in **Section 8.01** hereof, provided that all of the conditions identified in **Articles X, XI and XII** of this Agreement are satisfied as of such date; provided, however, that Closing shall not occur later than twelve (12) months following the Effective Date; provided, further, however, that Purchaser may request one (1) extension of such date and Seller shall grant such extension so long as Purchaser provides written notice of such extension to Seller and deposits the Extension Deposit (as hereinafter defined) with Seller, and such extension does not exceed thirty (30) additional days.

## **ARTICLE III - PURCHASE PRICE**

### **Section 3.01.**

The Purchase Price (“**Purchase Price**”) for the Property is Four Million Two Hundred Fifty Thousand and No/100 Dollars (\$4,250,000.00). The Purchase Price shall be paid to the Seller on the Closing Date, and shall be payable as follows: on the Closing Date, Purchaser shall pay to Seller an amount equal to the Purchase Price adjusted by all costs, expenses and prorations required by **Article XIV** hereof, minus, the Deposit (hereinafter defined) (which Deposit shall remain in escrow and applied toward the Purchase Price on the Closing Date).

**Section 3.02.** Upon execution of this Agreement, Purchaser shall deposit Fifty Thousand and No/100 Dollars (\$50,000.00) in cash or by wire transfer (together with all accrued interest thereon, the “**Initial Deposit**”) with Sutton Land Title Agency, located at 515 Rockaway Avenue, Valley Stream, New York, 11581, Telephone: 516.837.6232, Attn: Bharat J. Harry, Jr., [bharry@suttonalliance.com](mailto:bharry@suttonalliance.com) (the “**Escrow Agent**” or “**Title Company**”). If Purchaser elects to extend Closing pursuant to **Section 2.01** hereof, Purchaser agrees to deposit with Seller the additional amount of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (the “**Extension Deposit**”, and sometimes herein, together with the Initial Deposit, the “**Deposit**”). Such Deposit is refundable to the Purchaser at any time prior to the expiration of the Due Diligence Period, as defined in **Section 5.02(A)** herein, upon termination of this Agreement by Purchaser in accordance with **Section 5.02(C)**, or as may otherwise be provided for in this Agreement.

At the expiration of the later to occur of the Due Diligence Period, HUD Approvals Contingency Period and the Tax Credit Contingency Period, if this Agreement has not been previously terminated by Purchaser, the Deposit shall be non-refundable and retained by the Escrow Agent for the benefit of Seller, except as otherwise provided for herein.

If Purchaser does not deliver the Deposit as aforesaid, this Agreement shall automatically terminate and the parties hereto shall be relieved of all obligations hereunder. The Deposit shall be maintained and invested by Escrow Agent pursuant to terms hereof. Any earnings on the Deposit shall be maintained and disbursed by Escrow Agent in accordance with the terms and conditions of this Agreement. Upon Closing hereunder, the Deposit shall be applied to the Purchase Price due at Closing.

#### **ARTICLE IV – TITLE**

**Section 4.01.** Title to the Land conveyed hereby at settlement shall be fee simple, good and marketable, and the Property shall be free and clear of all liens, encumbrances, easements, reservations, limitations, covenants, conditions and restrictions, other than of the following exceptions (the “**Permitted Exceptions**”): (i) taxes, assessments, water and sewer charges and all other fees and charges assessed or imposed by a public body upon the Property or the operation thereof which are not due and payable on the Closing Date and which have not become liens or encumbrances against the Property; (ii) the requirements of any federal, state or municipal laws, ordinances, rules and regulations that do not materially interfere with the current use of the Property; (iii) easements, encumbrances, covenants, conditions, limitations, reservations and restrictions of record that do not unreasonably interfere with the use of the Property as a multifamily housing project and not objected to by Purchaser in a timely manner pursuant to **Section 4.02**; (iv) all Leases shown on the rent roll included as **Exhibit B** (“**Rent Roll**”), provided the same do not include options to purchase; and (v) such other items as are agreed to by Purchaser in writing or not objected to by Purchaser in a timely manner pursuant to **Section 4.02**.

**Section 4.02.** Within thirty (30) days after the Agreement Date, Seller shall obtain a current title commitment for the Property (the “**Title Commitment**”) from Escrow Agent as

agent the Title Company. If the Title Commitment lists exceptions to coverage other than the Permitted Exceptions, which are not considered acceptable by Purchaser in its sole discretion, Purchaser shall, within thirty (30) days after Purchaser's receipt of the Title Commitment, notify Seller in writing of Purchaser's objections ("**Title Objections**") to any exceptions listed therein ("**Title Objection Notice**"). Within ten (10) days after receiving the Title Objection Notice from Purchaser (the "**Response Period**"), Seller shall notify Purchaser of Seller's election (in its sole discretion) to either (a) attempt to cure such Title Objections, in which event Seller shall attempt to cure such Title Objections promptly and at its expense, or (b) not to attempt to cure such Title Objections (the "**Response Notice**"). Seller's failure to deliver the Response Notice within the Response Period shall be conclusively deemed to constitute an election by Seller not to attempt to cure the Title Objections. If Seller, pursuant to the Response Notice, elects not to attempt to cure the Title Objections, or if Seller is deemed to have elected not to attempt to cure the Title Objections as set forth above, then Purchaser shall have ten (10) business days after receipt by Purchaser of the Response Notice (or ten (10) business days after the expiration of the Response Period if Seller does not deliver the Response Notice during the Response Period) to deliver written notice to Seller (the "**Election Notice**") to either, in its sole discretion and as its sole remedy, (i) terminate this Agreement, (ii) cure such Title Objections at its own expense and proceed to Closing with no reduction in the Purchase Price or (iii) waive such Title Objections and proceed to Closing with no reduction in the Purchase Price. Purchaser's failure to deliver the Election Notice within such ten (10) business day period shall be conclusively deemed to constitute an election by Purchaser to terminate this Agreement pursuant to clause (i) above. If Seller elects to attempt to cure the Title Objections but is unable to cure the Title Objections on or before the Closing Date (as defined below), then Purchaser, in its sole discretion and as its sole remedy, may elect either of the options set forth in clauses (i), (ii) or (iii) above. Notwithstanding the foregoing, at Closing, Seller will cause the Property to be released or otherwise discharged from any lien, securing the payment of a sum certain, which Seller granted or created voluntarily (the "**Monetary Liens**").

**Section 4.03.** Purchaser may, at its sole election and cost, obtain a survey for the Property (the "**Survey**"). Failure to obtain a current survey within sixty (60) days of receipt of the Title Commitment shall prevent Purchaser from objecting to any title exceptions that would be cured by delivery of same to the Title Company. If the Survey reveals title defects, Purchaser shall provide Seller with a copy of the Survey and simultaneously notify Seller in writing of any title defects identified therein within thirty (30) days of receipt of the Survey ("**Survey Objection Notice**"). Seller shall have a period of thirty (30) days after receipt of the Survey Objection Notice ("**Survey Response Period**") to cure any such defects to the reasonable satisfaction of Purchaser; provided, however, that Seller may request a reasonable extension of such date and Purchaser shall grant such extension so long as any delay is based upon circumstances beyond the reasonable control of Seller, and such extension does not exceed thirty (30) additional days. If Seller shall not cure such objections to Purchaser's reasonable satisfaction by such date (including any extension thereof pursuant to this Agreement, the "**Survey Cure Deadline**"), Purchaser, at its option, may either (i) terminate this Agreement upon written notice to Seller delivered within ten (10) days after the Survey Cure Deadline, or (ii) accept title pursuant hereto without any reduction of the Purchase Price. If Purchaser elects to

terminate this Agreement pursuant to clause (i) of the preceding sentence, the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other hereunder (except as to Purchaser's obligations under **Section 5.02**).

**ARTICLE V - SELLER'S OBLIGATION TO DELIVER DOCUMENTS; INSPECTION  
AND ACCESS TO PROPERTY**

**Section 5.01.** Subject to the performance of Seller's obligations under **Articles VIII and XII** below, Purchaser shall purchase the Property in its "as is" condition as of the Agreement Date. Seller makes no representations or warranties (oral or written, express or implied) concerning the physical or financial condition of the Property except as expressly stated herein.

**Section 5.02.**

(A) Purchaser and its agents, engineers, surveyors, appraisers, auditors and other representatives shall have until forty-five (45) days following the Agreement Date (the "**Due Diligence Period**"), to inspect, examine, survey, obtain engineering inspections, conduct soil tests, environmental tests and inspections, traffic tests and marketing studies, to determine the physical, occupancy and financial condition of the Property. Prior to entering onto the Property or performing any tests and studies on the Property pursuant to this **Section 5.02**, Purchaser shall, upon written request, provide to Seller evidence reasonably acceptable to Seller that Purchaser has liability insurance coverage and property damage insurance coverage in an amount of at least Two Million and No/100 Dollars (\$2,000,000.00) and worker's compensation insurance coverage (to the extent applicable) to cover Purchaser's and Purchaser's agents, employees, contractors and subcontractors activities on the Property, the tests and studies and Purchaser's indemnification and repair obligations under **Section 5.02(B)** below, with Seller being named as an additional insured under such policies of insurance.

(B) Any inspections made by Purchaser pursuant to **Section 5.02(A)** above shall not damage the Property in any respect, shall not be invasive in any respect (including, without limitation, soil borings, test pits, groundwater testing, or Phase II or Phase III environmental testing), and shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Purchaser agrees to promptly repair any damage to the Property caused by Purchaser's entry upon the Property and agrees to indemnify, defend and hold Seller harmless from and against any and all loss, cost, or damage caused by or as a result of the acts or omissions of Purchaser, its employees, agents, attorneys, engineers, surveyors, appraisers or other contractors or representatives while on the Property in furtherance of the rights granted under this paragraph but specifically excluding any loss sustained by Seller as a result of what the Purchaser's tests and studies reveal. In addition, Purchaser shall not be liable and shall have no obligation to repair, remediate, contain, abate or control any hazardous materials not placed on the Property by Purchaser or its consultants, or to repair or restore any latent condition discovered by Purchaser or its consultants. Anything to the contrary notwithstanding, the provisions of this **Section 5.02(B)** shall survive the termination of this Agreement.

(C) If Purchaser has notified Seller prior to the expiration of the Due Diligence Period of its desire to terminate the Agreement for any reason in Purchaser's sole discretion, then this Agreement shall terminate without any further action by Seller or Purchaser and the Deposit shall immediately be returned to Purchaser. In the event Purchaser terminates this Agreement on or before the expiration of the Due Diligence Period, upon written request, Purchaser shall deliver to Seller (i) all Property Documents (as defined in 5.03 below) provided by Seller, and (ii) any final, third party reports obtained by Purchaser in Purchaser's possession or control relating to the Property, including, without limitation, geotechnical evaluations, environmental assessments, site engineering studies, site planning, utility plans, title searches, title commitments and surveys (the "**Purchaser Materials**"), but the Purchaser Materials shall not include Purchaser's product designs or other proprietary financial information.

(D) Purchaser and its agents, designees, contractors and licensees shall have full access to the Property (including after the Due Diligence Period) during normal working hours and upon reasonable notice to Seller, subject to the rights of tenants, and Seller shall furnish Purchaser with any other information concerning the Property which Purchaser may reasonably request prior to Closing which information is in Seller's possession or control or in the control of a third party agent of Seller, such as title or escrow agents. Seller shall cooperate with Purchaser and its agents in all reasonable respects with respect to such access and delivery of information, and shall so direct Seller's agents and employees.

(E) Prior to Closing, Purchaser agrees that it will not reveal or disclose any information obtained from Seller concerning the Property to anyone outside Purchaser's organization, except as provided in this **Section 5.02(E)** and as herein expressly permitted or otherwise required under court order or applicable law. Purchaser further agrees that within its organization, such information shall be disclosed and exhibited only to those persons who are responsible for determining the feasibility of Purchaser's acquisition of the Property on the Closing Date. Purchaser may disclose information to its attorneys, consultants, financial partners, permitted assigns and other personnel working for Purchaser, or to funders (of loans, grants or otherwise) and potential investors, to whom such disclosure or exhibition is necessary or incidental to performance by Purchaser hereunder, all on a need-to-know, confidential basis, provided Purchaser shall have advised such parties that Seller has not represented or warranted the accuracy of such information, except to the extent herein expressly provided. Notwithstanding anything to the contrary contained herein, Purchaser agrees that it will not reveal or disclose at any time prior to the Closing any information obtained concerning the Property to any federal (except HUD), state or local agency or instrumentality without the prior written consent of Seller (other than in connection with applications for tax credit or loan or bond financing, if applicable, or as necessary to facilitate the Closing contemplated by this Agreement). Seller acknowledges that Purchaser may need to contact local public utility companies and local units of government for purposes of the transfer of ownership process (for utilities, transfer of permits, compliance with transfer ordinances and similar requirements), and Seller's written consent shall not be required for such routine matters.



**Section 5.03.** Seller, at its sole cost and expense, shall deliver to Purchaser on or before the date that is fifteen (15) working days after the Agreement Date (or with respect to any missing documents or as soon thereafter as any such missing documents become available or are received by Seller) copies of all documents and information within the possession of Seller concerning the Property including without limitation those documents listed in **Schedule 1** (the “**Property Documents**”).

**Section 5.04.** On or before fifteen (15) days after the Effective Date, Seller shall notify Purchaser of all property contracts relating or affecting the Property (if any) and shall provide copies thereof to Purchaser. On or before expiration of the Tax Credit Contingency Period, Purchaser may deliver written notice to Seller (the “**Property Contracts Notice**”) specifying any contracts relating to the Property, if any, which Purchaser desires to terminate at the Closing (each, a “**Terminated Contract**,” and, collectively, the “**Terminated Contracts**”), which Seller shall terminate on or prior to the Closing Date; provided, however, to the extent that any such Terminated Contract requires payment of a penalty or premium for cancellation, Purchaser shall be solely responsible for the payment of any such cancellation fees or penalties. Notwithstanding the foregoing to the contrary, Purchaser acknowledges and understands that the Coinmach Lease Agreement dated as of June 2, 2014, and the Services Agreement with Comcast Services of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC dated March 1, 2017, shall not be terminated and shall be assigned to Purchaser at Closing. If Purchaser fails to deliver the Property Contracts Notice on or before the expiration of the Tax Credit Contingency Period, there shall be no Terminated Contracts and Seller shall assign and Purchaser shall assume all contracts related to the Property, if any, at the Closing. After the Effective Date, Seller shall not enter into any new contracts affecting the Property that cannot be terminated upon thirty (30) days’ notice without obtaining Purchaser’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. The property management agreement for the Property shall be terminated by Seller on the Closing Date.

## **ARTICLE VI - SELLER’S REPRESENTATIONS AND WARRANTIES**

**Section 6.01.** Seller hereby represents, warrants and covenants that as of the Agreement Date and as of the Closing Date:

(A) Seller is a limited partnership duly organized and validly existing under the laws of the Commonwealth of Virginia, with full power and authority to enter into and, subject to the conditions herein contained, to perform the terms and conditions of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; and Seller has obtained prior to the execution of this Agreement all requisite consents and/or approvals to the transaction contemplated under this Agreement as may be required under Seller’s articles of organization and operating agreement, and will provide evidence of such approval to the Title Company.

(B) Subject to the conditions contained herein, neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby will violate any other agreement to which Seller is a party or by which Seller or the Property is bound or violate any statute or law or any judgment, decree, order, regulation or rule of any court or governmental agency to which Seller is subject.

(C) To Seller's Knowledge, there is no claim, action, proceeding or investigation pending or threatened against or involving Seller or the Property or the Project ("**Litigation**"), or which questions or challenges the validity of this Agreement or any action taken or to be taken by Seller pursuant to this Agreement or in connection with the transaction contemplated hereby except as disclosed on **Exhibit C** attached hereto.

(D) Seller has made available or will during the time periods herein provided, make available the Property Documents to Purchaser. To Seller's Knowledge, any copies that are furnished to Purchaser by Seller are as of the Effective Date and will be as of the Closing Date true, correct and, unless otherwise indicated, complete copies, in all material respects.

(E) No bankruptcy, insolvency, reorganization, or similar action or proceeding, whether voluntary or involuntary, is pending, threatened in writing or, to Seller's knowledge, anticipated against Seller. Seller has not previously filed for or has been the subject of any bankruptcy, insolvency, reorganization, or any other similar action or proceeding, whether voluntary or involuntary.

(F) Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due or (vi) made an offer of settlement, extension or composition of its creditors generally.

(G) Seller is not aware of any reason why the HUD Approvals (hereinafter defined) will not be obtained with respect to any reason related to the Seller or the Property.

(H) To Seller's Knowledge, Seller has not received any written notice of any violations of any applicable laws relating to the Property that have not been corrected in all material respects and to the extent that such violations have not been cured.

(I) True and correct copies of all Leases have been made available to Purchaser. Except as has otherwise been disclosed to Purchaser, the Leases are in full force and effect. Seller has not received any written notice of and to Seller's Knowledge, no material default on the part of Seller, as landlord, or any tenant under the Leases exists or remains unremedied except for any past due rent shown on the Rent Roll provided to Purchaser pursuant hereto, except as has otherwise been disclosed to Purchaser. Except as may be disclosed in the Rent Roll and the attachment thereto and made a part thereof or otherwise disclosed to Purchaser, the Seller has not granted any concession, rebate, allowance or free rent for any period of time

subsequent to the date of the Rent Roll. No tenant has any deed, option or other interest in the Property except as a tenant under its lease. To Seller's Knowledge, there are no pending claims asserted by any tenants or pending offsets against rents or any other pending monetary claim made against Seller as landlord. Other than the tenants under the Leases, there are no other persons or entities having a possessory right in the Property. Seller shall not enter into any tenant lease (other than HUD approved Leases), upon terms which differ materially from the terms of any existing Leases, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld.

(J) True and correct copies of all management, service, security, maintenance, operating, repair and other contracts executed by Seller (or its property manager on behalf of Seller) pertaining to the use and operation of the Property (the "**Contracts**") have been delivered to Purchaser in accordance with the time frame set forth in **Section 5.03**. To Seller's Knowledge and except as otherwise disclosed to Purchaser, the Contracts are in full force and effect. The Seller has made all payments required to be made thereunder and each contract is either terminable on or before the Closing Date or without penalty upon 30 days notice by any party thereto. To Seller's Knowledge, there is no existing breach of any material term or condition by Seller or any other party to any of the Contracts. The property management agreement for the Property shall be terminated by Seller on the Closing Date.

(K) To Seller's Knowledge, the Property complies with all present zoning regulations of the City of Lexington, Virginia and all applicable parking requirements and there are no governmental or private regulations, orders, agreements or instruments restricting the current use and operation of the Land or the Property.

(L) To Seller's Knowledge, Seller has not received any written notice from any governmental or quasi-governmental authority of any violations of any applicable federal, state or local laws, statutes, rules, regulations, ordinances, orders or requirements relating to hazardous materials.

(M) Seller has collected and maintained tenant security deposits at the Property in accordance with the laws of the state of Virginia.

For purposes of this Agreement, "Seller's Knowledge" means the actual knowledge of (i) Robert B. Margolis, and (ii) Matt Melnick of TM Associates Management, Inc., Seller's property manager, without independent investigation.

The above representations and warranties shall be deemed repeated at Closing, and it shall be a condition to Purchaser's obligation to close hereunder that such representations and warranties are true and complete in all material respects as of such dates. All representations and warranties of Seller contained in this Article VI shall expire, and be terminated and extinguished, one (1) year following the Closing Date.

**ARTICLE VII - PURCHASER'S REPRESENTATIONS  
AND WARRANTIES**

**Section 7.01.** Purchaser hereby represents and warrants that as of the Agreement Date and as of the Closing Date:

(A) Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Colorado, with full power and authority to enter into and to perform the terms and conditions of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally.

(B) Subject to the conditions contained herein, neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated hereby will violate any agreement to which Purchaser is a party or by which Purchaser is bound, or violate any statute or law or any judgment, decree, order, regulation or rule of any court or governmental agency to which Purchaser is subject.

(C) To Purchaser's Knowledge, there is no claim, action, proceeding or investigation pending or threatened against or involving Purchaser, which questions or challenges the validity of this Agreement or any action taken or to be taken by Purchaser pursuant to this Agreement or in connection with the transaction contemplated hereby.

(D) To Purchaser's Knowledge, Purchaser is not aware of any reason why the HUD Approvals will not be obtained with respect to reasons related to the Purchaser.

(E) Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition by its creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or judicial seizure of all, or substantially all, of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition of its creditors generally.

(F) Neither Purchaser nor any officer, director or member of Purchaser, has ever been denied 2530 previous participation clearance by HUD, and to Purchaser's Knowledge there is no basis for any of the above persons or entities being denied 2530 previous participation clearance with respect to Purchaser's acquisition of the Property.

For purposes of this Agreement, "Purchaser's Knowledge" means the actual knowledge of David Asarch, CIO of Steele Properties LLC, without independent investigation.

The above representations and warranties shall be deemed repeated at Closing and it shall be a condition to Seller's obligation to close hereunder that such representations and warranties are true and complete in all material respects as of such dates. Except as expressly provided to

the contrary, all representations and warranties of Purchaser contained in this Article VII shall expire, and be terminated and extinguished, one (1) year following the Closing Date.

#### **ARTICLE VIII – TAX CREDIT CONTINGENCY PERIOD**

**Section 8.01.** Purchaser’s obligation to proceed with the Closing is conditioned upon Purchaser’s receipt, on or before the expiration of the period beginning on the Effective Date and ending ten (10) months after the Effective Date (the “**Tax Credit Contingency Period**”), of evidence satisfactory to Purchaser that (i) the acquisition and rehabilitation of the Property qualifies for 4% federal low income housing tax credits (the “**Tax Credits**”), and that such Tax Credits and the requisite private activity bonds have been awarded and reserved by the appropriate government agency or agencies selected by Purchaser (and Seller agrees to reasonably cooperate with Purchaser with respect to any application by Purchaser for Tax Credits and tax exempt bonds), (ii) a Tax Credit investor(s) will invest in the Seller on terms reasonably satisfactory to Purchaser, and (iii) the amount of capital contributions to be invested by the Tax Credit investor, together with the amount of the bond and/or other financing on terms satisfactory to Purchaser and committed to the Property, are sufficient in Purchaser’s sole determination to fund the acquisition and rehabilitation of the Property. If Purchaser has not terminated the Agreement by giving written notice to that effect to Seller on or before 5:00 p.m. (Mountain Time) on the date of expiration of the Tax Credit Contingency Period, Purchaser shall be deemed to have waived any contingencies in this **Section 8.01**. If Purchaser exercises such right to terminate, the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other hereunder (except as to Purchaser’s obligations under **Section 5.02**).

#### **ARTICLE IX - HUD APPROVALS CONTINGENCY PERIOD**

**Section 9.01.** The Parties expressly acknowledge and agree that the each Party’s obligation to proceed to Closing and otherwise consummate the transactions contemplated hereby are conditioned upon Purchaser receiving valid, unconditional permission for (i) assignment of the existing Section 8 Housing Assistance Program contract (“**HAP Contract**”) from Seller to Purchaser pursuant to an Option 1(B) renewal; and (ii) confirmation by HUD in a manner satisfactory to Purchaser in Purchaser’s sole discretion of the stabilization of existing Section 8 rents not subject to adjustment other than allowance for future rent increases requested by Purchaser (collectively, “**HUD Approvals**”) on or before the date that is the ten (10) month anniversary of the Effective Date (the “**HUD Approvals Contingency Period**”). Seller agrees to cooperate reasonably with Purchaser in its pursuit of HUD Approvals. On or prior to the expiration of the HUD Approvals Contingency Period, if Purchaser has not obtained the HUD Approvals, Purchaser shall have the right to terminate this Agreement by giving written notice to that effect to Seller and Escrow Agent on or before 5:00 p.m. (Mountain Time) on the date of expiration of the HUD Approvals Contingency Period. If Purchaser has not terminated the Agreement by giving written notice to that effect to Seller on or before 5:00 p.m. (Mountain Time) on the date of expiration of the Tax Credit Contingency Period, Purchaser shall be deemed to have waived any contingencies in this **Section 9.01**. If Purchaser exercises such right to

terminate, the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other hereunder (except as to Purchaser's obligations under **Section 5.02**).

## **ARTICLE X – OPERATION OF THE PROPERTY**

**Section 10.01. GENERAL OPERATION OF PROPERTY.** Seller shall perform all obligations relating to the Property, including to pay (or cause to be paid) prior to delinquency, all mortgages, liens, contract amounts, real property and personal property taxes, assessments and other levies which become due and payable with respect to the Property. Seller will keep books and records as to all operations on the Property, and all such books and records will at all times during reasonable business hours be subject to inspection by Purchaser and its duly authorized representatives upon prior written notice of not less than three (3) business days. Seller shall maintain and repair the Property (excluding normal wear and tear) where reasonably economic for the Seller and to the extent required to cure any governmental notices of violations and as necessary to address any life and health safety issues at the Property; provided, however, Seller will not make any material alterations to the Property or remove any Personal Property except in the ordinary course of business without the prior written consent of Purchaser. Seller shall maintain commercially reasonable casualty and liability insurance in amounts and with deductibles as is customary with properties of this kind. Seller shall operate and maintain the Property in a professional manner and in accordance with Seller's past practice and all applicable Laws. Nothing in this **Section 10.01** shall limit, restrict or prohibit Seller, without Purchaser's consent, from performing any repair, maintenance or tenant improvement projects which Seller is required to perform under the Leases. Seller shall not commence or allow to be commenced on its behalf any action, suit or proceeding with respect to all or any portion of the Property without the prior written consent of Purchaser, except for those actions that are required in the normal course of business.

**Section 10.02. LIENS.** Other than utility easements and temporary construction easements granted by Seller in the ordinary course of business, Seller covenants that it will not voluntarily create or cause any lien or encumbrance to attach to the Property between the Effective Date and the Closing Date (other than as provided in **Section 10.01**) unless Purchaser approves such lien or encumbrance. If Purchaser approves any such subsequent lien or encumbrance, the same shall be deemed a Permitted Exception for all purposes hereunder.

**Section 10.03. ADVISE PURCHASER.** Until the earlier of Closing or the termination of this Agreement, Seller agrees to notify Purchaser in writing promptly upon learning or receiving notice, whichever first occurs, of:

(A) The institution of any proceedings for the condemnation of the Property or any portion thereof;

(B) The Property is being used for the storage, treatment, generation or manufacture of any hazardous or toxic materials in a manner which would constitute a violation of applicable federal or state environmental laws; and

(C) Any damage or destruction (excluding normal wear and tear) of the Property.

(D) Seller's actual knowledge of any breach of any of its representations, warranties or covenants in this Agreement, or any fact or event which would make (i) any of the representations or warranties of Seller contained in this Agreement untrue or misleading in any material respect or (ii) any covenant or agreement of Seller under this Agreement incapable or substantially less likely of being performed.

#### **ARTICLE XI - CONDITIONS TO OBLIGATIONS OF SELLER**

**Section 11.01.** In addition to the conditions set forth in **Article X**, the obligations of Seller hereunder shall be conditioned upon the fulfillment of the following conditions (unless waived in the discretion of Seller or as otherwise provided herein):

(A) The performance by Purchaser at or prior to the Closing Date of all covenants and other obligations required of it by this Agreement.

(B) At Closing, Purchaser not being in default in any material respect under this Agreement, including without limitation, the failure in any material respect of any representation, warranty or covenant by Purchaser.

(C) On or before Closing, Purchaser's receipt of the HUD Approvals.

#### **ARTICLE XII - CONDITIONS TO OBLIGATIONS OF PURCHASER**

**Section 12.01.** In addition to the conditions set forth in **Article X**, the obligations of Purchaser hereunder shall be conditioned upon the fulfillment of the following conditions (unless waived in the discretion of Purchaser or as otherwise provided herein):

(A) The performance by Seller at or prior to the Closing Date of all covenants and other obligations required of it by this Agreement, including but not limited to the obligations set forth in **Article VIII** and in **Section 10.01**, and delivery of the items required to be delivered by Seller under **Section 13.01**.

(B) At Closing, Seller not being in default in any material respect under this Agreement, including without limitation, the failure in any material respect of any representation, warranty or covenant by Seller.

(C) On or before Closing, Purchaser's receipt of the HUD Approvals.

(D) From and after the date hereof, there shall have been no material adverse change in the Property.

## ARTICLE XIII - CLOSING REQUIREMENTS

**Section 13.01.** Upon request of Purchaser (such request to be made no earlier than the date of Purchaser's receipt of the HUD Approvals), Seller shall do the following:

(A) Execute and deliver to Escrow Agent a Special Warranty Deed from Seller conveying to Purchaser fee simple title to the Property (the "**Deed**"), in the form attached hereto as **Exhibit D**.

(B) Execute and deliver to Escrow Agent a Bill of Sale, in the form attached hereto as **Exhibit E**, duly executed and acknowledged by Seller, conveying to Purchaser Seller's right, title and interest to the Personal Property, containing only a warranty of title as to applicable items (the "**Bill of Sale**").

(C) Execute and deliver to Escrow Agent an assignment and assumption of Leases (the "**Lease Assignment**") duly executed by Seller, in the form attached hereto as **Exhibit F**.

(D) Execute and deliver to Escrow Agent an assignment and assumption of intangibles, warranties and guaranties (the "**General Assignment**"), in the form attached hereto as **Exhibit G**, duly executed by Seller.

(E) If any of the Contracts are to be assigned to Purchaser pursuant to **Section 5.04**, execute and deliver to Escrow Agent an assignment and assumption of contracts (the "**Service Contract Assignment**"), in the form attached hereto as **Exhibit H**, duly executed by Seller

(F) Execute and deliver to Escrow Agent four (4) counterparts of the HAP Assignment, duly executed by Seller in substantially the form attached hereto as **Exhibit I** (if HUD requires a different form of assignment, and provided that Purchaser provides such different form to Seller not less than three (3) business days prior to the Closing Date, Seller shall execute such form instead of the form attached hereto as **Exhibit I**).

(G) Execute and deliver to Escrow Agent a notice to all tenants at the Property informing them of the transfer of the Property, the assignment of the Leases and security deposits to Purchaser, and of Purchaser's assumption of the lessor's obligations under all of the Leases (the "**Tenant Notice**"), in the form attached hereto as **Exhibit J**.

(H) Execute and deliver to Escrow Agent a settlement statement in a form approved by Seller and Purchaser (the "**Settlement Statement**").

(I) Execute and deliver to Escrow Agent a certificate which (i) confirms Seller's United States Taxpayer Identification Number, and (ii) states that Seller is not a "foreign person" within the meaning of Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "**FIRPTA Certificate**").

(J) Deliver to Escrow Agent an updated version of the Rent Roll (and attachment)



accurate, as certified by the Seller, as of the last day of the previous month prior to the Closing Date, listing all security deposit amounts required to be held under tenant Leases through the Closing Date.

(K) Execute and deliver to Escrow Agent a Reaffirmation of Representations and Warranties (in a form acceptable to Seller and Purchaser, in their reasonable discretion).

(L) Execute, acknowledge and deliver to Escrow Agent, as appropriate, all additional documents which may be reasonably necessary or appropriate to carry out the provisions hereof.

(M) Title Affidavit in a standard form necessary to permit the Purchaser's title insurer to delete mechanic's lien exceptions, parties in possession exceptions, and the standard gap exception.

(N) A copy of the authorization documents of the Seller, authorizing the transactions contemplated in the Agreement, and the authority of the signatory to execute and deliver documents on behalf of the Seller.

**Section 13.02.** On or before the Closing, Purchaser shall do the following:

(A) Execute and deliver to the Escrow Agent the Lease Assignment, duly executed by Purchaser.

(B) Execute and deliver to Escrow Agent the General Assignment, duly executed by Purchaser.

(C) Execute and deliver to the Escrow Agent the Service Contract Assignment, duly executed by Purchaser.

(D) Execute and deliver to Escrow Agent four (4) counterparts of the HAP Assignment, duly executed by Purchaser.

(E) Execute and deliver to Escrow Agent the Tenant Notice.

(F) Execute and deliver to the Escrow Agent the Settlement Statement, duly executed by Purchaser.

(G) Execute, acknowledge and deliver to Escrow Agent, as appropriate, all additional documents which may be reasonably necessary or appropriate to carry out the provisions hereof.

**ARTICLE XIV - CLOSING COSTS; PRORATIONS; ESCROWS AND RESERVES.**

**Section 14.01.** The costs incurred in connection with the transfer of the Property shall be borne as follows:

(A) Seller shall pay: (i) all costs incurred in connection with providing the Property Documents and preparing the Deed, (ii) the fees of Seller's counsel and advisors; (iii) all Monetary Liens on the Property, (iv) the grantor's recordation taxes payable in connection with the recordation of the Deed; and (v) one-half of the expenses of Escrow Agent not to exceed \$750.00.

(B) Purchaser shall pay: (i) all costs associated with a survey of the Property; (ii) all costs for the Title Commitment and title insurance premiums; (iii) all costs of its investigations, studies and reports in connection with its acquisition of the Property, (iv) the grantee's recordation taxes and costs associated with the recordation of the Deed; (v) one-half of the expenses of Escrow Agent not to exceed \$750.00, (vi) any and all mortgage recordation costs and taxes, and (vii) the fees of Purchaser's counsel and advisors.

**Section 14.02.** At Closing, Seller shall transfer to Purchaser, all of Seller's right, title and interest in and to all Tenants Deposits required to be held under tenant Leases, cleaning deposits, key deposits and similar deposits (plus interest thereon to the extent earned or required to be paid, if any) and no additional payment or adjustment shall be made therefor.

**Section 14.03.** At Closing, Seller shall transfer and assign to Purchaser all of its rights, title and interests in and to any rent paid in advance.

**Section 14.04.** All ad valorem real estate taxes, charges and assessments affecting the Property for the year in which the Closing occurs shall be prorated on a per diem basis as of midnight on the Closing Date, Seller being charged and credited for all of the same relating to the period up to the Closing Date and Purchaser being charged and credited for all of the same relating to the period on and after the Closing Date. Purchaser shall also receive a credit for all real estate taxes due and payable prior to the Closing Date to the extent not paid by Seller prior to the Closing. If any of the same have not been finally assessed as of the Closing Date for the current fiscal year of the taxing authority, then the same shall be prorated as of the date of Closing based upon the latest available tax bill for the Property. There shall be a re-proration of the estimated real estate taxes promptly following the issuance of final bills.

**Section 14.05.** Rents and other revenue earned from tenants at the Property ("Rents") actually received by Seller for the month of Closing shall be prorated as of midnight on the Closing Date. Purchaser shall be credited for all Tenant Deposits held by, or for the benefit of, Seller. Prepaid Rents actually received by Seller for periods following the Closing Date shall be credited to Purchaser at Closing. Delinquent rents as of the Closing Date shall be retained by Seller and Seller shall have the right to pursue all available remedies (other than eviction) in satisfaction of such claims. To the extent that Purchaser receives Rents within six (6) months after the Closing relating to periods prior to the Closing, Purchaser will promptly deliver Seller its appropriate portion of such Rents each month; provided, however, that Purchaser shall have no obligation to take any actions to collect any rents delinquent as of the Closing, and that Purchaser shall apply all rent collected after the Closing Date first to amounts attributable to periods after the Closing Date, then to delinquent rent. If Seller receives any Rents after the

Closing that relate to periods occurring after the Closing, Seller will promptly deliver Purchaser its appropriate portion of such Rents.

**Section 14.06.** Charges of water, electricity, sewer rental, gas, telephone and all other utilities, and charges and income under all Contracts that are to be assigned to Purchaser (including advance payments, prepayments, or deposits, if any, made by a vendor to Seller) shall be prorated on a per diem basis as of midnight on the Closing Date, and on the basis of the fiscal year or billing period of the authority, utility or other person levying or charging for the same. If the consumption of any of the foregoing is measured by meters, then in lieu of apportionment as aforesaid, Seller shall use commercially reasonable efforts to arrange to obtain a reading of each such meter prior to Closing and Seller shall pay all charges thereunder through the date of any meter readings obtained prior to Closing. If actual amounts cannot be reasonably obtained as of the Closing, such charges and income under the service contracts shall be based on the parties' good faith estimates, and shall be re-prorated when actual amounts can be ascertained.

**Section 14.07.** All Section 8 housing assistance payments receivable from HUD or the contract administrator under the HAP Contract ("**HUD Payments**") will be prorated as of midnight on the Closing Date. Seller will be credited for all HUD Payments amounts relating to the period up to, but not including, the Closing Date, and Purchaser will be credited for all HUD Payments amounts relating to the Closing Date and the period after the Closing Date. If Seller receives any HUD Payments following the Closing Date, Seller shall, within three (3) days after the receipt thereof, deliver to Purchaser any portion of such HUD Payments to which Purchaser is entitled hereunder relating to the Closing Date and any period thereafter. If Purchaser receives any HUD Payments following the Closing Date, Purchaser shall, within three (3) days after the receipt thereof, deliver to Seller any portion of such HUD Payments to which Seller is entitled hereunder relating to the period prior to the Closing Date.

**Section 14.08.** All prorations shall be made as of the Closing Date based upon the most current information then available. The parties agree that, to the extent final prorations for anything other than real estate taxes cannot be determined because of lack of data, information or readings accurate as of the Closing Date, the parties shall adjust any prorations made on the Settlement Statement and make payments or refunds as appropriate within 60 days after the Closing Date based on data, information and readings made available during such period, and thereafter, no further adjustments to prorations shall be made absent fraud, misrepresentation or scrivener's error. Both parties shall respond promptly to requests for data, information or readings from the other and execute any additional addenda to the Settlement Statement as may be reasonably necessary to reflect any adjustments.

## **ARTICLE XV - CASUALTY LOSS**

**Section 15.01.** The risk of loss or damage to the Property caused by fire or other casualty prior to the Closing shall be borne by Seller. If prior to Closing, the Property, or any part thereof, is damaged as the result of fire or other casualty or is taken by eminent domain such that the cost of repair or replacement, or the award proposed by the condemning authority, is

reasonably likely to exceed two hundred thousand (\$200,000.00) dollars, Seller shall notify Purchaser of such damage, destruction or taking, and Purchaser shall elect within thirty (30) business days from receipt of such notice by written notice to Seller either to (i) terminate this Agreement, in which event the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other (except that Purchaser shall not be relieved of its obligations under Section 5.02), or (ii) accept title to the Property without any abatement of the Purchase Price whatsoever, in which event at the Closing all of the insurance or condemnation proceeds or right to such proceeds shall be assigned by Seller to Purchaser, to be held in escrow. Seller shall also pay to Purchaser the amount of any deductible. If Purchaser does not make such election within the aforesaid thirty (30) business day period, Purchaser shall be deemed to have elected to proceed with this transaction.

**Section 15.02.** If prior to Closing, the Property, or any part thereof, is damaged or taken but the cost of repair or the proposed award is not reasonably likely to exceed two hundred thousand (\$200,000.00) dollars, both Seller and Purchaser shall proceed with this transaction. In the event casualty insurance proceeds are paid to Seller prior to Closing, Seller may elect to either (i) repair and restore the Property to the condition it was in prior to the casualty (provided, however, that Seller's obligation shall in no event exceed available insurance proceeds so long as the insurance policy for the Property is maintained through the Closing at full replacement value), or (ii) not to repair or restore the Property as described immediately above, in which later event all of the insurance proceeds or right to proceeds (together with any condemnation proceeds or the rights to such proceeds) shall be assigned by Seller to Purchaser at Closing. Provided, however, if not an insured casualty, then Seller shall pay to Purchaser an amount estimated as necessary to repair such casualty as determined by a mutually selected construction professional (contractor or similar professional with direct experience in the repair of the type of casualty involved.) Seller shall also pay to Purchaser the amount of any deductible in the event of (ii) above.

## **ARTICLE XVI - REMEDIES**

**Section 16.01.** The rights of the Purchaser and Seller in the event the other party defaults under this Agreement shall be as follows:

(A) If Purchaser defaults under this Agreement and after the provision of notice by Seller and ten (10) days to cure said default, this Agreement shall terminate and the sole and exclusive remedy of Seller shall be to retain the Deposit, as fixed, agreed and liquidated damages (the said amount having been agreed to as liquidated damages due to the difficulty and inconvenience of measuring and ascertaining actual damages) and the parties hereto shall thereby be relieved of all obligations hereunder (except that Purchaser shall not be relieved of its obligations under **Section 5.02**).

(B) If the transaction contemplated hereunder shall fail to close because Seller remains in breach of or if Seller defaults under any material covenant of Seller contained in this Agreement (provided Purchaser is not in default hereunder) and such default continues for a

period of ten (10) days after receipt of written notice of same from Purchaser, Purchaser's sole and exclusive remedies shall be (i) to terminate this Agreement and be released from its obligation to purchase the Property from Seller, and receive a refund of the Deposit and Purchaser shall also be entitled to receive (and Seller shall reimburse Purchaser for) Purchaser's documented out-of-pocket third-party costs in connection with the transaction contemplated by this Agreement (which reimbursement obligation shall survive the termination of this Agreement) up to a maximum amount of \$50,000.00; or (ii) to elect the remedy of specific performance of Seller's covenant which is in default, with no abatement of the Purchase Price.

(C) Notwithstanding the foregoing, if Seller shall willfully default in its obligation to close the transaction hereunder on the Closing Date, and Purchaser elects to terminate this Agreement and receive a return of the Deposit; Purchaser shall also be entitled to receive (and Seller shall reimburse Purchaser for) Purchaser's documented out-of-pocket third-party costs in connection with the transaction contemplated by this Agreement (which reimbursement obligation shall survive the termination of this Agreement) up to a maximum amount of \$125,000.00. The parties hereto agree that Purchaser's right to reimbursement for expenses under **Section 16.01(B)(i)** above and this **Section 16.01(C)** shall be mutually exclusive. Except as set forth above, in no event shall Seller be liable for consequential, speculative, remote or punitive damages, or any other damages, and Purchaser hereby waives and releases any right to seek or collect any consequential, speculative, remote or punitive damages, or any damages other than as provided above. Purchaser shall be deemed to have elected (a) above if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the city and state in which the Property is located on or before forty-five (45) days following the date upon which Closing was to have occurred.

## ARTICLE XVII - NOTICES

**Section 17.01.** All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be hand delivered, sent by telecopy or facsimile (followed by regular mail delivery of the original), sent by overnight courier service, or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the appropriate party at its address set forth below, or at such other address as such parties shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given (i) upon receipt thereof by the party to whom it is addressed in the case of hand delivery or telecopy or facsimile (and, in the case of telecopy or facsimile, receipt of written electronic confirmation thereof by the sender); (ii) one day after mailing in the case of overnight courier; and (iii) four (4) days after mailing in the case of certified or registered mail.

To Seller:                      New Lexington House I Limited Partnership  
   1375 Piccard Dr., Suite 150  
   Rockville, MD 20850  
   Attn: Ari Severe

With a copy to: Williams Mullen  
200 South 10<sup>th</sup> Street, Suite 1600  
Richmond, Virginia 23219  
Attn: Allison T. Domson, Esq.  
[adomson@williamsmullen.com](mailto:adomson@williamsmullen.com)

To Purchaser: Steele Acquisitions III LLC  
6875 E. Evans Ave.  
Denver, Colorado 80224  
Attn: David Asarch  
[dasarch@steelellc.com](mailto:dasarch@steelellc.com)

With a copy to: Steele Acquisitions III LLC  
6875 E. Evans Ave.  
Denver, CO 80224  
Attn: General Counsel  
[jboyd@steelellc.com](mailto:jboyd@steelellc.com)

#### **ARTICLE XVIII - SUCCESSORS BOUND**

**Section 18.01.** The provisions of this Agreement shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns. Prior to Closing, Purchaser may assign this Agreement to any subsidiary of Purchaser or affiliate of Purchaser which is under common ownership or control with Purchaser or, with the prior written consent of Seller, any other person or entity; provided, however, that such assignee shall assume all of Purchaser's obligations under this Agreement.

#### **ARTICLE XIX – INTENTIONALLY DELETED**

#### **ARTICLE XX - BROKERS**

**Section 20.01.** Seller and Purchaser each represent and warrant to the other that no real estate agent, broker, finder or intermediary of any kind was involved in negotiating the transaction contemplated herein other than Affordable Housing Advisors / Marcus and Millichap, representing Seller. Seller shall be responsible for any commissions or fees due to Affordable Housing Advisors / Marcus and Millichap pursuant to a separate agreement. In the event any claims for real estate commissions, fees or compensation arise in connection with such transaction, the party so incurring or causing such claims shall indemnify, defend and hold harmless the other party from any loss or damage which said other party suffers because of said claims.

#### **ARTICLE XXI - ATTORNEYS' FEES**

**Section 21.01.** In the event of any litigation under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the losing party at trial and on appeal.

## **ARTICLE XXII - GENERAL PROVISIONS**

**Section 22.01. IDENTIFICATION OF GOVERNMENT AGENCIES, STATUTES, PROGRAMS AND FORMS.** Any reference in this Agreement, by name or number, to a government department, agency, statute, regulation, program, or form shall include any successor or similar department, agency, statute, regulation, program or form.

**Section 22.02. TITLES AND CAPTIONS.** All article and section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof.

**Section 22.03. PRONOUNS AND PLURALS.** Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms. The singular form of nouns, pronouns and verbs shall include the plural and vice versa.

**Section 22.04. FURTHER ACTION.** The parties shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

**Section 22.05. GOVERNING LAW AND FORUM:** This Agreement is intended to take effect as a sealed instrument and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflict of laws. As this Agreement is the result of negotiations between sophisticated parties, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party. Each party hereby consents to personal jurisdiction in the Commonwealth of Virginia, and to the personal jurisdiction of the courts thereof and the United States District Courts sitting therein, and agrees that any and all litigation relating to this Agreement shall be maintained in the Circuit Court for the County of Rockbridge, Virginia, or, if applicable jurisdictional requirements are satisfied, the United States District Court for the Western District of Virginia, in the Lynchburg Division, and each party hereby waives all objections to jurisdiction or venue or forum non conveniens with respect to any litigation filed in such courts.

**Section 22.06. INTEGRATION.** This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understandings pertaining thereto. No covenant, representation or condition not expressed in this Agreement shall affect or be deemed to interpret, change or restrict the express provisions hereof.

**Section 22.07. TRIAL BY JURY.** The parties hereby waive trial by jury in any action, proceeding or counterclaim brought by any party against any other party in any matter arising out of or in connection with the subject matter of this Agreement.

**Section 22.08. AMENDMENT.** Except as provided herein, this Agreement may be modified or amended only with the written approval of all parties.

**Section 22.09. CREDITORS.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the parties.

**Section 22.10. WAIVER.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any party by notice pursuant to Article XVII hereof may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, or obligation or covenants of any other party. No waiver shall affect or alter the remainder of this Agreement, but each and every covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach.

**Section 22.11. SEPARABILITY.** Any provisions of applicable law which supersede any provisions hereof shall not affect the validity of the balance of this Agreement, and the remaining provisions shall be enforced as if the invalid provisions were deleted.

**Section 22.12. COUNTERPARTS.** This Agreement may be executed in counterparts, all of which taken together shall constitute one agreement binding on all the parties notwithstanding that all the parties are not signatories to the original or the same counterpart.

**Section 22.13. AUTHORIZATION AND REPRESENTATION.** Each party represents to the others that it has been authorized to execute and deliver this Agreement through the persons signing on its behalf.

**Section 22.14. APPROVALS.** Any approval or consent of the parties required for any matter hereunder shall be in writing and shall not be unreasonably withheld or delayed unless otherwise indicated herein.

**Section 22.15. RECITALS AND EXHIBITS.** All Recitals and Exhibits to this Agreement are incorporated herein by reference as substantive parts of this Agreement. Each Exhibit to this Agreement, excluding those Exhibits delivered to the Escrow Agent at the Closing, shall not become effective until the first page thereof is initialed by both Seller and Purchaser.

**Section 22.16. SURVIVAL.** The obligations of the parties pursuant to **Section 5.02** and all of **Articles XIV and XVI through XXIII** shall survive the Closing.



**Section 22.17. COMPETING TRANSACTION.** Seller has not and shall not, directly or indirectly through any officer, director, employee, stockholder, agent, partner, member, manager, affiliate or otherwise (a) enter into any agreement, agreement in principle or other commitment (whether or not legally binding) relating to the acquisition or transfer of any or all of the Property or a change in control of Seller (a “**Competing Transaction**”), (b) solicit, initiate or encourage the submission of any proposal or offer from any person or entity (including any of its officers, directors, partners, members, managers, employees or agents) relating to any Competing Transaction, or (c) participate in any discussions or negotiations regarding, furnish to any other person or entity any information with respect to, or otherwise cooperate with, assist, participate in, facilitate or encourage, any effort or attempt by any person or entity to effect a Competing Transaction. Seller shall notify Purchaser promptly if any proposal regarding a Competing Transaction (or any inquiry or contact with any person or entity with respect thereto) is made, and shall advise Purchaser of the contents thereof (and, if in written form, provide Purchaser with copies thereof).

**Section 22.18. SOLICITATION OF EMPLOYEES.** Purchaser shall have the right at any time from and after the Due Diligence Period to interview, for employment, after the Closing Date, Seller’s employees or management agents working exclusively at the Property.

**Section 22.19. TIME OF THE ESSENCE.** Time is of the essence of this Agreement. However, whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time (or by a particular date) that ends (or occurs) on a non-business Day, then such period (or date) shall be extended until the immediately following business Day. Unless expressly indicated otherwise, (a) all references to time in this Agreement shall be deemed to refer to Eastern time, and (b) all time periods provided for under this Agreement shall expire at 5:00 p.m. Eastern time.

### **ARTICLE XXIII - INDEMNIFICATION**

**Section 23.01.** Seller agrees to indemnify and hold Purchaser harmless from and against any and all claims, demands, liabilities, liens, costs, expenses (including reasonable attorneys’ fees), penalties, damages and losses incurred by Purchaser relating to the Property or arising from any breach by Seller of any representation, warranty or covenant in this Agreement. The foregoing indemnifications shall expire one (1) year following the Closing Date.

**Section 23.02.** Purchaser agrees to indemnify and hold Seller harmless from and against any and all claims, demands, liabilities, liens, costs, expenses (including reasonable attorneys’ fees), penalties, damages and losses incurred by Seller relating to the Property or arising from any breach by Purchaser of any representation, warranty or covenant in this Agreement or any documents required to be delivered hereunder that accrued on or subsequent to the Closing Date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE TO FOLLOW]




IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the Effective Date.

**SELLER:**

NEW LEXINGTON HOUSE I LIMITED PARTNERSHIP,  
a Virginia limited partnership

By: MARG Rural LLC, its General Partner

By:   
Name: Robert B. Margolis  
Its: Manager

**PURCHASER:**

STEELE ACQUISITIONS III LLC,  
a Colorado limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the Effective Date.

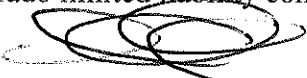
**SELLER:**

NEW LEXINGTON HOUSE I LIMITED PARTNERSHIP,  
a Virginia limited partnership  
By: MARG Rural LLC, its General Partner

By: \_\_\_\_\_  
Name: Robert B. Margolis  
Its: Manager

**PURCHASER:**

STEELE ACQUISITIONS III LLC,  
a Colorado limited liability company

By:   
Name: David Asarch  
Its: Authorized Representative

## EXHIBIT A

### Real Property Description

Lots 5, 1/2 of 6, 9 thru 19, 30 ft. and 15 ft. Street, Zollman Subdivision, and a 12 +/- ft. Strip of Land, Lexington, Virginia:

Beginning at a RR spike in the northeastern side of Houston Street, the western most corner of Lot 5, Zollman Subdivision; thence leaving said Houston St., and with the line of said Lot 5, N 61° 50' 36" E, 194.27 feet to an iron, the northern most corner to said Lot 5, and in the rear line of Lots 9-13, said subdivision; thence leaving Lot 5, and with the rear line of Lots 9 and 10, N 31° 32' 00" W 100.00 feet to a point, the southern most corner of Lot 8, said subdivision; thence with the line of said Lot 8, N 61° 50' 36" E 155.00 feet to a point, thence N 31° 21' 00" W, 19.22 feet to a point on the curve to the left having a radius of 20.00 feet; thence with the said curve 14.35 feet to the point of tangency, said point being in the southeastern line of a 15 foot street; thence with the said street, S 65° 58' 23" W, passing an iron at 143.56 feet, 368.92 feet to a RR spike in the northeastern side of Houston Street; thence with a line parallel to said Houston Street, N 42° 24' 49" W, 28.33 feet to a point, the western most corner of a 12 +/- foot strip of land; thence, leaving the area of said Houston Street, and with the northwestern line of the said 12 +/- foot strip, N 65° 58' 23" E, passing an iron at 305.54 feet, 583.21 feet to an iron in the line of Stonewall Jackson Hospital, Inc. property, thence, with the said Hospital property, S 31° 32' 00" E, passing an iron at 11.98 feet, 287.14 feet to an iron, the eastern most corner of Lot 19, said subdivision; thence leaving the said Hospital property, and with the southeastern line of Lot 19, a 30 ft. street, and Lot 13, said subdivision, S 61° 50' 36" W 350.05 feet to an iron, the southern most corner of Lot 13; thence with the rear line of said Lot 13, and half of Lot 12, N 31° 32' 00" W, 75.00 feet to an iron marking the division of Lot 6, said subdivision; thence with a line dividing said Lot 6, S 61° 50' 36" W, 179.66 feet to a RR spike in the northeastern side of Houston Street; thence, with the front line of a portion of Lot 6, and Lot 5, said subdivision, N 42° 24' 49" W, 77.24 feet to the point of beginning, containing a total of 2.762 acres, being an aggregate of Parcel 1, a 2.282 acre tract containing a 5 foot strip of Lot 8, Lots 9-19, a 30 ft. street and a 15 ft. street, original Zollman Subdivision, Parcel 2, a 0.321 acre tract made up of Lot 5, 1/2 of Lot 6, original Zollman Subdivision; and Parcel 3, a 0.159 acre tract being at 12 +/- foot strip of land located adjacent to and northwest of the original Zollman Subdivision, and being the exact same property as shown on a plat entitled "Plat Showing Lots 5 & 1/2 of 6, 9-19 and Street, Zollman Subdivision, And 12' Strip of Land", dated August 23, 1976, revised August 30, 1976, as prepared by Higgs & Shumate, Engineers-Surveyors.

Together with an easement as contained within the deed by and between Stonewall Jackson Hospital, Inc. and Lexington House Associates dated September 13, 1976, recorded October 1, 1976 in Deed Book 358, page 495

Being the same real estate conveyed to New Lexington House I Limited Partnership, a Virginia limited Partnership, by deed from Lexington House Associates Limited Partnership (formerly known of record as Lexington House Associates), dated February 18, 2010, recorded in the Clerk's Office for the County of Rockbridge, Virginia, as Instrument No. 100000540.

**EXHIBIT B**

**Rent Roll**

See attached.

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
<b>Lexington House (357)</b>															
<b>Current/Notice Residents</b>															
101	357-1A	0	Occupied No Notice	t0016485	Wilmore, Millie	613.00	RENT	192.00	0.00	278.00	03/20/2018	02/28/2019	03/20/2018		0.00
							HAPPD	421.00							
							<b>Total</b>	<b>613.00</b>							
102	357-1A	0	Occupied No Notice	t0008367	MCCORMICK, PEGGY	613.00	RENT	242.00	0.00	491.00			10/15/2013		0.00
							HAPPD	371.00							
							<b>Total</b>	<b>613.00</b>							
103	357-1A	0	Occupied No Notice	t0008368	NEWBERY, JUNE	613.00	RENT	322.00	0.00	362.00			10/11/2012		0.00
							HAPPD	291.00							
							<b>Total</b>	<b>613.00</b>							
104	357-1A	0	Occupied No Notice	t0018358	Armentrout, Herman	613.00	RENT	210.00	0.00	256.00	08/03/2018	08/01/2019	08/03/2018		0.00
							HAPPD	403.00							
							<b>Total</b>	<b>613.00</b>							
105	357-1A	0	Occupied No Notice	t0008370	HARRIS, ELLEN	613.00	RENT	186.00	0.00	219.00			12/29/2009		0.00
							HAPPD	427.00							
							<b>Total</b>	<b>613.00</b>							
106	357-1A	0	Notice Unrented	t0008371	GRIM, MATTIE	613.00	RENT	298.00	0.00	361.00			05/21/2011	08/31/2019	0.00
							HAPPD	315.00							
							<b>Total</b>	<b>613.00</b>							
107	357-1A	0	Occupied No Notice	t0008372	MOORE, CARNELL	613.00	RENT	269.00	0.00	320.00			08/03/2016		0.00
							HAPPD	344.00							
							<b>Total</b>	<b>613.00</b>							
108	357-1A	0	Occupied No Notice	t0008373	HOSTETTER, RANDOLPH	613.00	RENT	196.00	0.00	195.00			08/01/2015		0.00
							HAPPD	417.00							
							<b>Total</b>	<b>613.00</b>							
109	357-1A	0	Occupied No Notice	t0008374	TETZLOFF, BETTY	613.00	RENT	370.00	0.00	428.00			08/19/2016		0.00
							HAPPD	243.00							
							<b>Total</b>	<b>613.00</b>							
110	357-1A	0	Occupied No Notice	t0020310	Heim, Joyce	613.00	RENT	188.00	0.00	242.00	03/04/2019	03/31/2020	03/04/2019		0.00

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							HAPPD	425.00							
							<b>Total</b>	<b>613.00</b>							
111	357-1A	0	Occupied No Notice	t0018750	Elliott, Brenda	613.00	RENT	210.00	0.00	264.00	09/14/2018	09/01/2019	09/14/2018		0.00
							HAPPD	403.00							
							<b>Total</b>	<b>613.00</b>							
112	357-1A	0	Occupied No Notice	t0019470	Ellis, Cindy	613.00	RENT	147.00	0.00	387.00	12/06/2018	12/01/2019	12/06/2018		186.00
							HAPPD	466.00							
							<b>Total</b>	<b>613.00</b>							
114	357-1A	0	Occupied No Notice	t0008378	CLARK, MARTHA	613.00	RENT	289.00	0.00	341.00			07/16/2012		0.00
							HAPPD	324.00							
							<b>Total</b>	<b>613.00</b>							
115	357-1A	0	Occupied No Notice	t0008379	DURHAM, GREG	613.00	RENT	158.00	0.00	224.00			07/21/2016		0.00
							HAPPD	455.00							
							<b>Total</b>	<b>613.00</b>							
121	357-1A	0	Occupied No Notice	t0011214	Tucker, Susan	613.00	RENT	357.00	0.00	414.00	02/09/2017	02/28/2018	02/09/2017		0.00
							HAPPD	256.00							
							<b>Total</b>	<b>613.00</b>							
122	357-1A	0	Occupied No Notice	t0013618	Merchant, Richard	613.00	RENT	194.00	0.00	236.00	08/14/2017	08/31/2018	08/14/2017		0.00
							HAPPD	419.00							
							<b>Total</b>	<b>613.00</b>							
123	357-1A	0	Occupied No Notice	t0014055	Taglio, Shelby	613.00	RENT	385.00	0.00	501.00	10/05/2017	10/01/2018	10/05/2017		0.00
							HAPPD	228.00							
							<b>Total</b>	<b>613.00</b>							
124	357-1A	0	Occupied No Notice	t0008383	ARMSTRONG, JEAN	613.00	RENT	241.00	0.00	231.00			12/18/2015		0.00
							HAPPD	372.00							
							<b>Total</b>	<b>613.00</b>							
125	357-1A	0	Occupied No Notice	t0008384	WILEY, THELMA	613.00	RENT	235.00	0.00	251.00			04/01/2011		0.00
							HAPPD	378.00							
							<b>Total</b>	<b>613.00</b>							



Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
126	357-1A	0	Occupied No Notice	t0008385	WILSON, MARIE	613.00	RENT	275.00	0.00	368.00			12/16/2014		0.00
							HAPPD	338.00							
							<b>Total</b>	<b>613.00</b>							
127	357-1A	0	Occupied No Notice	t0008386	SWISHER, JOHN	613.00	RENT	358.00	0.00	386.00			07/01/2015		0.00
							HAPPD	255.00							
							<b>Total</b>	<b>613.00</b>							
128	357-1A	0	Occupied No Notice	t0008387	DELANEY, DELLA	613.00	RENT	191.00	0.00	329.00			02/08/2012		0.00
							HAPPD	422.00							
							<b>Total</b>	<b>613.00</b>							
129	357-1A	0	Occupied No Notice	t0018789	Wilmeth, Michael	613.00	RENT	493.00	0.00	547.00	09/21/2018	09/01/2019	09/21/2018		0.00
							HAPPD	120.00							
							<b>Total</b>	<b>613.00</b>							
130	357-1A	0	Occupied No Notice	t0008389	HALL, DAISY	613.00	RENT	241.00	0.00	264.00			08/10/2007		0.00
							HAPPD	372.00							
							<b>Total</b>	<b>613.00</b>							
201	357-1A	0	Occupied No Notice	t0021206	James, Ronald	613.00	RENT	369.00	0.00	423.00	06/06/2019	06/30/2020	06/06/2019		0.00
							HAPPD	244.00							
							<b>Total</b>	<b>613.00</b>							
202	357-1A	0	Occupied No Notice	t0008391	LIZOTTE, DONALD	613.00	RENT	519.00	0.00	477.00			07/13/2010		0.00
							HAPPD	94.00							
							<b>Total</b>	<b>613.00</b>							
203	357-1A	0	Occupied No Notice	t0008392	SMITH, JACK	613.00	RENT	173.00	0.00	162.00			04/28/2008		0.00
							HAPPD	440.00							
							<b>Total</b>	<b>613.00</b>							
204	357-1A	0	Notice Unrented	t0020377	Moore, Belinda	613.00	RENT	173.00	0.00	227.00	03/11/2019	03/31/2019	03/11/2019	08/15/2019	0.00
							HAPPD	440.00							
							<b>Total</b>	<b>613.00</b>							
205	357-1A	0	Occupied No Notice	t0008394	CHABOT, CAROLYN	613.00	RENT	209.00	0.00	369.00			05/01/2006		0.00
							HAPPD	404.00							
							<b>Total</b>	<b>613.00</b>							

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
206	357-1A	0	Occupied No Notice	t0008395	CUMMINGS, JOANNE	613.00	RENT	450.00	0.00	416.00			11/04/2014		0.00
							HAPPD	163.00							
							<b>Total</b>	<b>613.00</b>							
207	357-1A	0	Vacant Unrented Ready	VACANT	VACANT	613.00		0.00	0.00	0.00					0.00
							<b>Total</b>	<b>0.00</b>							
208	357-1A	0	Occupied No Notice	t0008397	SHAFER, RUBY	613.00	RENT	27.00	0.00	154.00			10/01/1998		0.00
							HAPPD	586.00							
							<b>Total</b>	<b>613.00</b>							
209	357-1A	0	Occupied No Notice	t0008398	ALLEN, CHERYL	613.00	RENT	238.00	0.00	268.00			07/02/2013		0.00
							HAPPD	375.00							
							<b>Total</b>	<b>613.00</b>							
210	357-1A	0	Occupied No Notice	t0022001	Hopkins, Patricia	613.00	RENT	240.00	0.00	0.00	08/08/2019	08/31/2020	08/08/2019		289.00
							HAPPD	373.00							
							<b>Total</b>	<b>613.00</b>							
211	357-1A	0	Occupied No Notice	t0008400	BROWN, JACK	613.00	RENT	239.00	0.00	278.00			08/08/2016		0.00
							HAPPD	374.00							
							<b>Total</b>	<b>613.00</b>							
212	357-1A	0	Occupied No Notice	t0009141	Nelson, Kay	613.00	RENT	167.00	0.00	216.00	12/06/2016	12/31/2017	12/06/2016		0.00
							HAPPD	446.00							
							<b>Total</b>	<b>613.00</b>							
214	357-1A	0	Occupied No Notice	t0008402	DAUGHERTY, LINDA	613.00	RENT	357.00	0.00	270.00			07/05/2016		0.00
							HAPPD	256.00							
							<b>Total</b>	<b>613.00</b>							
215	357-1A	0	Occupied No Notice	t0008403	HATCHER, ALICE	613.00	RENT	167.00	0.00	206.00			03/01/2014		0.00
							HAPPD	446.00							
							<b>Total</b>	<b>613.00</b>							
218	357-1B	0	Occupied No Notice	t0008404	WATKINS, SHELLY	613.00	RENT	167.00	0.00	192.00			02/01/2010		0.00
							HAPPD	446.00							
							<b>Total</b>	<b>613.00</b>							

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
219	357-1B	0	Occupied No Notice	t0013535	Wilcher, Alice	613.00	RENT	316.00	0.00	331.00	08/01/2017	07/31/2018	08/01/2017		0.00
							HAPPD	297.00							
							<b>Total</b>	<b>613.00</b>							
220	357-1B	0	Occupied No Notice	t0008406	O'DELL, TIMOTHY	613.00	RENT	350.00	0.00	306.00			12/10/2014		0.00
							HAPPD	263.00							
							<b>Total</b>	<b>613.00</b>							
221	357-1A	0	Occupied No Notice	t0008407	MCCLUNG, DORIS	613.00	RENT	463.00	0.00	472.00			08/01/2015		0.00
							HAPPD	150.00							
							<b>Total</b>	<b>613.00</b>							
222	357-1A	0	Occupied No Notice	t0008408	VEST, REBECCA	613.00	RENT	316.00	0.00	334.00			01/05/2013		0.00
							HAPPD	297.00							
							<b>Total</b>	<b>613.00</b>							
223	357-1A	0	Occupied No Notice	t0020097	Pennell, Margaret	613.00	RENT	316.00	0.00	370.00	02/19/2019	02/28/2019	02/19/2019		0.00
							HAPPD	297.00							
							<b>Total</b>	<b>613.00</b>							
224	357-1A	0	Occupied No Notice	t0019208	Kennedy, Dawn	613.00	RENT	159.00	0.00	213.00	11/05/2018	11/01/2019	11/05/2018		0.00
							HAPPD	454.00							
							<b>Total</b>	<b>613.00</b>							
225	357-1A	0	Occupied No Notice	t0008411	CAMDEN, BUDDY	613.00	RENT	173.00	0.00	205.00			05/01/2012		0.00
							HAPPD	440.00							
							<b>Total</b>	<b>613.00</b>							
226	357-1A	0	Occupied No Notice	t0008412	HAYES, CHARLOTTE	613.00	RENT	239.00	0.00	408.00			11/01/2006		0.00
							HAPPD	374.00							
							<b>Total</b>	<b>613.00</b>							
227	357-1A	0	Occupied No Notice	t0018653	Paxton, Jimmie	613.00	RENT	146.00	0.00	200.00	09/04/2018	09/01/2019	09/04/2018		0.00
							HAPPD	467.00							
							<b>Total</b>	<b>613.00</b>							
228	357-1A	0	Occupied No Notice	t0008414	MCMANAMAY, LUCY	613.00	RENT	258.00	0.00	146.00			07/06/2001		0.00
							HAPPD	355.00							

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							<b>Total</b>	<b>613.00</b>							
229	357-1A	0	Occupied No Notice	t0018727	Rasmussen, William	613.00	RENT	503.00	0.00	557.00	09/11/2018	09/01/2019	09/11/2018		0.00
							HAPPD	110.00							
							<b>Total</b>	<b>613.00</b>							
230	357-1A	0	Occupied No Notice	t0011707	Berringer, Carol	613.00	RENT	356.00	0.00	397.00	05/01/2017	05/01/2018	05/01/2017		0.00
							HAPPD	257.00							
							<b>Total</b>	<b>613.00</b>							
301	357-1A	0	Occupied No Notice	t0008996	Vest, Ernest	613.00	RENT	250.00	0.00	448.00	10/13/2016	10/31/2017	10/13/2016		0.00
							HAPPD	363.00							
							<b>Total</b>	<b>613.00</b>							
302	357-1A	0	Occupied No Notice	t0008418	WOOD, STEPHANIE	613.00	RENT	341.00	0.00	466.00			11/05/2012		0.00
							HAPPD	272.00							
							<b>Total</b>	<b>613.00</b>							
303	357-1A	0	Occupied No Notice	t0008419	REID, EARL	613.00	RENT	300.00	0.00	336.00			03/21/2015		0.00
							HAPPD	313.00							
							<b>Total</b>	<b>613.00</b>							
304	357-1A	0	Occupied No Notice	t0008420	KIRBY, RUTH	613.00	RENT	463.00	0.00	82.00			02/01/1991		0.00
							HAPPD	150.00							
							<b>Total</b>	<b>613.00</b>							
305	357-1A	0	Occupied No Notice	t0008421	WADE, KENNETH	613.00	RENT	272.00	0.00	291.00			05/19/2007		0.00
							HAPPD	341.00							
							<b>Total</b>	<b>613.00</b>							
306	357-1A	0	Occupied No Notice	t0008422	PARKER, FLORENCE	613.00	RENT	165.00	0.00	178.00			10/03/2016		0.00
							HAPPD	448.00							
							<b>Total</b>	<b>613.00</b>							
307	357-1A	0	Occupied No Notice	t0008423	JENKINS, GRACE	613.00	RENT	253.00	0.00	114.00			05/01/1988		0.00
							HAPPD	360.00							
							<b>Total</b>	<b>613.00</b>							
308	357-1A	0	Occupied No Notice	t0008424	JANDREAU, NICOLE	613.00	RENT	173.00	0.00	318.00			04/01/2014		0.00

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							HAPPD	440.00							
							<b>Total</b>	<b>613.00</b>							
309	357-1A	0	Occupied No Notice	t0008425	HALL, JUANITA	613.00	RENT	181.00	0.00	158.00			10/01/2013		0.00
							HAPPD	432.00							
							<b>Total</b>	<b>613.00</b>							
310	357-1A	0	Occupied No Notice	t0008426	KNOWLES, LARRY	613.00	RENT	127.00	0.00	331.00			06/27/2012		0.00
							HAPPD	486.00							
							<b>Total</b>	<b>613.00</b>							
311	357-1A	0	Occupied No Notice	t0019026	Floyd, Shirley	613.00	RENT	308.00	0.00	418.00	10/12/2018	10/01/2019	10/12/2018		0.00
							HAPPD	305.00							
							<b>Total</b>	<b>613.00</b>							
312	357-1A	0	Occupied No Notice	t0011316	Broughman, Patricia	613.00	RENT	364.00	0.00	387.00	03/17/2017	03/31/2018	03/17/2017		0.00
							HAPPD	249.00							
							<b>Total</b>	<b>613.00</b>							
314	357-1A	0	Occupied No Notice	t0008429	BESSETTE, MARY	613.00	RENT	220.00	0.00	252.00			01/11/2013		0.00
							HAPPD	393.00							
							<b>Total</b>	<b>613.00</b>							
315	357-1A	0	Occupied No Notice	t0021847	Clark, Loretta	613.00	RENT	456.00	0.00	54.00	07/22/2019	07/31/2020	07/22/2019		208.00
							HAPPD	157.00							
							<b>Total</b>	<b>613.00</b>							
318	357-1B	0	Occupied No Notice	t0021805	VanName, Roberta	613.00	RENT	260.00	0.00	108.00	07/15/2019	07/31/2020	07/15/2019		547.00
							HAPPD	353.00							
							<b>Total</b>	<b>613.00</b>							
319	357-1B	0	Occupied No Notice	t0019547	Heizer, Wallace	613.00	RENT	484.00	0.00	538.00	12/14/2018	12/01/2019	12/14/2018		0.00
							HAPPD	129.00							
							<b>Total</b>	<b>613.00</b>							
320	357-1B	0	Vacant Unrented Ready	VACANT	VACANT	613.00		0.00	0.00	0.00					0.00
							<b>Total</b>	<b>0.00</b>							
321	357-1A	0	Occupied No Notice	t0008434	FAINTER, JESSE	613.00	RENT	439.00	0.00	223.00			11/01/2004		0.00

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							HAPPD	174.00							
							<b>Total</b>	<b>613.00</b>							
322	357-1A	0	Occupied No Notice	t0013814	Drawbond, Mildred	613.00	RENT	274.00	0.00	321.00	09/05/2017	09/30/2018	09/05/2017		0.00
							HAPPD	339.00							
							<b>Total</b>	<b>613.00</b>							
323	357-1A	0	Vacant Unrented Ready	VACANT	VACANT	613.00		0.00	0.00	0.00					0.00
							<b>Total</b>	<b>0.00</b>							
324	357-1A	0	Occupied No Notice	t0008437	MCNEIL, ANNIE	613.00	RENT	159.00	0.00	220.00			01/05/2015		0.00
							HAPPD	454.00							
							<b>Total</b>	<b>613.00</b>							
325	357-1A	0	Occupied No Notice	t0020007	Mantello, Gary	613.00	RENT	225.00	0.00	225.00	02/11/2019	02/29/2020	02/11/2019		0.00
							HAPPD	388.00							
							<b>Total</b>	<b>613.00</b>							
326	357-1A	0	Occupied No Notice	t0008439	WHARTON, WILLIAM	613.00	RENT	333.00	0.00	263.00			12/16/2013		0.00
							HAPPD	280.00							
							<b>Total</b>	<b>613.00</b>							
327	357-1A	0	Occupied No Notice	t0021940	Bush, David	613.00	RENT	162.00	0.00	54.00	08/01/2019	08/31/2020	08/01/2019		451.00
							HAPPD	451.00							
							<b>Total</b>	<b>613.00</b>							
328	357-1A	0	Occupied No Notice	t0008441	NICHOLAS, BETTY	613.00	RENT	175.00	0.00	220.00			09/04/2014		0.00
							HAPPD	438.00							
							<b>Total</b>	<b>613.00</b>							
329	357-1A	0	Occupied No Notice	t0008442	MCGOWAN, PATSY	613.00	RENT	274.00	0.00	346.00			09/01/2015		0.00
							HAPPD	339.00							
							<b>Total</b>	<b>613.00</b>							
330	357-1A	0	Occupied No Notice	t0015173	Reid, Donald	613.00	RENT	182.00	0.00	230.00	02/05/2018	02/01/2019	02/05/2018		0.00
							HAPPD	431.00							
							<b>Total</b>	<b>613.00</b>							
<b>(357)</b>	<b>Total</b>					<b>47,814.00</b>		<b>45,975.00</b>	<b>0.00</b>	<b>22,073.00</b>					<b>1,681.00</b>

Property: Lexington House (357)

As Of Date: 08/14/2019

Balance Month: 08/2019

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance	
<b>Summary</b>																
<b>Groups</b>						<b>Square Footage</b>	<b>Market Rent</b>	<b>Lease Charges</b>	<b>Security Deposit</b>	<b>Other Deposits</b>	<b># Of Units</b>	<b>% Unit Occupancy</b>	<b>% SqFt Occupancy</b>	<b>Balance</b>		
Current/Notice Residents								45,975.00	22,073.00	1,000.00					1,681.00	
Future Residents/Applicants								0.00	0.00	0.00					0.00	
Occupied Units						0.00	45,975.00				75	96.15	0.00			
Vacant Units						0.00	1,839.00				3	3.84	0.00			
<b>Totals</b>						<b>0.00</b>	<b>47,814.00</b>	<b>45,975.00</b>	<b>22,073.00</b>	<b>1,000.00</b>	<b>78</b>	<b>100.00</b>	<b>0.00</b>	<b>1,681.00</b>		

**Summary of Charges by Charge Code  
(Current/Notice residents only)**

Note: 50059 Tenants only.

Charge Code	Amount
HAPPD	25,798.00
RENT	20,177.00
<b>Total</b>	<b>45,975.00</b>

**Summary of Charges by Charge Code  
(Current/Notice residents only)**

Note: This table does not include rent and hap charges for 50059 tenants.

Charge Code	Amount
<b>Total</b>	<b>0.00</b>

**EXHIBIT C**

**Litigation**

**None.**



**EXHIBIT D**  
**Special Warranty Deed**

Prepared By:

\_\_\_\_\_ (VSB No. \_\_\_\_\_)  
\_\_\_\_\_  
\_\_\_\_\_

Assessed Value: \$ \_\_\_\_\_

Consideration: [\$4,250,000.00]

Parcel Identification Nos. \_\_\_\_\_

THIS DEED, made this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between **New Lexington House I Limited Partnership, a Virginia limited liability company**, to be indexed as grantor (the "**Grantor**") and [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ], with a mailing address of [ \_\_\_\_\_ ], to be indexed as grantee (the "**Grantee**"), provides as follows:

W I T N E S S E T H :

That for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee, in fee simple, with SPECIAL WARRANTY of Title, the following described real estate, to-wit:

SEE EXHIBIT A ATTACHED HERETO AS A PART HEREOF

This conveyance is made expressly subject to such recorded restrictions, conditions and easements as may lawfully apply to the real estate.

WITNESS the following signature and seal:

NEW LEXINGTON HOUSE I LIMITED PARTNERSHIP,  
a Virginia limited partnership

By: MARG Rural LLC, its General Partner

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

Name: Robert B. Margolis

Its: Manager

STATE OF \_\_\_\_\_ )

) ss.

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2019, by Robert B. Margolis, the Manager of MARG Rural LLC, a West Virginia limited liability company, as General Partner of New Lexington House I Limited Partnership, on behalf of the partnership.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**

Legal Description

**EXHIBIT B**

PERMITTED EXCEPTIONS

**EXHIBIT E**

**BILL OF SALE**

THIS BILL OF SALE is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by New Lexington House I Limited Partnership, a Virginia limited liability company ("**Seller**");

**FOR VALUE RECEIVED**, receipt of which is hereby acknowledged, Seller does hereby grant, bargain, sell, convey, assign, transfer, and set over unto [\_\_\_\_\_] a [\_\_\_\_\_] ("**Purchaser**") all fixtures, furniture, equipment, furnishings, and other personal property (other than computer hardware and software) owned by Seller (the "**Personal Property**") located on that certain real property commonly known as the Lexington House, located in Lexington, Virginia, which real property has been sold by Seller to Purchaser as of the date hereof and which is more particularly described on **Exhibit A** attached hereto.

Seller does hereby covenant that it will forever warrant and defend the title to Personal Property against all persons whomsoever claiming by, through or under Seller or its predecessors in interest, but not otherwise. In all other respect, the Personal Property is being transferred in its "as is, where is" condition, and without representation or warranty.

**IN WITNESS WHEREOF**, Seller has executed and delivered this Bill of Sale as of the day and year first above written.

SELLER:

NEW LEXINGTON HOUSE I LIMITED PARTNERSHIP,  
a Virginia limited partnership

By: MARG Rural LLC, its General Partner

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

Name: Robert B. Margolis

Its: Manager

## EXHIBIT F

### ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

(Lexington House)

This Assignment, effective as of the \_\_\_\_ day of \_\_\_\_\_, 2019, is made by and between New Lexington House I Limited Partnership, a Virginia limited liability company (“Assignor”), and [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ] (“Assignee”):

In consideration of the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Property. The “**Property**” means the real property located in Lexington, Virginia, commonly known as Lexington House, which is legally described in **Exhibit A** attached to this Assignment, together with the building, structures and other improvements located thereon.

2. Leases. The “**Leases**” means the leases affecting the Property, more particularly described in the **Exhibit B** rent roll attached to this Assignment.

3. Security Deposits. “**Security Deposits**” means the refundable security and other refundable deposits held by or for Assignor on account of tenants under the Leases with respect to which Assignee received a credit at the closing of the transaction pursuant to this Assignment. The Security Deposits are also set forth in the **Exhibit B** rent roll and shall include an accounting of any interest due and payable to each tenant with respect to the Security Deposits, if applicable.

4. Assignment. Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the Leases and the Security Deposits.

5. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor as landlord or lessor under the Leases which are applicable to the period and required to be performed from and after the date of this Assignment, but not otherwise, and Assignee further assumes all liability of Assignor for the proper refund or return of the Security Deposits if, when and as required by the Leases. No person or entity, other than Assignor shall be deemed a beneficiary of the provisions of this Section 5.

6. Indemnification. Assignor shall indemnify and hold Assignee harmless from and against all obligations of the “lessor” or “landlord” under the Leases to the extent such obligations were applicable to the period and required to be performed prior to the date of this Assignment. Assignee shall indemnify and hold Assignor harmless from and against all obligations of the “lessor” or the “landlord” under the Leases to the extent that such obligations are applicable to the period and required to be performed from and after the date of this Assignment.

7. Legal Expenses. If either party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred in: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another whether or not such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

10. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of, which shall constitute one agreement, binding on all parties.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS]

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

ASSIGNOR:

NEW LEXINGTON HOUSE I LIMITED  
PARTNERSHIP, a Virginia limited partnership  
By: MARG Rural LLC, its General Partner

By: \_\_\_\_\_  
Name: Robert B. Margolis  
Its: Manager

ASSIGNEE:

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibits

- Exhibit A: Legal Description
- Exhibit B: Rent Roll



## EXHIBIT G

### ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS AND INTANGIBLES (Lexington House)

THIS ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS AND INTANGIBLES (this “**Assignment**”) is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2019, by and between New Lexington House I Limited Partnership, a Virginia limited liability company (“**Assignor**”), and [\_\_\_\_\_] a [\_\_\_\_\_] (“**Assignee**”), who agree as follows:

1. Property. The “**Property**” means the real property located in Lexington, Virginia, commonly known as Lexington House and legally described in **Exhibit A** attached to this Assignment, together with the building, structures and other improvements located thereon.

2. Service Contracts. “**Service Contracts**” means those maintenance, supply and service agreements, equipment leases, utility agreements, rights under bonds, and similar agreements relating to the Property.

3. Intangibles. “**Intangibles**” means, to the extent assignable by Assignor, the name “Lexington House” and those records in Assignor’s possession (if any) respecting plans, specifications, building permits, certificates of occupancy, signs, maintenance supplies, utilities, permits, approvals, studies, surveys, guaranties, warranties, and any other similar items, relating to the Property.

4. Assignment. For good and valuable consideration received by Assignor, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the Service Contracts and the Intangibles. Assignor shall continue to be responsible for and shall perform and satisfy its obligations under the Service Contracts insofar as such obligations relate to the period on or before the date of this Assignment.

5. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor under the Service Contracts which are applicable to the period and required to be performed from and after the date of this Assignment, but not otherwise. No person or entity other than Assignor shall be deemed a beneficiary of the provisions of this Section 5.

6. Indemnification. Assignor shall indemnify and hold harmless Assignee from and against all obligations of the Assignor under the Service Contracts to the extent such obligations were applicable to the period and required to be performed prior to the date of this Assignment. Assignee shall indemnify and hold harmless Assignor from and against all obligations assumed by the Assignee under the Service Contracts to the extent that such obligations are applicable to the period and required to be performed from and after the date of this Assignment.

7. Legal Expenses. If either party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another whether or not such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

9. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

10. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, but all of, which shall constitute one agreement, binding on all parties.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF SERVICE CONTRACTS  
AND INTANGIBLES]

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

ASSIGNOR:

NEW LEXINGTON HOUSE I LIMITED  
PARTNERSHIP, a Virginia limited partnership  
By: MARG Rural LLC, its General Partner

By: \_\_\_\_\_  
Name: Robert B. Margolis  
Its: Manager

ASSINGEE:

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**Exhibit A**

**Legal Description**

## EXHIBIT H

### GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this “**Assignment**”) is made as of \_\_\_\_\_, \_\_\_\_\_, by and between New Lexington House I Limited Partnership, a Virginia limited liability company (“**Assignor**”), and [ \_\_\_\_\_ ], a [ \_\_\_\_\_ ] (“**Assignee**”).

### RECITALS

WHEREAS, by that certain Purchase and Sale Agreement dated as of \_\_\_\_\_, as amended and assigned, by and between Assignor and Assignee (or their predecessors) (the “**Purchase Agreement**”), Assignor agreed to sell to Assignee the Property (as defined in the Purchase Agreement); and

WHEREAS, the Purchase Agreement provides, *inter alia*, that Assignor shall assign to Assignee certain personal property and contractual and other intangible rights, that Assignee shall assume all of the obligations of Assignor with respect to the property so assigned from and after the date of such assignment, and that Assignor and Assignee shall enter into this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Assignment. Assignor hereby assigns, sets over and transfers to Assignee all of Assignor’s rights, title and interest, if any, in and to intangible property located on or contracts and warranties related to the Property (as defined in the Purchase Agreement), and used in the ownership, operation and maintenance of such Property, including, without limitation, the following (collectively called the “**Assigned Property**”): Any and all warranties and guaranties licenses and permits, and other intangible property related to the Property.

2. Assumption and Indemnification. Assignee hereby assumes the obligation to adhere to any and all liabilities and obligations arising or accruing under any of the Assigned Property on or after the effective date hereof. Assignee agrees to indemnify, defend and hold harmless Assignor from any loss, cost, claim, liability, expense or demand of whatever nature under any of the Assigned Property arising or accruing on or after the effective date hereof. Assignor agrees to indemnify, defend and hold harmless Assignee from any loss, cost, claim, liability, expense or demand of whatever nature under any of the Assigned Property arising or accruing before the effective date hereof.

3. LIMITATION ON LIABILITY. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ASSIGNOR AND ASSIGNEE EACH ACKNOWLEDGES AND AGREES THAT NO MEMBER, MANAGER OR LIMITED PARTNER OF ASSIGNOR OR ASSIGNEE, NOR ANY TRUSTEE, DIRECTOR, MEMBER, MANAGER, HOLDER OF ANY BENEFICIAL INTERESTS, SHAREHOLDER, OFFICER OR EMPLOYEE OF ASSIGNOR OR ASSIGNEE OR ANY AFFILIATE OF ASSIGNOR OR ASSIGNEE SHALL

HAVE ANY PERSONAL LIABILITY, DIRECTLY OR INDIRECTLY, UNDER THIS ASSIGNMENT, AND ASSIGNOR AND ASSIGNEE SHALL HAVE RECOURSE HEREUNDER ONLY AGAINST THE ASSETS OF THE OTHER PARTY HERETO.

Initialed by:

\_\_\_\_\_  
Assignor

\_\_\_\_\_  
Assignee

4. Miscellaneous. This Assignment and the obligations of the parties hereunder shall survive the Closing of the transaction referred to in the Purchase Agreement for a period of twelve (12) months and shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns, shall be governed by and construed in accordance with the laws of the state in which the Real Property is located applicable to agreements made and to be wholly performed within said state, and may not be modified or amended in any manner other than by a written agreement signed by the party to be charged therewith. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original and all of such counterparts together shall constitute one and the same Assignment.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO GENERAL ASSIGNMENT]

ASSIGNOR:

NEW LEXINGTON HOUSE I LIMITED  
PARTNERSHIP, a Virginia limited partnership  
By: MARG Rural LLC, its General Partner

By: \_\_\_\_\_  
Name: Robert B. Margolis  
Its: Manager

ASSINGEE:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT I**

**ASSIGNMENT, ASSUMPTION AND AMENDMENT OF  
SECTION 8 HOUSING ASSISTANCE CONTRACTS**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE CONTRACTS (herein called the “**Assignment**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the United States of America, acting through \_\_\_\_\_ the Secretary of the Department of Housing and Urban Development (the “**Secretary**”); \_\_\_\_\_ a \_\_\_\_\_ (“**Seller**”); and \_\_\_\_\_, a \_\_\_\_\_ (“**Purchaser**”).

WHEREAS, HUD or a PHA, in the capacity of contract administrator, and Seller [OR — insert name of previous owner] entered into a section 8 Housing Assistance Payments Contract (“**HAP Contract**”) identified as HAP Contract Number for \_\_\_\_\_ units in [insert name of project] (the “**Property**”), a copy of which is attached hereto as **Schedule “1”**, pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f;

WHEREAS, Seller and Purchaser have entered into a Purchase and Sale Agreement dated \_\_\_\_\_, 2019 (as amended, the “**Agreement**”), wherein Seller agrees to sell, and Purchaser agrees to purchase, the Property, including, without limitation, the improvements situated thereon;

WHEREAS, Purchaser has submitted to the Secretary an Application and documents in support thereof requesting the Secretary’s approval of the proposed assignment of the HAP Contract to the Purchaser as set forth in the aforesaid Agreement; and

WHEREAS, Seller desires to assign, and, Purchaser desires to assume, all the rights and obligations under the HAP Contract; and

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the United States Housing Act of 1937, and the regulations promulgated pursuant thereto, the parties hereto agree as follows:

1. Seller hereby irrevocably assigns the HAP Contract to Purchaser together with all rights and obligations in and under said contract;
2. Effective as of the date of this Assignment, Purchaser assumes the rights and obligations of, and is bound by said HAP Contract, as modified herein, and is responsible for filing its Annual Financial Statement (“**AFS**”) from the date of this Assignment through the end of Purchaser’s fiscal year, specifically, \_\_\_\_\_
3. Effective as of the date of this Assignment, Seller is released from any further liability under the HAP Agreement, except that Seller shall remain responsible for filing its AFS for the current year, up to and through the day before this Assignment is executed, as



well as for any prior years' AFS still outstanding, if the project is subject to an AFS filing requirement.

4. Part II of the HAP Contract is hereby amended to include the following provisions:

**Physical Conditions Standards and Inspection Requirements.** The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply during both the current term of the HAP contract and each successive renewal term.

**Financial Reporting Standards.** The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during both the current term of the HAP contract and each successive renewal term.

**Failure to Comply.** The failure of Purchaser or of any successor owner to comply with the obligations of the amended HAP contract; including the Physical Conditions Standards and Inspection Requirements, and Financial Reporting Standards, is a material violation of this Contract, and may subject Purchaser or any successor owner to legal and administrative remedies, including but, not limited to abatement and civil money penalties (24 CFR Part 30).

This Assignment shall be construed under the laws of the Commonwealth of Virginia, and to the extent inconsistent with the laws of the Commonwealth of Virginia, the laws of the United States of America. This Assignment shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective successors and assigns.

This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

The Contract Administrator and the Secretary, by the signature of his authorized representative below, consent to the assignment made hereby. Said consent shall be void ab initio if the Secretary determines that Purchaser, or any principal or interested party of Purchaser, is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

**NOTHING** in this Assignment shall in any way impair the HAP Contract or alter, waive, annul, vary or affect any provision, condition, or covenant therein, except as herein specifically provided. Nothing in this Assignment shall in any way affect or impair any rights, powers, or remedies under the HAP Contract. It is the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

**EXHIBIT J**

**TENANT NOTICE**

TO:

DATE: \_\_\_\_\_, 2019

RE:

Effective \_\_\_\_\_, 2019, the property located at 130 Houston Street, Lexington, Virginia 24450, known as Lexington House, has been sold, and your lease assigned by New Lexington House I Limited Partnership, a Virginia limited liability company ("**Former Landlord**"), to [\_\_\_\_\_], a [\_\_\_\_\_] (the "**New Landlord**"). The New Landlord has also received any and all security and other deposits under your lease, and will be responsible for the return of the same to you.

All future payments under your lease should be made payable to \_\_\_\_\_ . All inquiries with respect to your lease should be made to \_\_\_\_\_ .

The New Landlord looks forward to a cordial and mutually beneficial relationship.

FORMER LANDLORD:

NEW LEXINGTON HOUSE I LIMITED  
PARTNERSHIP, a Virginia limited partnership  
By: MARG Rural LLC, its General Partner

By: \_\_\_\_\_  
Name: Robert B. Margolis  
Its: Manager

NEW LANDLORD:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**Schedule 1**  
**Property Documents**

Property Name: Lexington House

*The Seller shall furnish to Purchaser at Purchaser's address listed in the notice paragraph of the Agreement, copies of the following items, provided they are in the possession and control of Seller, and, where applicable are known by the Seller.*

**A. INSURANCE**

1. Name of existing carrier
2. 5 Year loss runs
3. Copies of all claims, if available
4. Age of property\last significant rehab

**B. HUD**

1. Copy of all HAP Contracts and renewals
2. Current rent/utility allowance schedule
3. Management and Occupancy Reviews (MORs) for the prior two reviews
4. REAC inspection reports for past two inspections
5. Name/contact of HUD Project Manager
6. Name/contact of Contract Admin.
7. Copy of current AFHMP

**C. PROPERTY MANAGEMENT**

1. *Leasing/Residents*
  - a. Year-end property rent rolls for the past three (3) years showing:
    - i. rental rate
    - ii. prepaid or delinquent rent
    - iii. deposits whether refundable or non-refundable
    - iv. rental concessions or additional charges paid by tenant
    - v. original move in date
    - vi. most recent lease renewal
    - vii. most recent certified incomes
    - viii. confirmation of non-student status
  - b. Details of any concessions currently being offered and details of concessions provided in the past 12 months
  - c. Household profile to include tenant names, number of persons, and income
  - d. Lease expiration report indicating number of leases expiring in the next 12 months
  - e. Complete access to all tenant leases and tenant credit check information (excepting any EIV audit)
  - f. Copy of Application, Lease, House Rules, and all Lease Addendums
  - g. Qualifying criteria for an applicant
  - h. Copy of waiting list
  - i. Turnover report for current year and prior year
  - j. List of employee units

2. *Staff*
  - a. Schedule of Salaries and Benefits including for each employee working at the property:
    - i. Name, if available
    - ii. Length of employment, if available
    - iii. Benefits
    - iv. Salary
    - v. Other compensation - (bonus, free rent, etc.)
    - vi. Certifications/training, if available
  
3. *Property Operations*
  - a. List of all Vendors (with contact info) and copies of existing management, service or maintenance contracts including but not limited to:
  - b. vending machines, water coolers, landscape, security, fitness, controlled access, life safety, phones, answering service, ads, internet, office equipment, cable, garbage, pest, termites, laundry equipment, pool, copier, golf cart service, etc.
  - c. Listing of all utility vendors with all account numbers and a phone number for each utility
  - d. Phone/Cell Phone/Internet service list of providers, copies of contracts, and contact info
  - e. Utility bills for past 12 months (include phone/internet, water/sewer, gas, electric, trash) bills
  - f. Inventory of all leased equipment and copies of existing leases (include leased maintenance and office equipment and laundry equipment)
  - g. Inventory of all equipment owned by Seller to be included in sale (both office and maintenance, include vehicles and laundry equipment)
  - h. List of every phone number property has (include general office lines, fax, modem, internet connection, maintenance shop, etc.)
  - i. Copy of effective property or FF&E warranties
  - j. Maintenance work order log for past 90 days
  - k. Copy of any police reports prepared in connection with incidents at the property, if available
  - l. List of all pending litigation, actions, proceedings and investigations pending against the property
  - m. List of any pending evictions

**D. ACCOUNTING**

1. Occupancy report for past three years, if not available monthly rent rolls for past three years
2. Audited financial reports for the past three years
3. YTD operating statement
4. Monthly operating statements for past two years
5. YTD Balance Sheet
6. Copies of most recent real estate tax bills and any notices of special assessments
7. Detailed general ledger for current year and one year prior
8. Move outs or vacancy report for last three years
9. List of all contracted expenses
10. Month-end delinquency reports for the past six months
11. Budget for the current year
12. Schedule of charged resident fees (late fees, NSF, early move-out fees, application fees, parking fees, etc.)
13. If not in operating statements- bad debt collections each month
14. Breakdown of any escrow accounts held pursuant to the HAP Contract, if any
15. Any other books and records relating to the operation of the property
16. Special or extraordinary bills for the last two full calendar years

17. Report of any costs shared with other properties
18. Security Deposit listing (at closing)
19. Pet Deposit listing (at closing)
20. Pro Ration back up (at closing)
21. Existing loan pay off statement(s) (at closing)

The materials described in Items 2 through 5, 7 and 11 above collectively shall be referred to herein as the "Financial Statements".

**E. SITE INFO**

1. Any available surveys and title policies
2. Any available environmental reports, (Phase I, Phase II, Lead Based Paint, Asbestos, Soils, Sound)
3. Any available additional third-party reports (Engineering, Rent Comp Study, Appraisal, Market Study)
4. Copies of plans and specs or as-built drawings, if not available building by building breakdown of unit types and square footages, include list of accessible units
5. Copies of any zoning and/or conditional use or similar permits or actions permitting the current use of the property, if available
6. All governmental authority notices of building code, zoning, fire and/or health code violations, if any
7. Breakdown of interior replacements and capital expenditures for the past two (2) years
8. Elevator/boiler inspections
9. Clean copies of floor plans, if available
10. Copies of all licenses and permits applicable to property (to the extent available)
11. Any notice of existing, proposed, or contemplated plan to widen, modify, or realign any street highway or eminent domain, which would affect the property
12. Previous 8609s, 42M or carryover if LIHTC



Office of the Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

# City of Lexington - 2018-1 Real Estate Tax Bill FIRST Installment

FORWARDING SERVICE REQUESTED

Bill Date: 9/22/2018  
 Parcel Number: 29-11-20  
 Account Number: 1951

000012/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 12/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2018-19 Tax Rates: 1.035 / \$100 in value

Payment Due Date: **12/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
TUCKER ALLEY INST #100000540	\$1,000	\$0	\$1,000	12	\$10.35
<b>TOTAL TAX</b>					<b>\$10.35</b>

To avoid late payment penalties,  
 and interest please pay by  
 December 05, 2018

**Bill Summary:**

<b>1ST INSTALLMENT</b>	5.18
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>5.18</b>

Keep this portion for your records. Your cancelled check is your receipt.

Detach and return with payment.

Please see reverse for other important information.

## REAL ESTATE - Tax Bill - 2018-1

Account Number: 1951 Parcel Number: 29-11-20  
 Payment Due Date: 12/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

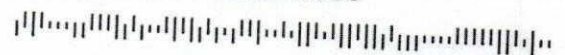
**Bill Summary:**

<b>1ST INSTALLMENT</b>	5.18
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>5.18</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington**

PO Box 920  
 Lexington, VA 24450-0920



CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.

800100000000019510000000051800

00000001035



CITY OF LEXINGTON  
 Receipt For Transactions Paid

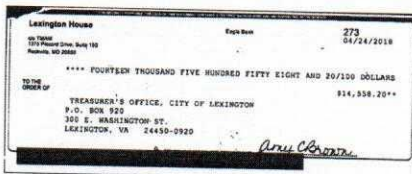
**Patricia S. DeLaney**  
 PO Box 920, 300 E Washington St, Lexington, VA 24450  
 Phone: 540.462.3707 http://www.lexingtonva.gov

DATE: 5/3/2018 TIME: 01:04 PM CASHIER: 9 DRAWER # 4834 PMT #: 140419

Item #	Bill #	Description	Tax Paid	Penalty Paid	Interest Paid	Fees Paid	Total Paid
1	2017-2	Real Estate Account # 1950 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-9 HOUSTON	\$14,436.10				\$14,436.10
2	2017-2	Real Estate Account # 1946 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-5 HOUSTON	\$83.25				\$83.25
3	2017-2	Real Estate Account # 1947 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-6 HOUSTON	\$33.30				\$33.30
4	2017-2	Real Estate Account # 1951 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-20 TUCKER ALLEY	\$5.55				\$5.55

**TOTAL TRANSACTIONS \$14,558.20**

**PAYMENT METHOD/AMOUNT**  
 CHECK #273 (4834-0067) \$14,558.20



**TOTAL PAYMENT RECEIVED \$14,558.20**

**CHANGE DUE \$0.00**

DATE:04/24/2018 CK#:273 TOTAL:\$14,558.20\*\* BANK:357goa2-Lexington House(357goa)  
 PAYEE:TREASURER'S OFFICE, CITY OF LEXINGTON(v0006560)

Property	Account	Invoice - Date	Description	Amount
357	2120-0000	29-11-9-- - 04/24/2018	R/E Tax Bill 2nd half.	14,436.10
357	2120-0000	2911-5-- - 04/24/2018	R/E Tax Bill 2nd half.	83.25
357	2120-0000	29-11-6-- - 04/24/2018	R/E Tax Bill 2nd half.	33.30
357	2120-0000	29-11-20-- - 04/24/2018	R/E Tax Bill 2nd half.	5.55
				14,558.20

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A COLORED BACKGROUND AND MICROPRINTING IN THE BORDER

**Lexington House**

c/o TMAM  
 1375 Piccard Drive, Suite 150  
 Rockville, MD 20850

Eagle Bank

273  
 04/24/2018

\*\*\*\* FOURTEEN THOUSAND FIVE HUNDRED FIFTY EIGHT AND 20/100 DOLLARS

TO THE  
 ORDER OF

\$14,558.20\*\*

TREASURER'S OFFICE, CITY OF LEXINGTON  
 P.O. BOX 920  
 300 E. WASHINGTON ST.  
 LEXINGTON, VA 24450-0920

SECURITY FEATURES INCLUDED. DETAILS ON BACK

*Amy C Brown*

⑈00273⑈⑈055003298⑈⑈200280485⑈

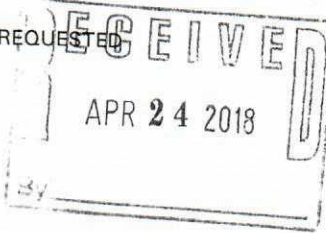




Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

# City of Lexington - 2017-2 Real Estate Tax Bill SECOND Installment

FORWARDING SERVICE REQUESTED



Bill Date: 3/24/2018  
 Parcel Number: 29-11-9  
 Account Number: 1950

000009/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 6/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2017-18 Tax Rates: 1.11 / \$100 in value

Payment Due Date: **6/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOTS 9 THRU 19 OFF HOUSTON ST INST #100000540	\$168,300	\$2,432,800	\$2,601,100	12	\$28,872.21
<b>TOTAL TAX</b>					<b>\$28,872.21</b>

To avoid late payment penalties,  
 and interest please pay by  
**June 05, 2018**

**Bill Summary:**

<b>2ND INSTALLMENT</b>	14,436.10
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>14,436.10</b>

*Use this portion for your records. Your cancelled check is your receipt.*

*Detach and return with payment.*

*Please see reverse for other important information.*

## REAL ESTATE - Tax Bill - 2017-2

Account Number: 1950 Parcel Number: 29-11-9  
 Payment Due Date: 6/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

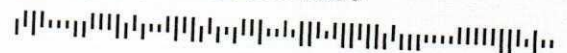
**Bill Summary:**

<b>2ND INSTALLMENT</b>	14,436.10
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>14,436.10</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019500000144361000

00001443610



Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

**City of Lexington - 2017-2  
 Real Estate Tax Bill  
 SECOND Installment**

FORWARDING SERVICE REQUESTED

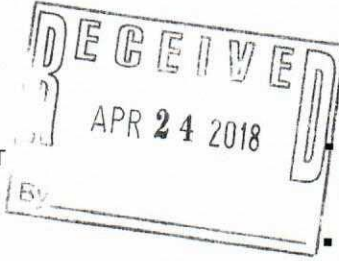
Bill Date: 3/24/2018

Parcel Number: 29-11-5

Account Number: 1946

000009/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351



A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 6/6/2018.

Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2017-18 Tax Rates: 1.11 / \$100 in value

Payment Due Date: **6/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOT 5 HOUSTON ST INST #100000540	\$15,000	\$0	\$15,000	12	\$166.50
<b>TOTAL TAX</b>					<b>\$166.50</b>

To avoid late payment penalties,  
 and interest please pay by  
**June 05, 2018**

**Bill Summary:**

<b>2ND INSTALLMENT</b>	83.25
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>83.25</b>

For your records. Your cancelled check is your receipt.

Detach and return with payment.

**REAL ESTATE - Tax Bill - 2017-2**

Please see reverse for other important information.

Account Number: 1946  
 Payment Due Date: 6/5/2018

Parcel Number: 29-11-5

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

**Bill Summary:**

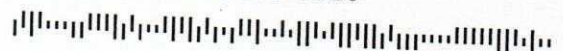
<b>2ND INSTALLMENT</b>	83.25
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>83.25</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington**

PO Box 920  
 Lexington, VA 24450-0920

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019460000000832506

00000008325



Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

**City of Lexington - 2017-2  
 Real Estate Tax Bill  
 SECOND Installment**

FORWARDING SERVICE REQUESTED



Bill Date: 3/24/2018  
 Parcel Number: 29-11-6  
 Account Number: 1947

\*000009/4--S 0--B 0



NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 6/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2017-18 Tax Rates: 1.11 / \$100 in value

Payment Due Date: **6/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOT 6 HOUSTON ST INST #100000540	\$6,000	\$0	\$6,000	12	\$66.60
<b>TOTAL TAX</b>					<b>\$66.60</b>

To avoid late payment penalties,  
 and interest please pay by  
**June 05, 2018**

**Bill Summary:**

<b>2ND INSTALLMENT</b>	<b>33.30</b>
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>33.30</b>

*Keep this portion for your records. Your cancelled check is your receipt.*

*Detach and return with payment.*

**REAL ESTATE - Tax Bill - 2017-2**

*Please see reverse for other important information.*

Account Number: 1947 Parcel Number: 29-11-6  
 Payment Due Date: 6/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

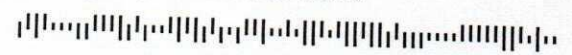
**Bill Summary:**

<b>2ND INSTALLMENT</b>	<b>33.30</b>
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>33.30</b>

*Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.*

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019470000000333008

00000003330



Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

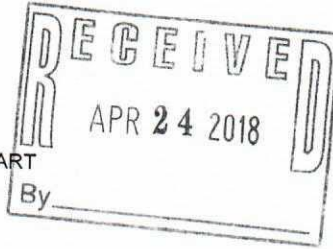
**City of Lexington - 2017-2  
 Real Estate Tax Bill  
 SECOND Installment**

FORWARDING SERVICE REQUESTED

Bill Date: 3/24/2018  
 Parcel Number: 29-11-20  
 Account Number: 1951

000009/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351



- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 6/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2017-18 Tax Rates: 1.11 / \$100 in value

Payment Due Date: **6/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
TUCKER ALLEY INST #100000540	\$1,000	\$0	\$1,000	12	\$11.10
<b>TOTAL TAX</b>					<b>\$11.10</b>

To avoid late payment penalties,  
 and interest please pay by  
**June 05, 2018**

**Bill Summary:**

<b>2ND INSTALLMENT</b>	5.55
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>5.55</b>

Keep this portion for your records. Your cancelled check is your receipt.

Detach and return with payment.

Please see reverse for other important information.

**REAL ESTATE - Tax Bill - 2017-2**

Account Number: 1951 Parcel Number: 29-11-20  
 Payment Due Date: 6/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

**Bill Summary:**

<b>2ND INSTALLMENT</b>	5.55
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>5.55</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019510000000055504

00000000555



**CITY OF LEXINGTON**  
**Receipt For Transactions Paid**

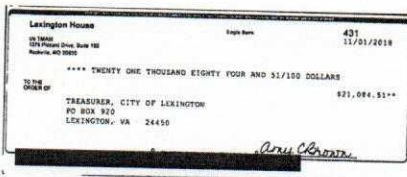
**Patricia S. DeLaney**  
 PO Box 920, 300 E Washington St, Lexington, VA 24450  
 Phone: 540.462.3707 <http://www.lexingtonva.gov>

**DATE:** 11/5/2018      **TIME:** 04:07 PM      **CASHIER:** 9      **DRAWER #** 5310      **PMT #:** 151616

Item #	Bill #	Description	Tax Paid	Penalty Paid	Interest Paid	Fees Paid	Total Paid
1	2018-1	Real Estate Account # 1950 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-9 HOUSTON	\$20,970.65				\$20,970.65
2	2018-1	Real Estate Account # 1946 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-5 HOUSTON	\$77.63				\$77.63
3	2018-1	Real Estate Account # 1947 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-6 HOUSTON	\$31.05				\$31.05
4	2018-1	Real Estate Account # 1951 NEW LEXINGTON HOUSE I LMTD PART Parcel # 29-11-20 TUCKER ALLEY	\$5.18				\$5.18

**TOTAL TRANSACTIONS** **\$21,084.51**

**PAYMENT METHOD/AMOUNT**  
 CHECK #431 (5310-0001) **\$21,084.51**



**TOTAL PAYMENT RECEIVED** **\$21,084.51**

**CHANGE DUE** **\$0.00**

DATE: 11/01/2018 CK#: 431 TOTAL: \$21,084.51\*\* BANK: 357goa-Lexington House (357goa)  
 PAYEE: TREASURER, CITY OF LEXINGTON (V0009258)

Property	Account	Invoice - Date	Description	Amount
357	2120-0000	29-11-9 - 11/01/2018	R/E Tax Bill 1st Installment.	20,970.65
357	2120-0000	29-11-5 - 11/01/2018	R/E Tax Bill 1st Installment.	77.63
357	2120-0000	29-11-6 - 11/01/2018	R/E Tax Bill 1st Installment.	31.05
357	2120-0000	29-11-20 - 11/01/2018	R/E Tax Bill 1st Installment.	5.18
				21,084.51

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A TWO-TONED COLORED BACKGROUND AND MICROPRINTING IN THE BORDER.

**Lexington House**

c/o TMAM  
 1375 Piccard Drive, Suite 150  
 Rockville, MD 20850

Eagle Bank

431  
 11/01/2018

\*\*\*\* TWENTY ONE THOUSAND EIGHTY FOUR AND 51/100 DOLLARS

TO THE  
 ORDER OF

TREASURER, CITY OF LEXINGTON  
 PO BOX 920  
 LEXINGTON, VA 24450

\$21,084.51\*\*

SECURITY FEATURES INCLUDED. DETAILS ON BACK

*Amy C. Brown*

⑈00431⑈⑈055003298⑈⑈200280485⑈



Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

# City of Lexington - 2018-1 Real Estate Tax Bill FIRST Installment

FORWARDING SERVICE REQUESTED

Bill Date: 9/22/2018  
 Parcel Number: 29-11-9  
 Account Number: 1950

\*000012/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 12/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2018-19 Tax Rates: 1.035 / \$100 in value

Payment Due Date: **12/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOTS 9 THRU 19 OFF HOUSTON ST INST #100000540	\$247,500	\$3,804,800	\$4,052,300	12	\$41,941.30
				<b>TOTAL TAX</b>	<b>\$41,941.30</b>

To avoid late payment penalties,  
 and interest please pay by  
 December 05, 2018

Bill Summary:

<b>1ST INSTALLMENT</b>	20,970.65
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>20,970.65</b>

Keep this portion for your records. Your cancelled check is your receipt.

Detach and return with payment.

Please see reverse for other important information.

## REAL ESTATE - Tax Bill - 2018-1

Account Number: 1950 Parcel Number: 29-11-9  
 Payment Due Date: 12/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

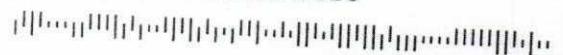
Bill Summary:

<b>1ST INSTALLMENT</b>	20,970.65
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>20,970.65</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019500000209706503

00004194130



Office Of The Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

# City of Lexington - 2018-1 Real Estate Tax Bill FIRST Installment

FORWARDING SERVICE REQUESTED

Bill Date: 9/22/2018  
 Parcel Number: 29-11-5  
 Account Number: 1946

000012/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 12/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2018-19 Tax Rates: 1.035 / \$100 in value

Payment Due Date: **12/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOT 5 HOUSTON ST INST #100000540	\$15,000	\$0	\$15,000	12	\$155.25
<b>TOTAL TAX</b>					<b>\$155.25</b>

To avoid late payment penalties,  
 and interest please pay by  
 December 05, 2018

**Bill Summary:**

<b>1ST INSTALLMENT</b>	77.63
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>77.63</b>

Keep this portion for your records. Your cancelled check is your receipt.

Detach and return with payment.

Please see reverse for other important information.

## REAL ESTATE - Tax Bill - 2018-1

Account Number: 1946 Parcel Number: 29-11-5  
 Payment Due Date: 12/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

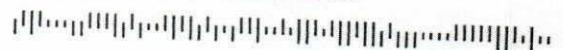
**Bill Summary:**

<b>1ST INSTALLMENT</b>	77.63
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>77.63</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019460000000776307

00000015525





Office of the Treasurer  
 PO Box 920  
 300 E Washington St  
 Lexington VA 24450-0920  
 Phone: 540.462.3707

# City of Lexington - 2018-1 Real Estate Tax Bill FIRST Installment

FORWARDING SERVICE REQUESTED

Bill Date: 9/22/2018  
 Parcel Number: 29-11-6  
 Account Number: 1947

000012/4--S 0--B 0

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

- A PENALTY OF 10% OR \$10.00 WHICHEVER IS GREATER WILL BE ADDED AND INTEREST OF 10% PER ANNUM WILL BEGIN 12/6/2018.
- Code of Virginia 58.1-3913 delinquent tax MUST be paid first.

2018-19 Tax Rates: 1.035 / \$100 in value

Payment Due Date: **12/5/2018**

Subject of Taxation	Land	Improvements	Total Value	Months Taxed	Annual Tax
LOT 6 HOUSTON ST INST #100000540	\$6,000	\$0	\$6,000	12	\$62.10
<b>TOTAL TAX</b>					<b>\$62.10</b>

To avoid late payment penalties,  
 and interest please pay by  
 December 05, 2018

**Bill Summary:**

<b>1ST INSTALLMENT</b>	<b>31.05</b>
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>31.05</b>

Keep this portion for your records. Your cancelled check is your receipt.

Detach and return with payment.

Please see reverse for other important information.

## REAL ESTATE - Tax Bill - 2018-1

Account Number: 1947 Parcel Number: 29-11-6  
 Payment Due Date: 12/5/2018

NEW LEXINGTON HOUSE I LMTD PART  
 C/O TM ASSOC  
 1375 PICCARD DR STE 150  
 ROCKVILLE MD 20850-4351

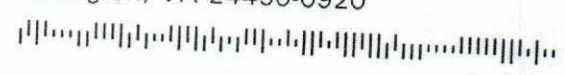
**Bill Summary:**

<b>1ST INSTALLMENT</b>	<b>31.05</b>
PAYMENTS:	0.00
Prior Balance:	0.00
<b>BALANCE DUE:</b>	<b>31.05</b>

Make Checks Payable To: Treasurer, City of Lexington  
 If check is not honored by bank, receipt is void.

Mail Payment To: **Office Of The Treasurer  
 City Of Lexington  
 PO Box 920  
 Lexington, VA 24450-0920**

CHECK FOR CHANGE OF ADDRESS. COMPLETE CHANGE OF ADDRESS ON REVERSE.



800100000000019470000000310501

00000006210

[Lexington](#)



[-Home-](#) [-Legal-](#) [-Contact VamaNet-](#) [-Commissioners-](#) [-Localities-](#) [-FAQs-](#) [-About this Site-](#)

**Property Information - Tax Map# 29 11 9 - Account# 0**

<b>Property Owner:</b> New Lexington House I Lmtd Part	<b>Legal Description:</b> Lots 9 Thru 19 Off Houston St Inst #100000540	<a href="#">View Sketch (Building 1)</a>
<b>Owners Address:</b> C/o Tm Assoc 1375 Piccard Dr, Suite 150 1375 Piccard Dr, Su 20850	<b>Prior Assessment:</b>	<b>Zoned:</b> Rh
<b>Total Land Area:</b> 1.98Acres	<b>Assessment Values:</b>	
<b>Physical Location:</b> Not On File	<a href="#">Building 1</a>	3,732,300
<b>Magisterial District:</b> City Of Lexington	<a href="#">Other Improvements:</a>	72,500
	<a href="#">Land Value:</a>	247,500
	<b>Total Value:</b>	<u>4,052,300</u>

All Values Rounded to nearest 100

[-Property Information-](#) [-Sales Information-](#)

If you encounter any difficulties with this site, please e-mail the [Webmaster](#).  
All rights reserved, Copyright© 2019

F

Architect's Certification  
and Third-Party RESNET  
Rater Certification  
(MANDATORY)



---

## INSTRUCTIONS FOR THE COMPLETION OF APPENDIX F ARCHITECT'S CERTIFICATION

---

(This form must be included in the Application – Tab F)

**NOTE:** If the development includes any combination of **New Construction, Rehabilitation** or Adaptive Reuse, then separate Architect Certifications must be provided for each construction type.

The proper completion of this certification is critical to calculate the average unit square feet and net rentable square feet of each unit type, to document amenity items for which will be awarded, and to calculate certain elements of the efficient use of resources points.

If this certification is not completed correctly there may be loss of points or disqualification of the application to compete for tax credits. **If this development receives an allocation of tax credits and items are not provided as indicated on this certification then VHDA may, at its sole option, require the payment by the Owner of an amount up to 10% of the Total Development Cost (as set forth in the Application) of the development as liquidated damages for such violation or the total loss of credits may result.** Therefore, it is imperative that this certification reflect the true and accurate intent of what will be provided in return for an allocation of tax credits.

Each section of this certification contains instructions on how the information should be provided. For Unit Size Calculations, the Average Unit Square Feet and Net Rentable Square Feet should be listed to two (2) decimal places. The number of units indicated should be only the units for which rent will be collected. For Average Unit Square Feet calculations, the Total Square Feet should equal the Average Unit Square Feet multiplied by the Number of Units/Type. The total at the bottom of the Total Square Feet column should equal item (D) on the same page of the certification, or be within 1 digit due to rounding.

Accessibility certifications on page 6 are for tax credit point categories only and are not to be confused with minimum code requirements.



# Architect's Certification

Name of Development: Lexington House


Address of Development: 130 Houston St Lexington VA 24450

Name of Owner: Steele Lexington LLC

The architect signing this document is certifying that all unit and site amenities indicated in this certification are incorporated into the development plans and specifications, and that all products necessary to fulfill these representations are available for these purposes. The architect signing this document also certifies their understanding that both the excel application and the information in the architect certification must be the same and discrepancies between the excel application and architect's certification can result in penalties or even disqualification.

The individual who certifies this information must initial the pages where indicated, provide the personal information requested and sign on the last page. This certification should not be mailed separately to VHDA but returned to the developer for inclusion in the tax credit application.

(Acknowledge and include this instruction sheet as part of the certification)

Acknowledged: 

Printed Name: Adam Pickett

All developments seeking Virginia Low Income Housing Tax Credits are required to meet one of the following as certified by a RESNET Rater:

New Construction - EnergyStar Certification  
The development's design meets the criteria for the EnergyStar certification.

Rehabilitation -30% performance increase over existing, based on HERS Index  
Or Must evidence a HERS Index of 80 or better

Adaptive Reuse - Must evidence a HERS Index of 95 or better.

Plans and Specifications: Required documentation for all properties (new construction, rehabilitation and adaptive reuse)

- 1 A location map with property(ies) clearly defined.
- 2 A site plan showing overall dimensions of main 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. For combination 4% and 9% properties, site plan must show all elements of both properties labeled so that the elements are distinguishable as to 4% and 9%.
- 3 Sketch plans of main 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);

A Unit by Unit write up is required for all Rehabilitation properties

**This certification includes two (2) separate calculations of square footage:**

1. **Average Gross Unit Square Feet:** Measurements Include A Prorata Share of Heated Residential Common Area
2. **Net Rentable Square Feet:** Measurements *Do Not* Include A Prorata Share of Any Common Area and Reflect All Floor Plans of Each Unit Type (1-BR, 2-BR, etc.) measured from the interior face of the unit perimeter walls

**1. Average Gross Unit Square Feet:** (These measurements impact the scoring of tax credit applications)

For purposes of determining the total residential heated square feet (D), the building(s) were measured from the outside face of exterior walls and the centerline of any party walls. All unheated spaces (B) and nonresidential, (income producing commercial spaces) (C) were subtracted from this measurement. Community rooms, laundry rooms, property management offices and apartments, heated maintenance facilities, and other common space designed to serve residential tenants were not deducted. Based on this procedure, I certify the following calculations in determining the usable heated square feet for the above referenced development:

50,831.50	(A) Total gross floor area in (sq. ft.) for the entire development
5,230.00	- (B) Unheated floor area (breezeways, balconies, storage)
0.00	- (C) Nonresidential, (commercial income producing) area
45,601.50	= (D) Total residential heated area (sq. ft.) for the development

**INSTRUCTIONS FOR AVERAGE UNIT SQUARE FEET CALCULATIONS:**

Provide the average unit size for each bedroom type, (1 bedroom elderly, 2 bedroom garden, 3 bedroom townhouse, etc.) by adding the total square feet of all the same bedroom types (2 bedroom garden with 1 bath and 2 bedroom garden with 2 baths) and adding the prorated share of heated common residential space and divide by the total number of the same bedroom types (2 bedroom garden). Do not alter any items below.

Unit Types	Average Unit Sq. Ft.*	x	Number of Units/Type	=	Total Square Feet
Supportive Housing	0.00		0		0.00
1 Story/EFF-Elderly	0.00		0		0.00
1 Story/1 BR-Elderly	586.00		72		42,192.00
1 Story/2 BR-Elderly	0.00		0		0.00
Efficiency Elderly	0.00		0		0.00
1 Bedroom Elderly	568.25		6		3,409.50
2 Bedrooms Elderly	0.00		0		0.00
Efficiency Garden	0.00		0		0.00
1 Bedroom Garden	0.00		0		0.00
2 Bedrooms Garden	0.00		0		0.00
3 Bedrooms Garden	0.00		0		0.00
4 Bedrooms Garden	0.00		0		0.00
2+ Story 2 BR Townhouse	0.00		0		0.00
2+ Story 3 BR Townhouse	0.00		0		0.00
2+ Story 4 BR Townhouse	0.00		0		0.00
Total			78	Total	45,601.50 **

\* Including pro rata share of heated, residential common area. This information should match Structure tab of the excel application

**2. Net Rentable Square Feet \***

For purposes of calculating Net Rentable Square Feet, the units were measured from the face of each unit perimeter wall. The values below therefore indicate the actual square footage of each unit floor plan. (For example, there may be 2 distinct 1-bedroom floor plans, 3 distinct 2-bedroom floor plans, etc. The purpose of this section of the Architect Certification is to document and certify the floor space attributable to residential rental units in the development.)

Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**

0.00%

	<u>Unit Type</u>	<u>Floor Plan Square Feet</u>	<u>Number of Units This Floor Plan</u>	<u>Total</u>
Mix 1	1 BR - 1 Bath	543	72	39096
Mix 2	1 BR - 1 Bath	525	6	3150
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
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
<b>Totals</b>			<b>78</b>	<b>42246</b>

\*This information should match Unit Details page of the excel application

DEV Name: Lexington House

**Development Amenities:**

I certify that the development's plans and specifications and proposed budget incorporate all items from VHDA's most current Minimum Design and Construction Requirements and the Unit by Unit write up. In the event the plans and specifications do not include VHDA Minimum Design and Construction Requirements and any immediate needs and recommendations from the Physical Needs Assessment , 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).

The Minimum Design & Construction Requirements may be found on VHDA's website at.....

[www.VHDA.com](http://www.VHDA.com)

For any development upon completion of construction/rehabilitation: (non-mandatory amenities)

(Enter TRUE in each box where appropriate)

TRUE a. The development will have a community/meeting room with a minimum of 749 square feet.

71% b.i,ii Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls (excluding triangular gable end area, doors, windows, kneewalls, columns, retaining walls, stairwells and any features that are not a part of the façade) Community buildings are to be included in percentage calculations.

FALSE c. Water expense will be sub-metered (tenant will pay monthly or bi-monthly bill)

TRUE d. Each bathroom consists only of Water Sense labeled toilets, faucets and showerheads

TRUE e. Provide necessary infrastructure in all units for high-speed internet/broadband service.

TRUE f. Free Wi-Fi access will be provided for community room for resident only usage.

FALSE g. Each Unit is provided free individual high-speed Internet access

OR

TRUE h. Each Unit is provided free individual Wi-Fi access

FALSE i.,j. Bath fan wired to primary light with delayed timer, or, continuous exhaust by ERV/DOAS OR Bath Fan with humidistat

FALSE k. Fire Prevention - all Ranges equipped with temperature limiting controls

OR

TRUE l. Fire Suppression - Cooking surfaces are equipped with fire suppression features

FALSE m. Rehab only- Each apartment has dedicated space, drain and electrical hookups to accept a permanently installed dehumidification system OR

FALSE n. All development types- Each Unit is equipped with a permanent dehumidification system

FALSE o. All interior doors within units are solid core

FALSE p. At minimum one USB charging port in each Kitchen, Living room and all bedrooms

TRUE q. All Kitchen light fixtures are LED and meet MDCR lighting guidelines

FALSE r. Shelf or ledge outside each primary apartment entry door located in an interior hallway

FALSE s. New Construction only- Each unit to have balcony or patios minimum depth 5' clear from face of building. Minimum 30 square feet.

DEV Name: Lexington House



For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:  
(optional point items)

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

For all rehabilitation and adaptive reuse developments, upon completion of construction/rehabilitation:  
(optional point items)

- FALSE The structure is listed individually in the National Register of Historic Places or is located 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.**

**Building Structure:**

Number of Stories

- Low-Rise** (1-5 stories with any structural elements being wood frame construction)
- Mid-Rise** (5-7 stories with no structural elements being wood frame construction)
- High-Rise** (8 or more stories with no structural elements being wood frame construction)

**Accessibility:**

I certify that the development plans and specifications meet all requirements of the federal Americans with Disabilities Act and Fair Housing Act (if applicable).

I certify that the development plans and specifications meet all requirements of HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act. Complying units must be "permanently accessible," rather than to "adaptable" standards. Please reference Uniform Federal Accessibility Standards(UFAS) for more particular information.


Check one or none of the following point categories, as appropriate:

- Any development in which (i) the greater of 5 units or 10% of the total # of units will be assisted by HUD project-based vouchers or another form of documented and binding federal, state or locality project-based rent subsidies in order to ensure occupancy by extremely low-income persons; and (ii) the greater of 5 or 10% of the units will conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act.  
(All of the units described in (ii) above must include roll-in showers (must contain permanent grab bars and fixed seats), roll under sinks, and front controls for ranges unless agreed to by the Authority prior to the applicant's submission of its application.)  
**60 pts.**
- Any development in which the greater of 5 units or 10% of the total # of units (i) have rents within HUD's Housing Choice Voucher payment standard; (ii) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**30 pts.**
- Any development in which **five percent (5%)** of the total # of units (i) conform to HUD regulations interpreting accessibility requirements of Section 504 of the Rehabilitation Act  
**15 pts.**

For any accessibility option elected above, all common space must also conform to accessibility requirements of HUD Section 504 regulations.

DEV Name: Lexington House

As architect of record for the above referenced development, the above certifications are correct to the best of my knowledge.

Signed:   
Printed Name: Adam Pickett  
Title: Principal  
Virginia Registration #: 0401018502  
Phone: 636.515.0382  
Date: 11/4/2019

NOTE TO ARCHITECT: If representations in plans and specifications and/or any information certified in this certification is misrepresented then the architect may be penalized. Any change in this form may result in disqualification or a reduction of points under the scoring system. If you have any questions, please call JD Bondurant at VHDA (804) 343-5725.

Return this certification to the developer for inclusion in the tax credit application package.

DEV Name: Lexington House



**Appendix F  
VHDA's Universal Design Certification**

**TRUE** Units in the development will meet VHDA's **Universal Design Guidelines**.  
Before issuance of IRS Form 8609, applicant will provide documentation to VHDA as evidence that such units meet VHDA's Universal Design guidelines.

The number of rental units that will meet these standards: 4

The total number of rental units in this development: 78

**NOTE:** For Elderly Developments, 100% of the units in the development must meet the Universal Design standards in order to qualify for points.

For Family Developments, points are awarded based on a percentage of the number of units meeting the Universal Design standards.

For the tax credit applicant to qualify for points associated with Universal Design, the architect of record must be on VHDA's list of Universal Design certified architects. VHDA Universal Design Certifications are only valid for 2019 applications if certification date is after January 1, 2014

All tax credit applications which include amenity points for providing VHDA Universally Designed dwelling units must include plans that clearly identify the following items in the format found on vhda.com or no points will be awarded:

- Overall building plans identifying the location of Universal Design dwelling units, and the means of vertical transportation (if applicable), along the accessible route (Minimum scale 1/8"=1'-0"). Include a legend and Universal Design General Notes section. Anything other than a fully handicap accessible elevator must have been presented to and approved by VHDA for this project at least two weeks prior to submission of reservation application.
- Site plan and building plans identifying accessible pedestrian routes from all Universal Design units to accessible parking, leasing office, community room, laundry facility, mailboxes, garbage collection areas and public transportation pick up areas. Architect must identify running slope and cross slope of route, and consider any obstructions. Include required number of accessible parking spaces, a legend for the accessible route, and a Universal Design general notes section.
- Enlarged Universal Design unit plans (Minimum scale 1/4"=1'-0") identifying clearances and all Essential Elements

Signed: 

Printed Name: Adam Pickett  
Architect of Record  
(same individual as on page 7)

Date: 11/4/19

DEV Name: Lexington House

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: KvpQmaR2

### HERS® Index Score:

# 131

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

### Annual Savings

# \$131

\*Relative to an average U.S. home

### Home:

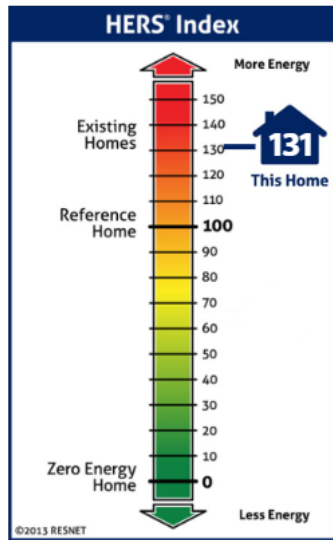
130 Lexington Street  
Lexington, VA 24450

### Builder:

### Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	25.2
Cooling	0.0
Hot Water	6.7
Lights/Appliances	11.0
Service Charges	
Generation (e.g. Solar)	0.0
<b>Total:</b>	<b>43.0</b>

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



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	592 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 5.8 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 8 SEER
Primary Water Heating:	Water Heater • Electric • 0.88 Energy Factor
House Tightness:	10.5 ACH50
Ventilation:	None
Duct Leakage to Outside:	90 CFM25 (15.21 / 100 s.f.)
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.87, SHGC: 0.73
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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



Stacey Smith, Certified Energy Rater  
Date: 10/7/19 at 3:44 PM

# Home Energy Rating Certificate

## Projected Report

Rating Date:  
Registry ID: Unregistered  
Ekotrope ID: yL0owx32

### HERS® Index Score:

# 91

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

### Annual Savings

# \$419

\*Relative to an average U.S. home

### Home:

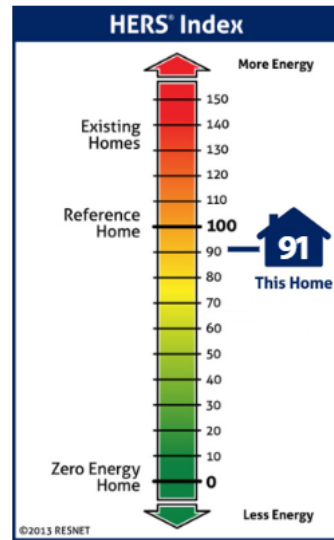
130 Lexington Street  
Lexington, VA 24450

### Builder:

### Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	17.0
Cooling	0.0
Hot Water	6.0
Lights/Appliances	9.6
Service Charges	
Generation (e.g. Solar)	0.0
<b>Total:</b>	<b>32.6</b>

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



### Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	592 ft <sup>2</sup>
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.2 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 14.5 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	9 ACH50
Ventilation:	None
Duct Leakage to Outside:	90 CFM25 (15.21 / 100 s.f.)
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.35, SHGC: 0.3
Foundation Walls:	N/A

### Rating Completed by:

**Energy Rater:** Stacey Smith  
RESNET ID: 2279319

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

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



Stacey Smith, Certified Energy Rater  
Date: 10/7/19 at 3:43 PM



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 VHDA.

**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 VHDA 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 VHDA 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 VHDA.

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

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

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

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

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

Signed: 

Date: 10/7/19

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency  
Viridian

Signature 

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

# WI-FI Documents

TAB F

# **The Apartment Internet Guidelines**

## **Acknowledgement**

I \_\_\_\_\_, have read, understand, acknowledge and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in the Lexington House Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at Lexington House common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by Lexington House. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in Lexington House's Internet Guideline Manual.

Resident Name: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## **Lexington House**

### **INTERNET SECURITY PLAN**

The internet service at Lexington House will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



# Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect

yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



# Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



# Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, [www.dinopass.com](http://www.dinopass.com)

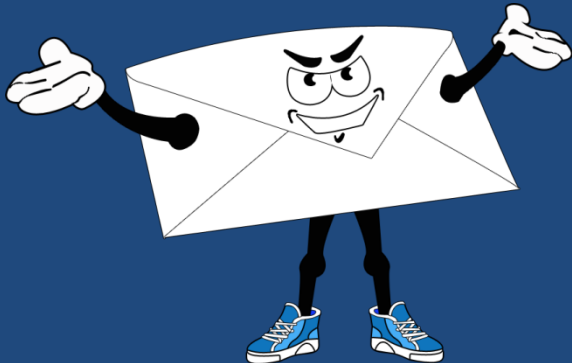
# Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



# Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.



# Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



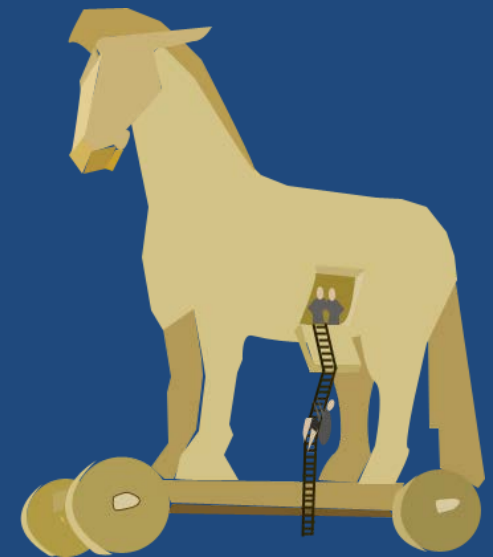
# Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



# Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





# Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

# Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

# Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/12/technology/personaltech>



# Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



# Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).



# Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

# How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as [www.kidzworld.com](http://www.kidzworld.com). Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





# Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



# Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

# Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - [www.stopbullying.gov](http://www.stopbullying.gov)  
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





# The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



# Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



# About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.





# About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

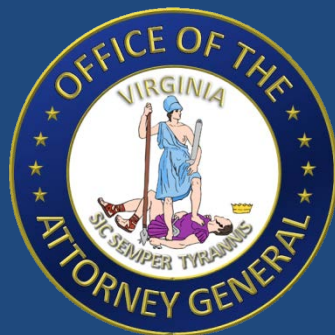
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

**REMEMBER:** You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

# Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:  
Office of the Attorney  
General

202 North Ninth Street  
Richmond, Virginia 23219

(804) 786-2071

[www.ag.virginia.gov](http://www.ag.virginia.gov)

G

Zoning Certification Letter  
(MANDATORY)



**DATE:** October 29, 2019

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

**RE:** ZONING CERTIFICATION

Name of Development: Lexington House

Name of Owner/Applicant: Steele Lexington LLC

Name of Seller/Current Owner: New Lexington House I Limited Partnership

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: 130 Houston Street, Lexington, VA 24450

Legal Description:  
Parcel ID: 29 11 20; 29 11 6; 29 11 5; 29 11 13; 29 11 12; 29 11 11; 29 11 19; 29 11 10; 29 11 18; 29 11 9; 29 11 17; 29 11 16; 29 11 15; 29 11 14  
Parcel Size: 2.33 Acres  
Property Description: Age Restricted Multifamily or Elderly Multifamily  
Date of Construction: 1977

**Proposed Improvements:**

<input type="checkbox"/> New Construction:	<u>      </u>	# Units	<u>      </u>	# Buildings	<u>      </u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u>      </u>	# Units	<u>      </u>	# Buildings	<u>      </u>	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>78</u>	# Units	<u>1</u>	# Buildings	<u>58,000</u>	Total Floor Area Sq. Ft.

**Zoning Certification, cont'd**

Current Zoning: R-M (Multifamily Residential) allowing a density of  
33.48 units per acre, and the following other applicable conditions: \_\_\_\_\_

Other Descriptive Information:  
\_\_\_\_\_  
\_\_\_\_\_

**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.

Arne Glaeser

Signature

ARNE GLAESER

Printed Name

ZONING ADMINISTRATOR

Title of Local Official or Civil Engineer

540 462 3730

Phone:

10 / 29 / 2019

Date:

H

Attorney's Opinion  
(MANDATORY)

November 6, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Lexington House  
Name of Owner: Steele Lexington 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 November 6, 2019 (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 the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.



4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
6. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

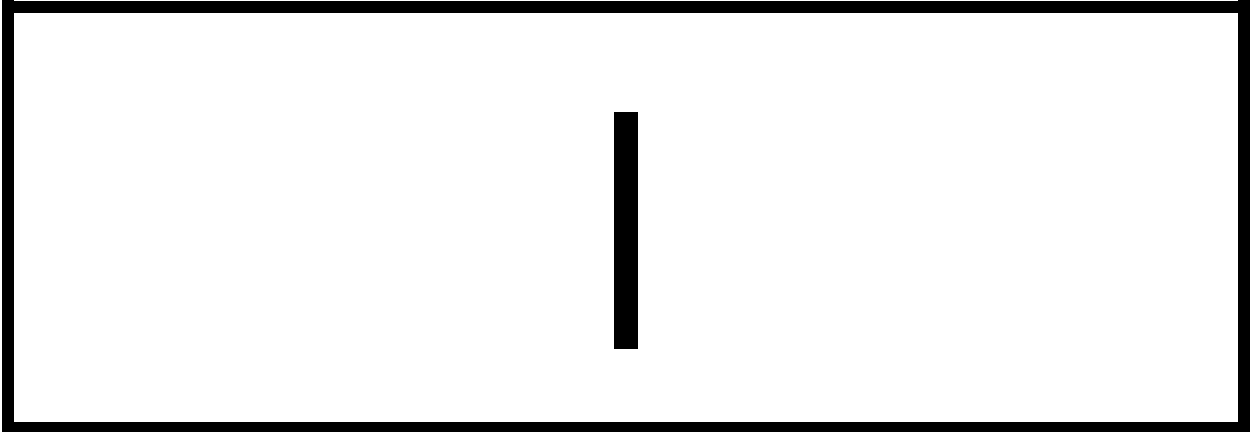
Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code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

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

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

Sincerely,

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



# Nonprofit Questionnaire

(MANDATORY for points or pool)

This deal does not require  
information behind this tab.

J

# Relocation Plan

(MANDATORY, if tenants are displaced)

## Relocation Plan for Lexington House Apartments

130 Houston Street

Lexington, City of Lexington, Virginia 24450

Steele Properties III LLC (the “Developer,” herein “Steele”), on behalf of Steele Lexington LLC (the “Applicant” and “Owner”) is proposing a rehabilitation of Lexington House Apartments with the assistance of Low-Income Housing Tax Credits (“LIHTC”). This scope of work includes interior unit work including painting, cabinet replacement, fixture replacement and flooring as well as HVAC system replacement and renovations in the common areas. The scope also includes ADA unit conversions and roof replacements. Steele Properties is committed to minimizing any impact of relocation to residents as much as possible. Given the required scope of work, we will utilize Temporary Relocation for 30 days or less for the ADA unit conversions. Because this is a Project Based Section 8 property, residents will not be permanently displaced due to this investment. The specific details and associated costs of our relocation plan are included below.

All residents will be notified of the proposed project prior to relocation. This plan is based on current project conditions and may be subject to change.

### Project Description:

The community consists of seventy eight (78) total units. Each of the seventy eight (78) units are one (1) bedroom unit types. All seventy eight (78) units are covered by a Project Based Section 8 Housing Assistance Payment Contract. The units are located within one 3-story mid-rise apartment building located at the following address: 130 Houston Street, Lexington, VA 24450. Currently ninety-six (96) percent of the units are occupied. There are no anticipated permanent displacements. Below is the information for the relocation coordinator of this project:

Maria Ciano  
Director of Operations – Atlantic Division  
303-226-9135 ext. 522 (Main)  
720,252,0784 (Cell)

Our goal is to minimize the impact of relocation to residents as much as possible. In order to minimize off-site temporary relocation, the proposed unit work will be completed with residents in-place as much as possible, limiting off-site relocation to thirty days (30) for the 4 ADA units. We have found in our extensive experience renovating occupied properties across the country that residents far prefer to remain in their units as much as possible during renovation. The unit work will be completed as efficiently as possible during working hours to ensure residents can enjoy fully functioning units during evenings, overnight, and in the morning. Unit work will be completed during working hours during two-week cycles per unit. No single unit will be impacted for more than two-weeks by work in the unit.

Completion of unit work with residents in-place will minimize impact on residents who rely on services, employment, and transportation close to their home. During the temporary off-site relocation period, residents will receive local accommodation as described below and will return to the same completely livable unit they left less than 30 days prior. Any time a resident is living in his/her unit, including after working hours during in-place unit work, all systems will be in working order, the unit will be clean and free of debris, and there will be no threat of exposure to hazardous materials. At no time will a resident be asked to live in a unit that is not fully functional.

Further, residents will return to units that are completely free of threats from hazardous materials. While conducting interior unit work, the construction team will not disturb any material suspect of containing lead based paint or asbestos containing materials (ACM). If disturbed, abatement protocol will be followed. All renovation activity will be in accordance with all Environmental Protection Agency (EPA) standards for protecting residents from exposure to hazardous materials.

Any minor repairs or future repairs conducted in the unit will comply with an established and implemented O&M plan for safe handling of lead based paint or ACMs.

#### Construction Schedule:

The construction schedule is as follows:

- 2/19/2020 - 3/31/2020 – mobilization
- 4/1/2020 - 3/31/2021 – unit and corridor in-place rehabilitation cycle
- 8/1/2020 - 8/30/2020 – temporary off-site relocation (up to 30 days) for ADA conversions

#### In Place Rehabilitation:

Residents will receive onsite common area accommodations during the work day while any in-place unit work is being completed. At the end of the day, the unit will be fully habitable, functional, and comfortable. In our years of experience renovating properties, we have been told by residents that they far prefer to remain in their units during rehabilitation. Also, staggering start dates two units at a time will allow the most efficiency for the construction team to complete the unit work and will create the least amount of impact to the residents who will be able to sleep in their own beds at night, and remain in their community and neighborhood with all of the friends and amenities they rely on.

The anticipated duration of this in-place work schedule is twelve months.

### Temporary Relocation - Lodging

During the temporary off-site relocation period while ADA units are converted, residents will have the option of receiving lodging at a nearby hotel, or to elect to stay with friends and family while work is being completed on his or her unit:

- a) The cost of moving the resident and his or her family to a moderately priced hotel in the vicinity of the project for a period not to exceed 30 days. Assistance would include any costs associated with the move, storage of the resident's furniture, if necessary, as well as payment of other out of pocket expenses including, but not limited to, meal reimbursements;
- b) The cost of moving the resident and his family to a friend or family member's residence. The Owner and resident may reach a written agreement that the resident and his family will temporarily relocate to a friend or family member's residence for a short period of time. Assistance may include the costs of moving the resident and his family from the unit and back or storing all or a portion of the resident's furniture, reasonable rental payments, meal payments to the family member or friend and other out of pocket costs.

### Estimated Costs:

All relocation costs are budgeted for in the development budget. The total maximum relocation budget is: **\$78,000.**

K

Documentation of  
Development Location:



This deal does not require  
information behind this tab.

**K.1**

Revitalization Area  
Certification

# 2019 Virginia LIHTC Reference Map

## Legend

### Census Tract Information

The address entered is situated in Census Tract **9305.00** in **Lexington city**.

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**

This location falls within **Balance of State** geographic pool. It is also subject to current square footage cost limits of **156.00** for rental units or 2019 only, developments within this pool may select to adhere to a per unit cost limit of **259,224.00** for new construction or rehabilitation.

Additional information regarding this site:

Is it located within the New Construction pool? **No**

Is it located within a non-metropolitan Difficult to Develop Area (DDA)? **No**

It is located in Congressional District: **7**

It is located in Planning District: **6**

It is located in State Senate District: **25**

It is located in State House District: **24**

Revitalization Reference

Is it located within a Qualified Census Tract (QCT)? **No**

Is it located within a tract where 70% or more of families have incomes which are 80% or less of statewide median income? **No**

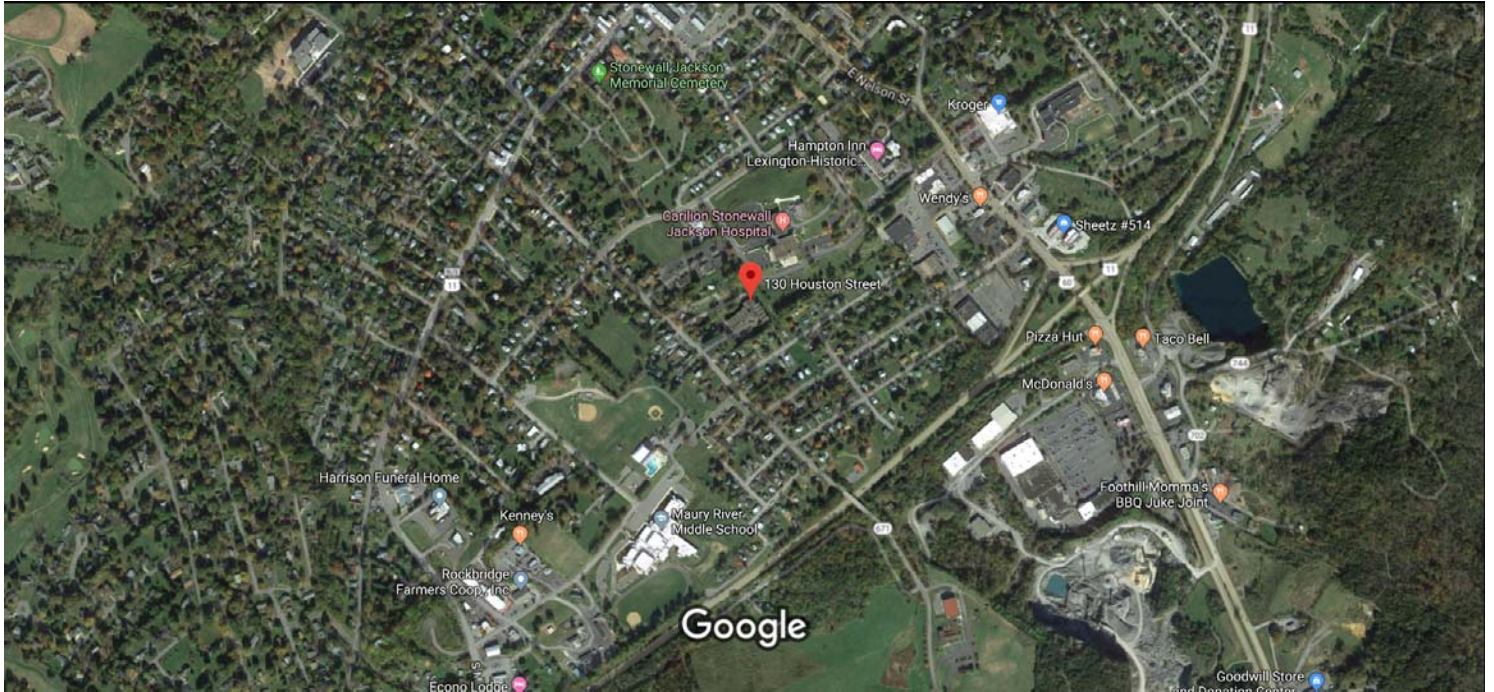
[Zoom to](#)

0 300 600ft

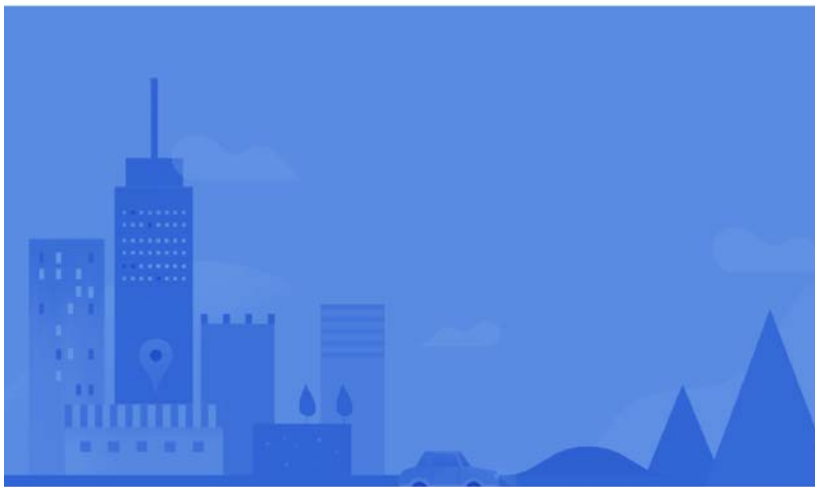
K.2

Location Map

Google Maps 130 Houston St



Imagery ©2019 Google, Map data ©2019 500 ft



# 130 Houston St

Lexington, VA 24450



Directions



Save



Nearby



Send to your phone



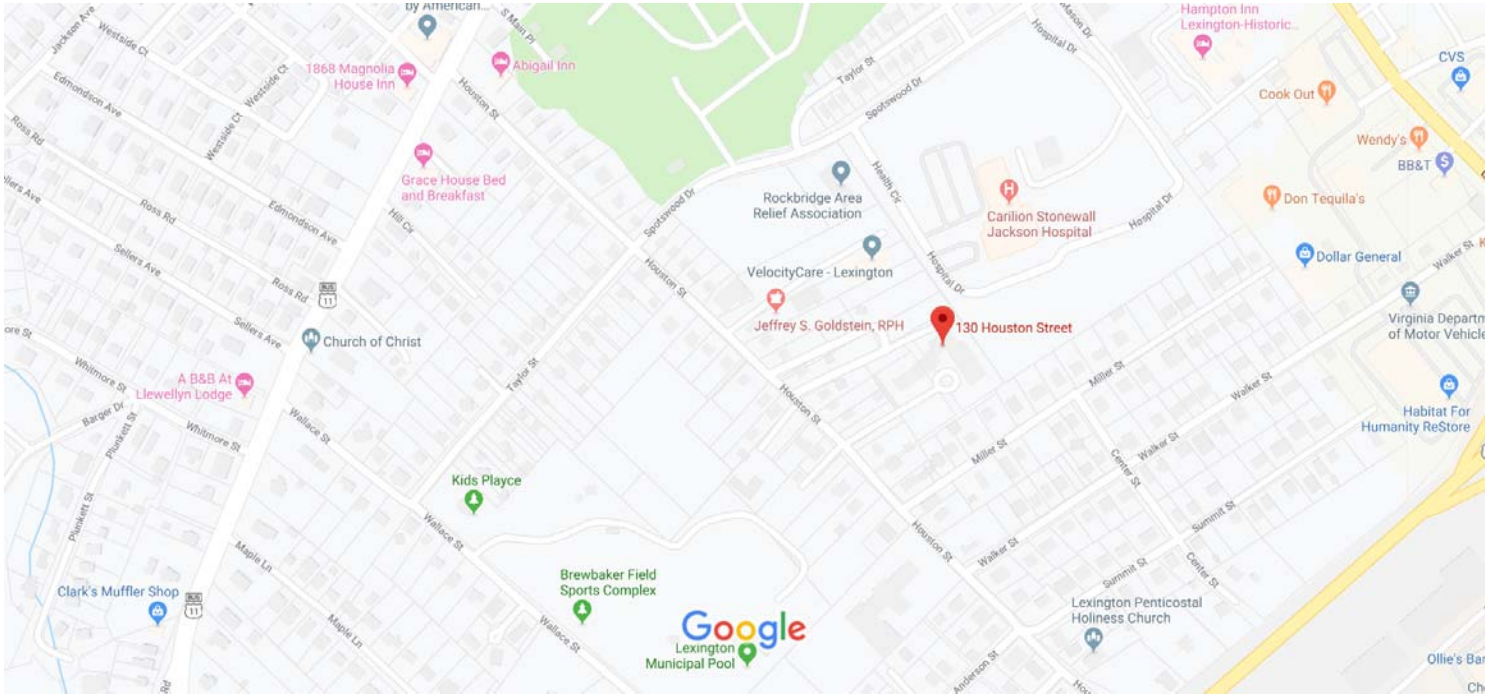
Share

QHG5+X7 Lexington, Virginia

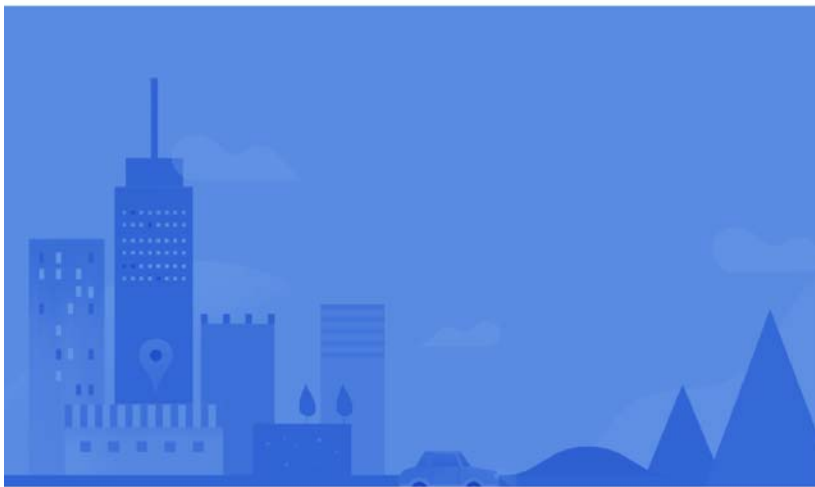
## At this location

Lexington House Apartments

# 130 Houston St



Map data ©2019 200 ft



## 130 Houston St

Lexington, VA 24450



Directions



Save



Nearby



Send to your phone



Share



QH5+X7 Lexington, Virginia

### At this location

Lexington House Apartments

K.3

Surveyor's Certification of  
Proximity to Public  
Transportation

---

**Surveyor's Certification of Proximity to Transportation**

DATE: October 21, 2019

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Lexington House

Name of Owner: Steele Lexington LLC

Gentlemen:

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

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

- 2,640 feet or ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

Titan USA Commercial Real Estate Services, LLC

Firm Name

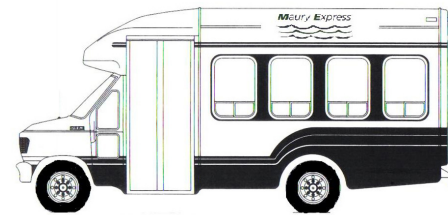
By: Edward E. Northrop

Its: Virginia Registered Land Surveyor No. 0403002610

Title



**RADAR**  
 P.O. Box 13825  
 Roanoke, VA 24037-3825



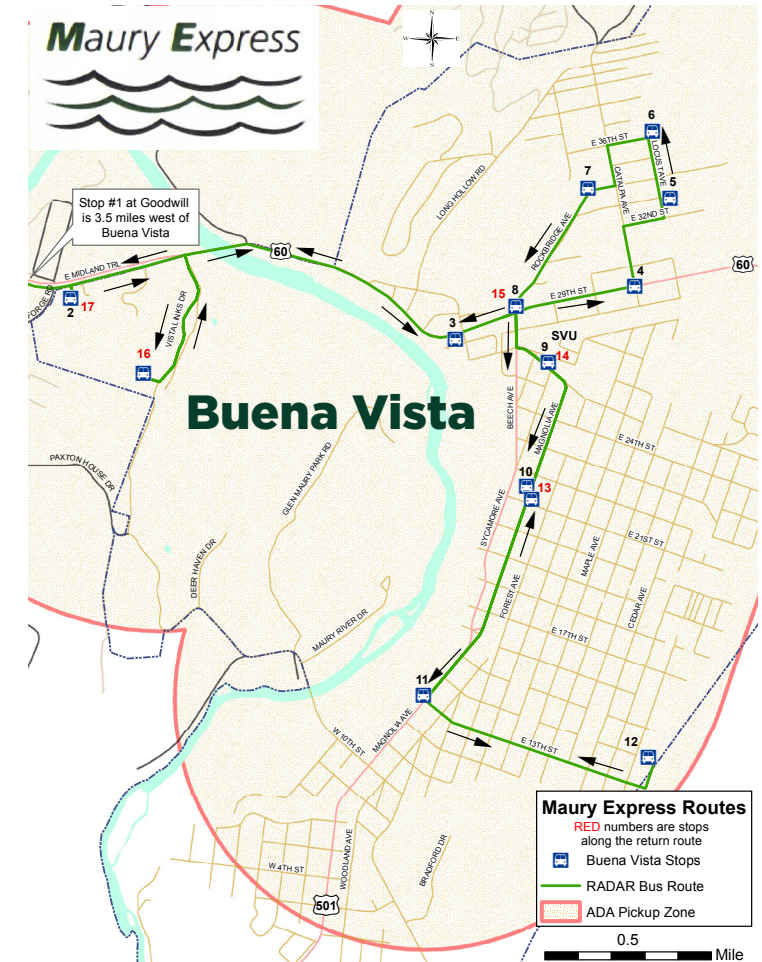
## Route Map, Schedule, and Services Offered

**Effective August 20, 2012**

Operated by:

**RADAR**  
**(800) 964-5707**

[www.radartransit.org](http://www.radartransit.org)  
 Email: [radar@radartransit.org](mailto:radar@radartransit.org)  
 P.O. Box 13825  
 Roanoke, VA 24037-3825



**Services Offered:** Maury Express offers a deviated fixed route service to the citizens of Lexington, Buena Vista and the County of Rockbridge. The service operates Monday through Friday from 8 a.m. to 6 p.m. and Saturday from 10 a.m. to 4 p.m.; see inside of brochure for schedule of stops and times. A fare of fifty cents (\$.50) per trip is charged and must be paid when boarding the bus. **EXACT CHANGE IS REQUIRED.** Children under the age of six (6) years and accompanying an adult ride at no charge.

Individuals who are ADA certified may request the van to deviate off the route to make pick-ups and drop-offs. The distance of deviation may not exceed 3/4 of a mile off the route. For more information, call **(800) 964-5707, ext. 3 or 4.**

**Non-Discrimination Policy:** RADAR Transit is committed to ensuring that no person is excluded from participation in or denied the benefits of the transit services we offer. This policy is consistent with the requirements of Title VI of the 1964 Civil Rights Act. If you believe you have been subjected to unequal treatment because of race, color, or national origin, then you have the right to file a formal complaint. Complaints may be filed within ninety (90) days following the date of the alleged discrimination action. For more information or to file a complaint you may contact us by mail, telephone, or email: **Mr. Leon Robertson, Special Projects Coordinator, RADAR Transit, P.O. Box 13825, Roanoke, VA 24037, (800) 964-5707 Ext. 105, leon@radartransit.org.** For compliments, suggestions, or complaints, please call **(800) 964-5707 Ext. 125.**



**Maury Express** provides public transit in the areas of Lexington, Buena Vista and the County of Rockbridge. Service operates Monday through Friday from 8 a.m. to 6 p.m. and Saturday from 10 a.m. to 4 p.m. When Lexington City Schools are closed, service is not provided. If services are cancelled for any other reason, announcements are

made on local radio and TV stations. Departure times are approximate and are subject to change. Please allow ten (10) minutes for road and schedule interruptions. Always arrive at least ten (10) minutes prior to the scheduled departure time. We are closed on New Year's, Memorial Day, July 4th, Labor Day, and Thanksgiving Day and Christmas.

### Monday-Friday Schedule

	8/20/2012	STOP											
<b>Lexington</b>	Goodwill	1	8:00 AM	9:00 AM	10:00 AM	11:00 AM	NOON	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	
Goodwill	to Kroger	2	8:05	9:05	10:05	11:05	12:05	1:05	2:05	3:05	4:05	5:05	
Kroger	to Diamond Street	3	8:09	9:09	10:09	11:09	12:09	1:09	2:09	3:09	4:09	5:09	
Diamond Street	to Cameron Hall	4	8:11	9:11	10:11	11:11	12:11	1:11	2:11	3:11	4:11	5:11	
Cameron Hall	to College Square	5	8:15	9:15	10:15	11:15	12:15	1:15	2:15	3:15	4:15	5:15	
College Square	to Free Clinic	6	8:20	9:20	10:20	11:20	12:20	1:20	2:20	3:20	4:20	5:20	
Free Clinic	to Walmart	7	8:23	9:23	10:23	11:23	12:23	1:23	2:23	3:23	4:23	5:23	
Walmart	to Willow Spring Road	8	8:28	9:28	10:28	11:28	12:28	1:28	2:28	3:28	4:28	5:28	
Willow Spring Road	to Greenhouse Road	9	8:30	9:30	10:30	11:30	12:30	1:30	2:30	3:30	4:30	5:30	
Greenhouse Road	to Comm. Serv./Jail	10	8:32	9:32	10:32	11:32	12:32	1:32	2:32	3:32	4:32	5:32	
Comm. Serv./Jail	to Furr's Mill Road	11	8:34	9:34	10:34	11:34	12:34	1:34	2:34	3:34	4:34	5:34	
Furr's Mill Road	to N. Lee Hwy.	12	8:35	9:35	10:35	11:35	12:35	1:35	2:35	3:35	4:35	5:35	
N. Lee Hwy.	to Rockbridge Transit	13	8:37	9:37	10:37	11:37	12:37	1:37	2:37	3:37	4:37	5:37	
Rockbridge Transit	to Lee's Chapel	14	8:40	9:40	10:40	11:40	12:40	1:40	2:40	3:40	4:40	5:40	
Lee's Chapel	to Preston Street	15	8:43	9:43	10:43	11:43	12:43	1:43	2:43	3:43	4:43	5:43	
Preston Street	to E. Nelson Street	16	8:45	9:45	10:45	11:45	12:45	1:45	2:45	3:45	4:45	5:45	
E. Nelson Street	to S.J. Hospital	17	8:50	9:50	10:50	11:50	12:50	1:50	2:50	3:50	4:50	5:50	
S.J. Hospital	to Houston Street	18	8:53	9:53	10:53	11:53	12:53	1:53	2:53	3:53	4:53	5:53	
Houston Street	to Stonewall Square	19	8:55	9:55	10:55	11:55	12:55	1:55	2:55	3:55	4:55	5:55	
Stonewall Square	to Goodwill	1	8:59	9:59	10:59	11:59	12:59	1:59	2:59	3:59	4:59	5:59	

	8/20/2012	STOP											
<b>Buena Vista</b>	Goodwill	1	8:00 AM	9:00 AM	10:00 AM	11:00 AM	NOON	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	
Goodwill	to Food Lion	2	8:07	9:07	10:07	11:07	12:07	1:07	2:07	3:07	4:07	5:07	
Food Lion	to Burger King	3	8:10	9:10	10:10	11:10	12:10	1:10	2:10	3:10	4:10	5:10	
Burger King	to Catalpa Ave.	4	8:14	9:14	10:14	11:14	12:14	1:14	2:14	3:14	4:14	5:14	
Catalpa Ave.	to Locust Ave.	5	8:16	9:16	10:16	11:16	12:16	1:16	2:16	3:16	4:16	5:16	
Locust Ave.	to 36th Street	6	8:18	9:18	10:18	11:18	12:18	1:18	2:18	3:18	4:18	5:18	
36th Street	to Rockbridge Ave.	7	8:20	9:20	10:20	11:20	12:20	1:20	2:20	3:20	4:20	5:20	
Rockbridge Ave.	to 29th Street	8	8:22	9:22	10:22	11:22	12:22	1:22	2:22	3:22	4:22	5:22	
29th Street	to SVU Pavilion	9	8:24	9:24	10:24	11:24	12:24	1:24	2:24	3:24	4:24	5:24	
SVU Pavilion	to Senior Center	10	8:27	9:27	10:27	11:27	12:27	1:27	2:27	3:27	4:27	5:27	
Senior Center	to E. 13th Street	11	8:31	9:31	10:31	11:31	12:31	1:31	2:31	3:31	4:31	5:31	
E. 13th Street	to Hillcrest Manor Apts	12	8:35	9:35	10:35	11:35	12:35	1:35	2:35	3:35	4:35	5:35	
Hillcrest Manor Apts	to BV Library	13	8:39	9:39	10:39	11:39	12:39	1:39	2:39	3:39	4:39	5:39	
SVU Pavilion	to 29th Street	14	8:41	9:41	10:41	11:41	12:41	1:41	2:41	3:41	4:41	5:41	
29th Street	to Dabney Lancaster CC	15	8:42	9:42	10:42	11:42	12:42	1:42	2:42	3:42	4:42	5:42	
Dabney Lancaster CC	to Food Lion	16	8:47	9:47	10:47	11:47	12:47	1:47	2:47	3:47	4:47	5:47	
Food Lion	to Goodwill	1	8:52	9:52	10:52	11:52	12:52	1:52	2:52	3:52	4:52	5:52	

### Saturday Schedule

	8/20/2012	STOP											
<b>Lexington</b>	Goodwill	1	10:00 AM	11:00 AM	NOON	1:00 PM	2:00 PM	3:00 PM					
Goodwill	to Kroger	2	10:05	11:05	12:05	1:05	2:05	3:05					
Kroger	to Diamond Street	3	10:09	11:09	12:09	1:09	2:09	3:09					
Diamond Street	to Cameron Hall	4	10:11	11:11	12:11	1:11	2:11	3:11					
Cameron Hall	to College Square	5	10:15	11:15	12:15	1:15	2:15	3:15					
College Square	to Free Clinic	6	10:20	11:20	12:20	1:20	2:20	3:20					
Free Clinic	to Walmart	7	10:23	11:23	12:23	1:23	2:23	3:23					
Walmart	to Willow Spring Road	8	10:28	11:28	12:28	1:28	2:28	3:28					
Willow Spring Road	to Greenhouse Road	9	10:30	11:30	12:30	1:30	2:30	3:30					
Greenhouse Road	to Comm. Serv./Jail	10	10:32	11:32	12:32	1:32	2:32	3:32					
Comm. Serv./Jail	to Furr's Mill Road	11	10:34	11:34	12:34	1:34	2:34	3:34					
Furr's Mill Road	to N. Lee Hwy.	12	10:35	11:35	12:35	1:35	2:35	3:35					
N. Lee Hwy.	to Rockbridge Transit	13	10:37	11:37	12:37	1:37	2:37	3:37					
Rockbridge Transit	to Lee's Chapel	14	10:40	11:40	12:40	1:40	2:40	3:40					
Lee's Chapel	to Preston Street	15	10:43	11:43	12:43	1:43	2:43	3:43					
Preston Street	to E. Nelson Street	16	10:45	11:45	12:45	1:45	2:45	3:45					
E. Nelson Street	to S.J. Hospital	17	10:50	11:50	12:50	1:50	2:50	3:50					
S.J. Hospital	to Houston Street	18	10:53	11:53	12:53	1:53	2:53	3:53					
Houston Street	to Stonewall Square	19	10:55	11:55	12:55	1:55	2:55	3:55					
Stonewall Square	to Goodwill	1	10:59	11:59	12:59	1:59	2:59	3:59					

	8/20/2012	STOP											
<b>Buena Vista</b>	Goodwill	1	10:00 AM	11:00 AM	NOON	1:00 PM	2:00 PM	3:00 PM					
Goodwill	to Food Lion	2	10:07	11:07	12:07	1:07	2:07	3:07					
Food Lion	to Burger King	3	10:10	11:10	12:10	1:10	2:10	3:10					
Burger King	to Catalpa Ave.	4	10:14	11:14	12:14	1:14	2:14	3:14					
Catalpa Ave.	to Locust Ave.	5	10:16	11:16	12:16	1:16	2:16	3:16					
Locust Ave.	to 36th Street	6	10:18	11:18	12:18	1:18	2:18	3:18					
36th Street	to Rockbridge Ave.	7	10:20	11:20	12:20	1:20	2:20	3:20					
Rockbridge Ave.	to 29th Street	8	10:22	11:22	12:22	1:22	2:22	3:22					
29th Street	to SVU Pavilion	9	10:24	11:24	12:24	1:24	2:24	3:24					
SVU Pavilion	to Senior Center	10	10:27	11:27	12:27	1:27	2:27	3:27					
Senior Center	to E. 13th Street	11	10:31	11:31	12:31	1:31	2:31	3:31					
E. 13th Street	to Hillcrest Manor Apts	12	10:35	11:35	12:35	1:35	2:35	3:35					
Hillcrest Manor Apts	to BV Library	13	10:39	11:39	12:39	1:39	2:39	3:39					
SVU Pavilion	to 29th Street	14	10:41	11:41	12:41	1:41	2:41	3:41					
29th Street	to Dabney Lancaster CC	15	10:42	11:42	12:42	1:42	2:42	3:42					
Dabney Lancaster CC	to Food Lion	16	10:47	11:47	12:47	1:47	2:47	3:47					
Food Lion	to Goodwill	1	10:52	11:52	12:52	1:52	2:52	3:52					



L

PHA/Section 8 Notification  
Letter

This deal does not require  
information behind this tab.

M

Locality CEO Response  
Letter

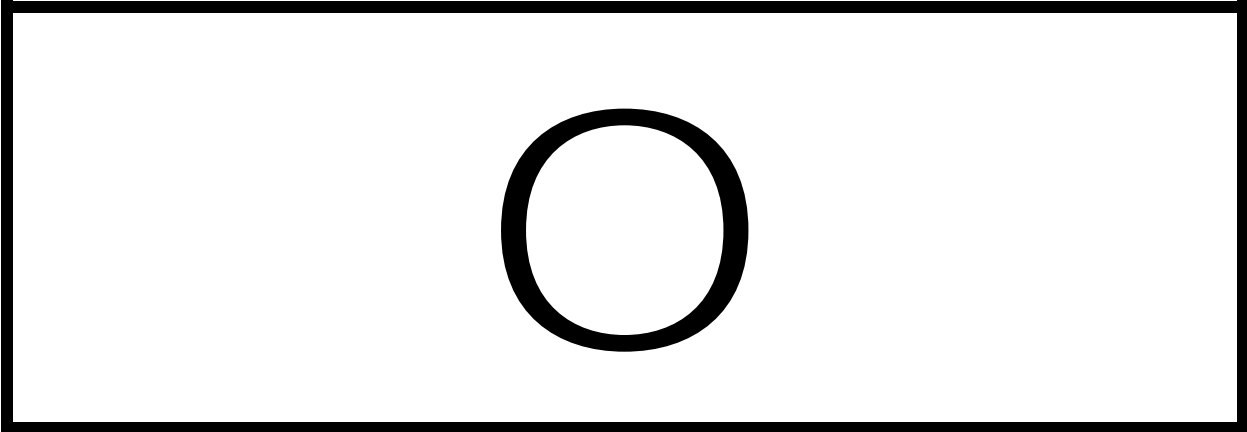
This deal does not require  
information behind this tab.

N

Homeownership Plan

This deal does not require  
information behind this tab.





O

Plan of Development  
Certification Letter

This deal does not require  
information behind this tab.

P

Copies of 8609s to  
Certify Developer  
Experience and  
Partnership agreements

This deal does not require  
information behind this tab.

Q

Documentation of Rental  
Assistance

# Rent Schedule Low Rent Housing

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
--------------	--------------------	---

### Part A – Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type  (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances  (Effective Date (mm/dd/yyyy) ____/____/____)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
Total Units		Monthly Contract Rent Potential (Add Col. 4)*			Monthly Market Rent Potential (Add Col. 8)*		
		Yearly Contract Rent Potential (Col. 4 Sum x 12)*			Yearly Market Rent Potential (Col. 8 Sum x 12)*		

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

### Part B – Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

<input type="checkbox"/> Range	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> _____
<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Carpet	<input type="checkbox"/> _____
<input type="checkbox"/> Air Conditioner	<input type="checkbox"/> Drapes	<input type="checkbox"/> _____
<input type="checkbox"/> Disposal	<input type="checkbox"/> _____	<input type="checkbox"/> _____

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)  
E=electric; G=gas; F=fuel oil or coal.

<input type="checkbox"/> Heating _____	<input type="checkbox"/> Hot Water _____	<input type="checkbox"/> Lights, etc. _____
<input type="checkbox"/> Cooling _____	<input type="checkbox"/> Cooking _____	<input type="checkbox"/> _____

### Services/Facilities (check those included in rent)

<input type="checkbox"/> Parking	<input type="checkbox"/> _____	<input type="checkbox"/> Nursing Care
<input type="checkbox"/> Laundry	<input type="checkbox"/> _____	<input type="checkbox"/> Linen/Maid Service
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> Tennis Courts	<input type="checkbox"/> _____	<input type="checkbox"/> _____

### Part C – Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$
	\$
	\$
	\$
	\$
	\$
	\$

### Part D – Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
Total Rent Loss Due to Non-Revenue Units		\$

### Part E – Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
Total Commercial Rent Potential		\$	

### Part F – Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender) \$ \_\_\_\_\_

**Part G – Information on Mortgagor Entity**

Name of Entity

Type of Entity

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

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title	Authorized Official's Signature
	Date (mm/dd/yyyy)

**Part I – HUD/Lender Approval**

Addendum Number	Branch Chief/Lender Official Signature
HAP Contract Number	Date (mm/dd/yyyy)
Exhibit Number	Director, Housing Management Division Signature
Loan Servicer Signature	Date (mm/dd/yyyy)
Date (mm/dd/yyyy)	Date (mm/dd/yyyy)

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is authorized under Section 207 of the National Housing Act. The information is necessary for the Department to ensure that project owners are not overcharging their tenants and to ensure that the rent levels approved by the Department are not exceeded. The Department uses this information to enforce rent regulations which otherwise would be difficult because there would be no clear record of the rents and charges that the Department had approved. In addition, the Department needs to periodically collect information regarding project principals, so unauthorized participation by previously excluded or otherwise undesirable owners can be detected. This information is required to obtain benefits. HUD may disclose certain information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

## Instructions

All project owners must submit the form HUD-92458 when requesting an adjustment to project rents. HUD establishes and approves rental charges and utility allowances on the Form. The owner is responsible for notifying tenants of the approved rents.

**General.** For projects with fully-insured or HUD-held mortgages, the owner/agent submits this Form to the HUD Field Office. For projects with coinsured mortgages, the owner/agent submits this Form to the lender.

**Part A.** If the monthly rent potential you are proposing is less than or equal to the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete all of Part A according to the instructions below. If the monthly rent potential you are requesting exceeds the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete only Columns 1 and 2 according to the instructions below. Show your proposed rents and monthly rent potential in the cover letter transmitting your rent increase request.

**Column 1.** Show each type of unit for which rents will vary. Show the number of bedrooms and bathrooms and other features that cause rents to vary (e.g., 2 BDM, 1 B, DA, KETTE, vs 2 BDM, 2B, DR, K). Use the following symbols:

BDM	- Bedroom	LR	- Living Room
B	- Bath	DR	- Dining Room
K	- Kitchen	DA	- Dining Alcove
KETTE	- Kitchenette		

**Column 2.** Show the number of units for each unit type. Include non-revenue producing units.

**Column 3.** For unsubsidized projects, show the rent you intend to charge for each unit type. For subsidized projects, show the contract rent (as defined in HUD Handbook 4350.3) for each unit type.

**Column 4.** For each line, multiply the contract rent in Column 3 by the number of units in Column 4. Add monthly contract rent potentials for each unit size to compute the total monthly contract rent potential. Multiply the monthly total by 12 to compute the annual contract rent potential.

**Columns 5 and 6.** Complete the Columns only if the project has a subsidy contract with HUD and some utilities are not included in the rent. In Column 5, show the utility allowance for each unit type. Compute the gross rent for each unit type by adding the contract rent in Column 3 and the utility allowance in Column 5. Show this amount in Column 6.

**Columns 7 and 8.** Complete these Columns only if the project is receiving Section 236 Interest Reduction Payments. In Column 7, show the market rent for each unit type. In Column 8, for each line multiply the market rent in Column 7 by the number of units in Column 2. Add the monthly market rent potentials for each unit size to compute the total monthly market rent potential. Multiply the monthly total by 12 to compute the annual market rent potential.

**Parts B, C, D and E.** Complete these Parts according to the instructions on the Rent Schedule.

**Part F.** Do not complete this Part. The HUD Field Office/lender will complete this Part.

**Parts G and H.** Complete these Parts according to the instructions on the Rent Schedule.

**Part I.** Do not complete this Part. The HUD Field Office/lender will complete this part.



**RENT COMPARABILITY STUDY**

**LEXINGTON HOUSE  
130 HOUSTON STREET  
LEXINGTON, VIRGINIA 24450**

Client

**MR. JUSTIN UNGER  
STEELE ACQUISITIONS III, LLC**

Date of the Report

**AUGUST 26, 2019**

Effective Date of Study

**JUNE 18, 2019**



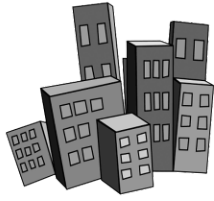
Subject Property

**Veracity Valuation, LLC  
5327 W. 160<sup>th</sup> Street  
Overland Park, Kansas 66085**

Veracity Valuation File No. 19147


FHA Project No. —

Contract: VA36H027007



# VERACITY VALUATION LLC

5327 W. 160th Street  
Overland Park, KS 66085  
Phone: 913.766.9040  
Fax: 913.766.9045  
www.veracityvaluation.com

Troy Smith, MAI 

*Trusted Appraisal Experience*

August 26, 2019

Mr. Justin Unger  
Senior Development Associate  
Steele Acquisitions III, LLC  
6875 E. Evans Avenue  
Denver, Colorado 80224

Re: Rent Comparability Study

**Lexington House**  
130 Houston Street  
Lexington, Virginia 24450

Veracity File No. 19147

FHA Project No. —  
HAP Contract: VA36H027007

To: Mr. Unger:

In accordance with your authorization, we have completed a Rent Comparability Study (RCS) for the above captioned subject property. The report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable market data, the results of the investigation, and the reasoning leading to the conclusions set forth.

The purpose of the study was to estimate the market rents for units that will be assisted under the renewed Section 8 contract. Market rent is the rent that a knowledgeable tenant would most probably pay for the Section 8 units as of the date of this report, if the tenants were not receiving rental subsidies and rents were not restricted by HUD or other government agencies. At the request of the client, both "as is" and "as complete" analyses were completed. The subject contains 78 units. All of the units are part of the HAP contract. The following table lists the "as is" market rent conclusion for each respective unit type.

MARKET RENTAL RATE SUMMARY - As Is						
No.	Type	Size (SF)	Rent/Mo.	Rent/SF	Total	Prepared Grid
78	1BR-1BA	572	\$750	\$1.31	\$58,500	Yes
78	<b>Total/Avg</b>	572	\$750	\$1.31	\$58,500	

The following table lists the "as complete" market rent conclusion for each respective unit type.

<b>MARKET RENTAL RATE SUMMARY - As Complete</b>						
<b>No.</b>	<b>Type</b>	<b>Size (SF)</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>	<b>Total</b>	<b>Prepared Grid</b>
78	1BR-1BA	572	\$1,100	\$1.92	\$85,800	Yes
78	<b>Total/Avg</b>	572	\$1,100	\$1.92	\$85,800	

The RCS was prepared in accordance with the professional ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice and requirements in Chapter Nine of HUD's Section 8 Renewal Guide. Market Rents were defined and estimated in accordance with Sections 9-8 through 9-13 and Appendix 9-1-2 of the Chapter Nine guidance. I understand that HUD/the Section 8 Contract Administrator (CA) and the project owner will use my estimate of market rents to determine: (1) the owners' options for renewing the projects' Section 8 contracts; and (2) the maximum rents allowed under any renewal.

Additionally, as required by Section 9-14 of the Chapter Nine guidance, I compared the Project's median rent "as is" with HUD's threshold, and concluded that the Project's median rent "as is" is below the threshold, as shown in the table below.

<b>Mandatory Market Rent Threshold Test - As Is</b>			
<b>Unit Type</b>	<b>No of Units</b>	<b>Cumulative No Units</b>	<b>RCS Rent</b>
1BR-1BA	78	78	\$750
Project's RCS based median rent (55th and 56th units)			\$750
HUDs Threshold: 140% of Median Gross Rent Estimate for Project's Zip Code			\$1,176
<b>Test: Compare Project's median rent to HUD's threshold</b>			<b>\$750 &lt; \$1,176</b>

Mr. Unger  
August 26, 2019  
Page 3

I compared the Project's median rent "as complete" with HUD's threshold, and concluded that the Project's median rent "as complete" is below the HUD 140% threshold, as shown in the table below.

Mandatory Market Rent Threshold Test - As Complete			
Unit Type	No of Units	Cumulative No Units	RCS Rent
1BR-1BA	78	78	\$1,100
Project's RCS based median rent (55th and 56th units)			\$1,100
HUDs Threshold: 140% of Median Gross Rent Estimate for Project's Zip Code			\$1,176
<b>Test: Compare Project's median rent to HUD's threshold</b>			<b>\$1,100 &gt; \$1,176</b>

The study was prepared by Troy Smith, MAI, who inspected the property on June 18, 2019. This letter is invalid as an opinion of market rent if detached from the report, which contains the text, exhibits and Addenda.

Sincerely,  
**Veracity Valuation, LLC**



Troy Smith, MAI  
Virginia Certified General Appraiser  
License No. 4001015710  
License Expiration: September 30, 2019

## CERTIFICATION

---

Project Name: Lexington House

FHA Project No: VA36H027007

Contract: —

By my signature below, I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective financial interest in the above property, its ownership or management agent entity, or the principals of those entities. I am not an employee of those principals or entities and I have no business or close personal/family interest with those parties that commonly would be perceived to create bias or a conflict of interest.
4. I have no bias with respect to the property that is the subject of this report or to the ownership or management parties involved with this assignment.
5. My engagement in and compensation for this assignment were and are not contingent upon the reporting of a predetermined rent or direction in rent. My fee is my only compensation for this rent study assignment. There are no other side agreements or considerations.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and all applicable HUD procedures for performing Rent Comparability Studies for Section 8 contracts.
7. Troy Smith, MAI inspected the interior and exterior of the subject property. Troy Smith, MAI inspected the exteriors of the properties used as comparables in this report.
8. No one provided significant professional assistance to the person signing this report except the persons listed here: Lance Bartek, Associate Appraiser. If anyone is listed here, his/her contribution is identified in the Scope of Work section of this report.
9. I am a certified general appraiser, licensed and in good standing with the state appraiser regulatory agency where the subject property is located and I meet all of the appraiser qualifications required in HUD's rent comparability procedures.
10. I am not debarred or suspended from doing business with the Federal Government. I also am not under a Limited Denial of Participation (LDP) imposed by the HUD Multifamily HUB or Program Center having jurisdiction over the Section 8 project. Any LDPs in effect now or in the past three years were imposed by the following HUD offices. None

**Warning: If you knowingly make a false statement on this form, you may be subject to civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000.00 for each violation.**



Troy Smith, MAI

State Certified General Appraiser

Virginia No. 4001015710

License Expiration: September 30, 2019

Email Address: [tsmith@veracityvaluation.com](mailto:tsmith@veracityvaluation.com)

Did you prepare the RCS under a temporary license? NO

Date: August 26, 2019

## EXECUTIVE SUMMARY

---

<b>PROPERTY NAME</b>	Lexington House
<b>LOCATION</b>	130 Houston Street Lexington, Rockbridge County, Virginia 24450  The property is located near the northeast quadrant of Lee Highway and Houston Street just south of the Carilion Stonewall Jackson Hospital in Lexington, Virginia.
<b>PROPERTY DESCRIPTION</b>	The property consists of 1, three-story elevator building containing a total of 78 dwelling units (44,616 square feet NRA) on a tract of land containing 2.33 acres (101,495 square feet). Additionally the property features
<b>TAX PARCEL NUMBER</b>	29-11-6, 29-11-5 and 29-11-9 thru 29-11-20
<b>DATE OF STUDY</b>	June 18, 2019
<b>DATE OF INSPECTION</b>	June 18, 2019
<b>OWNER OF RECORD</b>	New Lexington House I Limited Partnership
<b>OCCUPANCY</b>	94.9%

### **PROPERTY DATA**

<b>LAND AREA</b>	101,495 square feet (2.33 acres)
<b>ZONING</b>	R-M, Residential District
<b>YEAR BUILT</b>	1977
<b>TYPE OF CONSTRUCTION</b>	Wood frame construction with wood siding and brick veneer exteriors; flat rubber membrane roof.
<b>NUMBER OF BUILDINGS</b>	1 residential building
<b>NUMBER OF STORIES</b>	3
<b>GROSS BUILDING AREA</b>	111,444 square feet
<b>NET RENTABLE AREA</b>	44,616 square feet
<b>NUMBER OF UNITS</b>	78
<b>AVERAGE UNIT SIZE</b>	572 square feet
<b>UNIT DENSITY</b>	33.5 dwelling units per acre

## EXECUTIVE SUMMARY

### MARKET RENT INDICATIONS

MARKET RENTAL RATE SUMMARY - As Is						
No.	Type	Size (SF)	Rent/Mo.	Rent/SF	Total	Prepared Grid
78	1BR-1BA	572	\$750	\$1.31	\$58,500	Yes
78	<b>Total/Avg</b>	572	\$750	\$1.31	\$58,500	

MARKET RENTAL RATE SUMMARY - As Complete						
No.	Type	Size (SF)	Rent/Mo.	Rent/SF	Total	Prepared Grid
78	1BR-1BA	572	\$1,100	\$1.92	\$85,800	Yes
78	<b>Total/Avg</b>	572	\$1,100	\$1.92	\$85,800	



Elevation of Subject



Elevation of Subject





Elevation of Subject



Elevation of Subject



Elevation of Subject



Parking and Common Area



Clubhouse Finish w/ Elevator



Clubhouse Finish



Maintenance Shop



On-Site Laundry Facilities



Typical Interior Finish



Typical Interior Finish



Kitchen Finish



Bathroom Finish

SUBJECT PHOTOGRAPHS



Looking North on Houston Street (Subject on the Right)



Looking South on Houston Street (Subject on the Left)

## TABLE OF CONTENTS

---

SCOPE OF THE INVESTIGATION .....	1
PROPERTY DESCRIPTION .....	2
AREA ANALYSIS .....	8
COMPARABLE RENTALS .....	15



## SCOPE OF THE INVESTIGATION

---

This Rent Comparability Study was completed in accordance with the requirements set forth in Chapter 9 of the *Section 8 Renewal Policy* handbook.

Troy Smith, MAI, State Certified General Appraiser at Veracity Valuation, LLC, oversaw and supervised all data collection and analysis. Lance Bartek, an associate appraiser, performed the research for the Rent Comparable Study. The following actions were taken to complete this Rent Comparability Study (RCS).

On June 18, 2019, Troy Smith, MAI inspected the interior and exterior of the subject property to determine the property's physical and functional characteristics, including the interior of three representative units, common areas and the exterior grounds. Ms. Estelle Steele (540-463-9212), Community Manager, accompanied Mr. Smith on the inspection and provided a current rent roll and information regarding, occupancy, services and amenities offered to tenants of the subject property.

Mr. Smith and Mr. Bartek researched comparable apartment rental activity in the subject market and competing locations. The research included obtaining data from rental publications, managers of local apartment properties, fellow appraisers, internet sites, local real estate brokers, and files of Veracity Valuation, LLC. Mr. Bartek interviewed the managers of the comparable properties to confirm all data and to collect additional information about each comparable—including size, age and amenities, as well as occupancy rates and general market information.

Mr. Smith completed the data and adjustment columns of the Rent Comparability Grid using the instructions from and the report was prepared in accordance with Appendix 9-1 of Chapter 9 of the *Section 8 Renewal Policy*.

---

## PROPERTY DESCRIPTION

---

Ms. Estelle Steele (540-463-9212), Community Manager, accompanied Mr. Smith on the inspection and provided a current rent roll and information regarding, occupancy, services and amenities offered to tenants of the subject property.

The proceeding description of the site and existing improvements is based upon our physical inspection of the property and information available from public sources. The respective sizes of the dwelling units were provided by the owner. The size of the land and gross building area was obtained from the administrative offices of the Independent City of Lexington.

### Site Description

Location: 130 Houston Street  
Lexington, Virginia 24450

The property is located near the northeast quadrant of Lee Highway and Houston Street just south of the Carilion Stonewall Jackson Hospital in Lexington, Virginia.

Land Area: 101,495 square feet (2.330 acres)

Configuration: Slightly irregular

Topography: Generally level

Floodplain: According to National Flood Insurance Rate Map Community Panel No. 516780264C (April 6, 2000), the subject property lies within FEMA Zone X: Areas determined to be outside the 500-year flood plain.

Frontage, Access, Visibility: The property is afforded frontage along the east side of Houston Street; a two-lane, asphalt paved residential corridor. Houston Street provides direct access to the site. The subject property is afforded good visibility and exposure from the fronting roadway.

Utilities: Adequate utilities are available and in place at the site for typical multifamily uses, including water, sewer, electricity, telephone, and natural gas.

Zoning: R-M, Residential

**Improvements Description**

General Layout: The property consists of 1, 3-story elevator style building. The units are located in secured buildings with interior corridors that provide individual entrances to each apartment unit. Additionally, the first level offers a clubhouse with common areas, a demonstrative kitchen and private leasing office. A private parking lot is provided for the tenants.

Property Type: Multifamily, elevator complex

Year Built: 1977

Number of Dwelling Units: 78

Number of Buildings: 1

Gross Building Area: 111,444 square feet

Net Rentable Area: 44,616 square feet

Unit Mix:

UNIT SUMMARY			
No.	Type	Size (SF)	NRA (SF)
78	1BR-1BA	572	44,616
78	<b>Total/Avg</b>	572	44,616

Parking: Adequate parking is available. The parking lots are asphalt-paved, and are in average condition.

Foundation: Poured, reinforced concrete, slab on grade

Exterior Walls: Wood frame construction with wood siding and brick veneer exteriors

Roof Cover: Flat rubber membrane roof

Windows: Thermo-pane windows in metal frame

Building Height: 3 stories

Interior Walls: Painted and textured drywall

Ceilings: Painted and textured drywall

Floor Covering: Vinyl flooring in kitchen and bathrooms areas with carpet in the living areas and bedrooms. Interior corridors also have carpet flooring.

Interior Doors: Hollow core wood doors in wood frame

---

## PROPERTY DESCRIPTION

Lighting:	Incandescent lighting fixtures in kitchens, bathrooms and bedrooms
Kitchen Features:	Refrigerator/freezer Electric oven/range with vent hood Double stainless steel sink with garbage disposal Laminate countertops
Bathroom Features:	Vanity with sink Vinyl flooring Wall mirror with incandescent lighting Shower/tub insert
Heating/Cooling:	Individually metered pad-mounted electric HVAC units.
Domestic Hot Water:	Individual electric hot water heaters
Fire Protection:	Smoke detectors in each apartment unit common areas and interior hallways are sprinklered
Unit Amenities	Blinds
Property Amenities:	Clubhouse Elevator On-site parking Leasing office Laundry facility
Utility Structure:	Owner pays for water, sewer and trash. Tenants are responsible for electricity which includes cooking, cooling, hot water and lights.

### Summary

Condition: Average

The subject property has generally been adequately maintained over the course of its operation. We did not inspect the roof of the buildings nor make a detailed inspection of the mechanical systems. We, however, are not qualified to render an opinion as to the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed about the adequacy and condition of mechanical systems.

Quality: Average

**Owner's Scope of Repairs**

The property will undergo a substantial rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes replacement of appliances (electric ranges and hoods and garbage disposals), dishwashers, bathroom vanities, windows and blinds, hot water heaters, toilets, flooring, roofing, LED lighting (interior and exterior) and re-grading and striping of the parking lots. There will be ADA conversions. The community areas will also be renovated. A residential service coordinator will be added at the property. The total estimated cost of rehabilitation is \$3,120,000 or \$40,000 per unit.

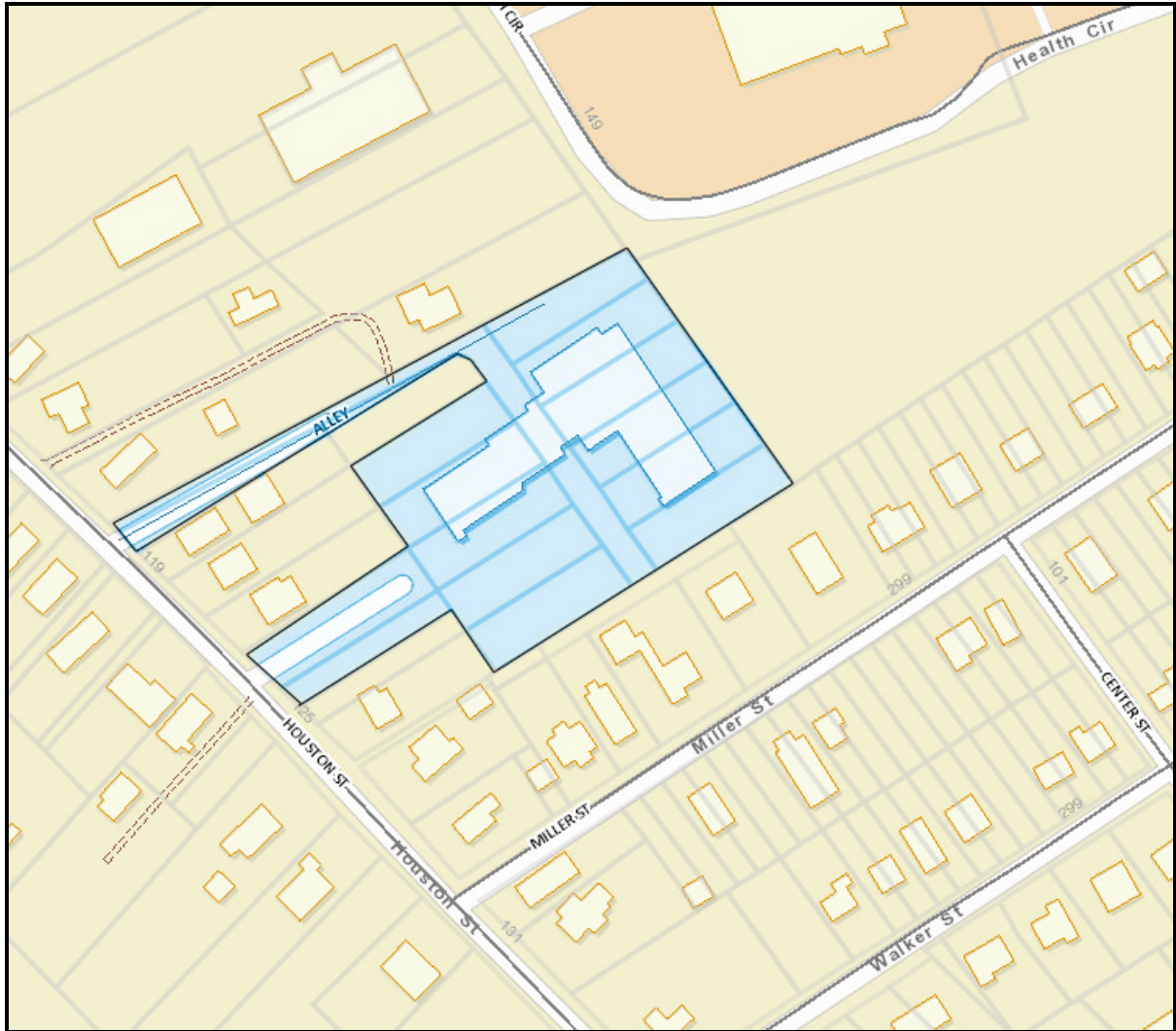
**Conclusion**

The design and layout of the apartment community is well suited for the submarket. The unit mix is comparable to projects of similar design in the immediate area. However, the units do not have dishwashers or microwaves, which are present in much of the local market. The levels of unit and project amenities are commensurate with the size and quality of the property.

AERIAL



PARCEL MAP



Regional

The subject is located in Lexington, Virginia which is surrounded by Rockbridge County. The subject property is located in the southcentral portion of the Lexington metropolitan statistical area (MSA).

REGIONAL MAP



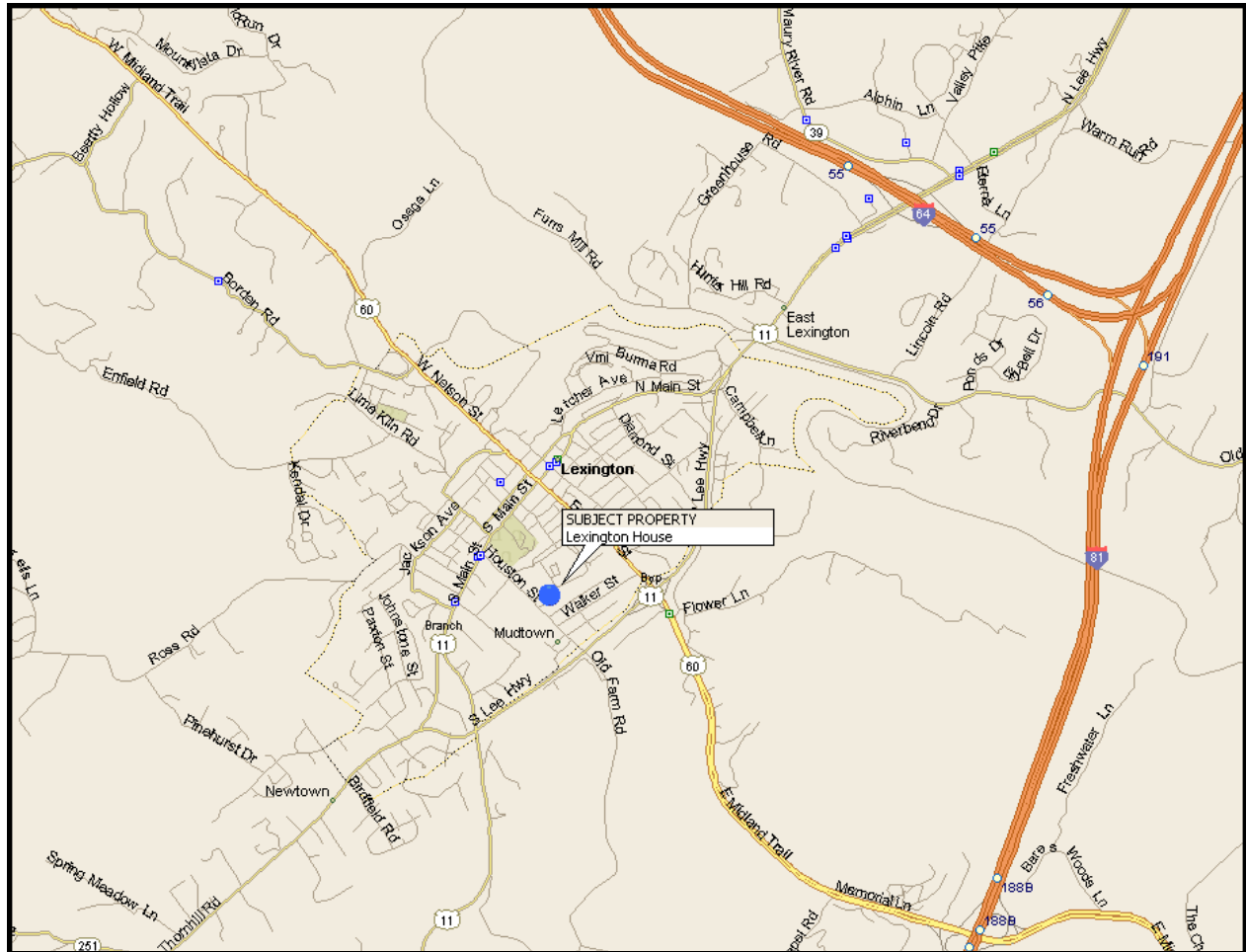


### Local Area Analysis

The subject property is situated within the city limits of Lexington, which is surrounded by Rockbridge County. The local area which characterized the subject property is generally defined by the entire city of Lexington.

The Central Business District (CBD) of the Lexington metropolitan area lies a short distance north of the subject. The Roanoke-Blacksburg Regional Airport is located less than 50 miles southwest of the subject property and is easily accessed via Interstate 81.

LOCAL AREA MAP



### ***Access***

Regional access to and from the local market area is good due to the presence of Interstate 64 (I-64) and Interstate 81. I-64 in the state of Virginia runs east and west through the middle of the state from West Virginia to the Hampton Roads region, for a total of 300 miles. I-64 enters Virginia as a four-lane divided highway, continuing its concurrency with U.S. 60 through Covington into Lexington where the two routes split. From Lexington, I-64 then turns northward to Staunton overlapping Interstate 81 in the Shenandoah Valley. I-81 is an 855-mile-long north/south Interstate Highway in the eastern part of the U.S. I-81 runs for 325 miles in Virginia. I-81 travels along the eastern side of Lexington providing direct access to Staunton to the northeast and Roanoke to the southwest. Other main corridors in the area include Main Street, Jefferson Street, Lee Highway, Nelson Road and Houston Street. The area is also well served by an interior network of streets.

No major airports are located within the city limits of Lexington. Lynchburg Regional Airport and Roanoke-Blacksburg Regional Airport are the closest airports to Lexington. The Lynchburg Airport is located roughly 55 miles south of the subject and is accessed via US Highway 60. With 12 daily arriving and departing flights, Lynchburg Regional Airport provides a variety of flight times for all passengers. Regional carrier service is provided by American Eagle Airlines through Charlotte International Airport, whose affiliation with a major flagship airline means easy connection and ticketing no matter where you're headed.

Public transportation in the area is provided via Maury Express and Rockbridge Area Transit Service (RATS). The Maury Express offers a deviated fixed route service to the citizens of Lexington, Buena Vista, and Rockbridge County. The Service operates six days a week, Monday – Friday between the hours of 8:00 a.m. and 6:00 p.m. and Saturdays, 10:00 a.m. – 4:00 p.m. RATS is committed to providing transportation to anyone in need. Although many of the passengers are elderly or have a disability, absolutely anybody can use RATS services. The provide transportation to medical centers in Rockbridge County as well as surrounding areas, local health care appointments, work, shopping, civic and social activities, and more. RATS transports for anyone; recently they have provided taxi services, shuttles for weddings and summer day camps, and services for local universities including VMI, Washington and Lee, SVU, and DSLCC.

### ***Land Use***

Land uses within the neighborhood include a variety of real estate uses. Residential is primarily located throughout the peripheral streets while commercial users are located along the primary traffic arteries and in the downtown area.

Retail and shopping in the area is primarily located along Main Street, Nelson Street and downtown. Downtown Lexington is a vibrant district filled with great eateries and entertaining watering holes, places to relax, have fun, shop and much more. Shopping and entertainment downtown include Bistro on Main, Wells Fargo Bank, Brew Ridge Taps, Niko's Grille, Rockbridge Regional Library, Baby's First, TAPS, and many other local retailers. Additionally, downtown offers historic tours and sites. The Lexington Carriage Company leads horse-drawn carriage tours past the Stonewall Jackson House, Lee Chapel & Museum, the Lee House, and Stonewall Jackson Memorial Cemetery. Outside of downtown in the southwest corner of US Highway 60 and Lee Highway is Stonewall Square Shopping Center. Tenants at this center include Papa

John's Pizza, Food Lion, Hardee's, McDonald's, High Country Outfitters, Enterprise Rent-A-Car, Taco Bell and many other national and local retailers.

Other attractions and recreation in Lexington includes Vista Links Golf, State Parks, parks and green spaces, hiking and camping, water sports, fishing and hunting and nature trails and walks. The Vista Links is a 18-hole course which overlooks the town of Buena Vista. The course is a par 72 championship course that's open to the public. With five sets of tees, ranging from 4,941 yards on forward tees to 6,925 yards on championship tees, the links-style course works well for every level of player.

The 42-mile Maury River which starts and ends in Rockbridge County serves as a good spot for water sports, hunting, fishing and camping. Stocked with brown and rainbow trout near Goshen Pass and home to native brookies, the Maury's wild headwaters are a popular - and challenging - spot for fly anglers. Downstream, warmer waters are loaded with small-mouth bass and plenty of carp. In the spring, through the gorge at Goshen Pass there is a six-mile romp with two Class IV rapids – Devil's Kitchen and Corner Rapid, this is Virginia's most challenging whitewater. Additionally, along the river there are many spots to hangout, sunbath, swim, paddleboard and kayak.

The Lexington City Schools serve the subject area which includes Lylburn Downing Middle School and Harrington Waddell Elementary School. The area is surrounded by the Rockbridge County School District. The Rockbridge Schools serve about 2,500 students in kindergarten through 12th grade.

Higher education in the area includes Washington and Lee University and Virginia Military Institute (VMI). Founded in 1749, Washington and Lee University is named for two men who played pivotal roles in the University's history: George Washington, whose generous endowment of \$20,000 in 1796 helped the fledgling school (then known as Liberty Hall Academy) survive, and Robert E. Lee, who provided innovative educational leadership during his transformational tenure as president of Washington College from 1865 to 1870. The ninth oldest institution of higher education in America, Washington and Lee is composed of two undergraduate divisions, the College and the Williams School of Commerce, Economics, and Politics; and a graduate School of Law. Offering 37 undergraduate majors and 30 minors, including a number of interdisciplinary programs, the University prides itself on the depth and breadth of our curriculum, in which traditional liberal arts courses are augmented by offerings from the only fully-accredited business school and fully-accredited journalism program among the nation's top-tier liberal arts colleges.

VMI offers a rigorous education that includes a broad undergraduate program with majors in engineering, science, liberal arts, and social sciences. Woven into every curriculum is leadership and character development that benefit graduates for life. VMI was founded in 1839 in Lexington, Virginia, as the first state-supported military college in the nation

Columbus is home to Ohio State University, Limited Brands, Inc., Nationwide Insurance and other well-known companies; Columbus's economy is balanced by a combination of education, technology, government, research, insurance and health care as major employers in the region. Below is a list of major employers in the Columbus region.

The area is served by the Carilion Stonewall Jackson Hospital (CSGH). CSJH is a 25-bed critical access hospital offering inpatient and outpatient care as well as outreach activities. They also offer an extended care recovery program (Swing Bed) that gives eligible patients an opportunity to grow stronger before going home.

On site are 24/7 emergency services, imaging and lab diagnostics, rehabilitation, Fit for Life and other outpatient services. The hospital's imaging area includes nuclear medicine, digital mammography, 64-slice CT, bone densitometry and ultrasound. Carilion Clinic general surgery physicians are on staff, as are specialty physicians for Cardiology, Gastroenterology, Gynecology and Orthopaedics. Specialty physician offices are located near the main lobby.

***Nearby and Adjacent Uses***

The property is abutted to the north by Carilion Stonewall Jackson Hospital and medical offices. South, east and west of the subject is single family residential development.

***Nuisances and Crime Rates***

The property manager reported no unusual nuisances or crimes. This is confirmed by a review of the area crime rate maps.

**Demographic Analysis**

The following demographics were obtained from the U.S. Bureau of the Census, 2019 Census of Population and Housing, and ESRI forecasts for 2024. We have included the data from the subject neighborhood (3-mile radius), Rockbridge County and the Lexington MSA for comparison purposes.

*Note: additional demographics information can be found in the addenda of this report.*

***Population***

In the subject neighborhood, the most recent population was 11,366. In 2010, the Census count was 10,811. The rate of change since 2010 is 1.71%.The five year projection for the population in the neighborhood is 11,362 representing a change of -0.01% from 2019 to 2024.

	<b>Subject Neighborhood</b>	<b>Rockbridge County</b>	<b>Independent City Lexington</b>
2000 Population	9,972	20,808	6,867
2010 Population	10,811	22,307	7,042
2019 Population	11,366	23,211	7,143
2010-2019 Annual Rate	1.71%	1.35%	0.48%
2024 Projection	11,362	23,576	7,071
2019-2024 Annual Rate	-0.01%	0.31%	-0.20%

***Households***

The households count in the subject neighborhood has changed from 3,892 in 2010 to 3,910 in 2019, an increase of 0.15% annually. The five year projection of households is 3,904, a decrease of -0.03% annually from the 2019 total.

	<b>Subject Neighborhood</b>	<b>Rockbridge County</b>	<b>MSA</b>
2000 Households	3,513	8,486	2,232
2010 Households	3,892	9,555	2,237
2019 Households	3,910	9,784	2,203
2010-2019 Annual Rate	0.15%	0.80%	-0.51%
2024 Projection	3,904	9,935	2,167
2019-2024 Annual Rate	-0.03%	0.31%	-0.33%

***Housing***

ESRI projects 55.30% of the housing units in the subject neighborhood are owner occupied, 31.20% renter occupied, and 13.5% are vacant. Median home value in the neighborhood is \$268,384, compared to the median home value of \$261,298 for the metropolitan area. From 2019 to 2024, the median home value is expected to increase by 1.28% annually to \$285,526.

	<b>Subject Neighborhood</b>	<b>Rockbridge County</b>	<b>MSA</b>
Owner Occupied (%)	55.30%	64.10%	53.60%
Renter Occupied (%)	31.20%	19.60%	32.90%
Vacant (%)	13.50%	16.30%	13.50%
2019 Median Home Value	\$268,384	\$229,738	\$261,298
2024 Median Home Value	\$285,526	\$254,980	\$275,694
2019-2024 Annual Rate	1.28%	2.20%	1.10%

***Household Income***

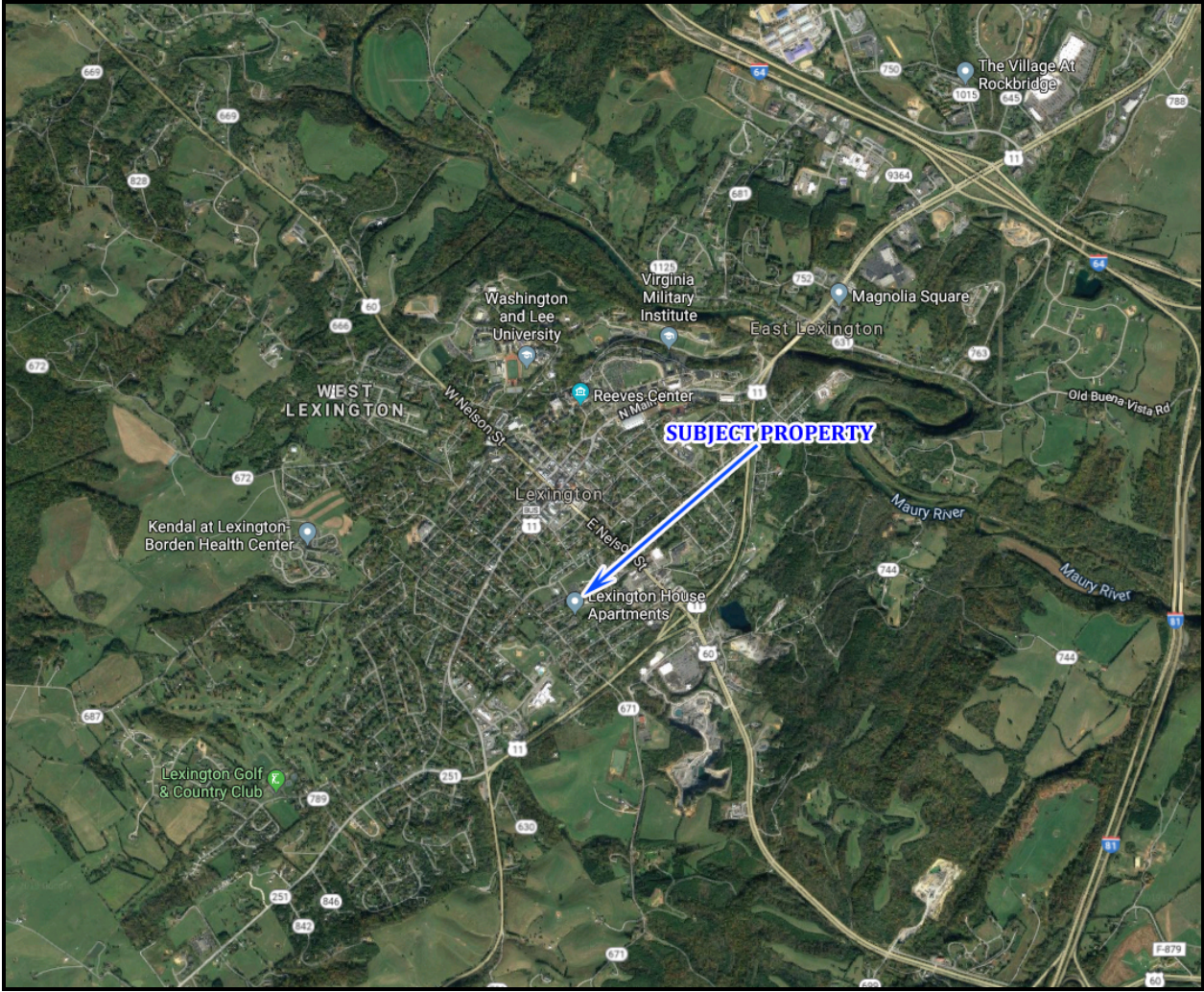
ESRI projects median household income to be \$51,848 in the subject neighborhood. Median household income is projected to increase at an annual rate of 2.71% to \$58,879 in 2024.

	<b>Subject Neighborhood</b>	<b>Rockbridge County</b>	<b>MSA</b>
Median Income (2019)	\$51,848	\$57,761	\$43,662
Median Income (2024)	\$58,879	\$66,054	\$51,707
2019-2024 Annual Rate	2.71%	2.87%	3.69%

**Conclusion**

The local area associated with the subject property is afforded a good level of access, both on a regional and local basis, and a good level of visibility. While parts of the local area are in decline, significant redevelopment is occurring in the northeast portion of the area. Thus, based upon all pertinent factors, the economic outlook for the subject's local area is cautiously optimistic.

AERIAL PHOTOGRAPH



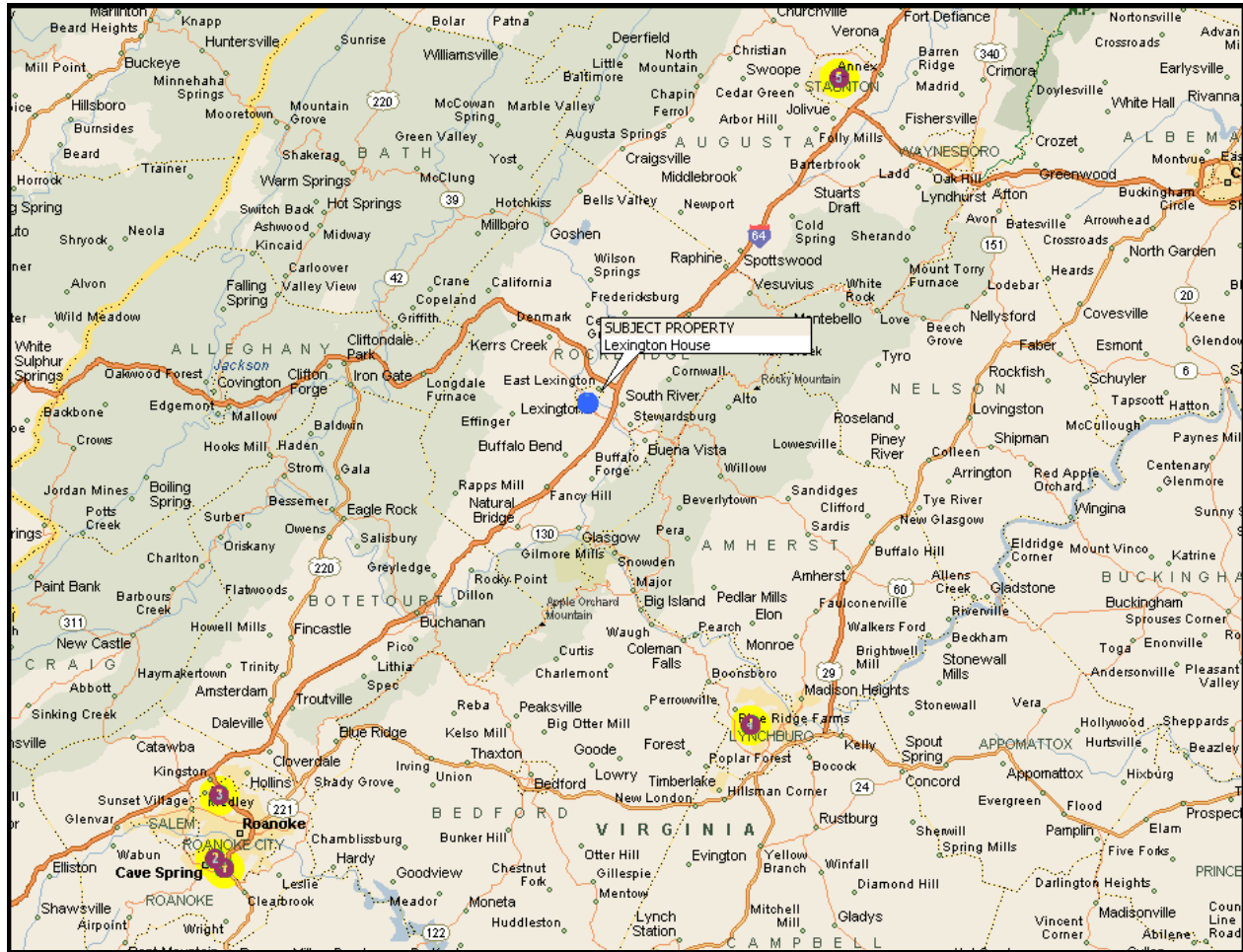
### Comparable Properties and Selection Process

The subject property represents a 78-unit multifamily development featuring one-, two- and three-bedroom apartment units. Most of the rental properties in the immediate vicinity of the subject are either subsidized and/or restricted to low-income tenants. According to the Six Point Criteria of the Renewal Guide, the comparables should have locations and neighborhood conditions similar to the subject. However, the Six Point Criteria also states that the comparable properties should not be rent restricted or rent controlled including Section 8 and LIHTC properties. For our comparable property selection, we have researched rental housing in the market area and identified several apartment complexes in and around the market area of the subject. Some comparable were considered but ultimately were not utilized in this report due to lack of comparability, insufficient information, lack of proximity and subsidies. Comparable properties used in this study include: Honeywood (Comp 1), Pebble Creek (Comp 2), Sterlingwood (Comp 3), Waldon Pond (Comp 4), and Parkwood (Comp 5). We have utilized these properties as they are the most similar market rent properties closest to the subject. Comparable Rentals all offer one-bedroom units which is similar to the subject. At the subject the landlord pays for water, sewer and trash. Tenants are responsible for electricity which includes cooling, cooking and lights. Appropriate adjustments have been made to each comparable for differences in utilities. The subject and the comparable rental properties were well occupied as of the date of analysis.

Based on the information provided to the appraiser, none of the selected comparables are owned or managed by the entities having an identity-of-interest with the owner or management of the subject property.

A detailed data sheet for each comparable property is included at the end of this section.

COMPARABLE RENTAL MAP



COMPARABLE RENTAL SURVEY							
No.	Property Name	Year Built	No. Units	Avg Unit Size (SF)	Average Rent (\$/SF)	Average Rent (\$/mo.)	Occup.
1	Honeywood	1978	300	841	\$1.05	\$886	97.0%
2	Pebble Creek	1974/2018-2019	636	922	\$1.03	\$950	97.0%
3	Sterlingwood	1975	162	677	\$1.13	\$767	98.0%
4	Walden Pond	1980	492	982	\$0.86	\$844	92.0%
5	Parkwood	1950/2011	53	644	\$1.23	\$790	98.1%
	Minimum	1975	53	644	\$0.86	\$767	92.0%
	Maximum	1980	636	982	\$1.23	\$950	98.1%
	Mean	1978	329	813	\$1.06	\$847	95.6%
	<b>Subject</b>	1977	78	572	\$0.73	\$419	94.9%



### **Explanation of Adjustments – As Is**

The preceding comparable properties are analyzed on an adjustment grid (HUD 92273-S8) in order to estimate market rent for the subject property. Separate adjustment grids are employed for each of the floorplans of the subject, which are included at the end of this analysis. Following is an explanation of adjustments. Line items that required no discussion or adjustment were excluded.

Note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is sufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

**Rent Comparability Grid**


Unit Type →

One-Bedroom

Subject's FHA #:

VA36H027007

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lexington House 130 Houston St Lexington, Virginia		Honeywood 3101 Honeywood Ln Roanoke, Virginia		Pebble Creek 3345 Circle Brook Dr Roanoke, Virginia		Sterlingwood 2215 Montauk Rd NW Roanoke, Virginia		Walden Pond 1400 Weeping Willow Dr Lynchburg, Virginia		Parkwood 401 Prospect St Stauton, Virginia	
Data on Subject		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
A. Rents Charged		\$818		\$920		\$709		\$799		\$712	
1 \$ Last Rent / Restricted?		Aug-19		Aug-19		Aug-19		Aug-19		Aug-19	
2 Date Last Leased (mo/yr)		N		N		N		N		N	
3 Rent Concessions		97%		97%		99%		92%		98%	
4 Occupancy for Unit Type		\$818 1.09		\$920 1.23		\$709 1.22		\$799 1.15		\$712 1.33	
5 Effective Rent & Rent/ sq. ft		In Parts B thru E, adjust only for differences the subject's market values.									
B. Design, Location, Condition		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
6 Structure / Stories		G/3 \$20		G/3 \$20		G/3 \$20		G/3 \$20		G/3 \$20	
7 Yr. Built/Yr. Renovated		1978		1974/2018-2019 (\$200)		1975		1980		1950/2011	
8 Condition /Street Appeal		A		A		A		A		A	
9 Neighborhood		A \$10		A \$10		A \$10		A \$10		G	
10 Same Market? Miles to Subj		N/45		N/43		N/43		N/29		N/32	
C. Unit Equipment/ Amenities		Data \$ Adj		Data Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
11 # Bedrooms		1		1		1		1		1	
12 # Baths		1		1		1		1		1	
13 Unit Interior Sq. Ft.		572		750 (\$36)		750 (\$36)		583 (\$2)		696 (\$25)	
14 Balcony/ Patio		N		Y (\$5)		Y (\$5)		Y (\$5)		N	
15 AC: Central/ Wall		C		C		C		C		C	
16 Range/ refrigerator		RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher		N		D (\$5)		MD (\$10)		D (\$5)		D (\$5)	
18 Washer/Dryer		L		HU (\$5)		WD (\$20)		HU (\$5)		L	
19 Floor Coverings		C		C		V		C		C	
20 Window Coverings		B		B		B		B		B	
21 Cable/ Satellite/Internet		C		C		C		C		C	
22 Special Features		N		N		N		N		N	
D. Site Equipment/ Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
24 Parking ( \$ Fee)		L/0		L/0		L/0		L/0		L/0	
25 Extra Storage		N		N		Y (\$5)		N		N	
26 Security		N		N		N		Y (\$5)		N	
27 Clubhouse/ Meeting Rooms		C		C		N \$10		C		N \$10	
28 Pool/ Recreation Areas		N		P,R,E (\$20)		P,R,E (\$20)		P, E, R (\$20)		P,R (\$15)	
29 Business Ctr / Nbhd Netwk		N		BC (\$5)		N		BC (\$5)		N	
30 Service Coordination		N		N		N		N		N	
31 Non-shelter Services		N		N		N		N		N	
32 Neighborhood Networks		N		N		N		N		N	
E. Utilities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
33 Heat (in rent?/ type)		N/E		N/G		N/E		Y/G (\$13)		Y/G (\$13)	
34 Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		Y/G (\$2)	
36 Hot Water (in rent?/ type)		N/E		Y/G (\$6)		N/G		N/E		Y/G (\$6)	
37 Other Electric		N		N		N		N		N	
38 Cold Water/ Sewer		Y		Y		N \$49		Y		Y	
39 Trash /Recycling		Y		Y		N \$11		Y		Y	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40 # Adjustments B to D		2 6		2 7		3 6		2 5		3 1	
41 Sum Adjustments B to D		\$30 (\$76)		\$30 (\$296)		\$40 (\$32)		\$30 (\$60)		\$37 (\$15)	
42 Sum Utility Adjustments		(\$6)		\$60		\$49		(\$13)		(\$21)	
		Net Gross		Net Gross		Net Gross		Net Gross		Net Gross	
43 Net/ Gross Adjmts B to E		(\$52) \$112		(\$206) \$386		\$57 \$121		(\$43) \$103		\$1 \$73	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$766		\$714		\$766		\$756		\$713	
45 Adj Rent/Last rent		94%		78%		108%		95%		100%	
46 Estimated Market Rent		\$750		\$1.31		Estimated Market Rent/ Sq. Ft					

  
8/23/2019  
Appraiser's Signature Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared:  Manually  Using HUD's Excel form

form HUD-92273-S8 (04/2002)

**1BR-1BA (572 SF)**

- **Line 1 – Last Rent/Restricted.** All of the units are currently rented at the rates shown on the grid. Rents range from \$709 to \$920 per unit. No unit used in this analysis has any rent restrictions.
- **Line 2 – Date Last Leased.** The grid shows the effective date of the leases most recently signed. Effective dates are all August 2019. No adjustments were necessary.
- **Line 3 – Rent Concessions.** The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.
- **Line 4 – Occupancy % for Unit Type.** When possible, occupancies of the individual floorplan were utilized. Otherwise, overall occupancy levels were used. According to data collected, the immediate market has historically maintained an overall occupancy level over 90% for all apartments. The comparables occupancy rates range from 92% to 99%.
- **Line 5 – Effective Rent & Rent/Square Footage.** All of the units are currently rented at the rates shown on the grid. After all necessary adjustments, effective rents range from \$709 to \$920 per unit and effective rents per square foot range from \$1.09 to \$1.33 per square foot.
- **Line 6 – Structure/Stories.** The subject is located in a 3-story elevator building. All of the comparables are located in two and three-story garden buildings. In an elevator building such as the subject, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser's opinion that all units located at the subject property within the elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Therefore, all comparables were adjusted upward \$20 per month.
- **Line 7 – Year Built/Year Renovated.** The subject was built in 1977 with no recent renovations. Rentals #1, #3, #4 and #5 are considered to have reasonably similar effective ages compared to the subject. No adjustments were necessary. Units and common areas at Rental #2 have been and are in the process of being renovated. According to the leasing agent at Rental #2 renovated units feature washer/dryer in units, new vinyl plank flooring throughout living and kitchen areas, stainless steel appliances, new fixtures, etc. Common areas and amenities are also being renovated including the clubhouse, fitness center, etc. The leasing agent also indicated renovated units are achieving a premium of \$150 to \$200+ per month. One-bedroom units at Comp #2 have been renovated. We have adjusted this comp downward \$200 for its superior renovations to the property compared to the subject.
- **Line 8 – Condition/Street Appeal.** The subject has wood siding and brick veneer exteriors with flat rubber membrane roof. The landscaping consists of grass, trees and shrubs. The subject is currently in average condition. All of the comparables are considered similar to the subject for condition and street appeal. No adjustments were necessary.
- **Line 9 – Neighborhood.** The subject's neighborhood is rated average to good with average median income. Demographics for the subject neighborhood show an average household income of \$43,567, home value of \$268,750 and per capita income of \$27,598. Additionally, the subject has reasonably easy access to all services available

within the city limits. Comparable #5 is considered to have reasonably similar neighborhood characteristics as the subject, no adjustment was necessary. We researched demographics for each of the comparables. Rental #1 has average household income of \$23,033, average home values of \$214,241 and per capita income of \$14,382; Comp #2 has average household income of \$58,845, home value of \$197,300 and per capita income of \$38,580; Rental #3 has average home values of \$140,177; and Comp #4 has average household income of \$42,078, home value of \$147,772 and per capita income of \$20,569. Comparables #1, #2, #3 and #4 are located in areas where home values are less than the subject. These comparables are considered to have inferior neighbor characteristics compared to the subject. We have adjusted these comps upward accordingly.

- **Line 10 – Same Market/Miles to Subject.** Comparables #1, #2 and #3 are located in Roanoke, Virginia; Rental #4 is located in Lynchburg; Comp #5 is located in Staunton. Adjustments, if applicable, are better made in the previous neighborhood category.
- **Line 11 – No. Of Bedrooms.** The subject property contains one-bedroom units. All comparables are similar. No adjustments were necessary.
- **Line 12 – No. Of Baths.** The subject features one-bathroom in its units. All comparables are similar. No adjustments were necessary.
- **Line 13 – Unit Interior Sq. Ft.** An examination of market rents shows that differences in size do not equate to a difference in rent on a dollar-for-dollar basis since the rental rate reflects many physical characteristics (e.g., unit amenities, number of bedrooms, appliances). Additional size only accounts for additional living space, but not additional features. A couple of the comparable properties had multiple unit types of one bedroom units from which to derive a size adjustment. We also searched other apartments in the community to compare unit interior square footage. At one property, the 150 square foot larger unit rented for \$55 more per month indicating a size adjustment of \$0.36 per square foot. Another property the 18 square foot larger unit rented for the same price as the smaller unit. At another property, the 66 square foot larger unit rented for \$13 more per month indicating a size adjustment of \$0.19 per square foot. Thus, all things considered, an adjustment of \$0.20 per square foot was estimated, which was applied accordingly to each of the properties. No adjustment was warranted for size differences of 5% or less. All of the rentals required downward adjustments for their larger sizes.
- **Line 14 – Balcony/Patio.** The subject property does not have this amenity which is similar to Rental #5. No adjustment was warranted. The remaining comparables have patios or balconies. We have adjusted these comps downward for its added amenity. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal adjustments were reasonable.
- **Line 15 – AC: Central/Wall.** The subject and all the comparables contain central air conditioning. No adjustments were necessary.
- **Line 16 – Range/Refrigerator.** The subject and all comparables contain both a range and a refrigerator. No adjustments were needed.
- **Line 17 – Microwave/Dishwasher.** The subject does not have microwaves or dishwashers in the units which is similar to Comp #5. No adjustment was necessary. All

of the comparables feature dishwasher and/or microwaves. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. We have adjusted the remaining comparables downward accordingly.

- **Line 18 – Washer/Dryer.** The subject features an on-site laundry facility which is similar to Rentals #4 and #5. No adjustments were warranted. Rentals #1 and #3 contain washer/dryer hookups in each unit. Comparable #2 features washers and dryers in each unit. Since a laundry facility is available on-site at the subject, the adjustment for washers/dryers would reflect the convenience of being able to do laundry in the unit compared to doing laundry in the community laundry room. Comparables #1, #2 and #3 have been adjusted downward accordingly to reflect the added amenity inside of individual units.
- **Line 19 – Floor Coverings.** The subject and all comparables contain carpet or vinyl floor coverings. No adjustments were warranted.
- **Line 20 – Window Coverings.** The subject and all comparables contain window coverings. No adjustments were needed.
- **Line 21 – Cable/Satellite/Internet.** The subject and all comparables have access to cable services. No adjustments were necessary.
- **Line 22 – Special Features.** The subject does not contain any special features. None of the comparable properties have any special features. We have not made any adjustments for this category.
- **Line 24 – Parking.** The subject and all of the comparables contain parking lots for no additional fee. No adjustments were necessary.
- **Line 25 – Extra Storage.** The subject does not contain extra storage which is similar to all of the comparables with the exception of Comp #2. This feature is an enhancement to the unit. Therefore, Rental #2 was adjusted downward for the added amenity it the unit.
- **Line 26 – Security.** The subject and Comps #1, #2, #4 and #5 contain no security features. No adjustments were warranted. Rental #3 features extra security which includes courtesy patrol. This property is considered to have superior security features compared to the subject. We have adjusted Comp #3 downward for the added amenity.
- **Line 27 – Clubhouse/Meeting Rooms/Dining Rooms.** The subject has an on-site clubhouse, which contains a demonstrative kitchen, leasing office and common areas. Comparables #1, #2 and #4 also features a clubhouse; no adjustments were necessary. Rentals #3 and #5 lack this amenity. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, Rentals #3 and #5 were adjusted upward for their lack of amenity.
- **Line 28 – Pool/Recreation Areas.** The subject features no recreation areas. All of the comparables have a swimming pool at their property. Additionally, Rental #1 has a two lighted tennis courts, a basketball court, dog park, car care center, playground and grilling areas; Rental #2 has a fitness center, a dog park, tennis courts, playgrounds, grilling areas and a sundeck; Rental #3 has a swimming pool; Rental #4 has a wading

pool, two tennis courts, sand volleyball, a jogging trail, a couple playgrounds, a pond and a fitness center; and Rental #5 features a grilling area. All of the comparables are considered to have superior recreational areas compared to the subject. No complex in the market area shows a rent differential based on this particular item; however, the added amenity(s) is an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, all of the comparables were adjusted downward for the added amenity(s).

- **Line 29 – Business Center/Neighborhood Network.** The subject property does not feature a business center which is similar to Rentals #2, #3 and #5; no adjustments were necessary. Comps #1 and #4 feature a business center. We have adjusted these rentals downward accordingly.
- **Line 30 – Service Coordination.** The subject does not contain a service coordinator. None of the comparables feature a service coordinator. No adjustments were necessary.
- **Line 31 – Non-Shelter Services.** The subject does not contain these features. None of the comparables contain these features. No adjustments were warranted.

**Utilities** – *The Virginia Housing Development Authority Section 8 Programs Department publishes utility allowances annually. All utility adjustments were based on these published utility allowances.* The subject provides water, sewer and trash. Tenants are responsible for electricity including cooking, cooling and lights. Each of the comparables have been adjusted accordingly.

- **Line 33 – Heat.** Tenants are responsible for electric heat at the property which is similar to Rentals #1, #2 and #3. No adjustments were necessary. The Virginia Housing Development Authority published utility allowance estimates gas heat for one-bedroom units at \$13 per month. Tenants are responsible for heat at comparables #4 and #5. Heat at these properties is provided via gas heating systems. We have adjusted each comp \$13 per month to account for the cost of energy associated with heat.
- **Line 34 – Cooling.** The subject property and none of the comparables have this utility provided. No adjustments were necessary.
- **Line 35 – Cooking.** The subject property and none of the comparables have this utility provided with the exception of Rental #5. No adjustments were necessary for comparables #1, #2, #3 and #4. The Virginia Housing Development Authority published utility allowance estimates gas cooking for one-bedroom units at \$2 per month. Gas is included in rent at Rental #5. We have adjusted this comp \$2 per month to account for the cost of energy associated with cooking.
- **Line 36 – Hot Water.** The subject features individual electric hot water heaters, and electricity is paid by the tenant. The Virginia Housing Development Authority published utility allowance estimates gas hot water for one-bedroom units at \$6 per month. The landlord pays for gas Rentals #1 and #5. We have adjusted these comparables downward \$6 per month to account for the cost of energy associated with hot water. The remaining comparables have an electric or gas hot water heater which is paid by the tenant. No adjustments were necessary.
- **Line 37 – Other Electric.** The subject property and none of the comparables have this utility provided. No adjustments were necessary.

- **Line 38 – Cold Water/Sewer.** The subject provides cold water and sewer service in the rent, which is common to Rentals #1, #4 and #5. The Virginia Housing Development Authority published utility allowance estimates cold water/sewer for one-bedroom units at \$49 per month. Tenants are responsible for water and sewer at Rentals #2 and #3. We have adjusted these comps \$49 per month to account for the cost of energy associated with cold water and sewer.
- **Line 39 – Trash/Recycling.** The subject has this utility provided which is similar to Rentals #1, #3, #4 and #5. No adjustments were necessary. The Virginia Housing Development Authority published utility allowance estimates trash and recycling for one-bedroom units at \$11 per month. Tenants are responsible for trash and recycling at Comp #2. We have adjusted Rental #2 upward \$11 per month to account for the cost of energy associated with trash and recycling.

The adjusted comparable rents range from \$713 to \$766 with an average of \$743 per month and a median of \$756 per month. All of the rentals are located in the central portion of Virginia area and are considered to have reasonably similar locational characteristics. Additionally, Rentals #4 and #5 have the least gross adjustments with adjusted rents of \$756 and \$713 respectively. However, no individual rent or rents is considered more reliable than another. When considered as a whole, the rents provide a reasonably reliable indication of rental rate for the subject and a lease rate toward the middle of the range is appropriate. Given a limited amount of recent construction of market-operated apartments in the subject's area, a limited number of truly comparable properties were available, which resulted in relatively high adjustment percentages. The current lease rate is \$600 per month, which appears to be below market levels. All things considered, we conclude the monthly market rent for the subject is **\$750 per month**, or \$1.31 per square foot.

**Market Rent Conclusions – As Is**

The following table provides a summary of the reconciled market rents for the respective units of the subject property.

<b>MARKET RENTAL RATE SUMMARY - As Is</b>						
<b>No.</b>	<b>Type</b>	<b>Size (SF)</b>	<b>Rent/Mo.</b>	<b>Rent/SF</b>	<b>Total</b>	<b>Prepared Grid</b>
78	1BR-1BA	572	\$750	\$1.31	\$58,500	Yes
78	<b>Total/Avg</b>	572	\$750	\$1.31	\$58,500	

**Explanation of Adjustments – As Complete**

The preceding comparable properties are analyzed on an adjustment grid (HUD 92273-S8) in order to estimate “as complete” market rent for the subject property. Separate adjustment grids are employed for each of the floorplans of the subject, which are included at the end of this analysis. Following is an explanation of adjustments. Line items that required no discussion or adjustment were excluded.



**Rent Comparability Grid**


Unit Type →

One-Bedroom Renovated

Subject's FHA #:

VA36H027007

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lexington House 130 Houston St Lexington, Virginia		Honeywood 3101 Honeywood Ln Roanoke, Virginia		Pebble Creek 3345 Circle Brook Dr Roanoke, Virginia		Sterlingwood 2215 Montauk Rd NW Roanoke, Virginia		Walden Pond 1400 Weeping Willow Dr Lynchburg, Virginia		Parkwood 401 Prospect St Stauton, Virginia	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
<b>A. Rents Charged</b>											
1	\$ Last Rent / Restricted?	\$818		\$920		\$709		\$799		\$800	
2	Date Last Leased (mo/yr)	Aug-19		Aug-19		Aug-19		Aug-19		Aug-19	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	97%		97%		99%		92%		98%	
5	Effective Rent & Rent/ sq. ft	\$818	1.09	\$920	1.23	\$709	1.22	\$799	1.15	\$800	1.50
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
<b>B. Design, Location, Condition</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	E/3		G/3	\$20	G/3	\$20	G/3	\$20	G/3	\$20
7	Yr. Built/Yr. Renovated	1977/2019		1978	\$200	1974/2018-2019		1975	\$200	1980	\$200
8	Condition /Street Appeal	A		A		A		A		A	
9	Neighborhood	G		A	\$10	A	\$10	A	\$10	A	\$10
10	Same Market? Miles to Subj			N/45		N/43		N/43		N/29	
<b>C. Unit Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	572		750	(\$36)	750	(\$36)	583	(\$2)	696	(\$25)
14	Balcony/ Patio	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	RF		RF		RF		RF		RF	
17	Microwave/ Dishwasher	D		D		MD	(\$5)	D		D	\$10
18	Washer/Dryer	L		HU	(\$5)	WD	(\$20)	HU	(\$5)	L	
19	Floor Coverings	C		C		V		C		C	
20	Window Coverings	B		B		B		B		B	
21	Cable/ Satellite/Internet	C/S0		C	\$100	C	\$100	C	\$100	C	\$100
22	Special Features	N		N		N		N		N	
<b>D. Site Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L/0		L/0		L/0		L/0		L/0	
25	Extra Storage	N		N		Y	(\$5)	N		N	
26	Security	Y		N		N		Y	(\$5)	N	\$10
27	Clubhouse/ Meeting Rooms	C		C		C		N	\$10	C	
28	Pool/ Recreation Areas	N		P,R,E	(\$20)	P,R,E	(\$20)	P,R,E	(\$10)	P, E, R	(\$20)
29	Business Ctr / Nbhd Netwk	BC		BC		N	\$5	N	\$5	BC	
30	Service Coordination	Y		N	\$45	N	\$45	N	\$45	N	\$45
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks										
<b>E. Utilities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		Y/G	(\$13)	Y/G	(\$13)
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		Y/G	(\$2)
36	Hot Water (in rent?/ type)	N/E		Y/G	(\$6)	N/G		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y		Y	\$49	N	\$49	Y		Y	
39	Trash /Recycling	Y		Y		N	\$11	Y		Y	
<b>F. Adjustments Recap</b>		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	4	5	6	7	5	6	3	9	1
41	Sum Adjustments B to D	\$375	(\$66)	\$180	(\$91)	\$390	(\$27)	\$385	(\$50)	\$307	(\$15)
42	Sum Utility Adjustments		(\$6)	\$60		\$49			(\$13)		(\$21)
<i>Net/ Gross Adjmts B to E</i>		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43		\$303	\$447	\$149	\$331	\$412	\$466	\$322	\$448	\$271	\$343
<b>G. Adjusted &amp; Market Rents</b>		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,121		\$1,069		\$1,121		\$1,121		\$1,071	
45	Adj Rent/Last rent		137%		116%		158%		140%		134%
46	Estimated Market Rent	\$1,100		\$1,924							

  
Date: 8/23/2019

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared:  Manually  Using HUD's Excel form

form HUD-92273-S8 (04/2002)

**1BR-1BA (572 SF) – As Complete**

- **Line 1 – Last Rent/Restricted.** All of the units are currently rented at the rates shown on the grid. Rents range from \$709 to \$920 per unit. No unit used in this analysis has any rent restrictions.
- **Line 2 – Date Last Leased.** The grid shows the effective date of the leases most recently signed. Effective dates are all August 2019. No adjustments were necessary.
- **Line 3 – Rent Concessions.** The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.
- **Line 4 – Occupancy % for Unit Type.** When possible, occupancies of the individual floorplan were utilized. Otherwise, overall occupancy levels were used. According to data collected, the immediate market has historically maintained an overall occupancy level over 90% for all apartments. The comparables occupancy rates range from 92% to 99%.
- **Line 5 – Effective Rent & Rent/Square Footage.** All of the units are currently rented at the rates shown on the grid. After all necessary adjustments, effective rents range from \$709 to \$920 per unit and effective rents per square foot range from \$1.09 to \$1.33 per square foot.
- **Line 6 – Structure/Stories.** The subject is located in a 3-story elevator building. All of the comparables are located in two and three-story garden buildings. In an elevator building such as the subject, the units on all floors are easily accessible without having to utilize stairs. Therefore, it is the appraiser's opinion that all units located at the subject property within the elevator buildings would rent for a premium when compared to units not on the first floor in walk-up buildings. Therefore, all comparables were adjusted upward \$20 per month.

**Line 7 – Year Built/Year Renovated.** The subject was built in 1977. The subject is receiving a renovation of significant scope of approximately \$40,000 per unit that will position it as a premium unit type within the market. Kitchens and bathrooms will be replaced/updated but also flooring will be replaced and lighting will be redone. The subject will also receive significant site and landscaping upgrades. The parking lot surface will be completely replaced and will be restriped as well. All of this work will drastically increase the aesthetic appeal of the property as well as its long-term functionality. Rental #2 has been and is still in the process of receiving a significant renovation. According to the leasing agent at Rental #2 renovations include new flooring, fixtures, cabinet fronts, stainless steel appliances, washer/dryers, common areas, clubhouse, fitness center, exteriors, etc. The leasing agent indicated that rent premiums for the renovated units are \$150 to \$200+. The scope of renovations at this comparable are considered to be similar to the scope at the subject. No adjustment was necessary to Comp #2. Rental #5 offers non-renovated unit and renovated units. However, renovated units at Rental #5 only include the kitchen. Once the subject is renovated Rental #5 will have inferior effective ages compared to the subject. We have adjusted Rental #5 upward accordingly. Rentals #1, #3 and #4 have not had renovations complete. Due to a lack of a comparable with a renovation or construction date in the past decade, it is difficult to determine adjustment amounts for renovations as it is challenging to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers.

Renovations in this market generally command a rent premium of \$100 to \$200+. Thus, we have adjusted Rentals #1, #3 and #4 upward \$200 per month.

- **Line 8 – Condition/Street Appeal.** The subject has wood siding and brick veneer exteriors with flat rubber membrane roof. The landscaping consists of grass, trees and shrubs. The subject is currently in average condition. All of the comparables are considered similar to the subject for condition and street appeal. No adjustments were necessary.
- **Line 9 – Neighborhood.** The subject's neighborhood is rated average to good with average median income. Demographics for the subject neighborhood show an average household income of \$43,567, home value of \$268,750 and per capita income of \$27,598. Additionally, the subject has reasonably easy access to all services available within the city limits. Comparable #5 is considered to have reasonably similar neighborhood characteristics as the subject, no adjustment was necessary. We researched demographics for each of the comparables. Rental #1 has average household income of \$23,033, average home values of \$214,241 and per capita income of \$14,382; Comp #2 has average household income of \$58,845, home value of \$197,300 and per capita income of \$38,580; Rental #3 has average home values of \$140,177; and Comp #4 has average household income of \$42,078, home value of \$147,772 and per capita income of \$20,569. Comparables #1, #2, #3 and #4 are located in areas where home values are less than the subject. These comparables are considered to have inferior neighbor characteristics compared to the subject. We have adjusted these comps upward accordingly.
- **Line 10 – Same Market/Miles to Subject.** Comparables #1, #2 and #3 are located in Roanoke, Virginia; Rental #4 is located in Lynchburg; Comp #5 is located in Staunton. Adjustments, if applicable, are better made in the previous neighborhood category.
- **Line 11 – No. Of Bedrooms.** The subject property contains one-bedroom units. All comparables are similar. No adjustments were necessary.
- **Line 12 – No. Of Baths.** The subject features one-bathroom in its units. All comparables are similar. No adjustments were necessary.
- **Line 13 – Unit Interior Sq. Ft.** An examination of market rents shows that differences in size do not equate to a difference in rent on a dollar-for-dollar basis since the rental rate reflects many physical characteristics (e.g., unit amenities, number of bedrooms, appliances). Additional size only accounts for additional living space, but not additional features. A couple of the comparable properties had multiple unit types of one bedroom units from which to derive a size adjustment. We also searched other apartments in the community to compare unit interior square footage. At one property, the 150 square foot larger unit rented for \$55 more per month indicating a size adjustment of \$0.36 per square foot. Another property the 18 square foot larger unit rented for the same price as the smaller unit. At another property, the 66 square foot larger unit rented for \$13 more per month indicating a size adjustment of \$0.19 per square foot. Thus, all things considered, an adjustment of \$0.20 per square foot was estimated, which was applied accordingly to each of the properties. No adjustment was warranted for size differences of 5% or less. All of the rentals required downward adjustments for their larger sizes.

- **Line 14 – Balcony/Patio.** The subject property does not have this amenity which is similar to Rental #5. No adjustment was warranted. The remaining comparables have patios or balconies. We have adjusted these comps downward for its added amenity. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal adjustments were reasonable.
- **Line 15 – AC: Central/Wall.** The subject and all the comparables contain central air conditioning. No adjustments were necessary.
- **Line 16 – Range/Refrigerator.** The subject and all comparables contain both a range and a refrigerator. No adjustments were needed.
- **Line 17 – Microwave/Dishwasher.** Once renovated the subject will feature dishwashers in the units which is similar to Rentals #1, #3 and #4. Comparable #2 features both appliances at its property. Rental #5 does not offer either appliance in their units. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. We have adjusted Rental #2 downward for the added amenity. Comp #5 was adjusted upward for the lack of amenity(s).
- **Line 18 – Washer/Dryer.** The subject features an on-site laundry facility which is similar to Rentals #4 and #5. No adjustments were warranted. Rentals #1 and #3 contain washer/dryer hookups in each unit. Comparable #2 features washers and dryers in each unit. Since a laundry facility is available on-site at the subject, the adjustment for washers/dryers would reflect the convenience of being able to do laundry in the unit compared to doing laundry in the community laundry room. Comparables #1, #2 and #3 have been adjusted downward accordingly to reflect the added amenity inside of individual units.
- **Line 19 – Floor Coverings.** The subject and all comparables contain carpet or vinyl floor coverings. No adjustments were warranted.
- **Line 20 – Window Coverings.** The subject and all comparables contain window coverings. No adjustments were needed.
- **Line 21 – Cable/Satellite/Internet.** The subject property will offer a basic cable TV/Internet package to the tenants as a landlord expense. None of the comparables include cable TV or Internet as part of the rent. We have surveyed multiple cable TV and internet providers in the Lexington area. DIRECTV offers a package for \$89.99; Dish TV offers a package for \$79.99; Spectrum has a deal for \$89.98 and CenturyLink offers basic cable and internet for \$109.99. We have adjusted each of the comparables upward \$100 per month to reflect the benefit for offering free cable and internet to the tenants.
- **Line 22 – Special Features.** The subject does not contain any special features. None of the comparable properties have any special features. We have not made any adjustments for this category.
- **Line 24 – Parking.** The subject and all of the comparables contain parking lots for no additional fee. No adjustments were necessary.

- **Line 25 – Extra Storage.** The subject does not contain extra storage which is similar to all of the comparables with the exception of Comp #2. This feature is an enhancement to the unit. Therefore, Rental #2 was adjusted downward for the added amenity it the unit.
- **Line 26 – Security.** The subject and Comps #1, #2, #4 and #5 contain no security features. No adjustments were warranted. Rental #3 features extra security which includes courtesy patrol. This property is considered to have superior security features compared to the subject. We have adjusted Comp #3 downward for the added amenity.
- **Line 27 – Clubhouse/Meeting Rooms/Dining Rooms.** The subject has an on-site clubhouse, which contains a demonstrative kitchen, leasing office and common areas. Comparables #1, #2 and #4 also features a clubhouse; no adjustments were necessary. Rentals #3 and #5 lack this amenity. No complex in the market area shows a rent differential based on this particular item; however, the added amenity is an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, Rentals #3 and #5 were adjusted upward for their lack of amenity.
- **Line 28 – Pool/Recreation Areas.** The subject features no recreation areas. All of the comparables have a swimming pool at their property. Additionally, Rental #1 has a two lighted tennis courts, a basketball court, dog park, car care center, playground and grilling areas; Rental #2 has a fitness center, a dog park, tennis courts, playgrounds, grilling areas and a sundeck; Rental #3 has a swimming pool; Rental #4 has a wading pool, two tennis courts, sand volleyball, a jogging trail, a couple playgrounds, a pond and a fitness center; and Rental #5 features a grilling area. All of the comparables are considered to have superior recreational areas compared to the subject. No complex in the market area shows a rent differential based on this particular item; however, the added amenity(s) is an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, all of the comparables were adjusted downward for the added amenity(s).
- **Line 29 – Business Center/Neighborhood Network.** Once renovated the subject property will contain a business center which is similar to Rentals #1 and #4; no adjustments were necessary. The remaining comparables lack this amenity. We have adjusted Rentals ##2, #3 and #5 upward accordingly.
- **Line 30 – Service Coordination.** The Community Manager (CM) will be responsible for coordinating activities, services and events amongst the residents which may include (but are not limited to) assistance with social services; other life skills courses that will help the residents create techniques for managing life events; learn problem solving and decision making skills to make and maintain healthy lifestyle choices; manage income and expenses; communication skills; fall prevention techniques and assistance with identifying benefits. None of the comparables offer a Service Coordinator. The CM will also work with our corporate Operations department to, when feasible, coordinate partnerships with local organizations to provide additional services. The CM and all of these features listed above will be provided to each tenant for no additional cost. Although there is little data regarding this amenity, service coordination can be an asset to a complex. Therefore, all comparables were adjusted upward \$45 per month.
- **Line 31 – Non-Shelter Services.** The subject does not contain these features. None of the comparables contain these features. No adjustments were warranted.

**Utilities** – *The Virginia Housing Development Authority Section 8 Programs Department publishes utility allowances annually. All utility adjustments were based on these published utility allowances.* The subject provides water, sewer and trash. Tenants are responsible for electricity including cooking, cooling and lights. Each of the comparables have been adjusted accordingly.

- **Line 33 – Heat.** Tenants are responsible for electric heat at the property which is similar to Rentals #1, #2 and #3. No adjustments were necessary. The Virginia Housing Development Authority published utility allowance estimates gas heat for one-bedroom units at \$13 per month. Tenants are responsible for heat at comparables #4 and #5. Heat at these properties is provided via gas heating systems. We have adjusted each comp \$13 per month to account for the cost of energy associated with heat.
- **Line 34 – Cooling.** The subject property and none of the comparables have this utility provided. No adjustments were necessary.
- **Line 35 – Cooking.** The subject property and none of the comparables have this utility provided with the exception of Rental #5. No adjustments were necessary for comparables #1, #2, #3 and #4. The Virginia Housing Development Authority published utility allowance estimates gas cooking for one-bedroom units at \$2 per month. Gas is included in rent at Rental #5. We have adjusted this comp \$2 per month to account for the cost of energy associated with cooking.
- **Line 36 – Hot Water.** The subject features individual electric hot water heaters, and electricity is paid by the tenant. The Virginia Housing Development Authority published utility allowance estimates gas hot water for one-bedroom units at \$6 per month. The landlord pays for gas Rentals #1 and #5. We have adjusted these comparables downward \$6 per month to account for the cost of energy associated with hot water. The remaining comparables have an electric or gas hot water heater which is paid by the tenant. No adjustments were necessary.
- **Line 37 – Other Electric.** The subject property and none of the comparables have this utility provided. No adjustments were necessary.
- **Line 38 – Cold Water/Sewer.** The subject provides cold water and sewer service in the rent, which is common to Rentals #1, #4 and #5. The Virginia Housing Development Authority published utility allowance estimates cold water/sewer for one-bedroom units at \$49 per month. Tenants are responsible for water and sewer at Rentals #2 and #3. We have adjusted these comps \$49 per month to account for the cost of energy associated with cold water and sewer.
- **Line 39 – Trash/Recycling.** The subject has this utility provided which is similar to Rentals #1, #3, #4 and #5. No adjustments were necessary. The Virginia Housing Development Authority published utility allowance estimates trash and recycling for one-bedroom units at \$11 per month. Tenants are responsible for trash and recycling at Comp #2. We have adjusted Rental #2 upward \$11 per month to account for the cost of energy associated with trash and recycling.

## COMPARABLE RENTALS

The adjusted comparable rents range from \$1,069 to \$1,121 with an average of \$1,101 per month. All of the rentals are located in the central portion of Virginia area and are considered to have reasonably similar locational characteristics. However, no individual rent or rents is considered more reliable than another. When considered as a whole, the rents provide a reasonably reliable indication of rental rate for the subject and a lease rate toward the middle of the range is appropriate. Given a limited amount of recent construction of market-operated apartments in the subject's area, a limited number of truly comparable properties were available, which resulted in relatively high adjustment percentages. All things considered, we conclude the monthly market rent for the subject "as complete" is **\$1,100 per month**, or \$1.92 per square foot.

### Market Rent Conclusions – As Complete

The following table provides a summary of the reconciled market rents for the respective units of the subject property.

MARKET RENTAL RATE SUMMARY - As Complete						
No.	Type	Size (SF)	Rent/Mo.	Rent/SF	Total	Prepared Grid
78	1BR-1BA	572	\$1,100	\$1.92	\$85,800	Yes
78	<b>Total/Avg</b>	572	\$1,100	\$1.92	\$85,800	

## Comparable Multifamily Rental



**Name:** Honeywood  
**Address:** 3101 Honeywood Lane  
**City,State,Zip:** Roanoke, VA, 24018 **County:** Roanoke

**Property Use:** Garden/Walkup  
**Number of Units:** 300 **Stories:** 3  
**Year Built/Rehabbed:** 1978 **Quality:** Average  
**Construction Type:** Wood frame construction **Condition:** Average

**Utilities w/ Rent**

Gas Hot Water  
Trash  
Sewer  
Water

**Unit Amenities**

Range/Oven  
Dishwasher  
Fridge/Freezer  
Window Coverings  
Oversized Closets  
Washer/Dryer (select units)  
Patio/Balcony

**Other Amenities**

Free DVD Library  
Fitness Center  
Picnic Area w/ BBQ Grills  
Dog Park  
Car Care Center  
Playground  
Basketball Court  
Lighted Tennis Courts  
Swimming Pool w/ Sundeck  
Clubhouse

**Survey Date:** 8/6/2019  
**Occupancy:** 97%

<u>Unit Type</u>	<u># of Units</u>	<u>Size in Sq Ft</u>	<u>Rent / Month</u>	<u>Rent / Sq. Ft.</u>
1BR-1BA		750	\$818	\$1.09
1BR-1BA Den		880	\$923	\$1.05
2BR-1½BA		950	\$967	\$1.02
2BR-1½BA Den		1,088	\$1,069	\$0.98

**Survey Comments:** No current concessions. Tenant pays electricity

Confirmed information with leasing agent:  
Tim 540-774-0088

Rent Type: Market

The 750sf unit was used in the RCS.



## Comparable Multifamily Rental



**Name:** Pebble Creek  
**Address:** 3345 Circle Brook Drive  
**City,State,Zip:** Roanoke, VA, 24018 **County:** Roanoke City

**Property Use:** Garden/Walkup  
**Number of Units:** 636 **Stories:** 3  
**Year Built/Rehabbed:** 1974/2018-2019 **Quality:** Average  
**Construction Type:** Wood frame construction **Condition:** Average

**Bldg. Description:** Renovated units feature washer/dryer in units, new vinyl plank flooring, microwave, stainless steel appliances, new faucets and fixtures, new vanity, new doors, etc. Common areas have also been and are currently being renovated.

**Utilities w/ Rent**

None

**Unit Amenities**

Granite Like Countertops  
 Large Closets  
 Faux Hardwood Floors (Ren Units)  
 Dishwasher  
 Microwave (Ren Units)  
 Fridge/Freezer  
 Range/Oven  
 Ceiling Fans  
 New Lighting  
 Stainless Steel Appliances  
 Washer/Dryer (Ren Units)  
 Window Coverings

**Other Amenities**

Sundeck  
 Wading Pool  
 Parks, Playgrounds, Picnic Areas  
 Lighted Tennis Courts  
 Laundry Facilities  
 Jr. Olympic-Sized Pool  
 Fitness Center  
 Extra Storage Included  
 Clubhouse

**Survey Date:** 8/6/2019  
**Occupancy:** 97%

<u>Unit Type</u>	<u># of Units</u>	<u>Size in Sq Ft</u>	<u>Rent / Month</u>	<u>Rent / Sq. Ft.</u>
1BR-1BA Ren		750	\$920	\$1.23
1BR-1BA Den		880	\$810	\$0.92
2BR-1½BA		950	\$865	\$0.91
2BR-1½BA Den Ren		1,088	\$1,155	\$1.06
3BR-2BA Ren		1,045	\$1,225	\$1.17
3BR-2BA Den Ren		1,245	\$1,325	\$1.06

## Comparable Multifamily Rental

**Survey Comments:** No current concessions. Tenants are responsible for all utilities

Confirmed information with leasing agent:  
Megan - 540-989-3323

Rent Type: Market

The 750sf unit was used in the RCS.

## Comparable Multifamily Rental



**Name:** Sterlingwood  
**Address:** 2215 Montauk Road NW  
**City,State,Zip:** Roanoke, VA, 24017 **County:** Roanoke City

**Property Use:** Garden/Walkup  
**Number of Units:** 162 **Stories:** 3  
**Year Built/Rehabbed:** 1975 **Quality:** Average  
**Construction Type:** Wood frame construction **Condition:** Average

**Utilities w/ Rent**

Pest  
Trash

**Unit Amenities**

Range/Oven  
Fridge/Freezer  
Dishwashers  
Walk-in Closets  
Window Coverings  
Patio/Balcony  
Ceiling Fans

**Other Amenities**

Grilling Area  
On-Site Patrol  
Extra Storage Available  
Swimming Pool  
Laundry Facility

**Survey Date:** 8/6/2019  
**Occupancy:** 98%

<u>Unit Type</u>	<u># of Units</u>	<u>Size in Sq Ft</u>	<u>Rent / Month</u>	<u>Rent / Sq. Ft.</u>
1BR-1BA		583	\$709	\$1.22
1BR-1BA Den		639	\$729	\$1.14
2BR-2BA		723	\$819	\$1.13
2BR-2BA Den		863	\$869	\$1.01

**Survey Comments:** No current concessions. Tenants are responsible for water, sewer and electricity.

Confirmed information with leasing agent:  
Kayla 540-362-4970

Rent Type: Market

The 583sf unit was used in the RCS.

## Comparable Multifamily Rental



**Name:** Walden Pond  
**Address:** 1400 Weeping Willow Drive  
**City,State,Zip:** Lynchburg, VA, 24501 **County:** Lynchburg City

**Property Use:** Garden/Walkup  
**Number of Units:** 492 **Stories:** 3  
**Year Built/Rehabbed:** 1980 **Quality:** Average  
**Construction Type:** Wood frame construction **Condition:** Average

**Utilities w/ Rent**

Gas Heat  
Trash  
Sewer  
Water

**Unit Amenities**

Ceiling Fans  
Washer/Dryer Hookups (select units)  
Washer/Dryer (select units)  
Walk-in Closets  
Stand Up Showers  
Range/Oven  
Refrigerator/Freezer  
Eat-in Kitchens  
Oversized Windows  
Window Coverings  
Patio/Balcony

**Other Amenities**

Playgrounds  
Jogging Trail  
Sand Volleyball  
Lighted Tennis Courts  
Wading Pool  
Jr. Olympic Size Pool  
Social Rooms for Private Parties  
Clubhouse  
Picnic Area w/ BBQ Grills  
Cyber Café  
Laundry Facilities  
Fitness Center

**Survey Date:** 8/6/2019

**Occupancy:** 92%

<u>Unit Type</u>	<u># of Units</u>	<u>Size in Sq Ft</u>	<u>Rent / Month</u>	<u>Rent / Sq. Ft.</u>
1BR-1BA		696	\$799	\$1.15
1BR-1BA		800	\$861	\$1.08
1BR-1BA Den		834	\$806	\$0.97
2BR-2½BA		1,035	\$757	\$0.73
2BR-2½BA Den		1,206	\$847	\$0.70
3BR-2BA		1,160	\$939	\$0.81
3BR-2BA Den		1,308	\$1,066	\$0.82

**Survey Comments:** No current concessions. Tenants are responsible for electricity.

## Comparable Multifamily Rental

Confirmed information with leasing agent:  
434-385-5060

Rent Type: Market

The 696sf unit was used in the RCS.

## Comparable Multifamily Rental



**Name:** Parkwood  
**Address:** 401 Prospect Street  
**City,State,Zip:** Staunton, VA, 24401 **County:** Staunton City

**Property Use:** Garden/Walkup  
**Number of Units:** 53 **Stories:** 3  
**Year Built/Rehabbed:** 1950/2011 **Quality:** Average  
**Construction Type:** Wood frame construction **Condition:** Average

**Bldg. Description:** Select units have been renovated. Renovations were only to the kitchen and include new countertops, full size gas range, new lighting, new flooring, hardwood floors, brushed nickel fixtures, ceiling fans, etc.

<u>Utilities w/ Rent</u>	<u>Unit Amenities</u>	<u>Other Amenities</u>
Gas Hot Water	Range/Oven	Swimming Pool
Gas Cooking	Window Coverings	Grilling Area
Gas Heat	Ceiling Fans	Laundry Facilities
Trash	Walk-in Closets	
Sewer	Dishwasher	
Water	Fridge/Freezer	

**Survey Date:** 8/6/2019  
**Occupancy:** 98%

<u>Unit Type</u>	<u># of Units</u>	<u>Size in Sq Ft</u>	<u>Rent / Month</u>	<u>Rent / Sq. Ft.</u>
1BR-1BA		535	\$712	\$1.33
1BR-1BA Ren		535	\$800	\$1.50
1BR-1BA		553	\$712	\$1.29
1BR-1BA Ren		553	\$800	\$1.45
2BR-1BA		720	\$754	\$1.05
2BR-1BA Ren		720	\$840	\$1.17
2BR-1BA Ren		720	\$870	\$1.21

**Survey Comments:** No current concessions.  
  
 Confirmed information with leasing agent:  
 540-885-4580  
  
 Rent Type: Market

## Comparable Multifamily Rental

The 535sf unit was used in the RCS.



## PROFESSIONAL QUALIFICATIONS

**Troy W. Smith, MAI**

---

Mr. Smith founded Veracity Valuation, LLC in 2011, a full-service commercial appraisal and consulting firm.

Mr. Smith co-founded Verity Valuation, LLC in 2007. Prior to Verity, Mr. Smith was a Director at Shaner Appraisals, Inc., Overland Park, Kansas where he worked from January 1992 to January 2007. During that time he became experienced with most property types. Mr. Smith performed both appraisal and consulting services on various property types including retail, office, lodging facilities, multifamily, industrial, commercial and residential subdivisions, and vacant land. Mr. Smith has performed market studies and appraisals in several states including Kansas, Missouri, Colorado, Nebraska, Iowa, Texas, Oklahoma, Illinois, Georgia, Virginia, Wisconsin, Florida, New Mexico, North Carolina, Indiana and Arkansas. Mr. Smith has performed appraisal services for new loans, refinancing, condemnation, litigation support, conservation easements, estate planning, ad valorem tax issues, acquisitions, development and construction. Mr. Smith also has significant experience in expert witness testimony.

### **Appraisal Experience**

Appraisal and consulting assignments have been completed on most types of improved property (residential, income-producing, and special purpose) and land. Valuation assignments have included office buildings (general and medical), apartments (garden, mid-rise, high-rise and affordable), commercial/industrial buildings, warehouses, high-tech office/warehouses, data centers, shopping centers (including lifestyle centers and regional malls), nursing homes (skilled and intermediate care), retirement apartments, hotels, motels, church buildings, golf courses and farm properties. Land valuations for most types of property use have also been appraised, as well as proposed developments, conservation easements and market studies for such.

### **Education**

Bachelor of Business Administration, Double Major in Real Estate & Finance (1991)  
Southern Methodist University, Dallas, Texas

### **Appraisal Education**

Mr. Smith has completed the requirements of the continuing education program of the Appraisal Institute and respective states in which he is licensed.

### **Memberships, Licenses and Professional Affiliations**

- Member of the Appraisal Institute (MAI No. 12035)
- Certified General Real Property Appraiser in the following states:

Kansas (G-1148)	Missouri (2001018522)	Indiana (CG41300022)
Texas (TX-1337541-G)	Oklahoma (12828CGA)	Florida (RZ3575)
Illinois (553.002051)	Colorado (100015739)	Virginia (4001 015710)
Iowa (CG02910)	Georgia (320498)	Ohio (2018006040)
South Carolina (7805)	Louisiana (4389)	
- Former Secretary & Treasurer, KC Chapter of Appraisal Institute
- Former Board of Directors, KC Chapter of Appraisal Institute





**Virginia Housing Development Authority**  
Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

<b>Family Name:</b> _____ <b>Unit Address:</b> _____ _____ <b>Voucher Size*:</b> _____ <b>Unit Bedroom Size*:</b> _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>
---

		<b>Unit Type: 2 Exposed Walls</b>				<b>Effective Date: 07/01/2019</b>			
<b>Utility</b>	<b>Usage</b>	Monthly Dollar Amount							
		<b>0 BR</b>	<b>1 BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>5 BR</b>	<b>6 BR</b>	<b>7BR</b>
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
<b>Bottled Gas</b>	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$48.00	\$67.00	\$86.00	\$105.00	\$133.00	\$153.00	\$172.00	\$191.00
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
<b>Electricity</b>	Cooking	\$3.00	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	\$12.00
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00
	Home Heating	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
	Other Electric	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00
	Water Heating	\$10.00	\$13.00	\$17.00	\$21.00	\$27.00	\$30.00	\$34.00	\$38.00
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$28.00	\$33.00	\$36.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
<b>Oil</b>	Home Heating	\$40.00	\$56.00	\$71.00	\$87.00	\$110.00	\$126.00	\$142.00	\$158.00
	Water Heating	\$16.00	\$22.00	\$29.00	\$35.00	\$45.00	\$51.00	\$58.00	\$64.00
<b>Sewer</b>	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
<b>Trash Collection</b>	Other	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
<b>Water</b>	Other	\$16.00	\$22.00	\$29.00	\$35.00	\$45.00	\$51.00	\$58.00	\$64.00
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$



# Market Profile

Lexington City, VA  
Lexington City, VA (5145512)  
Geography: Place

Prepared by Esri

Lexington cit...

### Population Summary

2000 Total Population	6,867
2010 Total Population	7,042
2019 Total Population	7,143
2019 Group Quarters	2,737
2024 Total Population	7,071
2019-2024 Annual Rate	-0.20%
2019 Total Daytime Population	10,566
Workers	6,924
Residents	3,642

### Household Summary

2000 Households	2,232
2000 Average Household Size	2.06
2010 Households	2,237
2010 Average Household Size	2.00
2019 Households	2,203
2019 Average Household Size	2.00
2024 Households	2,167
2024 Average Household Size	2.00
2019-2024 Annual Rate	-0.33%
2010 Families	1,028
2010 Average Family Size	2.75
2019 Families	997
2019 Average Family Size	2.76
2024 Families	974
2024 Average Family Size	2.76
2019-2024 Annual Rate	-0.47%

### Housing Unit Summary

2000 Housing Units	2,376
Owner Occupied Housing Units	51.6%
Renter Occupied Housing Units	42.4%
Vacant Housing Units	6.1%
2010 Housing Units	2,546
Owner Occupied Housing Units	45.8%
Renter Occupied Housing Units	42.1%
Vacant Housing Units	12.1%
2019 Housing Units	2,546
Owner Occupied Housing Units	53.6%
Renter Occupied Housing Units	32.9%
Vacant Housing Units	13.5%
2024 Housing Units	2,559
Owner Occupied Housing Units	53.1%
Renter Occupied Housing Units	31.6%
Vacant Housing Units	15.3%

### Median Household Income

2019	\$43,662
2024	\$51,707

### Median Home Value

2019	\$261,298
2024	\$275,694

### Per Capita Income

2019	\$24,899
2024	\$28,157

### Median Age

2010	24.2
2019	24.4
2024	24.6

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
 Lexington City, VA (5145512)  
 Geography: Place

Prepared by Esri

Lexington cit...

## 2019 Households by Income

Household Income Base	2,203
<\$15,000	21.4%
\$15,000 - \$24,999	10.0%
\$25,000 - \$34,999	9.8%
\$35,000 - \$49,999	13.6%
\$50,000 - \$74,999	15.4%
\$75,000 - \$99,999	13.7%
\$100,000 - \$149,999	8.8%
\$150,000 - \$199,999	3.0%
\$200,000+	4.3%
Average Household Income	\$65,260

## 2024 Households by Income

Household Income Base	2,167
<\$15,000	18.6%
\$15,000 - \$24,999	8.4%
\$25,000 - \$34,999	8.1%
\$35,000 - \$49,999	13.5%
\$50,000 - \$74,999	15.5%
\$75,000 - \$99,999	15.5%
\$100,000 - \$149,999	11.1%
\$150,000 - \$199,999	4.4%
\$200,000+	5.0%
Average Household Income	\$76,145

## 2019 Owner Occupied Housing Units by Value

Total	1,360
<\$50,000	3.8%
\$50,000 - \$99,999	10.1%
\$100,000 - \$149,999	16.8%
\$150,000 - \$199,999	8.3%
\$200,000 - \$249,999	7.6%
\$250,000 - \$299,999	15.3%
\$300,000 - \$399,999	14.7%
\$400,000 - \$499,999	15.6%
\$500,000 - \$749,999	6.7%
\$750,000 - \$999,999	1.2%
\$1,000,000 - \$1,499,999	0.0%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$276,875

## 2024 Owner Occupied Housing Units by Value

Total	1,354
<\$50,000	2.9%
\$50,000 - \$99,999	8.2%
\$100,000 - \$149,999	15.4%
\$150,000 - \$199,999	7.9%
\$200,000 - \$249,999	7.4%
\$250,000 - \$299,999	16.0%
\$300,000 - \$399,999	15.4%
\$400,000 - \$499,999	17.3%
\$500,000 - \$749,999	8.1%
\$750,000 - \$999,999	1.6%
\$1,000,000 - \$1,499,999	0.0%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$295,901

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
 Lexington City, VA (5145512)  
 Geography: Place

Prepared by Esri

	Lexington cit...
<b>2010 Population by Age</b>	
Total	7,042
0 - 4	2.6%
5 - 9	2.9%
10 - 14	3.1%
15 - 24	46.0%
25 - 34	8.4%
35 - 44	5.9%
45 - 54	7.1%
55 - 64	8.8%
65 - 74	6.6%
75 - 84	5.9%
85 +	2.8%
18 +	89.9%
<b>2019 Population by Age</b>	
Total	7,143
0 - 4	2.4%
5 - 9	2.3%
10 - 14	2.5%
15 - 24	45.9%
25 - 34	9.9%
35 - 44	5.5%
45 - 54	5.7%
55 - 64	8.1%
65 - 74	8.1%
75 - 84	6.1%
85 +	3.5%
18 +	91.2%
<b>2024 Population by Age</b>	
Total	7,071
0 - 4	2.3%
5 - 9	2.3%
10 - 14	2.4%
15 - 24	45.3%
25 - 34	8.6%
35 - 44	7.2%
45 - 54	5.1%
55 - 64	7.4%
65 - 74	8.2%
75 - 84	7.5%
85 +	3.8%
18 +	91.6%
<b>2010 Population by Sex</b>	
Males	3,923
Females	3,119
<b>2019 Population by Sex</b>	
Males	4,030
Females	3,113
<b>2024 Population by Sex</b>	
Males	3,992
Females	3,079

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
 Lexington City, VA (5145512)  
 Geography: Place

Prepared by Esri

	Lexington cit...
<b>2010 Population by Race/Ethnicity</b>	
Total	7,042
White Alone	85.2%
Black Alone	9.7%
American Indian Alone	0.1%
Asian Alone	2.2%
Pacific Islander Alone	0.1%
Some Other Race Alone	0.9%
Two or More Races	1.8%
Hispanic Origin	3.8%
Diversity Index	31.8
<b>2019 Population by Race/Ethnicity</b>	
Total	7,143
White Alone	84.4%
Black Alone	8.7%
American Indian Alone	0.1%
Asian Alone	3.5%
Pacific Islander Alone	0.1%
Some Other Race Alone	0.9%
Two or More Races	2.4%
Hispanic Origin	3.8%
Diversity Index	33.2
<b>2024 Population by Race/Ethnicity</b>	
Total	7,071
White Alone	84.3%
Black Alone	8.7%
American Indian Alone	0.1%
Asian Alone	3.5%
Pacific Islander Alone	0.1%
Some Other Race Alone	0.9%
Two or More Races	2.4%
Hispanic Origin	3.8%
Diversity Index	33.4
<b>2010 Population by Relationship and Household Type</b>	
Total	7,042
In Households	63.5%
In Family Households	40.9%
Householder	14.6%
Spouse	11.1%
Child	12.9%
Other relative	1.5%
Nonrelative	0.8%
In Nonfamily Households	22.6%
In Group Quarters	36.5%
Institutionalized Population	0.7%
Noninstitutionalized Population	35.7%

**Data Note:** Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
 Lexington City, VA (5145512)  
 Geography: Place

Prepared by Esri

	Lexington cit...
<b>2019 Population 25+ by Educational Attainment</b>	
Total	3,353
Less than 9th Grade	6.2%
9th - 12th Grade, No Diploma	8.6%
High School Graduate	19.8%
GED/Alternative Credential	2.6%
Some College, No Degree	16.9%
Associate Degree	5.0%
Bachelor's Degree	21.8%
Graduate/Professional Degree	19.2%
<b>2019 Population 15+ by Marital Status</b>	
Total	6,630
Never Married	68.6%
Married	20.0%
Widowed	5.0%
Divorced	6.4%
<b>2019 Civilian Population 16+ in Labor Force</b>	
Civilian Employed	97.2%
Civilian Unemployed (Unemployment Rate)	2.8%
<b>2019 Employed Population 16+ by Industry</b>	
Total	2,257
Agriculture/Mining	0.6%
Construction	3.6%
Manufacturing	4.8%
Wholesale Trade	0.1%
Retail Trade	6.0%
Transportation/Utilities	7.3%
Information	3.0%
Finance/Insurance/Real Estate	3.8%
Services	65.3%
Public Administration	5.4%
<b>2019 Employed Population 16+ by Occupation</b>	
Total	2,257
White Collar	68.8%
Management/Business/Financial	14.9%
Professional	31.0%
Sales	8.3%
Administrative Support	14.6%
Services	18.7%
Blue Collar	12.5%
Farming/Forestry/Fishing	0.8%
Construction/Extraction	2.7%
Installation/Maintenance/Repair	0.0%
Production	2.0%
Transportation/Material Moving	7.0%
<b>2010 Population By Urban/ Rural Status</b>	
Total Population	7,042
Population Inside Urbanized Area	0.0%
Population Inside Urbanized Cluster	100.0%
Rural Population	0.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
 Lexington City, VA (5145512)  
 Geography: Place

Prepared by Esri

	Lexington cit...
<b>2010 Households by Type</b>	
Total	2,237
Households with 1 Person	43.0%
Households with 2+ People	57.0%
Family Households	46.0%
Husband-wife Families	35.0%
With Related Children	12.1%
Other Family (No Spouse Present)	10.9%
Other Family with Male Householder	2.5%
With Related Children	1.3%
Other Family with Female Householder	8.4%
With Related Children	4.6%
Nonfamily Households	11.0%
All Households with Children	18.1%
Multigenerational Households	1.4%
Unmarried Partner Households	4.2%
Male-female	3.6%
Same-sex	0.6%
<b>2010 Households by Size</b>	
Total	2,237
1 Person Household	43.0%
2 Person Household	33.0%
3 Person Household	10.9%
4 Person Household	8.8%
5 Person Household	2.9%
6 Person Household	1.1%
7 + Person Household	0.3%
<b>2010 Households by Tenure and Mortgage Status</b>	
Total	2,237
Owner Occupied	52.1%
Owned with a Mortgage/Loan	30.0%
Owned Free and Clear	22.1%
Renter Occupied	47.9%
<b>2010 Housing Units By Urban/ Rural Status</b>	
Total Housing Units	2,546
Housing Units Inside Urbanized Area	0.0%
Housing Units Inside Urbanized Cluster	100.0%
Rural Housing Units	0.0%

**Data Note:** Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington City, VA  
Lexington City, VA (5145512)  
Geography: Place

Prepared by Esri

## Lexington cit...

### Top 3 Tapestry Segments

1. Golden Years (9B)
2. College Towns (14B)
3. Small Town Simplicity (12C)

### 2019 Consumer Spending

Apparel & Services: Total \$	\$3,590,432
Average Spent	\$1,629.79
Spending Potential Index	76
Education: Total \$	\$2,668,861
Average Spent	\$1,211.47
Spending Potential Index	76
Entertainment/Recreation: Total \$	\$5,406,057
Average Spent	\$2,453.95
Spending Potential Index	75
Food at Home: Total \$	\$8,834,523
Average Spent	\$4,010.22
Spending Potential Index	78
Food Away from Home: Total \$	\$6,131,872
Average Spent	\$2,783.42
Spending Potential Index	76
Health Care: Total \$	\$9,919,301
Average Spent	\$4,502.63
Spending Potential Index	76
HH Furnishings & Equipment: Total \$	\$3,448,956
Average Spent	\$1,565.57
Spending Potential Index	73
Personal Care Products & Services: Total \$	\$1,455,174
Average Spent	\$660.54
Spending Potential Index	75
Shelter: Total \$	\$31,658,033
Average Spent	\$14,370.42
Spending Potential Index	78
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$4,248,480
Average Spent	\$1,928.50
Spending Potential Index	78
Travel: Total \$	\$3,539,812
Average Spent	\$1,606.81
Spending Potential Index	72
Vehicle Maintenance & Repairs: Total \$	\$2,041,746
Average Spent	\$926.80
Spending Potential Index	81

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

August 06, 2019





# Market Profile

Rockbridge County, VA  
 Rockbridge County, VA (51163)  
 Geography: County

Prepared by Esri

	Rockbridge Co...
<b>Population Summary</b>	
2000 Total Population	20,808
2010 Total Population	22,307
2019 Total Population	23,211
2019 Group Quarters	506
2024 Total Population	23,576
2019-2024 Annual Rate	0.31%
2019 Total Daytime Population	20,019
Workers	7,414
Residents	12,605
<b>Household Summary</b>	
2000 Households	8,486
2000 Average Household Size	2.43
2010 Households	9,555
2010 Average Household Size	2.32
2019 Households	9,784
2019 Average Household Size	2.32
2024 Households	9,935
2024 Average Household Size	2.32
2019-2024 Annual Rate	0.31%
2010 Families	6,399
2010 Average Family Size	2.77
2019 Families	6,492
2019 Average Family Size	2.78
2024 Families	6,569
2024 Average Family Size	2.78
2019-2024 Annual Rate	0.24%
<b>Housing Unit Summary</b>	
2000 Housing Units	9,550
Owner Occupied Housing Units	69.0%
Renter Occupied Housing Units	19.9%
Vacant Housing Units	11.1%
2010 Housing Units	11,152
Owner Occupied Housing Units	64.3%
Renter Occupied Housing Units	21.4%
Vacant Housing Units	14.3%
2019 Housing Units	11,694
Owner Occupied Housing Units	64.1%
Renter Occupied Housing Units	19.6%
Vacant Housing Units	16.3%
2024 Housing Units	12,092
Owner Occupied Housing Units	63.4%
Renter Occupied Housing Units	18.8%
Vacant Housing Units	17.8%
<b>Median Household Income</b>	
2019	\$57,761
2024	\$66,054
<b>Median Home Value</b>	
2019	\$229,738
2024	\$254,980
<b>Per Capita Income</b>	
2019	\$33,916
2024	\$38,877
<b>Median Age</b>	
2010	46.5
2019	48.8
2024	50.4

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
 Rockbridge County, VA (51163)  
 Geography: County

Prepared by Esri

	Rockbridge Co...
<b>2019 Households by Income</b>	
Household Income Base	9,784
<\$15,000	9.7%
\$15,000 - \$24,999	9.6%
\$25,000 - \$34,999	9.7%
\$35,000 - \$49,999	12.5%
\$50,000 - \$74,999	20.7%
\$75,000 - \$99,999	14.1%
\$100,000 - \$149,999	12.7%
\$150,000 - \$199,999	5.1%
\$200,000+	5.8%
Average Household Income	\$80,383
<b>2024 Households by Income</b>	
Household Income Base	9,935
<\$15,000	8.1%
\$15,000 - \$24,999	7.7%
\$25,000 - \$34,999	7.8%
\$35,000 - \$49,999	12.0%
\$50,000 - \$74,999	19.9%
\$75,000 - \$99,999	15.3%
\$100,000 - \$149,999	15.4%
\$150,000 - \$199,999	7.3%
\$200,000+	6.6%
Average Household Income	\$92,180
<b>2019 Owner Occupied Housing Units by Value</b>	
Total	7,494
<\$50,000	5.6%
\$50,000 - \$99,999	10.2%
\$100,000 - \$149,999	12.8%
\$150,000 - \$199,999	15.0%
\$200,000 - \$249,999	10.7%
\$250,000 - \$299,999	12.4%
\$300,000 - \$399,999	16.1%
\$400,000 - \$499,999	5.6%
\$500,000 - \$749,999	7.7%
\$750,000 - \$999,999	3.4%
\$1,000,000 - \$1,499,999	0.5%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$274,907
<b>2024 Owner Occupied Housing Units by Value</b>	
Total	7,665
<\$50,000	4.4%
\$50,000 - \$99,999	8.5%
\$100,000 - \$149,999	11.3%
\$150,000 - \$199,999	13.9%
\$200,000 - \$249,999	10.6%
\$250,000 - \$299,999	13.3%
\$300,000 - \$399,999	17.7%
\$400,000 - \$499,999	6.4%
\$500,000 - \$749,999	9.4%
\$750,000 - \$999,999	4.1%
\$1,000,000 - \$1,499,999	0.4%
\$1,500,000 - \$1,999,999	0.0%
\$2,000,000 +	0.0%
Average Home Value	\$296,751

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
 Rockbridge County, VA (51163)  
 Geography: County

Prepared by Esri

		Rockbridge Co...
<b>2010 Population by Age</b>		
Total		22,307
0 - 4		4.7%
5 - 9		5.2%
10 - 14		5.6%
15 - 24		11.1%
25 - 34		9.2%
35 - 44		11.9%
45 - 54		15.7%
55 - 64		15.8%
65 - 74		11.6%
75 - 84		6.6%
85 +		2.5%
18 +		80.9%
<b>2019 Population by Age</b>		
Total		23,211
0 - 4		4.1%
5 - 9		4.6%
10 - 14		5.0%
15 - 24		10.1%
25 - 34		11.2%
35 - 44		10.3%
45 - 54		13.0%
55 - 64		16.8%
65 - 74		14.9%
75 - 84		7.3%
85 +		2.7%
18 +		82.8%
<b>2024 Population by Age</b>		
Total		23,576
0 - 4		4.0%
5 - 9		4.4%
10 - 14		4.9%
15 - 24		9.9%
25 - 34		9.1%
35 - 44		11.8%
45 - 54		11.6%
55 - 64		16.1%
65 - 74		16.5%
75 - 84		8.8%
85 +		2.8%
18 +		83.1%
<b>2010 Population by Sex</b>		
Males		10,996
Females		11,311
<b>2019 Population by Sex</b>		
Males		11,505
Females		11,706
<b>2024 Population by Sex</b>		
Males		11,726
Females		11,850

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
Rockbridge County, VA (51163)  
Geography: County

Prepared by Esri

		Rockbridge Co...
<b>2010 Population by Race/Ethnicity</b>		
Total		22,307
White Alone		94.6%
Black Alone		2.7%
American Indian Alone		0.5%
Asian Alone		0.5%
Pacific Islander Alone		0.0%
Some Other Race Alone		0.4%
Two or More Races		1.4%
Hispanic Origin		1.3%
Diversity Index		12.8
<b>2019 Population by Race/Ethnicity</b>		
Total		23,211
White Alone		92.5%
Black Alone		3.6%
American Indian Alone		0.6%
Asian Alone		0.7%
Pacific Islander Alone		0.0%
Some Other Race Alone		0.6%
Two or More Races		1.9%
Hispanic Origin		2.0%
Diversity Index		17.6
<b>2024 Population by Race/Ethnicity</b>		
Total		23,576
White Alone		91.3%
Black Alone		4.0%
American Indian Alone		0.8%
Asian Alone		0.9%
Pacific Islander Alone		0.0%
Some Other Race Alone		0.7%
Two or More Races		2.2%
Hispanic Origin		2.5%
Diversity Index		20.5
<b>2010 Population by Relationship and Household Type</b>		
Total		22,307
In Households		99.2%
In Family Households		81.4%
Householder		28.7%
Spouse		22.7%
Child		25.6%
Other relative		2.4%
Nonrelative		2.1%
In Nonfamily Households		17.8%
In Group Quarters		0.8%
Institutionalized Population		0.6%
Noninstitutionalized Population		0.1%

**Data Note:** Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
Rockbridge County, VA (51163)  
Geography: County

Prepared by Esri

	<b>Rockbridge Co...</b>
<b>2019 Population 25+ by Educational Attainment</b>	
Total	17,676
Less than 9th Grade	4.8%
9th - 12th Grade, No Diploma	8.6%
High School Graduate	28.8%
GED/Alternative Credential	6.0%
Some College, No Degree	16.7%
Associate Degree	7.9%
Bachelor's Degree	15.6%
Graduate/Professional Degree	11.5%
<b>2019 Population 15+ by Marital Status</b>	
Total	20,014
Never Married	22.3%
Married	57.2%
Widowed	7.6%
Divorced	12.9%
<b>2019 Civilian Population 16+ in Labor Force</b>	
Civilian Employed	97.9%
Civilian Unemployed (Unemployment Rate)	2.1%
<b>2019 Employed Population 16+ by Industry</b>	
Total	10,718
Agriculture/Mining	1.9%
Construction	7.5%
Manufacturing	13.3%
Wholesale Trade	0.2%
Retail Trade	11.5%
Transportation/Utilities	4.7%
Information	1.1%
Finance/Insurance/Real Estate	4.6%
Services	50.9%
Public Administration	4.3%
<b>2019 Employed Population 16+ by Occupation</b>	
Total	10,718
White Collar	54.6%
Management/Business/Financial	12.9%
Professional	20.6%
Sales	10.2%
Administrative Support	10.9%
Services	18.0%
Blue Collar	27.5%
Farming/Forestry/Fishing	0.7%
Construction/Extraction	5.2%
Installation/Maintenance/Repair	5.2%
Production	11.0%
Transportation/Material Moving	5.4%
<b>2010 Population By Urban/ Rural Status</b>	
Total Population	22,307
Population Inside Urbanized Area	0.0%
Population Inside Urbanized Cluster	8.4%
Rural Population	91.6%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
 Rockbridge County, VA (51163)  
 Geography: County

Prepared by Esri

	Rockbridge Co...
<b>2010 Households by Type</b>	
Total	9,555
Households with 1 Person	27.3%
Households with 2+ People	72.7%
Family Households	67.0%
Husband-wife Families	52.9%
With Related Children	17.5%
Other Family (No Spouse Present)	14.1%
Other Family with Male Householder	4.3%
With Related Children	2.3%
Other Family with Female Householder	9.8%
With Related Children	5.8%
Nonfamily Households	5.8%
All Households with Children	26.0%
Multigenerational Households	3.1%
Unmarried Partner Households	6.3%
Male-female	5.7%
Same-sex	0.6%
<b>2010 Households by Size</b>	
Total	9,555
1 Person Household	27.3%
2 Person Household	40.4%
3 Person Household	15.4%
4 Person Household	10.6%
5 Person Household	4.3%
6 Person Household	1.4%
7 + Person Household	0.7%
<b>2010 Households by Tenure and Mortgage Status</b>	
Total	9,555
Owner Occupied	75.0%
Owned with a Mortgage/Loan	43.3%
Owned Free and Clear	31.7%
Renter Occupied	25.0%
<b>2010 Housing Units By Urban/ Rural Status</b>	
Total Housing Units	11,152
Housing Units Inside Urbanized Area	0.0%
Housing Units Inside Urbanized Cluster	7.9%
Rural Housing Units	92.1%

**Data Note:** Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Rockbridge County, VA  
 Rockbridge County, VA (51163)  
 Geography: County

Prepared by Esri

		Rockbridge Co...
<b>Top 3 Tapestry Segments</b>		
1.		The Great Outdoors (6C)
2.		Rooted Rural (10B)
3.		Rural Resort Dwellers (6E)
<b>2019 Consumer Spending</b>		
Apparel & Services: Total \$		\$18,757,905
Average Spent		\$1,917.20
Spending Potential Index		89
Education: Total \$		\$12,327,618
Average Spent		\$1,259.98
Spending Potential Index		79
Entertainment/Recreation: Total \$		\$32,162,899
Average Spent		\$3,287.30
Spending Potential Index		101
Food at Home: Total \$		\$50,689,673
Average Spent		\$5,180.87
Spending Potential Index		100
Food Away from Home: Total \$		\$32,715,102
Average Spent		\$3,343.73
Spending Potential Index		91
Health Care: Total \$		\$61,159,928
Average Spent		\$6,251.01
Spending Potential Index		105
HH Furnishings & Equipment: Total \$		\$19,346,367
Average Spent		\$1,977.35
Spending Potential Index		93
Personal Care Products & Services: Total \$		\$7,605,531
Average Spent		\$777.34
Spending Potential Index		88
Shelter: Total \$		\$153,614,390
Average Spent		\$15,700.57
Spending Potential Index		85
Support Payments/Cash Contributions/Gifts in Kind: Total \$		\$24,128,607
Average Spent		\$2,466.13
Spending Potential Index		99
Travel: Total \$		\$19,608,282
Average Spent		\$2,004.12
Spending Potential Index		89
Vehicle Maintenance & Repairs: Total \$		\$11,082,918
Average Spent		\$1,132.76
Spending Potential Index		99

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2000 Total Population	5,195	9,972	13,243
2010 Total Population	5,147	10,811	14,527
2019 Total Population	5,158	11,366	15,172
2019 Group Quarters	1,249	3,023	3,152
2024 Total Population	5,097	11,362	15,221
2019-2024 Annual Rate	-0.24%	-0.01%	0.06%
2019 Total Daytime Population	8,968	15,538	18,472
Workers	5,656	9,427	10,189
Residents	3,312	6,111	8,283
<b>Household Summary</b>			
2000 Households	1,990	3,513	4,823
2000 Average Household Size	2.02	2.18	2.25
2010 Households	1,999	3,892	5,435
2010 Average Household Size	1.99	2.09	2.17
2019 Households	1,965	3,910	5,488
2019 Average Household Size	1.99	2.13	2.19
2024 Households	1,933	3,904	5,504
2024 Average Household Size	1.99	2.14	2.19
2019-2024 Annual Rate	-0.33%	-0.03%	0.06%
2010 Families	919	2,064	3,103
2010 Average Family Size	2.74	2.72	2.74
2019 Families	891	2,057	3,111
2019 Average Family Size	2.75	2.78	2.77
2024 Families	872	2,049	3,115
2024 Average Family Size	2.75	2.78	2.77
2019-2024 Annual Rate	-0.43%	-0.08%	0.03%
<b>Housing Unit Summary</b>			
2000 Housing Units	2,122	3,774	5,183
Owner Occupied Housing Units	52.2%	56.7%	60.1%
Renter Occupied Housing Units	41.6%	36.4%	32.9%
Vacant Housing Units	6.2%	6.9%	6.9%
2010 Housing Units	2,277	4,436	6,161
Owner Occupied Housing Units	46.3%	50.3%	54.3%
Renter Occupied Housing Units	41.5%	37.5%	33.9%
Vacant Housing Units	12.2%	12.3%	11.8%
2019 Housing Units	2,272	4,520	6,314
Owner Occupied Housing Units	54.0%	55.3%	58.0%
Renter Occupied Housing Units	32.5%	31.2%	28.9%
Vacant Housing Units	13.5%	13.5%	13.1%
2024 Housing Units	2,285	4,599	6,449
Owner Occupied Housing Units	53.5%	54.9%	57.6%
Renter Occupied Housing Units	31.1%	29.9%	27.7%
Vacant Housing Units	15.4%	15.1%	14.7%
<b>Median Household Income</b>			
2019	\$43,567	\$51,848	\$53,830
2024	\$51,488	\$58,879	\$61,192
<b>Median Home Value</b>			
2019	\$268,750	\$268,384	\$263,219
2024	\$282,227	\$285,526	\$280,819
<b>Per Capita Income</b>			
2019	\$27,598	\$29,664	\$30,894
2024	\$31,758	\$33,398	\$34,895
<b>Median Age</b>			
2010	29.4	29.6	35.2
2019	31.4	31.7	35.6
2024	33.5	34.1	38.1

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.





# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>2019 Households by Income</b>			
Household Income Base	1,965	3,910	5,488
<\$15,000	21.4%	17.1%	15.3%
\$15,000 - \$24,999	10.0%	8.8%	8.7%
\$25,000 - \$34,999	9.6%	9.3%	9.8%
\$35,000 - \$49,999	13.8%	12.9%	12.4%
\$50,000 - \$74,999	15.0%	17.0%	17.8%
\$75,000 - \$99,999	13.4%	13.6%	13.6%
\$100,000 - \$149,999	8.9%	10.3%	11.0%
\$150,000 - \$199,999	3.1%	4.9%	5.2%
\$200,000+	4.7%	6.0%	6.2%
Average Household Income	\$66,411	\$76,107	\$78,212
<b>2024 Households by Income</b>			
Household Income Base	1,933	3,904	5,504
<\$15,000	18.9%	14.9%	13.2%
\$15,000 - \$24,999	8.4%	7.4%	7.3%
\$25,000 - \$34,999	7.7%	7.6%	7.9%
\$35,000 - \$49,999	13.8%	12.7%	12.1%
\$50,000 - \$74,999	15.0%	16.8%	17.5%
\$75,000 - \$99,999	15.0%	14.9%	14.8%
\$100,000 - \$149,999	11.2%	12.3%	13.1%
\$150,000 - \$199,999	4.6%	6.8%	7.2%
\$200,000+	5.4%	6.6%	6.8%
Average Household Income	\$77,475	\$86,796	\$89,172
<b>2019 Owner Occupied Housing Units by Value</b>			
Total	1,224	2,494	3,658
<\$50,000	4.1%	3.1%	3.5%
\$50,000 - \$99,999	9.4%	8.4%	8.7%
\$100,000 - \$149,999	15.6%	13.5%	12.9%
\$150,000 - \$199,999	7.4%	9.7%	10.4%
\$200,000 - \$249,999	7.3%	10.0%	10.6%
\$250,000 - \$299,999	16.7%	14.4%	14.7%
\$300,000 - \$399,999	15.5%	17.5%	17.1%
\$400,000 - \$499,999	15.8%	11.6%	10.1%
\$500,000 - \$749,999	6.9%	9.3%	9.0%
\$750,000 - \$999,999	1.4%	2.2%	2.6%
\$1,000,000 - \$1,499,999	0.0%	0.3%	0.4%
\$1,500,000 - \$1,999,999	0.0%	0.0%	0.0%
\$2,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$283,245	\$297,506	\$294,753
<b>2024 Owner Occupied Housing Units by Value</b>			
Total	1,219	2,522	3,711
<\$50,000	3.1%	2.3%	2.6%
\$50,000 - \$99,999	7.5%	6.5%	6.8%
\$100,000 - \$149,999	14.2%	11.9%	11.3%
\$150,000 - \$199,999	7.0%	8.9%	9.5%
\$200,000 - \$249,999	7.1%	9.6%	10.2%
\$250,000 - \$299,999	17.3%	15.1%	15.6%
\$300,000 - \$399,999	16.2%	18.6%	18.5%
\$400,000 - \$499,999	17.6%	12.8%	11.2%
\$500,000 - \$749,999	8.2%	11.3%	10.9%
\$750,000 - \$999,999	1.8%	2.7%	3.1%
\$1,000,000 - \$1,499,999	0.0%	0.2%	0.3%
\$1,500,000 - \$1,999,999	0.0%	0.0%	0.0%
\$2,000,000 +	0.0%	0.0%	0.0%
Average Home Value	\$302,956	\$319,102	\$316,633

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>2010 Population by Age</b>			
Total	5,146	10,814	14,528
0 - 4	3.2%	3.4%	3.7%
5 - 9	3.4%	3.6%	4.0%
10 - 14	3.8%	3.7%	4.2%
15 - 24	34.3%	34.5%	29.0%
25 - 34	9.6%	8.8%	8.9%
35 - 44	7.0%	7.7%	8.8%
45 - 54	8.7%	9.2%	10.6%
55 - 64	10.6%	10.9%	12.0%
65 - 74	8.3%	8.3%	9.2%
75 - 84	7.5%	6.5%	6.5%
85 +	3.6%	3.4%	3.2%
18 +	87.7%	87.2%	85.6%
<b>2019 Population by Age</b>			
Total	5,159	11,365	15,171
0 - 4	2.9%	3.0%	3.3%
5 - 9	2.8%	3.1%	3.4%
10 - 14	3.1%	3.2%	3.6%
15 - 24	33.8%	33.6%	27.9%
25 - 34	11.4%	10.9%	11.3%
35 - 44	6.5%	6.9%	7.7%
45 - 54	7.1%	7.9%	9.1%
55 - 64	9.8%	10.5%	11.7%
65 - 74	10.2%	10.5%	11.4%
75 - 84	7.9%	6.8%	7.1%
85 +	4.5%	3.6%	3.5%
18 +	89.2%	88.1%	86.9%
<b>2024 Population by Age</b>			
Total	5,095	11,361	15,221
0 - 4	2.8%	2.9%	3.2%
5 - 9	2.7%	3.0%	3.3%
10 - 14	2.9%	3.2%	3.6%
15 - 24	32.8%	32.9%	27.2%
25 - 34	10.1%	8.8%	9.0%
35 - 44	8.4%	9.1%	9.9%
45 - 54	6.3%	7.0%	8.1%
55 - 64	9.0%	10.0%	11.2%
65 - 74	10.3%	11.3%	12.3%
75 - 84	9.7%	8.1%	8.4%
85 +	4.9%	3.8%	3.7%
18 +	89.8%	88.5%	87.2%
<b>2010 Population by Sex</b>			
Males	2,619	5,721	7,522
Females	2,528	5,090	7,005
<b>2019 Population by Sex</b>			
Males	2,652	6,065	7,915
Females	2,507	5,301	7,257
<b>2024 Population by Sex</b>			
Males	2,618	6,070	7,951
Females	2,479	5,291	7,269

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>2010 Population by Race/Ethnicity</b>			
Total	5,146	10,811	14,527
White Alone	86.2%	88.2%	89.8%
Black Alone	9.1%	7.3%	6.1%
American Indian Alone	0.1%	0.2%	0.3%
Asian Alone	1.9%	1.8%	1.5%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.8%	0.6%	0.6%
Two or More Races	1.7%	1.7%	1.7%
Hispanic Origin	3.7%	3.0%	2.7%
Diversity Index	30.1	26.1	23.2
<b>2019 Population by Race/Ethnicity</b>			
Total	5,157	11,366	15,172
White Alone	85.4%	87.2%	88.5%
Black Alone	8.2%	6.8%	5.9%
American Indian Alone	0.1%	0.3%	0.4%
Asian Alone	3.0%	2.8%	2.3%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.8%	0.7%	0.7%
Two or More Races	2.3%	2.2%	2.2%
Hispanic Origin	3.7%	3.1%	3.0%
Diversity Index	31.5	28.0	25.9
<b>2024 Population by Race/Ethnicity</b>			
Total	5,096	11,362	15,221
White Alone	85.4%	86.7%	87.8%
Black Alone	8.2%	6.9%	6.1%
American Indian Alone	0.1%	0.3%	0.4%
Asian Alone	3.1%	2.9%	2.5%
Pacific Islander Alone	0.0%	0.0%	0.0%
Some Other Race Alone	0.8%	0.7%	0.7%
Two or More Races	2.4%	2.4%	2.4%
Hispanic Origin	3.7%	3.3%	3.3%
Diversity Index	31.7	29.0	27.4
<b>2010 Population by Relationship and Household Type</b>			
Total	5,147	10,811	14,527
In Households	77.2%	75.3%	81.1%
In Family Households	49.8%	52.9%	59.9%
Householder	17.8%	19.0%	21.4%
Spouse	13.7%	14.8%	16.8%
Child	15.6%	16.4%	18.7%
Other relative	1.8%	1.6%	1.7%
Nonrelative	0.9%	1.1%	1.3%
In Nonfamily Households	27.4%	22.3%	21.2%
In Group Quarters	22.8%	24.7%	18.9%
Institutionalized Population	1.0%	1.4%	1.4%
Noninstitutionalized Population	21.8%	23.3%	17.5%

**Data Note:** Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>2019 Population 25+ by Educational Attainment</b>			
Total	2,964	6,492	9,371
Less than 9th Grade	6.3%	4.4%	4.1%
9th - 12th Grade, No Diploma	9.2%	6.9%	7.5%
High School Graduate	20.1%	22.5%	24.0%
GED/Alternative Credential	2.8%	3.0%	4.4%
Some College, No Degree	16.9%	16.1%	16.1%
Associate Degree	4.0%	5.7%	6.2%
Bachelor's Degree	22.2%	21.6%	20.1%
Graduate/Professional Degree	18.6%	19.7%	17.6%
<b>2019 Population 15+ by Marital Status</b>			
Total	4,707	10,308	13,602
Never Married	59.4%	52.9%	45.7%
Married	25.9%	32.7%	39.2%
Widowed	6.8%	6.2%	6.2%
Divorced	7.9%	8.1%	8.9%
<b>2019 Civilian Population 16+ in Labor Force</b>			
Civilian Employed	97.5%	97.9%	97.8%
Civilian Unemployed (Unemployment Rate)	2.5%	2.1%	2.2%
<b>2019 Employed Population 16+ by Industry</b>			
Total	1,822	4,005	5,662
Agriculture/Mining	0.5%	0.8%	1.1%
Construction	3.6%	4.1%	4.6%
Manufacturing	5.2%	7.1%	8.2%
Wholesale Trade	0.2%	0.1%	0.3%
Retail Trade	6.4%	10.8%	11.1%
Transportation/Utilities	8.7%	4.9%	4.3%
Information	2.7%	2.4%	2.2%
Finance/Insurance/Real Estate	3.6%	4.2%	4.3%
Services	63.8%	59.9%	58.3%
Public Administration	5.2%	5.6%	5.6%
<b>2019 Employed Population 16+ by Occupation</b>			
Total	1,822	4,005	5,661
White Collar	68.8%	67.7%	63.7%
Management/Business/Financial	13.9%	13.8%	12.7%
Professional	31.9%	28.0%	26.7%
Sales	8.1%	11.7%	11.8%
Administrative Support	14.9%	14.2%	12.5%
Services	16.9%	17.1%	18.0%
Blue Collar	14.3%	15.2%	18.3%
Farming/Forestry/Fishing	0.7%	0.5%	0.4%
Construction/Extraction	2.8%	3.1%	3.4%
Installation/Maintenance/Repair	0.1%	2.2%	3.2%
Production	2.5%	3.9%	6.2%
Transportation/Material Moving	8.2%	5.4%	5.1%
<b>2010 Population By Urban/ Rural Status</b>			
Total Population	5,147	10,811	14,527
Population Inside Urbanized Area	0.0%	0.0%	0.0%
Population Inside Urbanized Cluster	98.6%	75.3%	62.2%
Rural Population	1.4%	24.7%	37.8%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>2010 Households by Type</b>			
Total	1,999	3,892	5,435
Households with 1 Person	43.4%	37.9%	34.7%
Households with 2+ People	56.6%	62.1%	65.3%
Family Households	46.0%	53.0%	57.1%
Husband-wife Families	35.5%	41.2%	44.7%
With Related Children	12.1%	13.6%	14.8%
Other Family (No Spouse Present)	10.5%	11.8%	12.4%
Other Family with Male Householder	2.5%	2.9%	3.3%
With Related Children	1.3%	1.5%	1.7%
Other Family with Female Householder	8.0%	8.9%	9.2%
With Related Children	4.4%	5.3%	5.6%
Nonfamily Households	10.7%	9.1%	8.2%
All Households with Children	18.0%	20.7%	22.4%
Multigenerational Households	1.3%	1.8%	2.1%
Unmarried Partner Households	4.1%	5.0%	5.3%
Male-female	3.5%	4.4%	4.7%
Same-sex	0.6%	0.6%	0.6%
<b>2010 Households by Size</b>			
Total	1,997	3,893	5,436
1 Person Household	43.4%	37.9%	34.7%
2 Person Household	33.1%	36.0%	37.1%
3 Person Household	10.7%	12.2%	13.3%
4 Person Household	8.6%	8.9%	9.4%
5 Person Household	2.9%	3.4%	3.7%
6 Person Household	1.1%	1.2%	1.3%
7 + Person Household	0.3%	0.4%	0.5%
<b>2010 Households by Tenure and Mortgage Status</b>			
Total	1,999	3,892	5,435
Owner Occupied	52.7%	57.3%	61.5%
Owned with a Mortgage/Loan	30.1%	34.0%	36.6%
Owned Free and Clear	22.6%	23.3%	24.9%
Renter Occupied	47.3%	42.7%	38.5%
<b>2010 Housing Units By Urban/ Rural Status</b>			
Total Housing Units	2,277	4,436	6,161
Housing Units Inside Urbanized Area	0.0%	0.0%	0.0%
Housing Units Inside Urbanized Cluster	98.4%	69.5%	56.4%
Rural Housing Units	1.6%	30.5%	43.6%

**Data Note:** Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Market Profile

Lexington House  
 130 Houston St, Lexington, Virginia, 24450  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 37.77666  
 Longitude: -79.44288

	1 mile	3 miles	5 miles
<b>Top 3 Tapestry Segments</b>			
1.	Golden Years (9B)	Golden Years (9B)	Golden Years (9B)
2.	College Towns (14B)	Silver & Gold (9A)	Silver & Gold (9A)
3.	Social Security Set (9F)	College Towns (14B)	Old and Newcomers (8F)
<b>2019 Consumer Spending</b>			
Apparel & Services: Total \$	\$3,248,357	\$7,265,086	\$10,404,651
Average Spent	\$1,653.11	\$1,858.08	\$1,895.89
Spending Potential Index	77	87	89
Education: Total \$	\$2,430,978	\$5,186,983	\$7,370,145
Average Spent	\$1,237.14	\$1,326.59	\$1,342.96
Spending Potential Index	78	83	84
Entertainment/Recreation: Total \$	\$4,881,812	\$11,361,277	\$16,581,189
Average Spent	\$2,484.38	\$2,905.70	\$3,021.35
Spending Potential Index	76	89	92
Food at Home: Total \$	\$7,973,797	\$18,224,894	\$26,435,558
Average Spent	\$4,057.91	\$4,661.10	\$4,816.97
Spending Potential Index	78	90	93
Food Away from Home: Total \$	\$5,546,412	\$12,520,699	\$17,991,945
Average Spent	\$2,822.60	\$3,202.22	\$3,278.42
Spending Potential Index	77	87	89
Health Care: Total \$	\$8,951,638	\$21,193,000	\$31,129,510
Average Spent	\$4,555.54	\$5,420.20	\$5,672.29
Spending Potential Index	77	91	96
HH Furnishings & Equipment: Total \$	\$3,122,779	\$7,226,521	\$10,464,530
Average Spent	\$1,589.20	\$1,848.22	\$1,906.80
Spending Potential Index	75	87	89
Personal Care Products & Services: Total \$	\$1,322,340	\$3,017,578	\$4,329,003
Average Spent	\$672.95	\$771.76	\$788.81
Spending Potential Index	76	87	89
Shelter: Total \$	\$28,840,256	\$63,908,686	\$90,221,835
Average Spent	\$14,676.98	\$16,344.93	\$16,439.84
Spending Potential Index	79	88	89
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$3,856,685	\$8,969,400	\$13,019,883
Average Spent	\$1,962.69	\$2,293.96	\$2,372.43
Spending Potential Index	79	92	96
Travel: Total \$	\$3,230,259	\$7,554,493	\$10,888,280
Average Spent	\$1,643.90	\$1,932.10	\$1,984.02
Spending Potential Index	73	86	88
Vehicle Maintenance & Repairs: Total \$	\$1,843,848	\$4,173,573	\$5,997,173
Average Spent	\$938.35	\$1,067.41	\$1,092.78
Spending Potential Index	82	93	96

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.

NOTIFICATION OF SECTION 8 CONTRACT RENTS AND FUNDING

FOR (Check one):

- Initial Renewal       Subsequent Renewal  
 Amend Rent/BA Only       Short-Term Renewal

Section 8 Contract No. VA36H027007 Expires on 10/31/2037

Owner Name: NEW LEXINGTON HOUSE I LIMITED

Project Name: LEXINGTON HOUSE

Project Location: 130 HOUSTON STREET; LEXINGTON, VA 24450

FHA Project No.: NA

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

Rent Effective Date

(If blank then no change in rents.)

No. of Units	No. of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
<u>78</u>	<u>1 BR</u>	<u>\$600</u>	<u>\$54</u>	<u>\$654</u>

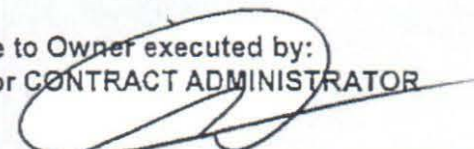
FUNDING

BUDGET AUTHORITY INCREASE: \$ 612,144

Contract/Renewal Effective Date 11/1/2017 Expiration Date 10/31/2037

For HUD Use Only:

Notice to Owner executed by:  
HUD or CONTRACT ADMINISTRATOR

By:  (Signature)

Christ J. Ford (Printed Name)

Chief (Official Title)

2/22/18 (Date)

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

**PROJECT-BASED SECTION 8**

**HOUSING ASSISTANCE PAYMENTS  
RENEWAL CONTRACT  
FOR MARK-UP-TO-MARKET PROJECT**

OMB Control #2502-0587

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

**PREPARATION OF CONTRACT**

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

DUNS # 961704934

1



---

**RENEWAL HAP CONTRACT  
FOR SECTION 8 MARK-UP-TO-MARKET PROJECT<sup>1</sup>**

**1 CONTRACT INFORMATION<sup>2</sup>**

**PROJECT**

**Section 8 Project Number:** VA36H027007

**Section 8 Project Number of Expiring Contract:** \_\_\_\_\_

**FHA Project Number (if applicable):** \_\_\_\_\_

**Project Name:** Lexington House

**Project Description:<sup>3</sup>**  
130 Houston Street; Lexington, VA 24450

---

Check this box if the project is a Section 236 project or a Section 221(d)(3) below market interest rate (BMIR) project at the beginning of the Renewal Contract term.

**PARTIES TO RENEWAL CONTRACT**

**Name of Contract Administrator<sup>4</sup>**  
HUD

---

**Name of Owner**  
New Lexington House I, LP

---

**2 TERM AND FUNDING OF RENEWAL CONTRACT**

- a The Renewal Contract begins on 11/01/2017<sup>5</sup> and shall run for a period of 10/31/2037<sup>6</sup> years.
- b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 612,144<sup>7</sup>, an amount sufficient to provide housing assistance payments for approximately 12<sup>8</sup> months of the first annual increment of the Renewal Contract term.
- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

**3 RENEWAL CONTRACT**
**a Parties**

- (1) This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (2) If HUD is the contract administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as contract administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) and section 11 (PHA default) of the Renewal Contract.

**b Statutory authority**

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

2

---

and section 524(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) \*\* (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

**c Expiring Contract**

Previously, the owner entered into a Housing Assistance Payments Contract ("Expiring Contract") with HUD or a PHA to make Section 8 housing assistance payments to the owner for eligible families living in the project. The term of the Expiring Contract has expired or will expire prior to the beginning of the term of the Renewal Contract.

**d Purpose of Renewal Contract**

The purpose of the Renewal Contract is to renew the Expiring Contract for an additional term. During the term of the Renewal Contract, the contract administrator will make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract. Such payments shall only be made for contract units occupied by eligible families ("families") leasing decent, safe and sanitary units from the owner in accordance with HUD regulations and other requirements.

**e Contract units**

The Renewal Contract applies to the project contract units identified in Exhibit A by size and applicable contract rents.

**4 EXPIRING CONTRACT – PROVISIONS RENEWED**

**a** Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

**b** Any provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1) The amount of the monthly contract rents;
- (2) Contract rent adjustments;

---

(3) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.

c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section.

## 5 CONTRACT RENT

### a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the project are adjusted in accordance with section 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

### b Contract rent adjustments

#### (1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) ("fifth year adjustment"), during the term of the Renewal Contract the contract administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements, using an operating cost adjustment factor (OCAF) established by HUD. Such adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for a fifth year adjustment.

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

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

4

- 
- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such anniversary of the Renewal Contract, the contract administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the contract administrator in accordance with HUD requirements, necessary to set the contract rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
- (c) To assist in the redetermination of contract rents, the contract administrator may require that the owner submit to the contract administrator a rent comparability study prepared (at the owner's expense) in accordance with HUD requirements.

**(3) Procedure for rent adjustments during renewal term**

To adjust contract rents during the term of the Renewal Contract (in accordance with paragraph 5b(1) or paragraph 5b(2)), the contract administrator shall give the owner notice of the revised Exhibit A. The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the contract administrator in accordance with paragraph 5b(1) or paragraph 5b(2). The notice shall specify when the adjustment of contract rent is effective. The notice by the contract administrator of the revised Exhibit A constitutes an amendment of the Renewal Contract.

**(4) No other adjustments**

Except for contract rent adjustments in accordance with paragraph 5b, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

**6 OWNER WARRANTIES**

- a The owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

5

- 
- b The owner warrants that the rental units to be leased by the owner under the Renewal Contract are in decent, safe and sanitary condition, as defined by HUD, and shall be maintained in such condition during the term of the Renewal Contract.

**7 OWNER NOTICE**

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

**8 APPLICABLE REQUIREMENTS**

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including amendments or changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD regulations and requirements which are inconsistent with the provisions of the Renewal Contract, including the provisions of section 5 (contract rent) and section 10 (distributions), shall not be applicable.

---

**9 STATUTORY CHANGES DURING TERM**

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 of the Renewal Contract, and if HUD determines, and so notifies the contract administrator and the owner, that the contract administrator is unable to carry out the provisions of section 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

**10 DISTRIBUTIONS**

During the term of the Renewal Contract, neither HUD nor the PHA may impose any additional limitations on distributions of project funds other than any distribution limitations specified in Exhibit B, which is attached to and made a part of this Renewal Contract.

**11 PHA DEFAULT**

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

**12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT**

- a This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).

- 
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

**13 EXCLUSION OF THIRD-PARTY RIGHTS**

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

**14 WRITTEN NOTICES**

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.



**SIGNATURES**

**Contract administrator (HUD or PHA)**

Name of Contract Administrator  
HUD

By: \_\_\_\_\_  
Signature of authorized representative

Name and official title

Date \_\_\_\_\_

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

By: \_\_\_\_\_  
Signature of authorized representative

Name and official title

Date \_\_\_\_\_

**Owner**  
Name of Owner New Lexington I, LP

7 7

Name and title

Date 2/26/18



---

**EXHIBIT B**

**DISTRIBUTION LIMITATIONS**

**FOR PROJECT NOT SUBJECT TO DISTRIBUTION LIMITATIONS:**

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

**FOR PROJECT SUBJECT TO DISTRIBUTION LIMITATIONS:**

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

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

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

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

---

## INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

<sup>1</sup> This form of Renewal Contract is only to be used to renew an expiring Section 8 project-based HAP contract for a Section 8 project whose rents are increased to market under the HUD Mark-Up-to-Market Option. The Renewal Contract shall be entered in accordance with Section 524 of MAHRA and HUD requirements. Section 2 of the Renewal Contract specifies the contract term.

<sup>2</sup> To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

<sup>3</sup> Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the housing by providing the address or other description of project location, and any other information necessary to clearly designate the covered housing.

If necessary, attach an exhibit with a site plan or other descriptive information. Enter a reference to the attached exhibit.

<sup>4</sup> Enter the name of the contract administrator that executes the Renewal Contract. If HUD is the contract administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the contract administrator is a public housing agency (PHA), enter the full name of the PHA.

<sup>5</sup> The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

<sup>6</sup> Enter a whole number of five or more years.

<sup>7</sup> Enter the amount of funding obligated.

<sup>8</sup> Enter a whole number of months.

# Rent Schedule Low Rent Housing

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

OMB Approval No. 2502-0012  
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
--------------	--------------------	---

## Part A – Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type  (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances  (Effective Date (mm/dd/yyyy) ___/___/___)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
Total Units		Monthly Contract Rent Potential (Add Col. 4)*				Monthly Market Rent Potential (Add Col. 8)*	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)*				Yearly Market Rent Potential (Col. 8 Sum x 12)*	

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

## Part B – Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

- |  |                                     |                                |
|--|-------------------------------------|--------------------------------|
| <input type="checkbox"/> Range           | <input type="checkbox"/> Dishwasher | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Refrigerator    | <input type="checkbox"/> Carpet     | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Air Conditioner | <input type="checkbox"/> Drapes     | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Disposal        | <input type="checkbox"/> _____      | <input type="checkbox"/> _____ |

**Utilities** (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)  
E=electric; G=gas; F=fuel oil or coal.

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Heating _____ | <input type="checkbox"/> Hot Water _____ | <input type="checkbox"/> Lights, etc. _____ |
| <input type="checkbox"/> Cooling _____ | <input type="checkbox"/> Cooking _____   | <input type="checkbox"/> _____              |

**Services/Facilities** (check those included in rent)

- |  |                                |   |
|--|--------------------------------|---|
| <input type="checkbox"/> Parking       | <input type="checkbox"/> _____ | <input type="checkbox"/> Nursing Care       |
| <input type="checkbox"/> Laundry       | <input type="checkbox"/> _____ | <input type="checkbox"/> Linen/Maid Service |
| <input type="checkbox"/> Swimming Pool | <input type="checkbox"/> _____ | <input type="checkbox"/> _____              |
| <input type="checkbox"/> Tennis Courts | <input type="checkbox"/> _____ | <input type="checkbox"/> _____              |

## Part C – Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$
	\$
	\$
	\$
	\$
	\$

## Part D – Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
Total Rent Loss Due to Non-Revenue Units		\$

## Part E – Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
		Total Commercial Rent Potential	\$

## Part F – Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender) \$ \_\_\_\_\_

**Part G – Information on Mortgagor Entity**

Name of Entity

Type of Entity

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

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title	Authorized Official's Signature  <div style="text-align: right;">Date (mm/dd/yyyy)</div>
----------------	--

**Part I – HUD/Lender Approval**

Addendum Number	Branch Chief/Lender Official Signature  <div style="text-align: right;">Date (mm/dd/yyyy)</div>
HAP Contract Number	Date (mm/dd/yyyy)
Exhibit Number	Director, Housing Management Division Signature  <div style="text-align: right;">Date (mm/dd/yyyy)</div>
Loan Servicer Signature	Date (mm/dd/yyyy)  <div style="text-align: right;">Date (mm/dd/yyyy)</div>

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is authorized under Section 207 of the National Housing Act. The information is necessary for the Department to ensure that project owners are not overcharging their tenants and to ensure that the rent levels approved by the Department are not exceeded. The Department uses this information to enforce rent regulations which otherwise would be difficult because there would be no clear record of the rents and charges that the Department had approved. In addition, the Department needs to periodically collect information regarding project principals, so unauthorized participation by previously excluded or otherwise undesirable owners can be detected. This information is required to obtain benefits. HUD may disclose certain information to Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

## Instructions

All project owners must submit the form HUD-92458 when requesting an adjustment to project rents. HUD establishes and approves rental charges and utility allowances on the Form. The owner is responsible for notifying tenants of the approved rents.

**General.** For projects with fully-insured or HUD-held mortgages, the owner/agent submits this Form to the HUD Field Office. For projects with coinsured mortgages, the owner/agent submits this Form to the lender.

**Part A.** If the monthly rent potential you are proposing is less than or equal to the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete all of Part A according to the instructions below. If the monthly rent potential you are requesting exceeds the Maximum Allowable Monthly Rent Potential approved by HUD/lender on your original Rent Formula or on your most recent Rent Computation Worksheet, complete only Columns 1 and 2 according to the instructions below. Show your proposed rents and monthly rent potential in the cover letter transmitting your rent increase request.

**Column 1.** Show each type of unit for which rents will vary. Show the number of bedrooms and bathrooms and other features that cause rents to vary (e.g., 2 BDM, 1 B, DA, KETTE, vs 2 BDM, 2B, DR, K). Use the following symbols:

BDM	- Bedroom	LR	- Living Room
B	- Bath	DR	- Dining Room
K	- Kitchen	DA	- Dining Alcove
KETTE	- Kitchenette		

**Column 2.** Show the number of units for each unit type. Include non-revenue producing units.

**Column 3.** For unsubsidized projects, show the rent you intend to charge for each unit type. For subsidized projects, show the contract rent (as defined in HUD Handbook 4350.3) for each unit type.

**Column 4.** For each line, multiply the contract rent in Column 3 by the number of units in Column 4. Add monthly contract rent potentials for each unit size to compute the total monthly contract rent potential. Multiply the monthly total by 12 to compute the annual contract rent potential.

**Columns 5 and 6.** Complete the Columns only if the project has a subsidy contract with HUD and some utilities are not included in the rent. In Column 5, show the utility allowance for each unit type. Compute the gross rent for each unit type by adding the contract rent in Column 3 and the utility allowance in Column 5. Show this amount in Column 6.

**Columns 7 and 8.** Complete these Columns only if the project is receiving Section 236 Interest Reduction Payments. In Column 7, show the market rent for each unit type. In Column 8, for each line multiply the market rent in Column 7 by the number of units in Column 2. Add the monthly market rent potentials for each unit size to compute the total monthly market rent potential. Multiply the monthly total by 12 to compute the annual market rent potential.

**Parts B, C, D and E.** Complete these Parts according to the instructions on the Rent Schedule.

**Part F.** Do not complete this Part. The HUD Field Office/lender will complete this Part.

**Parts G and H.** Complete these Parts according to the instructions on the Rent Schedule.

**Part I.** Do not complete this Part. The HUD Field Office/lender will complete this part.

R

Documentation of  
Operating Budget



**Deferred Developer Fee Payment**

Steele is proposing that \$699,837 of the total \$1,255,738 developer fee be differed in order to provide adequate sources to fund the project. This deferred amount is 56% of the total fee and will be repaid from cash flow over a period of 15 years after closing. Attached with this is a chart showing the 15-year projected cash flow after debt service payments. The 15-year cash flow is a total of \$1,558,285 which is more than enough to pay for the \$699,837 in deferred fee.

# Multi-Year Pro Forma

# Lexington House Apartments

<b>Net Operating Income</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Scheduled Gross Income	\$ 1,015,560	\$ 1,035,871	\$ 1,056,589	\$ 1,077,720	\$ 1,099,275	\$ 1,121,260	\$ 1,143,686	\$ 1,166,559	\$ 1,189,890	\$ 1,213,688	\$ 1,237,962	\$ 1,262,721	\$ 1,287,976	\$ 1,313,735	\$ 1,340,010
Less: Economic Vacancy	\$ (50,778)	\$ (51,794)	\$ (52,829)	\$ (53,886)	\$ (54,964)	\$ (56,063)	\$ (57,184)	\$ (58,328)	\$ (59,495)	\$ (60,684)	\$ (61,898)	\$ (63,136)	\$ (64,399)	\$ (65,687)	\$ (67,000)
Effective Gross Income	\$ 964,782	\$ 984,078	\$ 1,003,759	\$ 1,023,834	\$ 1,044,311	\$ 1,065,197	\$ 1,086,501	\$ 1,108,231	\$ 1,130,396	\$ 1,153,004	\$ 1,176,064	\$ 1,199,585	\$ 1,223,577	\$ 1,248,048	\$ 1,273,009
Add: Other Income	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367	\$ 6,495	\$ 6,624	\$ 6,757	\$ 6,892	\$ 7,030	\$ 7,171	\$ 7,314	\$ 7,460	\$ 7,609	\$ 7,762	\$ 7,917
<b>TOTAL INCOME</b>	\$ 970,782	\$ 990,198	\$ 1,010,002	\$ 1,030,202	\$ 1,050,806	\$ 1,071,822	\$ 1,093,258	\$ 1,115,123	\$ 1,137,426	\$ 1,160,174	\$ 1,183,378	\$ 1,207,045	\$ 1,231,186	\$ 1,255,810	\$ 1,280,926
Less: Operating Expenses	\$ (443,892)	\$ (457,208)	\$ (470,925)	\$ (485,052)	\$ (499,604)	\$ (514,592)	\$ (530,030)	\$ (545,931)	\$ (562,309)	\$ (579,178)	\$ (596,553)	\$ (614,450)	\$ (632,883)	\$ (651,870)	\$ (671,426)
Less: Replacement Reserves	\$ (19,500)	\$ (20,085)	\$ (20,688)	\$ (21,308)	\$ (21,947)	\$ (22,606)	\$ (23,284)	\$ (23,983)	\$ (24,702)	\$ (25,443)	\$ (26,206)	\$ (26,993)	\$ (27,802)	\$ (28,636)	\$ (29,495)
<b>NET OPERATING INCOME</b>	\$ 507,390	\$ 512,904	\$ 518,389	\$ 523,841	\$ 529,254	\$ 534,624	\$ 539,944	\$ 545,210	\$ 550,415	\$ 555,553	\$ 560,618	\$ 565,603	\$ 570,501	\$ 575,304	\$ 580,005

<b>Cash Flow After Debt Service</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
NET OPERATING INCOME	\$ 507,390	\$ 512,904	\$ 518,389	\$ 523,841	\$ 529,254	\$ 534,624	\$ 539,944	\$ 545,210	\$ 550,415	\$ 555,553	\$ 560,618	\$ 565,603	\$ 570,501	\$ 575,304	\$ 580,005
Debt Service	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)	\$ (440,751)
MIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CASH FLOW AFTER DEBT SERVICE</b>	\$ 66,639	\$ 72,153	\$ 77,638	\$ 83,090	\$ 88,503	\$ 93,872	\$ 99,193	\$ 104,459	\$ 109,664	\$ 114,802	\$ 119,867	\$ 124,852	\$ 129,749	\$ 134,552	\$ 139,253
Debt Service Coverage Ratio (with MIP)	1.15x	1.16x	1.18x	1.19x	1.20x	1.21x	1.23x	1.24x	1.25x	1.26x	1.27x	1.28x	1.29x	1.31x	1.32x

S

Supportive Housing  
Certification

This deal does not require  
information behind this tab.

T

Funding Documentation



## **Lexington House Apartments – Tax Exempt Bond Narrative**

The applicant, Steele Lexington LLC, is submitting a 4% LIHTC application to VHDA in order to help fund the acquisition and rehabilitation of Lexington House Apartments located at 130 Houston Street, Lexington, VA 24450. The City of Lexington Industrial Development Authority (IDA) has agreed to issue the tax exempt industrial revenue bonds to help finance the tax credit transaction. The Lexington IDA voted on October 9<sup>th</sup> to hold the public hearing (TEFRA) and IDA Meeting to approve the formal Inducement Resolution on November 20<sup>th</sup> at 5pm. The applicant will send a copy of the approved inducement resolution over after the IDA executes it on the 20<sup>th</sup>. Also, at the meeting on October 9<sup>th</sup> the IDA adopted the borrower's term sheet which is attached here for reference.

The applicant is expected to close on both the bonds and real estate on Wednesday, February 26<sup>th</sup>, 2020. Given that the Lexington IDA will submit for the final bond allocation in early January 2020 once all bond and loan documents are in final form. The renovations will commence immediately following the closing in February with an expected duration of 12 months from start to finish.

# INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LEXINGTON, VIRGINIA

## TERM SHEET FOR BORROWERS

Borrowers who utilize the Industrial Development Authority of the City of Lexington, Virginia (the “Authority”) for assistance in regard to tax-exempt or taxable obligations shall comply with the terms and conditions set forth below.

1. **Application to the Authority.** Each borrower shall submit a written application request to the Authority to request the Authority’s conduit financing assistance. Borrowers shall include all relevant information as may be requested by the Authority, or by counsel to the Authority, in order that the Authority effectively and fairly may evaluate each borrower’s request. Any borrower that requires the Authority’s consent approval, but does not request the Authority to issue an obligation, shall pay the Authority’s legal counsel fees related to such approval.

2. **Non-Refundable Application Fees.** All borrowers, excluding the City of Lexington, shall pay a non-refundable application fee, in the respective amounts set forth below, no later than the first meeting of the Authority related to the requested assistance for financing:

- Governmental and Charitable Borrowers - \$2,500
- Private Activity Borrowers (including manufacturing) - \$2,500

3. **Annual Administrative Fee Schedule.** The annual administrative fee schedule assessment against borrowers, excluding the City of Lexington, shall be the amount equal to one-tenth (1/10) of one percent (1%) of the principal loan, bonds per loan, or bond issue outstanding on the anniversary date of the issuance of the loan or bond; provided, however, the maximum annual administrative assessment per loan or bond issue shall not exceed \$10,000 for any calendar year.

4. **Loan Documentation Requirements.**

- Each borrower that requests any assistance from the Authority shall provide a bound transcript of proceedings (or 3-ring notebook) or an electronic copy of such transcript for the Authority’s official records of its actions.
- Each borrower shall covenant in its respective loan (or bond) documentation, as appropriate, to pay the Authority’s application fee, annual administrative assessment, and other costs in connection with the financing being undertaken for the benefit of the borrower, including advertising costs, closing costs, and Authority legal counsel fees related to the requested financing.
- Each borrower shall covenant that neither the Commonwealth of Virginia, the City of Lexington, nor the Authority shall be liable for payment on the loan or bond, except as to moneys provided by borrower to the Authority, and that the loan or bond shall not be subject to the taxing powers of the Commonwealth of Virginia, the City of Lexington, or the Authority.

- Each borrower shall covenant to provide the Authority with an annual debt service schedule in order that the Authority can compute the annual administrative assessment amount.
- Each borrower shall agree to comply with the Authority's Post-Issuance Tax Compliance Policy for Tax-Exempt Obligations and shall covenant to monitor its ongoing obligations as part of the closing tax documents, and provide an annual certificate, acceptable to the Authority's legal counsel, regarding the borrower's post-issuance tax compliance.
- Each borrower shall covenant that notices provided by the borrower to any other party in connection with the financing shall be provided also to the Authority at the following address: 300 E. Washington Street, Lexington, Virginia 24450, with a copy to counsel for the Authority at the following address: BotkinRose PLC, Attention: Daniel R. Lauro, 3190 Peoples Drive, Harrisonburg, Virginia 22801.
- The Authority expressly retains the right and absolute discretion to require such other covenants, or any other requirements, as may be advised by legal counsel to the Authority.

Adopted: October 9, 2019





September 26, 2019

**VIA ELECTRONIC TRANSMISSION**

Mr. David Asarch  
Steele Properties, LLC  
6875 E. Evans Avenue  
Denver, CO 80224

Re: **Private Placement Financing for Lexington House Apartments**

Dear David:

KeyBank National Association (the "Bank" or "KeyBank") is very pleased to offer this proposal for construction and permanent financing for the project known as Lexington House Apartments in Lexington, VA.

The following terms and conditions are not intended to be all-inclusive, but rather to give a general overview of certain requirements typical to this type of financing and are therefore subject to change. Should a commitment to lend be extended by KeyBank, specific conditions and requirements thereof will be determined by KeyBank at that time and in its sole discretion.

**Summary of Term and Conditions – Lexington House Apartments**

**Private Placement Bond Financing**

Borrower:	A TBD entity. The Borrower must be a single-asset entity. The Borrower and Managing Member are subject to approval of the Bank.
Guaranty:	Non-recourse with standard carve-outs guaranteed by Steele Properties, LLC
Loan Amount:	\$8,200,000 or as otherwise approved by the Bank. This amount assumes a maximum Loan-to-Value ("LTV") of 90%.
Term:	17 years

Amortization:	40 years
Interest Rate:	10-Year Treasury plus 2.20%. The spread is subject to market fluctuations until rate locked. Any on-going issuer or trustee fees to be included as expenses in the final underwriting.
Origination Fee:	1.0%
Collateral:	The loan will be secured primarily by a First Deed of Trust on the Property, including land, improvements, easements and rights-of-way; all fixtures and personal property owned by Borrower and relating to the Project; any other collateral as deemed necessary by the Bank and its legal counsel.
Late Fee:	For any payment of principal or interest not made within 10 days of when due, Borrower shall pay a late fee equal to the greater of 5.0% of the amount of such payment or \$50.00.
Prepayment:	11-year lock-out with 5.5 year of YM, 1% for 90 days and 90 days at par
Accounts:	Maintenance of primary deposit accounts related to the Project shall be held at KeyBank N.A. The accounts are to be opened prior to or concurrent with Loan Closing.
Appraisal:	Bank shall receive prior to Date of Closing a written appraisal satisfactory to the Bank in all respects including, but not limited to, a prospective market valuation of the Project and the Low Income Housing Tax Credits. The report shall be acceptable to the Bank in its sole discretion.
Environmental Assessment:	Borrower shall provide evidence (including a Phase I environmental assessment prepared for and certified to Bank) indicating the Land is free from risk in the Bank's sole judgement from all hazardous substances, toxic substances or hazardous waste as defined by any Federal, state or local law, statute, ordinance or regulation, and is free of all other contamination which, even if not so regulated, is known to pose a hazard to the health of any person on or about the Land, and that the Land is not in a "wetlands" or "flood plain" area, and contains no underground storage tanks or oil or gas wells. The Bank reserves the right, at the Borrower's expense, to retain an independent consultant to review any such evidence submitted by Borrower or to conduct its own investigation of the Land.

Disbursement Procedures:	It is anticipated that loan proceeds will be fully advanced at closing. All funds required for rehabilitation of the project will be held in a KeyBank-controlled escrow account, and disbursed subject to the Bank's Construction Loan Agreement, which shall contain such terms, covenants, and conditions as shall be satisfactory to the Bank.
Title Insurance Policy:	Borrower shall furnish to the Bank an ALTA Loan Policy of Title Insurance, by a title company satisfactory to the Bank, in the Loan Amount, insuring the Bank that it has a first lien upon the Project including customary insurance against mechanic's and material men's liens and encroachments by or upon the Project
Insurance:	Borrower shall obtain and maintain insurance coverage satisfactory to the Bank. The initial policies shall be prepaid and certificates of insurance shall be delivered to the Bank prior to Loan Closing. All renewal policies shall be prepaid and certificates of insurance delivered to the Bank as evidence of such insurance on or prior to the policy expiration date.
LTV:	Not to exceed 90% of appraised value of the property, as stabilized at restricted rents.
Debt Coverage Ratio:	1.15:1
Equity:	Borrower will be required to provide a minimum of 15% equity during the construction period based on construction budget costs. Tax Credit Equity, and other soft debt sources that are 1) not must pay and 2) that are in lien position behind Key's loan will be considered as sources of equity if received during the construction period.
Bond Payments:	Principal and interest payments will be based on a monthly schedule in accordance with the terms of the Bond Documents and will flow through the Bond Trustee for payment to KeyBank as the Bondholder.
Subordinate Debt:	Subordinate debt is permitted subject to underwriting review and approval.
Rate Lock Deposit:	\$25,000 rate lock deposit required. The interest rate can be locked up to two weeks prior to transaction close, subject to credit approval by KeyBank. Rate lock deposit will be refunded upon

closing of the loan. The rate lock deposit can be in the form of a subordinate note.

- Escrow Requirements:** Tax (if property is determined to be subject to real estate taxes) and Insurance escrows are required. Replacement Reserves of not less than \$250/unit are required to be funded. No debt service reserves are contemplated at this time.
- Timing:** Loan process timing from application to commitment/closing is estimated to be 90 to 120 days.
- Confidentiality:** This Proposal is delivered to you with the understanding that neither this term sheet nor any of its terms or substance shall be disclosed, directly or indirectly to any other person except (i) your employees, agents and advisors who are directly involved in the consideration of this matter or (ii) as disclosure may be compelled in a judicial or administrative proceeding or as otherwise required by law.
- Legal and Other Fees:** Borrower will be responsible for all legal fees and third-party fees, including but not limited to: Appraisal, Phase I ESA, Survey, Title and all closing costs related to the loan. Third party reports for the purpose of due diligence are estimated at \$12,000. Lender Legal Fees are estimated at \$50,000.
- Proposal Expiration:** This proposal is open for acceptance for 14 days following receipt by Borrower. If it is not accepted and returned to the Bank at the address below by said date, the Proposal shall immediately become null and void without further notice.

Sarah Geis  
Vice President  
KeyBank Community Development Lending  
1675 Broadway, Suite 400  
Denver, CO 80202  
[sarah\\_geis@keybank.com](mailto:sarah_geis@keybank.com)

**Additional Required Information****IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING ACCOUNTS  
AT KEY**

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. Therefore, all new and existing customers are subject to the identity verification requirements.

When a customer opens an account with any entity within the KeyCorp family of companies, we will ask for the customer's name, address and identification number, and in the case of an individual, his or her date of birth. For business accounts, we may also obtain this information for individuals associated with the business. We may also request to see a valid driver's license or other approved identifying documents. In all cases, Key is committed to protecting the privacy and identity of each of its customers.

Thank you for the opportunity to provide this financing proposal for Lexington House Apartments. Please do not hesitate to contact me at (720) 904-4005 or [sarah\\_geis@keybank.com](mailto:sarah_geis@keybank.com) with any questions or comments.

Sincerely,

**KeyBank National Association**

A handwritten signature in cursive script that reads "Sarah Geis".

Sarah Geis  
Vice President & Senior Relationship Manager  
Community Development Lending

[Borrower Acknowledgement on Following Page]

**ACKNOWLEDGED BY:**

**BORROWER:**

Steele Properties, LLC

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

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

Date: \_\_\_\_\_

September 13, 2019

Justin Unger  
Steele Properties LLC  
6875 East Evans Ave.  
Denver, CO 80224

Re: Lexington House Apartments (“the Project”)  
Lexington, VA

Dear Mr. Unger:

We are pleased to present the following summary terms for an equity investment in a Limited Partnership, which will own and operate a 78 unit low income housing project known as Lexington House Apartments, located in Lexington, VA. This summary of terms is based on the information we have received and is further based on certain assumptions made by NEF regarding the development budget, lease-up schedule, pro-forma operating statements, and ownership structure.

Annual Low Income Housing      \$291,613  
Tax Credit Allocation (NEF, as  
Limited Partner, will be entitled  
to 99.98% of LIHTCs):

Price per LIHTC:      \$0.90

Total Tax Credit Equity:      \$2,624,250

Equity Pay-In Schedule:      Capital Contribution #1  
(24%) at Closing

Capital Contribution #2  
(15%) at 50% Construction Completion

Capital Contribution #3  
(10%) at 75% Construction Completion

Capital Contribution #4  
(20%) at Placed in Service, Cost Certification,  
Certificates of Occupancy.

Capital Contribution #5  
(28%) at Achievement of Stabilized Operations,  
and Conversion of Construction Loan to  
Permanent Debt

Capital Contribution #6  
(3%) at Delivery of 8609 and First Year Tax  
Filing

Capitalized Operating Reserve: 4 months of projected operating expenses and  
debt service.

Annual Replacement Reserves: No less than \$300/unit/year, increasing 3.0%  
annually.

Due Diligence Fee: \$55,000, paid at closing.

Other Terms and Conditions: 1) The General Partner must have a firm  
commitment for construction financing and  
fixed-rate permanent financing with terms,  
conditions and lender acceptable to NEF.

2) Receipt, review, and approval of the  
appraisal, market study, environmental and  
geological reports, plans and specifications,  
contractor and architect agreements, and such  
other due diligence as is customary and  
reasonable for an equity investment of this  
nature and amount.



3) The Capital Contributions are based on mutually agreed upon closing date, construction schedule and lease-up schedules.

4) The terms of this letter are subject to change based upon investor yield requirements at the time of credit award.

After you have reviewed the terms outlined above, please contact me with any questions or issues that you may have. Upon the project's receipt of a Low Income Housing Tax Credit award, NEF will issue our binding Letter of Intent and begin our underwriting and closing process.

As always, we thank you for the opportunity and are excited about the prospect of investing in this development.

Very truly yours,

NATIONAL EQUITY FUND, INC.

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

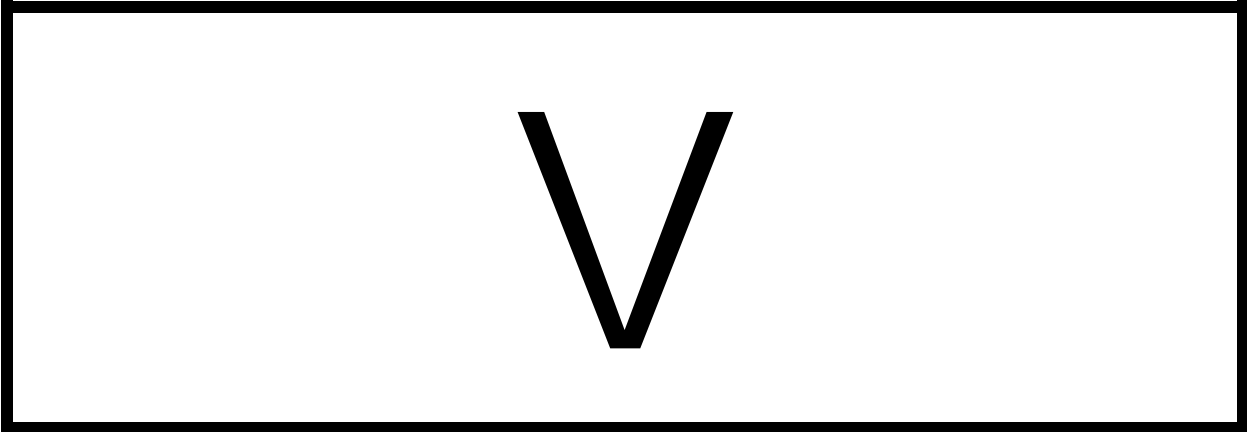
Rachel Rhodes  
Regional Vice President  
312-697-8255

U

Documentation to  
Request Exception to  
Restriction-Pools with  
Little/No Increase in Rent  
Burdened Population

This deal does not require  
information behind this tab.

This deal does not require  
information behind this tab.



V

Nonprofit or LHA Purchase  
Option or Right of First  
Refusal

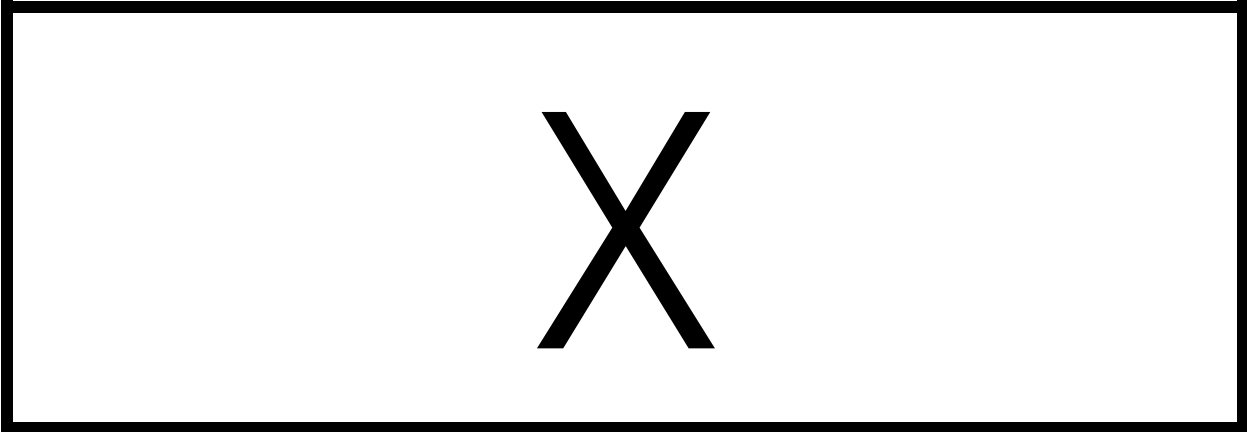
This deal does not require  
information behind this tab.

W

(Reserved)

This deal does not require  
information behind this tab.





X

# Marketing Plan

For units meeting accessibility requirements of HUD section

504

# ***Lexington House Apartments Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act***

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

The Management Agent will be responsible for the management of Lexington House Apartments.

Monroe Group Ltd., 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, Monroe Group Ltd. will be responsible for the development and management of community and resident services program.

## **I. Affirmative Marketing**

Monroe Group Ltd. 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. Monroe Group Ltd., 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 Monroe Group Ltd..

## **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**

**Monroe Group Ltd. 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:**

- **Valley Associates for Independent Living (540-433-6513)**
- **Virginia Board for People with Disabilities (804-786-0016)**
- **Virginia Department for Aging and Rehabilitative Services (804-662-7078)**

#### **Centers for Independent Living**

- **Kendal at Lexington (540-463-1910)**
- **Mayflower Retirement Home (888-481-8704)**

### **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.**
- **Elizabeth Seward, Director, Statewide Housing Initiatives, (804) 343-5615, elizabeth.seward@vhda.com**

### **2. Internet Search**

Lexington House Apartments will also be listed on the following websites:

[www.virginiahousingsearch.com](http://www.virginiahousingsearch.com)  
[www.hud.gov](http://www.hud.gov)  
[www.craigslist.org](http://www.craigslist.org)  
[accessva.org](http://accessva.org)  
[dbhds.virginia.gov](http://dbhds.virginia.gov)

### **3. Print Media**

Print media sources will also be identified in the Lexington 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. Monroe Group Ltd. 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 Lexington House Apartments is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.

- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.
- Held Vacant for 60 Days**

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

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

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

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